

**Vestavia Hills
City Council Agenda
June 27, 2016
5:00 PM**

1. Call to Order
2. Roll Call
3. Invocation – David Harwell
4. Pledge Of Allegiance
5. Candidates, Announcements and Guest Recognition
6. City Manager’s Report
7. Councilors’ Reports
8. Financial Reports – Melvin Turner, III, Finance Director
9. Approval of Minutes –June 13, 2016 (Regular Meeting)

New Business

10. Resolution Number 4848 – A Resolution Accepting The 2014-2015 Audit For The City Of Vestavia Hills, Alabama

Old Business

11. Resolution Number 4846 – A Resolution Ordering The Demolition Of A Building Or Structure Located At 1756 Indian Creek Drive, Vestavia Hills, Al 35243, Parcel Id# 28-00-20-4-004-015.000, In Compliance With Sections 11-40-30 Through 11-40-36, Sections 11-53b-1 Through 11-53b-16, Inclusive, Of The *Code Of Alabama, 1975*, And In Compliance With Ordinance Number 2382 Of The City Of Vestavia Hills, Alabama; And Calling For The City To Cause Said Demolition To Be Performed And Directing The City Attorney And The City Clerk To Cause The Cost Of Such Demolition To Be Charged Against The Land On Which The Building Or Structure Exists As A Municipal Lien Or Cause Such Cost To Be Recovered In A Suit At Law Against The Owner Or Owners (*public hearing*)
12. Resolution Number 4847 – A Resolution Authorizing The City Manager To Allow Use Of Overtime And The Hiring Of A Temporary, Part-Time Employee To Supplement Fire Department And Building Department Inspections (*public hearing*)

New Business (continued)

13. Resolution Number 4849 - A Resolution Declaring A Weed And Other Vegetation Nuisance Pursuant To Ordinance Number 2567 And Directing The City Manager To Abate Said Nuisance (*public hearing*)
14. Resolution Number 4852 - A Resolution Authorizing And Directing The City Manager To Enter Into Two Agreements With EMS Management & Consultants, Inc.

First Reading (No Action Taken At This Meeting)

15. Resolution Number 4850 - A Resolution Accepting A Bid For SHAC Phase II And Authorizing The City Manager To Execute And Deliver An Agreement For Said Construction (*public hearing*)
16. Resolution Number 4851 - A Resolution Authorizing The Purchase And Installation Of Vinyl Flooring Planks And Removal Of Existing Flooring For The Community Room At The Vestavia Hills Library In The Forest (*public hearing*)
17. Citizens Comments
18. Motion For Adjournment

CITY OF VESTAVIA HILLS

CITY COUNCIL

MINUTES

JUNE 13, 2016

The City Council of Vestavia Hills met in regular session on this date at 5:00 PM. The Mayor called the meeting to order and the City Clerk called the roll with the following:

MEMBERS PRESENT:

Mayor Alberto C. Zaragoza, Jr.
Steve Ammons, Mayor Pro-Tem
George Pierce
John Henley
Jim Sharp

OTHER OFFICIALS PRESENT:

Jeff Downes, City Manager
Patrick H. Boone, City Attorney
Rebecca Leavings, City Clerk
Dan Rary, Police Chief
Police Capt. Kevin York
Police Capt. Jason Hardin
Jim St. John, Fire Chief
Marvin Green, Deputy Fire Chief
Brian Davis, Public Services Director
Melvin Turner, Finance Director
George Sawaya, Asst. City Treasurer
Christopher Brady, City Engineer

Invocation was given by Jim St. John, Vestavia Hills Fire Chief, followed by the Pledge of Allegiance.

ANNOUNCEMENTS, GUEST RECOGNITION, CANDIDATES

- Mr. Pierce welcomed Angie McEwen who was in attendance representing the Chamber of Commerce:
- Mr. Ammons introduced Anne Smyth, President of the Vestavia Hills Park and Recreation Board.

- Mr. Henley stated that the annual WingDing was done Saturday but the Principal Mortgage team defended their championship. The event was held for the first time here at the City Hall with probably more than 2,000 people in attendance.
- Mayor Zaragoza stated that the first “First Friday” was held in the Rocky Ridge area hosted by the area merchants. Like anything else, there were a few glitches, but was a great event and well attended. July 1 will be the next “First Friday.” This area is the first entertainment district and the Council is trying to find the other two prime locations for an entertainment district.
- Mr. Ammons thanked the first responders who helped with safety and traffic control and also the help from the Wing Ding.
- Mr. Pierce announced that Thursday, June 30, is I Love America Day which will still be held at Wald Park.
- Mr. Downes stated that the giant slide at Morgan Drive and Limerock Road will be held on June 25 from 9 AM until 6 PM. The event is close to being sold out.

CANDIDATES

Kimberly Cook introduced herself and announced that she is running for City Council in the upcoming municipal election.

Bob Elliott introduced himself and announced that he is running for City Council in the upcoming municipal election.

Mayor Zaragoza introduced himself and announced is he was running for Mayor in the upcoming municipal election.

George Pierce introduced himself and announced that is was running for City Council in the upcoming municipal election.

Steve Ammons introduced himself and announced that he is running for City Council, Place Number 3, in the upcoming municipal election.

John Henley introduced himself and announced that he is running for City Council, Place Number 1, in the upcoming municipal election.

CITY MANAGER’S REPORT

Mr. Downes updated the Council on road and sidewalk projects with expected dates of completion:

- The repaving of Rocky Ridge Road from Shades Crest Road to Lorna Road has begun. Assuming weather holds, they are hoping to complete the paving of the project within the next few weeks. Striping and reflectors, along with more drainage and shoulder work will be done as weather and timing allows.

- Paving of Tyler Road, Columbiana Road and Overton Road will hopefully begin soon. A pre-construction meeting was held and the City is hoping the paving will be forthcoming soon, but this is a state funded project and subject to ALDOT.
- A retaining wall design is being completed and the Massey Road project will move to ALDOT for approval and hopefully will be put to bid soon.
- A multijurisdictional project for paving of Sicard Hollow Road is being designed and will be put out for bid soon by the County.
- Another multijurisdictional project, the paving of Cahaba River Road with four jurisdictions, including Birmingham, which is the only entity that has not signed the agreement. Meetings have been held with Birmingham officials and they have indicated that they will participate and the hopes are that the County will accelerate these documents through bidding.
- Residential paving bids of city streets should be sent out soon. The bid specs are on the City Manager's desk and once reviewed and approved, bid packets should be ready soon.
- Mr. Downes updated the Council on the City building sidewalks rather than going through ALDOT for funding because of design costs.
- Mr. Downes stated that his administrative assistant has been working on a projects page to allow the public to view ongoing project progress. It's such a load of information, it hasn't been released yet to the public. He asked everyone to be patient for this project to be unveiled.

COUNCILORS' REPORTS

- Mr. Ammons stated that the Wald Park Committee has met with the consultants and has given them direction as to the priorities of the redesign of the park and they hope to come back with recommendations within the next few months.

APPROVAL OF MINUTES

The minutes of May 16, 2016 (Work Session) and May 23, 2016 (Regular Meeting) were presented for approval.

MOTION Motion to dispense with the reading of the minutes of May 16, 2016 (Work Session) and May 23, 2016 (Regular Meeting) and approve them as presented was by Mr. Pierce and second by Mr. Henley. Roll call vote as follows:

Mr. Pierce – yes

Mr. Henley – yes

Mr. Sharp – yes

Mr. Ammons – yes

Mayor Zaragoza – yes

Motion carried.

OLD BUSINESS

RESOLUTION NUMBER 4840

Resolution Number 4840 - Authorizing The City Manager To Execute And Deliver Agreements With Various Entities For Design Services And Construction Specifications For The Western Entrance To The Proposed Recreational Fields Located On The Former Altadena Valley Country Club (*public hearing*)

MOTION Motion to approve Resolution Number 4840 was by Mr. Ammons and second was by Mr. Sharp.

Mr. Downes indicated that the Council had recently approved the purchase of some property from Jefferson County and a part of the International Park property in order to develop an alternate entrance to the former Altadena Valley Country Club on the proposed recreational park area. This Resolution authorizes the City Manager to execute an agreement for \$50K for design, \$15K for engineering and inspection services and an allowance for construction testing and materials. The EDG contract is one of the contracts in this Resolution was reviewed by Mr. Boone who recommended some amendments. These revisions have been agreed to by the officers of EDG.

Mr. Boone reviewed his recommendations and explained the reasons for the recommendations.

Mr. Downes stated that this is professional services and not subject to bid and the funding will be derived from Capital Projects.

MOTION Motion to amend the agreement attached to Resolution Number 4840 pursuant to Mr. Boone's letter and with said recommendations was by Mr. Pierce and second was by Mr. Ammons. Roll call vote as follows:

Mr. Pierce – yes	Mr. Henley – yes
Mr. Sharp – yes	Mr. Ammons – yes
Mayor Zaragoza – yes	Motion carried.

The Mayor opened the floor for a public hearing. There being no one to address the Council regarding the request, the Mayor closed the public hearing and called for the question. Roll call vote as follows:

Mr. Pierce – yes	Mr. Henley – yes
Mr. Sharp – yes	Mr. Ammons – yes
Mayor Zaragoza – yes	Motion carried.

NEW BUSINESS

RESOLUTION NUMBER 4842

Resolution Number 4842 – A Resolution Approving A License For Ironstone Concepts LLC D/B/A Ironstone Pizzaworks For A 040 On Or Off Premise Beer License And A 060 Retail Table Wine (On Or Off Premises); John W. McPherson, Jr. And Thomas G. Gresham, Executives (public hearing)

MOTION Motion to approve Resolution Number 4842 was by Mr. Henley and second was by Mr. Sharp.

Mr. Downes explained that this is a license request for a new restaurant. The Police Department has reviewed the background and recommended approval.

Jim Walsh was present in regard to this request. He explained the restaurant to be located in the City Center at 632 Montgomery Highway with ‘build your own pizza’ where you pick your own toppings and then they bake it for you.

Mr. Pierce asked him about the training of employees.

Mr. Walsh stated that they are writing a manual giving complete instructions and they have a certified trainer and each employee will have to complete certification before serving.

The Mayor opened the floor for a public hearing. No one was present in regard to this issue. The Mayor closed the public hearing and called for the question:

Mr. Pierce – yes

Mr. Henley – yes

Mr. Sharp – yes

Mr. Ammons – yes

Mayor Zaragoza – yes

Motion carried.

RESOLUTION NUMBER 4843

Resolution Number 4843 – A Resolution To Appoint A Member To The Birmingham-Jefferson County Transit Authority

MOTION Motion to approve Resolution Number 4843 was by Mr. Ammons and second was by Mr. Pierce.

The Mayor explained that Andrew Edwards was previously appointed as the City’s representative on the Transit Authority when the population changed and allowed Vestavia Hills a representative. Mr. Edwards was unable to complete his term, so the Council has requested that the other applicant fulfill the appointment. Mr. Donald A.

Harwell, who had filled in during a health issue of Mr. Edwards, was kind enough to accept the appointment and fill the remainder of Mr. Edwards' appointment. He indicated that he is recommending the appointment of Mr. Donald A. Harwell which will expire in 2018.

Mr. Sharp thanked Mr. Edwards for his service over the last 4 years and wished Mr. Harwell well during the remainder of the appointment.

The Mayor called for the question.

Mr. Pierce – yes	Mr. Henley – yes
Mr. Sharp – yes	Mr. Ammons – yes
Mayor Zaragoza – yes	Motion carried.

Mr. Harwell thanked the Mayor and the City Council for this appointment and indicated this is a tough board and he is willing to represent the City well.

The Mayor then introduced Ms. Kierston Bryant, who has volunteered to represent Vestavia Hills on the Citizen Supervisor Committee for the transit system. The Mayor stated that this is a tough position to fill and Ms. Bryant volunteered for it. He thanked her for her willingness to serve and she thanked the Mayor and Council for the opportunity to serve in this capacity.

RESOLUTION NUMBER 4844

Resolution Number 4844 – A Resolution Authorizing The Mayor And City Manager To Enter Into A Remediation Agreement Regarding Property Located At 2216 Brookdale Lane, Vestavia Hills, Alabama 35216

MOTION Motion to approve Resolution Number 4844 was by Mr. Henley and second was by Mr. Pierce.

Mr. Downes explained that this Resolution allows he and the Mayor to execute and deliver a remediation agreement on a house that had begun renovation but never finished the project. This agreement is agreed upon by both the owner and the mortgage company that put together a schedule of construction-related activities to remediate the situation and will satisfy the terms of this agreement if completed by August 15. If not, the mortgage company will have the ability to finish and if not, the City will have the ability to terminate the nuisance.

Mayor Zaragoza indicated that the owner and his mortgage company have both agreed to the terms of the agreement.

Mr. Henley asked how long the construction project has been ongoing.

Mr. Downes stated that it has been well over 18 months and he doesn't know the reason for the delay other than probably financial.

The Mayor opened the floor for a public hearing. There being no one, he called for the question.

Mr. Pierce – yes	Mr. Henley – yes
Mr. Ammons – yes	Mayor Zaragoza – yes
	Motion carried.

*** Mr. Sharp stepped out of the Chamber.*

RESOLUTION NUMBER 4845

Resolution Number 4845 – A Resolution Setting A Public Hearing For Adoption Of Various 2014 & 2015 National And International Building Codes With Amendments

MOTION Motion to approve Resolution Number 4845 was by Mr. Ammons and second was by Mr. Henley.

Mr. Downes explained that this Resolution calls for a public hearing for the adoption of several new building codes. The public hearing is scheduled for July 11, 2016.

The Mayor opened the floor for a public hearing. There being no one, he called for the question.

Mr. Pierce – yes	Mr. Henley – yes
Mr. Ammons – yes	Mayor Zaragoza – yes
	Motion carried.

*** Mr. Sharp remained out of the Chamber.*

FIRST READING (NO ACTION TO BE TAKEN AT THIS MEETING)

The Mayor stated that the following Resolutions and/or Ordinances will be presented at a public hearing at the Council's next regularly scheduled meeting on June 27, 2016 at 5 PM.

- Resolution Number 4846 – A Resolution Ordering The Demolition Of A Building Or Structure Located At 1756 Indian Creek Drive, Vestavia Hills, Al 35243, Parcel Id# 28-00-20-4-004-015.000, In Compliance With Sections 11-40-30 Through 11-40-36, Sections 11-53b-1 Through 11-53b-16, Inclusive, Of The Code Of Alabama, 1975, And In Compliance With Ordinance Number 2382 Of The City Of Vestavia Hills, Alabama; And Calling For The City To Cause Said

Demolition To Be Performed And Directing The City Attorney And The City Clerk To Cause The Cost Of Such Demolition To Be Charged Against The Land On Which The Building Or Structure Exists As A Municipal Lien Or Cause Such Cost To Be Recovered In A Suit At Law Against The Owner Or Owners (*public hearing*)

- Resolution Number 4847 – A Resolution Authorizing The City Manager To Allow Use Of Overtime And The Hiring Of A Temporary, Part-Time Employee To Supplement the Fire Department And Building Safety (*public hearing*)

CITIZEN COMMENTS

Michel Chaudry, 1759 Indian Creek Drive, stated that he lives across the street from the property described in the Resolution that they are talking about in the announcements.

Kathryn Ayres, 4421 Dolly Ridge Road, stated she was under the impression that she should come back and give an update to the Council regarding the weed abatement on her property. Mayor Zaragoza stated that she was supposed to be meeting with Mr. Coleman and the abatement would be up to him. She stated that she was concerned about drainage and making the improvements to the property, but there will be a 2-week time to get to digging around the property and she's still concerned about the drainage issue.

The Mayor indicated that the homeowner was supposed to meet with Mr. Brady and with Mr. Coleman. Mr. Brady stated he has been working with her on private property issues and they are trying to get them resolved. She showed a picture of a grate located near the roadway and indicated it was responsible for some of her flooding issues.

Mr. Brady stated that the grate is lower than her property and located in an area where there was no way that structure could cause her water issues.

Chief York stated that Mr. Coleman reported that she has not met his specifications and he has solicited bids for the remediation of the work.

Ms. Ayres stated that the contractors cannot start digging and cannot address the issues.

The Mayor stated that she was supposed to be meeting with Mr. Coleman on his progress. He recommended that she contact Mr. Coleman first thing in the morning because he was authorized to accept the bids to remediate if this had not been done.

Discussion ensued and again it was recommended that Ms. Ayers contact Mr. Coleman.

Deborah Reinhardt, 1756 Indian Creek Drive, thought this was to be discussed tonight. She stated that she has never been contacted by her HOA and that she hasn't been notified.

Ms. Leavings explained that she did not pick up her notice from the Post Office so Mr. Coleman hand delivered it to her.

The Mayor recommended that she contact Mr. Blanton in Building Safety and return to the Council meeting on June 27 for the public hearing on that issue.

At 6:15 PM, Mr. Pierce made a motion to adjourn; seconded by Mr. Henley. Meeting adjourned at 6:16 PM.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

RESOLUTION NUMBER 4848

**A RESOLUTION ACCEPTING THE 2014-2015 AUDIT
FOR THE CITY OF VESTAVIA HILLS, ALABAMA**

WHEREAS, the audit for the fiscal year 2014-2015 has been submitted to the Mayor and the City Council for review; and

WHEREAS, the Mayor and the City Council feel it is in the best public interest to accept the audit performed by Carr, Riggs, and Ingram, LLC.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VESTAVIA HILLS, ALABAMA, AS FOLLOWS:

1. That the City Council wishes to accept the audit for the fiscal year 2014-2015;
and
2. That a copy of the submitted audit be affixed to this resolution marked “Exhibit A.”

ADOPTED and APPROVED this the 27th day of June, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

City of Vestavia Hills, Alabama
Financial Statements
September 30, 2015



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City of Vestavia Hills, Alabama
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September 30, 2015

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CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
3700 Colonnade Parkway
Suite 300
Birmingham, AL 35243

(205) 933-7822
(205) 933-7944 (fax)
www.cricpa.com

Independent Auditors' Report

To the Mayor and City Council
City of Vestavia Hills
Vestavia Hills, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Vestavia Hills, Alabama (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of matter

As discussed in Note 7 and 13 to the basic financial statements, during 2015 the Board adopted Governmental Accounting Standards Board Statement No 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statements No. 71, *Pension Transactions for Contributions Subsequent to the Measurement Date*. As a result of the adoption, the Board has restated its net position as of October 1, 2014 to comply with the pronouncements. Our opinion is not modified with respect to this matter.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Vestavia Hills, Alabama, as of September 30, 2015, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed in the table of contents as "required supplementary information" be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Birmingham, Alabama
June 10, 2016

**City of Vestavia Hills
Management's Discussion & Analysis (MD&A)
September 30, 2015**

The City of Vestavia Hills' Management Discussion and Analysis report provides an overview of the City's financial activities for fiscal year ended September 30, 2015. Please read the report in conjunction with the City's financial statements and notes to the financial statements that immediately follow this analysis.

Financial Highlights: Significant Items to Note

- ❖ The assets of the City exceeded the liabilities at the close of the 2015 fiscal year by \$73.24 million (net position).
- ❖ The City's net position decreased 23.1% (\$22 million) in the 2015 fiscal year resulting primarily from implementing GASB 68, recording the City's net pension liability, and the Economic Incentive Program, \$18.6 and \$4.79 million respectively.
- ❖ The total cost of the City's programs for the 2015 fiscal year was \$42.3 million. The net cost was \$33.5 million after subtracting grants and charges for services.
- ❖ At the end of the 2015 fiscal year, the general fund unassigned fund balance, excluding the City's committed funds for economic stabilization fund balance of \$9.08 million, was \$3.2 million, or 10.3% of the total general fund operating expenses before debt service.
- ❖ Major capital expenditures for the 2015 fiscal year totaled \$20.3 million including \$18.6 million for projects in progress and \$1.7 million for completed projects.
- ❖ The City decreased its outstanding General Obligation Warrants by \$2.3 million, inclusive of \$.350 million in QECB Debt Sinking Fund.

Using the Annual Financial Report - An Overview for the User

The annual financial report consists of five parts - *management's discussion and analysis* (this section), the *independent auditors' report*, the *basic financial statements*, *required supplementary information*, and *other supplementary information*.

The City's basic financial statements are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the basic financial statements*.

Government-Wide Financial Statements - The focus of these statements is to provide readers with a broad overview of the City's finances as a whole, similar to a private-sector business, instead of an individual fund basis.

Government-wide statements report both long-term and short-term information about the City's overall financial status including the capitalization of capital assets and depreciation of all exhaustible capital assets and the outstanding balances of long-term debt and other obligations. These statements report all assets and liabilities perpetuated

by these activities using the accrual basis of accounting. The accrual basis takes into account all of the City's current year's revenues and expenses regardless of when cash is received or paid. This approach moves the financial reporting method for governmental entities closer to the financial reporting methods used in the private sector.

The following *government-wide financial statements* report is on all of the governmental activities of the City as a whole.

The *statement of net position* (on page 5) is most closely related to a balance sheet. It presents information on all of the City's assets (what it owns) and liabilities (what it owes), with the difference between the two reported as net position. The net position reported in this statement represents the accumulation of changes in net position for the current fiscal year and all fiscal years in the past combined. Over time, the increase or decrease in net position reported in this statement may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* (on page 6) is most closely related to an income statement. It presents information showing how the City's net position changed during the current fiscal year only. All of the current year's revenues and expenses are accounted for in the *statement of activities* regardless of when cash is received or paid. This statement shows gross expenses and offsetting program revenues to arrive at net cost information for each major expense function or activity of the City. By showing the change in net position for the year, the reader may be able to determine whether the City's financial position has improved or deteriorated over the course of the current fiscal year.

However, the reader will also need to consider non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure assets, in order to assess the overall health of the City.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal and internal requirements. All of the funds of the City can be classified as governmental funds.

Governmental Funds - Governmental *fund financial statements* begin on page 7. These statements account for basically the same governmental activities reported in the *government-wide financial statements*. *Fund financial statements* presented herein display information on each of the City's most important governmental funds or *major funds*. This is required in order to better assess the City's accountability for significant governmental programs or certain dedicated revenue. The City's *major funds* are the General Fund, and the Capital Projects Fund.

The *Fund Financial Statements* are measured on the modified-accrual basis of accounting. As a result, the *fund financial statements* focus more on the near term use and availability of spendable resources. The information provided in these statements is useful in determining the City's immediate financial needs. This is in contrast to the accrual-based *government-wide financial statements*, which focus more on overall long-term availability of spendable resources. The relationship between governmental

activities reported in the *government-wide financial statements* and the governmental funds reported in the *fund financial statements* are reconciled on pages 8 and 10 of these financial statements. These reconciliations are useful to readers in understanding the long-term impact of the City's short-term financing decisions.

Notes to the Basic Financial Statements - The *notes to the basic financial statements* provide additional information that is essential for the statements to fairly represent the City's financial position and its operations. The notes contain important information that is not part of the basic financial statements. However, the notes are an integral part of the statements, not an appendage to them. The *notes to the basic financial statements* begin on page 12 in this section.

After the presentation of the basic financial statements, the *required supplementary information* is presented following the notes to the basic financial statements. The *required supplementary information* beginning on page 40 provides a comparison of the adopted budget of the City's General Fund to the actual operating results for the fiscal year. The comparison of this data allows users to assess management's ability to project and plan for its operations throughout the year.

Analysis of the City of Vestavia Hills' Overall Financial Position

As indicated earlier, net position may serve over time as a useful indicator of a government's financial position. Refer to *Table 1* when reading the following analysis of net position.

Table 1: Summary of Net Position

	As of September 30, (dollars in thousands)	
	<u>2015</u>	<u>2014</u>
Assets:		
Current and other assets	\$ 26,582	\$ 44,432
Capital assets	<u>132,102</u>	<u>118,355</u>
Total Assets	158,684	162,787
Deferred outflows	<u>1,830</u>	<u>-</u>
Liabilities:		
Other liabilities	4,116	3,705
Long-term liabilities	<u>81,865</u>	<u>63,814</u>
Total Liabilities	85,981	67,519
Deferred inflows	1,289	-
Net position:		
Net investment in capital assets	76,917	82,529
Restricted	951	890
Unrestricted	<u>(4,624)</u>	<u>11,850</u>
Total Net Position	<u>\$ 73,244</u>	<u>\$ 95,269</u>

The City's assets exceeded liabilities by \$73.24 million at September 30, 2015.

Net investment in capital assets of \$76.9 million reflect the City's investment in capital assets (e.g., land, infrastructure, buildings, improvements other than buildings, fixtures, furniture, equipment and transportation equipment), less accumulated depreciation and debt related to the acquisition of the assets. Since these capital assets are used in governmental activities, this portion of net assets is not available for future spending or funding of operations.

Restricted net position in the amount of \$951,000 represents net assets reserved for payment to the Debt Sinking fund, \$350,000, prepayment of the 2016 debt service, \$600,000, and road maintenance, \$900. Unrestricted net assets of (\$4.63) million resulted principally from implementing GASB 68 (recording of City's net pension liability, \$18.6 million), economic incentive program, \$4.9 million and "Other Post Employment Benefits" (OPEB) Actuarial Trust funds, \$158,000 net of current liability, \$27,000.

Analysis of the City of Vestavia Hills' Operating Results

The results of this fiscal year's operations as a whole are reported in detail in the *Statement of Activities* on page 6. *Table 2* below condenses the results of operations for the fiscal year into a format where the reader can easily see the total revenues of the City for the year. It also shows the impact that operations had on changes in net position as of September 30, 2015 and 2014.

Table 2: Summary of Changes in Net Position

	Fiscal Year Ended September 30, (dollars in thousands)	
	2015	2014
Program Revenues:		
Charges for services	\$ 7,697	\$ 6,037
Operating grants/contributions	642	553
Capital grants/contributions	435	326
General Revenues:		
Taxes	28,066	27,343
Utility franchise fees	2,780	2,684
Investment earnings	148	143
Miscellaneous	215	216
Sale of assets	172	139
Donation	14	5
Donated infrastructure assets	2,068	627
Economic incentives	<u>(3,320)</u>	<u>0</u>
Total Revenues	38,917	38,073
Program Expenses:		
General government	9,339	6,259
Public safety	16,556	16,332
Public works/Public services	9,667	5,428

Library	2,623	2,472
Parks & recreation/Pubic services	1,184	3,563
Interest on long term debt	2,949	2,853
Total Expenses	<u>42,318</u>	<u>36,907</u>
Change in net position	(3,401)	1,166
Net Position, beginning of year originally stated	<u>95,268</u>	<u>94,101</u>
Restatement (GASB 68-Note 13)	<u>(18,625)</u>	<u>-</u>
Net Position Beginning of year restated	<u>76,643</u>	<u>-</u>
Net Position, ending	<u>\$ 73,242</u>	<u>\$ 95,267</u>

The City's revenues, excluding donated infrastructure assets, which do not provide spendable funds, decreased \$597,000 or 1.59%. The decrease resulted principally from implementing an economic incentive program, \$4.79 million, focused on enhancing future revenue growth. The revenue decrease was partially offset by increases in several revenue categories: \$1.66 million or 27.50% in charges for services, \$109,000 or 33.44% in capital grants and contributions, and \$723,000 or 2.64% in taxes.

The charges for services increase resulted principally from a partnership agreement with Daniel Corporation for the development of Patchwork Farms, \$1.05 million, building permits/new construction, business licenses, and court and fines revenues exceeding fiscal year 2014 by \$557,500 or 44%, \$295,100 or 13.43% and \$123,000 or 33.69%, respectively.

The City's program expenses increased \$5.4 million or 14.66%. The increase resulted principally within the areas of general government administration, \$3.08 million or 49.20%, and public services, \$1.86 million or 20.69%. The general government administration increase was principally due to granting economic incentives and acquiring the services of professional consultants to develop Patchwork Farms. The Public Services increase, which includes the areas of Public Works and Parks & Recreation, was principally due to street paving projects.

Table 3 is a condensed statement taken from the Statement of Activities on page 6 showing the total cost for providing services for six major City activities. Total cost of services is compared to the net cost of providing these services. The net cost of services is the remaining cost of services after subtracting grants and charges for services that the City used to offset the program's total cost. In other words, the net cost shows the financial burden that was placed on all taxpayers for each of these activities. This information allows citizens to consider the cost of each program in comparison to the benefits provided.

Table 3: Net Cost of Government-Wide Activities

	Fiscal Year Ended September 30, 2015 (dollars in thousands)	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government administration	\$ 9,339	\$ 4,362
Public safety	16,556	15,276
Public works/Public services	9,667	7,839
Library	2,623	2,376
Parks and recreation/Public services	1,184	743
Interest on long term debt	2,949	2,949
Total	<u>\$ 42,318</u>	<u>\$ 33,545</u>

Performance of City Funds

As noted earlier, the City uses fund accounting to control and manage resources in order to ensure compliance with finance-related legal and internal requirements. Using funds to account for resources for particular purposes helps the reader to determine the City's accountability for these resources whether provided by taxpayers and other entities, and to help to provide more insight into the City's overall financial health. The following analysis of the City's funds should be read in reference to the *fund financial statements* that begin on page 7.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City's financial requirements (Note: the reconciliation statement between the *fund financial statements* and the *government-wide financial statements* are presented on pages 8 and 10). At the end of the fiscal year, the City's governmental funds reported a combined fund balance of \$21.9 million, which includes a \$9.08 million committed fund balance to be used for economic stabilization in the event of an unforeseen emergency and \$3.2 million of unassigned general fund balance which is available for future needs.

Budgetary Highlights of the General Fund

On or before October 1 of each year, the City Manager prepares and submits an annual budget to be adopted by the City Council. The fiscal 2015 budget was adopted August 25, 2014. The comparison of the general fund budget to the actual results is detailed in the "Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual" on page 41. The City's actual results as compared to the City's budget can be briefly summarized as follows:

- ❖ Actual revenues exceeded budget by \$822,300 or 2.39%. Taxes and other revenues were under budget totaling \$134,700; however, the decrease was offset due to licenses and permits, charges for services, fines and forfeitures, fees, grants, proceeds from sale of assets, and investment revenues exceeding budget totaling \$957,000.

- ❖ Actual expenditures exceeded budget by \$1.16 million or 3.74%. Public safety and library were under budget totaling \$402,600; however, the decrease was offset due to expenditures exceeding budget in general government administration, public works, and capital outlay totaling \$1.56 million. The expenditures were non-budgeted, but authorized to enhance future revenue growth which are as follows: economic incentives, professional consultant services for development of Patchwork Farms, street paving projects, construction of I-65 gateway, Cahaba Heights road, McCallum Park, and the library parking lot.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental activities for the year ended September 30, 2015, amounted to \$76.9 million, net of accumulated depreciation and debt related to the acquisition of the assets. The City's investment in capital assets, which includes land, land improvements, infrastructure, buildings and improvements, fixtures, equipment, vehicles and furniture at actual or estimated historical cost, equipment under capital lease, and construction in progress, is shown in *Table 4*. Assets are presented net of accumulated depreciation.

Table 4: Capital Assets (net of accumulated depreciation)

	Fiscal Year Ended September 30, (dollars in thousands)	
	<u>2015</u>	<u>2014</u>
Land	\$ 67,322	\$ 70,445
Construction-in-progress	23,239	4,636
Infrastructure-in-progress	1,334	-
Buildings	9,415	10,805
Improvements	5,135	5,563
Recreational facilities	12,248	13,209
Vehicular equipment	3,648	3,470
Equipment and fixtures	2,747	3,029
Books and artwork	706	712
Infrastructure	<u>6,308</u>	<u>6,486</u>
Capital assets, net of depreciation	<u>\$ 132,102</u>	<u>\$ 118,355</u>

Additions to capital assets during the current year included the following:

Donated Infrastructure assets (streets)	\$ 143
Construction-in-progress projects (includes sidewalk design and construction)	18,604
Infrastructure-in-progress project	1,334
Land	591
Vehicles	807
Equipment, furniture & fixtures	443
Computer equipment and software	169
Recreational facilities	4
Books & Artwork	180
	<u>\$ 22,275</u>

Long-Term Debt - At year-end, the City had \$61.5 million in general obligation warrants, capital lease contracts payable and other long-term debt outstanding. This is a decrease of 1.57% in debt from last year, as shown in *Table 5* below.

Table 5: Outstanding Debt

As of September 30, 2015
(dollars in thousands)

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
Governmental activities:			
Warrants payable	\$ 58,305	\$ (965)	\$ 57,340
Capital leases	2,487	207	2,694
Compensated absences	<u>1,666</u>	<u>123</u>	<u>1,789</u>
Totals	\$ 62,458	\$ (635)	\$ 61,823

Long-term debt activity for the year consisted of the following:

- ❖ The City reduced its General Obligation Warrants by \$2.3 million including payment of \$342,101 to debt sinking fund for QECCB payment.
- ❖ The long-term liability in compensated absences increased due to accumulated compensatory time city wide.
- ❖ A favorable bond rating facilitates the City's ability to meet financial obligations. Moody's Investors Service and Fitch Ratings assigned the City of Vestavia Hills a rating of Aa1 and AA+ in August 2015.

Economic Factors and Next Year's Budget

Ad Valorem Tax – The City's ad valorem tax is based on an annual reassessment of real property. Over the previous six years, ad valorem taxes have shown some volatility resulting primarily from tornados which severely damaged and/or destroyed local residence and businesses. The rebuilding of residential structures and businesses has resulted in increase collections of ad valorem taxes. The corresponding annual percentage changes are reflected below.

Ad Valorem Taxes - Real			
<u>Fiscal Year</u>	<u>Collection</u>	<u>Variance</u>	<u>% Change</u>
2010	12,065,106	(170,059)	-1.39%
2011	11,860,083	(205,023)	-1.70%
2012	12,246,789	386,706	3.26%
2013	11,892,447	(354,342)	-2.90%
2014	12,284,147	391,700	3.30%
2015	12,265,526	(18,621)	-.15%

Personnel Administration Costs – The City's personnel administration is provided by the Personnel Board of Jefferson County (PBJC). Participating municipalities pay an annual fee based on the number of classified employees employed by the municipality times a percentage of the PBJC's operating budget. The City of Vestavia Hills paid \$258,028 in fiscal 2015, a 9.02% increase from fiscal 2014.

Medical Costs – The City of Vestavia Hills' health insurance is with the "Local Government Health Insurance Plan" provided through the State of Alabama Insurance Board. In fiscal 2015, Vestavia Hills retained its preferred insurance classification rating resulting from minimal medical claims and employees' participation in the State of Alabama Wellness Screening Program. Subsequently, City's health insurance did not increase.

Retirement Costs –The City's retirement program for employees is provided through the Retirement System of Alabama (RSA). Economic and market conditions in previous years resulted in increases in the City's required contribution to the program. The pension plan is currently funded at 70.69%, reflecting an unfunded liability of \$18.7 million. Vestavia Hills' contribution factors were unchanged from fiscal 2014 to fiscal 2015, 12.23% -Tier 1 and 9.93% - Tier 2, representing a budgeted contribution of \$1.84 million.

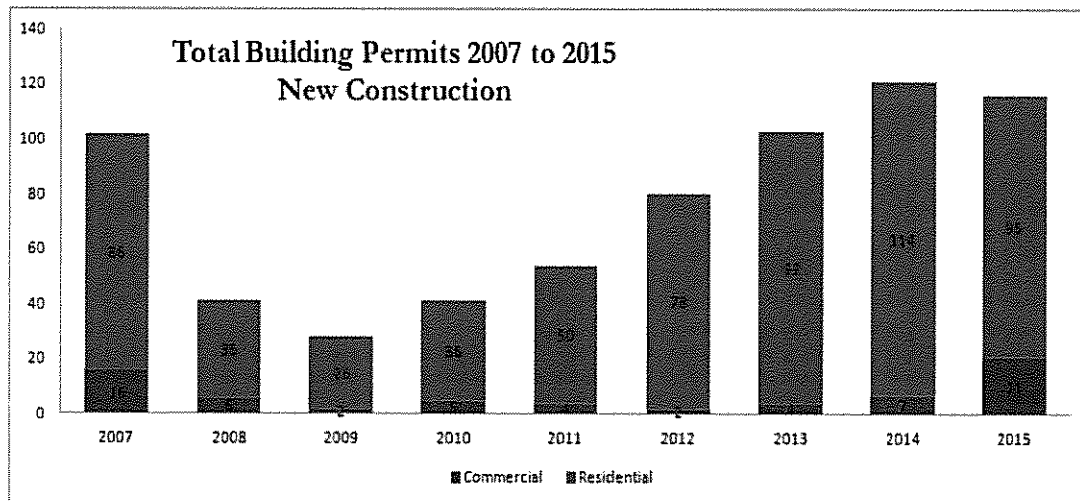
Cost-of-Living Raise – A 2% cost of living adjustment was included in the 2014-2015 fiscal budget.

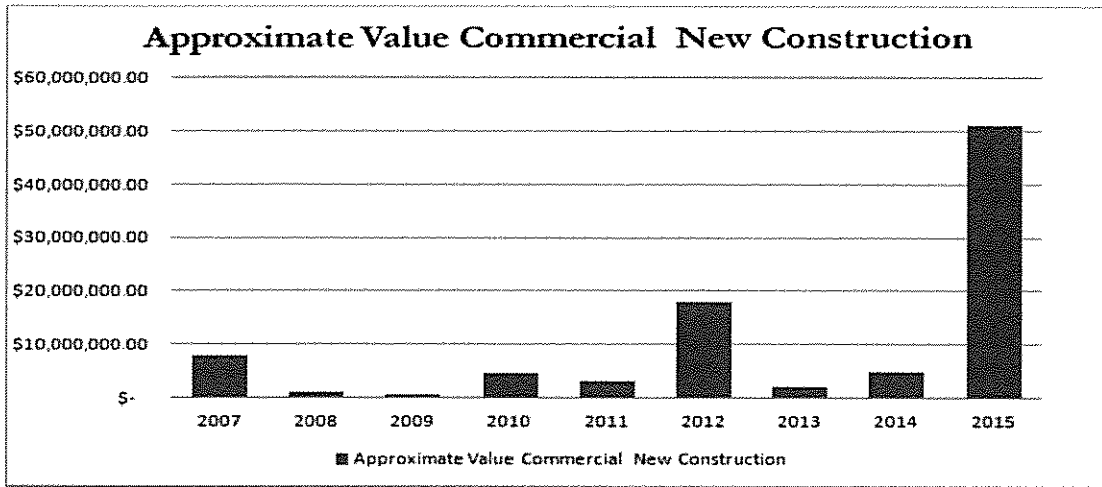
Comments from City Manager:

“Current Year Economic Growth and Anticipated Results for the Next Fiscal Year”

During FY 2015, the City of Vestavia Hills experienced record growth in commercial new construction and a relatively rapid pace in new home construction. The \$51 million in new commercial construction that commenced in FY 2015 resulted in a 72% growth in building permit fees and was the largest amount of commercial new construction in the recent past for Vestavia Hills. This level of construction also contributed to a 4.76% growth in sales tax receipts due to construction related material purchases. The growth was the result of the execution of the City’s economic development plan that relies upon public-private partnerships as the basis for its success. Notably, the Highway 31 and Patchwork Farms business corridors have led the way on these extraordinary results as expressed on exhibits one and two below. Given the City’s reliance upon the ad valorem tax and sales tax as its primary general fund revenue sources, the future looks bright for healthy revenue growth as the record construction will give way to a growth in taxable property values and several noteworthy retail development projects beginning to generate a significant sales tax revenue increase for the City in FY 2016 and FY 2017. (These projects include the Publix anchored retail center at Patchwork Farms and the Sprouts anchored retail center on Highway 31)

These positive general fund revenue results were matched with a careful expenditure of funds and resulted in a general fund surplus of \$615,000 for FY 2015. Several major capital improvement projects were completed during FY 2015 within budget and will serve as catalysts for sustaining the quality of life in Vestavia Hills as well as assisting in the economic sustainability of the City. These include the New City Hall, infrastructure work at Patchwork Farms and an aggressive road paving project for the City. The current fiscal year shows strong financial metrics and the future fiscal years’ results should trend toward even stronger results.





Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Melvin Turner, III, Finance Director - City of Vestavia Hills, 513 Montgomery Highway, Vestavia Hills, AL 35216, or by calling (205) 978-0128, Monday through Friday, 8:00 a.m. to 5:00 p.m., Central Standard Time.

City of Vestavia Hills, Alabama
Statement of Net Position

September 30, 2015

	Governmental Activities
Assets	
Cash and temporary investments	\$ 22,250,366
Cash - restricted	1,001,680
Receivables	2,336,794
Inventory	41,372
Prepaid expenses	41,777
Bond issuance discount, net	910,080
Land	67,321,602
Construction in progress	23,239,441
Infrastructure in progress	1,334,085
Capital assets, net of accumulated depreciation	40,206,617
Total assets	158,683,814
Deferred outflows of resources	1,829,808
Liabilities	
Accounts payable	3,131,319
Court and performance bonds payable	489,245
Bank overdraft	151,496
Accrued interest payable	344,461
Noncurrent liabilities	
Due within one year:	
Compensated absences	315,624
Warrants payable, net	2,565,000
Obligation due under long-term capital leases	861,439
Due in more than one year:	
Compensated absences	1,788,536
Warrants payable, net	55,791,458
Obligation due under long-term capital leases	1,832,703
Net pension liability	18,710,141
Total liabilities	85,981,422
Deferred inflows of resources	1,289,518
Net position	
Net investment in capital assets	76,917,455
Restricted	950,613
Unrestricted (deficit)	(4,625,386)
Total net position	\$ 73,242,682

See accompanying notes to basic financial statements.

City of Vestavia Hills, Alabama
Statement of Activities

Year ended September 30, 2015

Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
Primary government					
Governmental activities:					
General government administration	\$ 9,339,081	\$ 4,683,836	\$ 3,500	\$ 290,038	\$ (4,361,707)
Public safety	16,555,537	696,521	560,564	22,524	(15,275,928)
Public works	9,666,673	1,828,125	-	-	(7,838,548)
Library	2,623,110	96,903	27,535	122,566	(2,376,106)
Parks and recreation	1,184,401	391,351	50,000	-	(743,050)
Interest on long-term debt	2,949,405	-	-	-	(2,949,405)
Total primary government	\$ 42,318,207	\$ 7,696,736	\$ 641,599	\$ 435,128	(33,544,744)

General revenues:

Taxes:

Ad Valorem (real and personal property)	13,842,366
Sales and use	12,031,846
Other taxes	2,191,632
Utility franchise fees	2,780,040
Investment earnings	148,391
Donations	14,021
Donated infrastructure assets	2,068,535
Miscellaneous	215,383
Gain on sale of assets	172,018
Economic incentive	(3,320,123)
	<u>30,144,109</u>

Change in Net position (3,400,635)

Net position - beginning of year as originally stated 95,268,318
Restatement (Note 13) (18,625,001)
Net position - beginning of year restated 76,643,317

Net position at end of year \$ 73,242,682

See accompanying notes to basic financial statements.

**City of Vestavia Hills, Alabama
Governmental Funds Balance Sheet**

<i>September 30, 2015</i>	General	Debt Service	Capital Projects
Assets			
Cash and temporary investments	\$ 12,389,288	\$ 600,008	\$ 8,261,554
Cash - restricted	490,783	349,690	161,207
Accounts receivable, net of allowance for uncollectibles	1,835,770	-	371,794
Inventory	41,372	-	-
Prepaid expenses	41,777	-	-
Interfund receivables	-	-	-
Total assets	\$ 14,798,990	\$ 949,698	\$ 8,794,555
Liabilities			
Accounts payable	\$ 1,292,096	\$ -	\$ 1,594,159
Bank overdraft	-	-	-
Court and performance bonds payable	489,245	-	-
Interfund payables	-	-	-
Total liabilities	1,781,341	-	1,594,159
Fund balance			
Nonspendable	83,149	-	-
Restricted for:			
Road maintenance	-	-	-
Debt service requirement	-	949,698	-
Committed to:			
Capital projects	-	-	4,353,080
Emergency reserve	9,083,648	-	-
Assigned	650,887	-	2,847,316
Unassigned	3,199,965	-	-
Total fund balance	13,017,649	949,698	7,200,396
Total liabilities and fund balance	\$ 14,798,990	\$ 949,698	\$ 8,794,555

See accompanying notes to basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 999,516	\$ 22,250,366
-	1,001,680
129,230	2,336,794
-	41,372
-	41,777
27,644	27,644
<u>\$ 1,156,390</u>	<u>\$ 25,699,633</u>

\$ 245,064	\$ 3,131,319
151,496	151,496
-	489,245
27,644	27,644
<u>424,204</u>	<u>3,799,704</u>

-	83,149
915	915
-	949,698
-	4,353,080
-	9,083,648
839,890	4,338,093
(108,619)	3,091,346
<u>732,186</u>	<u>21,899,929</u>
<u>\$ 1,156,390</u>	<u>\$ 25,699,633</u>

**City of Vestavia Hills, Alabama
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

September 30, 2015

Fund balance - total governmental funds \$ 21,899,929

Amounts reported for governmental activities in the statement of net position are different because:

Deferred items related to debt issuance used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 910,080

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

Governmental capital assets	\$ 171,608,268	
Accumulated depreciation	<u>(39,506,523)</u>	132,101,745

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds balance sheet. 1,829,808

Long-term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Warrants payable, net	(58,356,458)	
Net pension liability	(18,710,141)	
Compensated absences	(2,104,160)	
Accrued interest payable	(344,461)	
Capital lease payable	<u>(2,694,142)</u>	<u>(82,209,362)</u>

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds balance sheet. (1,289,518)

Net position of governmental activities \$ 73,242,682

See accompanying notes to basic financial statements.

City of Vestavia Hills, Alabama
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year ended September 30, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 25,923,168	\$ -	\$ -	\$ 1,508,400	\$ 27,431,568
Licenses and permits	4,337,672	-	-	-	4,337,672
Intergovernmental	-	-	-	738,319	738,319
Charges for services	391,351	-	-	-	391,351
Fines and forfeitures	487,710	-	-	454,630	942,340
Fees	2,846,268	-	-	-	2,846,268
Grants	555,314	-	493,490	22,283	1,071,087
Proceeds from sale of assets	24,733	-	1,025,000	-	1,049,733
Investment revenues	74,447	5,958	66,747	1,240	148,392
Library revenues	-	-	-	102,551	102,551
Other revenues	618,934	214,743	1,140,488	-	1,974,165
Total revenues	35,259,597	220,701	2,725,725	2,827,423	41,033,446
Expenditures					
Current (operating):					
General government					
administration	6,785,107	131,925	1,643,171	408,939	8,969,142
Public safety	15,792,421	-	33,716	711,390	16,537,527
Public works	6,620,303	-	-	2,318,550	8,938,853
Library	1,558,926	-	44,743	82,525	1,686,194
Debt service	-	5,336,842	823,162	-	6,160,004
Capital outlay	195,076	-	19,881,259	186,447	20,262,782
Total expenditures	30,951,833	5,468,767	22,426,051	3,707,851	62,554,502
Excess of revenues over (under) expenditures	4,307,764	(5,248,066)	(19,700,326)	(880,428)	(21,521,056)
Other financing sources (uses)					
Donations	14,021	-	-	-	14,021
Operating transfers in	1,400,000	4,670,650	658,967	27,128	6,756,745
Operating transfers out	(5,106,745)	-	(1,400,000)	(250,000)	(6,756,745)
Other financing sources - proceeds of capital lease	-	-	1,045,673	-	1,045,673
Other financing uses - refunded bonds redeemed	-	(7,855,000)	-	-	(7,855,000)
Other financing sources - proceeds of refunding bonds	-	8,637,728	567,272	-	9,205,000
Other financing sources - original issuance premium	-	71,425	-	-	71,425
Total other financing sources (uses)	(3,692,724)	5,524,803	871,912	(222,872)	2,481,119
Excess of revenues and other financing sources over (under) expenditures and other financing uses	615,040	276,737	(18,828,414)	(1,103,300)	(19,039,937)
Fund balance, beginning of year	12,402,609	672,961	26,028,810	1,835,486	40,939,866
Fund balance, end of year	\$ 13,017,649	\$ 949,698	\$ 7,200,396	\$ 732,186	\$ 21,899,929

See accompanying notes to basic financial statements.

City of Vestavia Hills, Alabama

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Government-Wide
Statement of Activities**

September 30, 2015

Net change in fund balances - total governmental funds		\$ (19,039,937)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	\$ 20,207,520	
Less current year depreciation	<u>(3,835,194)</u>	16,372,326
Some revenues reported in the government-wide statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
The net effect of transactions involving the disposal of capital assets is to decrease net assets.		(4,693,950)
The effect of donated infrastructure assets is to increase net position.		2,068,535
The issuance of long-term debt provides current financial resources to governmental funds, but the issuance of the debt increases long-term liabilities in the government-wide statement of net position.		
Proceeds of refunding bonds		(9,205,000)
Bond issuance premium		(71,425)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		10,170,000
Some expenses reported in the government-wide statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in pension expense	\$ 455,150	
Change in long-term compensated absences	(144,646)	
Change in accrued interest payable	57,582	
Change in long-term debt (capital lease)	(206,695)	
Change in deferred items related to debt issuance	<u>837,425</u>	<u>998,816</u>
Change in net position of governmental activities		<u>\$ (3,400,635)</u>

See accompanying notes to basic financial statements.

City of Vestavia Hills, Alabama
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City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Vestavia Hills, Alabama (the "City") was incorporated on November 8, 1950. The City operates under a Council-Manager form of government organized to comply with the provisions of Title 11, Chapter 43, Sections 20-22 of the Code of Alabama 1975, as amended. The City Council is composed of five officials (four Councilors and the Mayor who serves as President of the Council) elected at-large for concurrent four year terms. The City Manager is appointed by the City Council. The terms of the current administration are scheduled to expire October 31, 2016.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to the governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB) or, where applicable, the Financial Accounting Standards Board (FASB). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Related Organization

The City Council is responsible for appointing the members of the Vestavia Hills Board of Education (the Board). However, the City has no control or influence in the presentation or adoption of the Board's annual operating budget; the City is not responsible for any budget deficits incurred by the Board; and the Board has the authority to issue debt securities, which are neither secured by the City's revenues or obligations of the City. Accordingly, the financial statements of the Board are not presented in the accompanying financial statements because the City is not considered to be financially accountable for the Board.

The City currently receives advalorem taxes from the Jefferson County Tax Collector based on a total millage rate of 49.30 mills. Of the 49.30 mills received from the County, 20.55 mills are kept by the City to fund general government operations and the balance of 28.75 mills is remitted by the City to the Vestavia Hills Board of Education. During the year ended September 30, 2015, the total advalorem taxes remitted to the Board amounted to approximately \$16.2 million and \$236,077 was due the Board of Education at September 30, 2015.

B. Government-Wide Financial Statements

The statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature (at year end the City had no fiduciary type activity).

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary (the City has no proprietary or fiduciary funds at year end). An emphasis is placed on major funds within the governmental categories. At a minimum, governmental funds other than the general fund must be reported as major funds if they meet both of the following criteria:

- a. *Ten percent criterion.* An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- b. *Five percent criterion.* An individual governmental fund reports at least 5 percent of the aggregated total for both governmental funds and proprietary funds of any one of the items for which it met the 10 percent criterion.

The funds of the financial reporting entity are described below:

Governmental funds

1. General Fund

The General Fund is the principal fund of the City and is always classified as a major fund. It is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

2. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

3. Debt Service Funds

The Debt Service Fund is used to account for financial resources related to the City's debt service and debt defeasances.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Capital Project Funds

Capital Projects Funds are used to account for financial resources that are received and used for the acquisition, construction, or improvement of capital assets.

5. Major and Nonmajor Funds

The General Fund, Capital Projects Fund, and Debt Service Fund are classified as major funds and are described above.

The remaining Other Governmental Funds (Special Revenue Funds) are classified as nonmajor funds and are described above.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement focus

On the Government-Wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of accounting

In the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

E. Receivables

In the Government-Wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, advalorem taxes, and other taxes.

In the fund financial statements, receivables in governmental funds include the receivables mentioned in the preceding paragraph and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

F. Equity Classifications

Government-wide statements

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation, construction in progress, land, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted* - Constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted* - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund statements

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. The classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Council and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in all governmental funds.

The Seven Cent Gasoline Tax fund had a deficit fund balance of \$108,619 as of the end of the fiscal year.

The City has assigned \$500,000 of the General Fund fund balance for the City’s unfunded pension liability and \$150,887 for encumbrances.

The City has assigned \$2,847,316 of the Capital Projects Fund fund balance for encumbrances.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City has assigned \$839,890 of the Other Governmental Funds fund balance for use as follows: \$308,541 for the City's Emergency 911 Fund, \$170,743 for the Court & Corrections Fund, \$330,478 for the Library and \$30,128 for Vehicle Tags.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then committed, assigned, and unassigned – in order as needed.

The City Council has adopted an Emergency Reserve Fund Balance Policy. Under this policy, it is the City's intent to develop and maintain a General Fund Emergency Reserve fund balance representing at least 25% of prior year actual General Fund expenditures (modified accrual basis) plus operating transfers out. The City Council has currently committed \$9,083,648 of General Fund fund balance for economic stabilization in case of an emergency. An emergency that would warrant use of their committed fund balance is defined as an unforeseen non-routine event that generally represents an economic impact to the City greater than 5% of the previous 5 year average of sales tax collections by the City and this event cost can't be absorbed by reducing the current year budgeted expenses, increasing current year budgeted revenue, or the event occurred too late in the year to overcome the impact by adjusting the budget in the normal course of the City's business.

G. Long-term Debt

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The City's long-term debt consists primarily of notes and warrants payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

H. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for the governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fixed Assets

The accounting treatment for property, plant, and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

In the government-wide financial statements, fixed assets with initial individual costs of more than \$5,000 and an estimated useful life in excess of one year are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is

unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Historical cost was used to value the majority of the assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	20-50 years
Improvements	10-50 years
Machinery and equipment	3-20 years
Infrastructure	25-50 years

Fund financial statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as expenditures of the government upon acquisition.

J. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Any encumbrances outstanding at year-end are reported as assigned, restricted, or committed fund balance as applicable and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

K. Inventory

Inventory items, which consist mainly of garage parts, are valued at cost which approximates market. The cost of inventory is recorded as an expenditure when consumed rather than when purchased.

L. Pension

The Employees' Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is uncured, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standard Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

M. Interfund Transactions

During the course of normal operations, the City incurs numerous transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally

reported as operating transfers except in instances where the transfer represents the reimbursement to a fund for expenditures incurred for the benefit of another fund. Remaining fund balances in discontinued funds and non-recurring, non-routine transfers are accounted for as residual equity transfers.

Details of current interfund receivables and payables are as follows:

Payable from	Payable to	Amount
Other Governmental Funds	Other Governmental Funds	\$ 27,644

The purpose of the interfund receivable balance to the Other Governmental Funds from the Other Governmental Funds is for reimbursement of paving expenses paid from one fund on behalf of the other.

Interfund receivables and payables and transfers between funds within governmental activities are eliminated in the Statement of Net Position and the Statement of Activities.

Transfers for the fiscal year ended September 30, 2015 consisted of the following:

Transfer to	Transfer From			Total
	General Fund	Capital Projects Funds	Other Governmental Funds	
General Fund	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000
Debt Service Fund	4,420,650	-	250,000	4,670,650
Other Governmental Funds	27,128	-	-	27,128
Capital Projects Fund	658,967	-	-	658,967
Total	\$ 5,106,745	\$ 1,400,000	\$ 250,000	\$ 6,756,745

**City of Vestavia Hills, Alabama
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The purpose of the transfer from the General Fund to the Debt Service Fund is for the reimbursement of debt service paid from the Debt Service Fund.

The purpose of the transfer from the General Fund to the Capital Projects Fund is for the capital reserve allocation from the General Fund.

The purpose of the transfer from the Debt Service Fund to the Capital Projects Fund is to transfer proceeds of warrants to be used for Capital Projects.

O. Property Taxes

All ad valorem real property taxes levied by municipalities in Jefferson County, Alabama are assessed by the Jefferson County Tax Assessor and collected by the Jefferson County Tax Collector. The Jefferson County Tax Assessor attaches taxes as enforceable liens on property as

of October 1 and taxes become due October 1 through December 31. Property taxes not paid by January 1 are considered delinquent. Personal property taxes are also collected by the Jefferson County Tax Collector and are due throughout the year. After collecting property taxes, the Jefferson County Tax Collector before the fiscal year end but remitted to the City after September 30 is accrued in the General Fund. Tax Collector remits the City's portion by check monthly. Taxes collected by the Jefferson County

P. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Q. Subsequent Events

The City has evaluated subsequent events through the date of issuance of these financial statements.

NOTE 2 – CASH AND INVESTMENTS

The City maintains several checking accounts that are separately held by several of the City's funds. In addition, investments may also be held by an individual City fund. Deposits and investments are stated at market values.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

At year-end, the carrying amount and bank balance of the City's deposit accounts were as follows:

	Carrying Amount	Bank Balance
All funds	\$ 23,100,550	\$ 25,731,196

At September 30, 2015, all of the bank balance of the City's funds was either covered by federal depository insurance or secured by collateral through the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) Program. Under the SAFE program, the City's funds are protected through a collateral pool administered by the Alabama State Treasury. Certain banks holding deposits belonging to the state, counties, cities, or agencies of any of these entities must pledge securities as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance. At September 30, 2015, all of the City's depositories are participating in the SAFE program.

Included in the carrying amount above are restricted assets totaling \$1,001,680 which included deposits of \$489,245 related to construction, land disturbance, and court appearance bonds. These deposits consist of cash equivalents and are considered restricted as they are payable to various third parties upon completion of a future event. Accordingly, a corresponding liability is recorded for this amount.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 3 – CAPITAL ASSETS

Following is a summary of the changes in the City's capital assets for the year ended September 30, 2015:

	Balance at 9/30/2014	Additions	Disposals/ Retirements/ Completed	Balance at 9/30/2015
Capital assets not being depreciated:				
Land	\$ 70,444,576	\$ 591,461	\$ (3,714,435)	\$ 67,321,602
Construction in progress	4,635,756	18,603,685	-	23,239,441
Infrastructure in progress	-	1,334,085	-	1,334,085
Total capital assets not being depreciated	75,080,332	20,529,231	(3,714,435)	91,895,128
Capital assets being depreciated:				
Land improvements	8,997,140	-	-	8,997,140
Buildings	14,660,313	-	(1,871,425)	12,788,888
Building equipment and fixtures	404,735	-	-	404,735
Vehicles	6,943,921	806,858	(350,657)	7,400,122
Equipment	5,522,583	329,067	(48,616)	5,803,034
Computer equipment	1,424,436	169,328	-	1,593,764
Recreational equipment	1,944,785	113,968	-	2,058,753
Office furniture and fixtures	980,402	-	-	980,402
Office equipment	129,759	-	-	129,759
Recreational facilities	22,956,642	4,190	-	22,960,832
Books and artwork	1,423,559	180,424	(192,123)	1,411,860
Infrastructure	15,040,862	142,989	-	15,183,851
Total capital assets being depreciated	80,429,137	1,746,824	(2,462,821)	79,713,140
Less accumulated depreciation for:				
Land Improvements	3,434,229	427,397	-	3,861,626
Buildings	3,855,693	414,062	(895,623)	3,374,132
Building equipment and fixtures	156,007	31,927	-	187,934
Vehicles	3,473,436	629,397	(350,657)	3,752,176
Equipment	3,941,955	397,178	(44,903)	4,294,230
Computer equipment	1,035,841	203,012	-	1,238,853
Recreational equipment	1,512,414	106,513	-	1,618,927
Office furniture and fixtures	650,139	137,642	-	787,781
Office equipment	81,116	15,033	-	96,149
Recreational facilities	9,747,478	965,678	-	10,713,156
Books and artwork	711,214	186,708	(192,123)	705,799
Infrastructure	8,555,113	320,647	-	8,875,760
Total accumulated depreciation	37,154,635	3,835,194	(1,483,306)	39,506,523
Total capital assets being depreciated, net	43,274,502	(2,088,370)	(979,515)	40,206,617
Governmental activities capital assets, net	\$ 118,354,834	\$ 18,440,861	(979,515)	\$ 132,101,745

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

General government administration	\$	193,592
Public safety		792,466
Public works		727,820
Recreational		1,184,401
Library		936,915
Total depreciation expense	\$	3,835,194

NOTE 4 – CAPITALIZED LEASES

At September 30, 2015, approximately \$2,329,757 in accumulated depreciation and approximately \$584,247 in current year depreciation expense has been recorded in the government-wide financial statements related to assets costing \$5,874,369 purchased under capital leases. The current portion of the outstanding liability related to these capital leases at September 30, 2015 reported in the government-wide financial statements totaled \$861,439. The remaining long-term portion of these capital lease obligations reported in the government-wide financial statements totaled \$1,832,703 at September 30, 2015.

The following schedule shows the future minimum lease payments at September 30, 2015:

Fiscal year	Interest	Principal	Total Lease Payment
2016	\$ 50,661	\$ 861,439	\$ 912,100
2017	33,750	634,629	668,379
2018	19,975	507,155	527,130
2019	10,078	342,374	352,452
2020 and thereafter	3,908	348,545	352,453
Total	\$ 118,372	\$ 2,694,142	\$ 2,812,514

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 5 – ACCOUNTS RECEIVABLE

The following details the description and amounts of accounts receivable for the City:

Sales taxes	\$	968,207
Property taxes		421,647
Franchise fees		139,999
Transport receivable		130,879
Intergovernmental		503,814
Other receivables		172,248
Total	\$	2,336,794

NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in long-term debt of the City for the year ended September 30, 2015:

Warrant obligations at September 30, 2014	\$	58,305,000
Principal payments		(2,315,000)
Refunded warrants		(7,855,000)
Debt issuance		9,205,000
Total warrants outstanding		57,340,000
Long-term portion of accumulated compensated absences		1,788,536
Unamortized bond premium		1,016,458
Total long-term debt at September 30, 2015	\$	60,144,994

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

Outstanding warrant obligations of the City at September 30, 2015 consist of the following:

General Obligation Warrants, Series 2008 were issued in the principal amount of \$9,615,000 in February 2009. The warrants bear interest at an average of 4.38%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2028 and are callable on or after February 1, 2019 without premium or penalty, and at which time the warrants are callable at 100% plus accrued interest.	\$ 1,760,000
General Obligation Warrants, Series 2009-A were issued in the principal amount of \$10,940,000 in December 2009. The warrants bear interest at an average of 3.56%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2028 and are callable at any time without penalty.	10,940,000
Taxable General Obligation Warrants, Series 2009-B were issued in the principal amount of \$6,070,000 in December 2009. The warrants bear interest at an average of 4.8%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2028 and are callable at any time without penalty.	6,070,000
General Obligation Warrants, Series 2012 were issued in the principal amount of \$11,000,000 in June 2012. The warrants bear interest at an average of 3.5%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2022 and are callable at any time without penalty.	4,710,000
General Obligation Warrants, Qualified Energy Conservation Bonds (QECCB) Series 2013 were issued in the principal amount of \$4,245,000 in May 2013. The warrants bear interest at an average of 2.20%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2033 and are callable at any time without penalty. (Net of \$349,690 held in sinking fund for repayment)	3,895,310
General Obligation Warrants, Series 2013A were issued in the principal amount of \$10,000,000 in December 2013. The warrants bear interest at an average of 4.00%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2033 and are callable at any time without penalty.	10,000,000
General Obligation Warrants, Series 2014 were issued in the principal amount of \$9,605,000 in January 2014. The warrants bear interest at an average of 3.00%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2031 and are callable at any time without penalty.	9,490,000
General Obligation Warrants, Series 2014 (CWSRF-DL) were issued in the principal amount of \$960,000 in September 2014. The warrants bear interest at an average of 2.00%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2034 and are callable at any time without penalty.	920,000
General Obligation Warrants, Series 2015 were issued in the principal amount of \$9,205,000 in August 2015. The warrants bear interest at an average of 2.00%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2028 and are callable at any time without penalty.	9,205,000
Total outstanding	56,990,310
Amount held in sinking fund for QECCB payment	349,690
Total obligation warrants	\$ 57,340,000

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

The following schedule shows the debt service requirements at September 30, 2015:

Fiscal year	Debt Service Related to Principal	Debt Service Related to Interest	Total Debt Service
2016	\$ 2,745,668	\$ 1,895,098	\$ 4,640,766
2017	2,809,664	1,834,298	4,643,962
2018	2,898,749	1,751,492	4,650,241
2019	2,782,925	1,662,336	4,445,261
2020	2,887,192	1,568,223	4,455,415
2021-2025	15,268,354	6,451,201	21,719,555
2026-2030	16,540,132	3,726,348	20,266,480
2031-2035	11,057,626	632,783	11,690,409
	\$ 56,990,310	\$ 19,521,779	\$ 76,512,089

The total interest paid by the City during 2015 relative to the above warrants was \$2,291,215.

The City makes annual contributions into an invested sinking fund in the amount of \$171,051 each fiscal year to pay the principal payment on the QECB warrants. This amount is included in the table above as debt service requirements. These amounts shall be held in the sinking fund and applied to the payment of the principal of the Warrants at maturity on February 1, 2033. The balance in the sinking fund is \$349,690 as of September 30, 2015.

NOTE 7 – PENSION PLAN

Plan description

The City contributes to the Employees' Retirement System of Alabama (ERSA), an agent multiple-employee retirement system, which acts as a common investment and administrative agent for the various state agencies and departments.

The ERSA was established as of October 1, 1945, under the provisions of Act 505, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specific benefits for State employees, State police and, on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for general administration and operation of the ERSA is vested in the Board of Control. Benefit provisions are established by the Code of Alabama 1975, Section 36-27-1 through 36-27-103, as amended, Sections 36-27-120 through 36-27-139, as amended, and Sections 36-27B-1 through 36-27B-6. Authority to amend the plan rests with the Legislature of Alabama. However, the Legislature has granted the Commission authority to accept or reject various Cost-of-Living Adjustments (COLAs) granted to retirees.

NOTE 7 – PENSION PLAN (CONTINUED)

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.

- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

Substantially all employees are members of the ERSA. Membership is mandatory for covered or eligible employees of the City. Benefits vest after ten years of creditable service. Vested employees may retire with full benefits at age sixty or after twenty-five years of service.

Benefits provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Benefits provided (continued)

State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. The ERS membership includes approximately 83,874 participants. As of September 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	21,691
Terminated employees entitled to but not yet receiving benefits	1,252
Terminated employees not entitled to a benefit	5,048
Active Members	<u>55,883</u>
Total	<u>83,874</u>

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Contributions (continued)

members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2015, the City's active employee contribution rate was 11.89% of covered employee payroll. The City's contractually required contribution rate for the year ended September 30, 2015 was 15.12% of pensionable pay for Tier 1 employees and 12.82% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2012, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan were \$1,829,808 for the year ended September 30, 2015.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2013 rolled forward to September 30, 2014 using standard roll-forward techniques as shown in the following table:

Total Pension Liability Roll Forward		
Total Pension Liability		
as of September 30, 2013 (a)	\$	60,869,309
Entry Age Normal Cost for		
October 1, 2013 – September 30, 2014 (b)		1,277,907
Actual Benefit Payment and Refunds for		
October 1, 2013 – September 30, 2014 (c)		(3,062,574)
Total Pension Liability		
as of September 30, 2014		
[(a) x (1.08)] + (b) – [(c) x (1.04)]	\$	63,831,684

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Actuarial assumptions

The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%-7.25%
Investment rate of return	8.00%*

*Net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	25.00%	5.00%
U. S. Large Stocks	34.00%	9.00%
U. S. Mid Stocks	8.00%	12.00%
U. S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	100.00%	

* Included assumed rate of Inflation of 2.50%

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Discount rate

The discount rate used to measure the total pension liability was the long-term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2013	\$60,869,309	\$40,494,016	\$20,375,293
Changes for the year:			
Service cost	1,277,907	-	1,277,907
Interest	4,747,042	-	4,747,042
Changes in assumptions	-	-	-
Difference between expected and actual experience	-	-	-
Contributions – employer	-	1,750,292	(1,750,292)
Contributions – employee	-	851,524	(851,524)
Net investment income	-	4,842,808	(4,842,808)
Benefit payments, including refunds of employee contributions	(3,062,574)	(3,062,574)	-
Administrative expense	-	-	-
Transfers among employers	-	245,477	(245,477)
Net Changes	2,962,375	4,627,527	(1,665,152)
Balances at September 30, 2014	\$63,831,684	\$45,121,543	\$18,710,141

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the City’s net pension liability calculated using the discount rate of 8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Plan’s Net Pension Liability	\$ 26,561,945	\$ 18,710,141	\$ 12,080,629

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2014. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2014. The auditor’s report dated June 3, 2015 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes are also available. The additional financial and actuarial information is available at www.rsa-al.gov.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of \$1,829,808. At September 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	1,289,518
Employer contributions subsequent to the Measure Date	1,829,808	-
Total	\$ 1,829,808	\$1,289,518

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 7 – PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ 322,380
2017	322,380
2018	322,380
2019	322,378
2020	-
Thereafter	-
Total	\$ 1,289,518

NOTE 8 – ACCUMULATED COMPENSATED ABSENCES

For vacation leave and other compensated absences with similar characteristics, GASB Statement No. 16 requires the accrual of a liability as the benefits are earned by the employees if both of these conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A City employee receives twelve days of annual vacation for the first twelve years of service; eighteen days of annual vacation during years twelve to twenty-five; and twenty-four days of annual vacation leave after twenty-five years of satisfactory employment. Annual vacation leave can accumulate up to forty days or 320 hours and an employee cannot be paid for annual leave in lieu of time off. At year end, any annual vacation leave over 320 hours is converted hour for hour to sick leave. Employees also earn other compensatory time off for working on city holidays, and other approved circumstances over their normal work week. This compensatory time off accrues in the same manner as overtime pay at a rate of time and a half. There is no annual maximum limit for this compensatory time off and an employee can use it as other time off or is paid for the balance upon separation from the City. Sick leave can be accumulated, but upon separation from service all sick leave is canceled and is not transferable to annual leave. Sick leave can be converted as years of service upon retirement in the Retirement Systems of Alabama.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 8 – ACCUMULATED COMPENSATED ABSENCES (CONTINUED)

A liability for vacation pay is reported in the governmental funds only if the obligation has matured, for example, as a result of an employee's resignation or retirement. All vacation pay is accrued when incurred in the government-wide statements. The current portion of accrued vacation at September 30, 2015 reported in the government-wide financial statements is \$861,439. The remaining long-term incurred portion of the accrued vacation of the governmental activities at September 30, 2015 totaled \$1,832,703.

NOTE 9 – POST-EMPLOYMENT BENEFITS

Plan description

The City of Vestavia Hills' medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The retirement eligibility provisions are as follows: 10 years of consecutive service and attainment of age 60; or, 25 years of service and attainment of age 55. Complete plan provisions are included in the official plan documents.

Contribution rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding policy

Until fiscal year ending September 30, 2008, the City of Vestavia Hills recognized the cost of providing post-employment medical benefits (the City of Vestavia Hills' portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning October 1, 2008, the City of Vestavia Hills implemented Government Accounting.

Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In fiscal year ending September 30, 2015, the City of Vestavia Hills' portion of health care funding cost for retired employees totaled \$78,996. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 9 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual required contribution

The City's annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the contribution to amortize the actuarial accrued liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning October 1, 2014 is \$80,468, as set forth below:

	Medical
Normal cost	\$ 37,425
30-year UAL amortization amount	43,043
Annual required contribution (ARC)	\$ 80,468

Net post-employment benefit obligation (asset)

The table below shows the City's net other post-employment benefit (OPEB) obligation (asset) for fiscal year ending September 30, 2015:

	Medical
Annual required contribution	\$ 80,468
Interest on net OPEB obligation	(2,694)
ARC adjustment	3,895
Annual OPEB cost	81,669
Contributions	-
Current year retiree premium	(78,996)
Change in net OPEB obligation	2,673
Beginning net OPEB obligation 10/01/14	(67,355)
Ending net OPEB obligation (asset) 09/30/15	\$ (64,682)

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 9 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded status and funding progress

In the fiscal year ending September 30, 2015, the City made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of October 1, 2014, the most recent actuarial valuation, the AAL was \$774,095, which is defined as that portion, as determined by a particular actuarial cost method (the City uses the projected unit credit cost method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since no plan funding has occurred through fiscal year 2015, the entire actuarial accrued liability of \$774,095 was unfunded.

At September 30, 2015, the City has \$130,042 in the General Fund for future funding of benefits. The City intends to transfer these funds to its post-employment benefits plan at a future date. This \$130,042 will not reduce the AAL until it is transferred to the City's post-employment benefits plan.

	Medical
Actuarial Accrued Liability (AAL)	\$ 774,095
Actuarial Value of Plan Assets	-
Unfunded Act. Accrued Liability (UAAL)	\$ 774,095
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	\$ 15,319,930
UAAL as a percentage of covered payroll	5.05%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actual value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 9 – POST-EMPLOYMENT BENEFITS (CONTINUED)

the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial cost method

The ARC is determined using the projected unit credit cost method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial value of plan assets

Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover rate

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%. It has further been assumed that 43% of retirees decline medical coverage at retirement and that an additional 27% defer retirement until Medicare eligibility.

Post-employment benefit plan eligibility requirements

Based on past experience, it has been assumed that entitlement to benefits will commence three years after initial eligibility to retire. Medical benefits are provided to employees upon actual retirement. The retirement eligibility provisions are as follows: 10 years of consecutive service and attainment of age 60; or, 25 years of service and attainment of age 55. In addition, "Tier II" retirement plan members (those hired on and after January 1, 2013) would not be eligible to retire before age 62. Medical benefits are provided to employees upon actual retirement.

Investment return assumption (discount rate)

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. As of September 30, 2015, the City has allocated \$130,042 in the General Fund for future funding of benefits. Since the City intends to transfer these funds to its post-employment benefits plan at a future date, the valuation has been calculated using a 4% annual investment return assumption.

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 9 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Health care cost trend rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, is used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of determining value of benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays a portion of the medical insurance premiums which are "unblended" as required by GASB 45 for valuation purposes. The portion of the total retiree medical premium (single or family coverage) paid by the employer is 2.5% times the total years of service at retirement, subject to a maximum of 87.5%, a minimum dollar amount of \$240 per month, and a maximum dollar amount of \$600 per month. The employer does not pay for coverage after Medicare eligibility (age 65).

Inflation rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected salary increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement benefit increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years:

	OPEB Costs and Contributions		
	FY 2013	FY 2014	FY 2015
OPEB Cost	\$ 85,967	\$ 89,492	\$ 81,669
Contribution	-	-	-
Retiree premium	92,854	100,282	78,996
Total contribution and premium	92,854	100,282	78,996
Change in net OPEB obligation	\$ (6,887)	\$ (10,790)	\$ 2,673

NOTE 10 – DEFERRED COMPENSATION PLAN

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is payable to employees upon termination, retirement, death, or unforeseen emergency.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plans. Under the plans, participants select investments from alternatives offered by the plan administrators, who are under contract with the City to manage the plans. Investment selection by a participant may be changed from time to time. The City manages none of the investment selections. By making the selection, enrollees accept and assume all risks that pertain to the particular plan and its administration.

The City placed the deferred compensation plans' assets into trust for the exclusive benefit of the plans participants' and beneficiaries' in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

The City has little administrative involvement and does not perform the investing function for the plans. The City does not hold the assets in a trustee capacity and does not perform fiduciary accountability for the plans. Therefore, the City employees' deferred compensation plans created in accordance with IRC 457 are not reported in the financial statements of the City.

NOTE 11 – CONTINGENCIES AND COMMITMENTS

A. Litigation

Several suits have been filed and are pending against the City. In the opinion of management and the City's attorney, these matters are either without merit, are covered by insurance or involve amounts that would not have a material adverse effect on the City's financial statements.

B. Project commitments

As of September 30, 2015, the City had executed contracts for various project commitments in the amount of \$1,203,911. At year end, \$123,229 had been expended on these construction contracts with \$1,080,682 assigned in the Fund financial statements.

NOTE 12 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address:

- Fair value measurement and application;
- Amendments to accounting and financial reporting for pensions;

City of Vestavia Hills, Alabama
Notes to Financial Statements

NOTE 12 – FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- GAAP hierarchy;
- Tax abatement disclosures; and
- Financial reporting and accounting related to other post-employment benefits.

The City is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT

The City implemented Governmental Accounting standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No 27), in the fiscal year ended September 30, 2015. The implementation of the statement required the City to record beginning net pension liability and the effect on net position of contributions made by the City during the measurement period (fiscal year ended September 30, 2014) As a result, the beginning net position for the year ended September 30, 2015 decreased by \$18,625,001.

Required Supplementary Information

City of Vestavia Hills, Alabama
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual—General Fund

Year ended September 30, 2015

	Budget - Original and Final	General Fund Actual	Variance
Revenues			
Taxes	\$ 26,039,043	\$ 25,923,168	\$ (115,875)
Licenses and permits	3,756,594	4,337,672	581,078
Charges for services	383,500	391,351	7,851
Fines and forfeitures	304,962	487,710	182,748
Fees	2,758,087	2,846,268	88,181
Grants	504,804	555,314	50,510
Proceeds from sale of assets	5,000	24,733	19,733
Investment revenues	47,517	74,447	26,930
Other revenues	637,754	618,934	(18,820)
Total revenues	34,437,261	35,259,597	822,336
Expenditures			
General government administration	5,397,920	6,785,107	(1,387,187)
Public safety	16,138,142	15,792,421	345,721
Public works	6,455,514	6,620,303	(164,789)
Library	1,615,820	1,558,926	56,894
Capital outlay	188,000	195,076	(7,076)
Total expenditures	29,795,396	30,951,833	(1,156,437)
Excess of revenues over expenditures	4,641,865	4,307,764	(334,101)
Other financing sources (uses)			
Donations	-	14,021	14,021
Operating transfers in	-	1,400,000	1,400,000
Operating transfers out	(4,809,009)	(5,106,745)	(297,736)
Total other financing sources (uses)	(4,809,009)	(3,692,724)	1,116,285
Excess of revenues and other financing sources over (under) expenditures	(167,144)	615,040	782,184
Fund balances, beginning of year	9,230,495	12,402,609	3,172,114
Fund balances, end of year	\$ 9,063,351	\$ 13,017,649	\$ 3,954,298

City of Vestavia Hills, Alabama
Schedule of Changes in the Net Pension Liability
and Related Ratios

	2015
Total pension liability	
Service Cost	\$ 1,277,907
Interest	4,747,042
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(3,062,574)
Net change in total pension liability	2,962,375
Total pension liability - beginning	60,869,309
Total pension liability - ending (a)	\$ 63,831,684
Plan Fiduciary Net Position	
Contributions - employer	\$ 1,750,292
Contributions - employee	851,524
Net investment income	4,842,808
Benefit payments, including refunds of employee contributions	(3,062,574)
Transfers among employers	245,477
Net change in plan fiduciary net position	4,627,527
Plan net position - beginning	40,494,016
Plan net position - ending (b)	\$ 45,121,543
Net pension liability (asset) - ending (a) - (b)	\$ 18,710,141
Plan fiduciary net position as a percentage of total pension liability	70.69%
Covered employee payroll	\$ 14,710,190
Net pension liability as a percentage of covered employee payroll	127.19%

**City of Vestavia Hills, Alabama
Schedule of Employer Contributions**

	2015
Actuarially Determined Contribution	\$ 1,829,808
Employer Contributions to Pension Plan	1,829,808
Annual Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 15,389,166
Employer Contributions to Pension Plan as a % of Covered Employee Payroll	11.89%

City of Vestavia Hills, Alabama
Other Post-Employment Benefits
Funding Progress and Trend Information

Post-employment benefits (See Note 9)

The following table shows the City's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded PEB liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage	Net OPEB Obligation (Asset)
			of Annual Cost Contributed	
Medical	September 30, 2013	85,967	108.01%	(56,565)
Medical	September 30, 2014	89,493	112.06%	(67,355)
Medical	September 30, 2015	81,669	96.73%	(64,682)

Funded status and funding progress

In the fiscal year ending September 30, 2015, the City made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of October 1, 2014, the most recent actuarial valuation, the AAL was \$774,095, which is defined as that portion, as determined by a particular actuarial cost method (the City uses the projected unit credit cost method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since no plan funding has occurred through fiscal year 2014, the entire actuarial accrued liability of \$774,095 was unfunded.

The following is the schedule of funding progress obtained from the actuarial valuations:

Actuarial Valuation Date September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Ratio of UAAL to Covered Payroll (b-a)/c
2009	-	\$ 980,657	\$ 980,657	0.00%	\$ 13,981,608	7.01%
2010	-	980,657	980,657	0.00%	14,000,000	7.00%
2011	-	933,115	933,115	0.00%	11,006,562	8.48%
2012	-	970,440	970,440	0.00%	13,597,707	7.14%
2013	-	875,360	875,360	0.00%	14,200,951	6.16%
2014	-	910,374	910,374	0.00%	14,046,113	6.48%
2015	-	774,095	774,095	0.00%	15,319,930	5.05%

City of Vestavia Hills, Alabama
Notes to Required Supplementary Information

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Budgets and budgetary accounting

The City adopts annual budgets for the general fund, capital projects fund, and special revenue funds and such budgets are prepared on a basis consistent with generally accepted accounting principles. Any revisions that alter the total expenditures must be approved by the City Council. The budget of the General fund and Capital Projects fund are presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual. Revenues collected for and submitted to the Board of Education were not budgeted since they were remitted to the Board as received.

The City does not adopt budgets for the Debt Service Fund.

Budget information presented in the financial statements is based on the original budget as adopted by the City Council on August 25, 2014.

Supplementary Information

City of Vestavia Hills, Alabama
Combining Balance Sheet—Other Governmental Funds

Year ended September 30, 2015

	State Shared Gasoline Tax Funds			
	Four Cent	Five Cent	Seven Cent	Emergency 911
Assets				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 251,879
Accounts receivable	19,187	9,372	32,801	67,870
Interfund receivable	-	-	27,644	-
Total assets	\$ 19,187	\$ 9,372	\$ 60,445	\$ 319,749
Liabilities				
Accounts payable	\$ -	\$ -	\$ 17,568	\$ 11,208
Bank overdraft	-	-	151,496	-
Interfund payable	18,583	9,061	-	-
Total liabilities	18,583	9,061	169,064	11,208
Fund equity				
Fund balance:				
Restricted for road maintenance	604	311	-	-
Restricted for debt service	-	-	-	-
Assigned	-	-	-	308,541
Unassigned (deficit)	-	-	(108,619)	-
Total fund equity	604	311	(108,619)	308,541
Total liabilities and fund equity	\$ 19,187	\$ 9,372	\$ 60,445	\$ 319,749

Court & Corrections	Library	Vehicle Tags	Totals
\$ 179,699	\$ 331,984	\$ 235,954	\$ 999,516
-	-	-	129,230
-	-	-	27,644
\$ 179,699	\$ 331,984	\$ 235,954	\$ 1,156,390

\$ 8,956	\$ 1,506	\$ 205,826	\$ 245,064
-	-	-	151,496
-	-	-	27,644
8,956	1,506	205,826	424,204

-	-	-	915
-	-	-	-
170,743	330,478	30,128	839,890
-	-	-	(108,619)
170,743	330,478	30,128	732,186
\$ 179,699	\$ 331,984	\$ 235,954	\$ 1,156,390

City of Vestavia Hills, Alabama
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances—Other Governmental Funds

Year ended September 30, 2015

	State Shared Gasoline Tax Funds		
	Four Cent	Five Cent	Seven Cent
Revenues			
Taxes	\$ 2,115	\$ -	\$ 684,386
Intergovernmental	196,019	108,751	329,507
Fines and forfeitures	-	-	-
Grants	-	-	-
Investment revenues	-	-	562
Library revenues	-	-	-
Total revenues	198,134	108,751	1,014,455
Expenditures			
General government administration	-	-	-
Public safety	-	-	-
Public works	197,530	108,440	2,012,580
Library	-	-	-
Capital outlay	-	-	-
Total expenditures	197,530	108,440	2,012,580
Excess of revenues over (under) expenditures	604	311	(998,125)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other sources over expenditures and other uses	604	311	(998,125)
Fund balance, beginning of year	-	-	889,506
Fund balance, end of year	\$ 604	\$ 311	\$ (108,619)

Emergency 911	Court & Corrections	Library	Vehicle Tags	Totals
\$ 821,899	\$ -	\$ -	\$ -	\$ 1,508,400
-	-	-	104,042	738,319
-	454,630	-	-	454,630
-	-	22,283	-	22,283
-	315	270	93	1,240
-	-	102,551	-	102,551
<u>821,899</u>	<u>454,945</u>	<u>125,104</u>	<u>104,135</u>	<u>2,827,423</u>
-	311,909	-	97,030	408,939
619,823	91,567	-	-	711,390
-	-	-	-	2,318,550
-	-	82,525	-	82,525
115,494	14,000	56,953	-	186,447
<u>735,317</u>	<u>417,476</u>	<u>139,478</u>	<u>97,030</u>	<u>3,707,851</u>
<u>86,582</u>	<u>37,469</u>	<u>(14,374)</u>	<u>7,105</u>	<u>(880,428)</u>
-	27,128	-	-	27,128
-	(250,000)	-	-	(250,000)
-	(222,872)	-	-	(222,872)
86,582	(185,403)	(14,374)	7,105	(1,103,300)
<u>221,959</u>	<u>356,146</u>	<u>344,852</u>	<u>23,023</u>	<u>1,835,486</u>
<u>\$ 308,541</u>	<u>\$ 170,743</u>	<u>\$ 330,478</u>	<u>\$ 30,128</u>	<u>\$ 732,186</u>

RESOLUTION NUMBER 4846

A RESOLUTION ORDERING THE DEMOLITION OF A BUILDING OR STRUCTURE LOCATED AT 1756 INDIAN CREEK DRIVE, VESTAVIA HILLS, AL 35243, PARCEL ID# 28-00-20-4-004-015.000, IN COMPLIANCE WITH SECTIONS 11-40-30 THROUGH 11-40-36, SECTIONS 11-53B-1 THROUGH 11-53B-16, INCLUSIVE, OF THE *CODE OF ALABAMA*, AND IN COMPLIANCE WITH ORDINANCE NUMBER 2382 OF THE CITY OF VESTAVIA HILLS, ALABAMA; AND CALLING FOR THE CITY TO CAUSE SAID DEMOLITION TO BE PERFORMED AND DIRECTING THE CITY ATTORNEY AND THE CITY CLERK TO CAUSE THE COST OF SUCH DEMOLITION TO BE CHARGED AGAINST THE LAND ON WHICH THE BUILDING OR STRUCTURE EXISTS AS A MUNICIPAL LIEN OR CAUSE SUCH COST TO BE RECOVERED IN A SUIT AT LAW AGAINST THE OWNER OR OWNERS

WHEREAS, the Appropriate Municipal Officials of the City of Vestavia Hills, Alabama (“the City”), determined that the condition of the building or structure located at 1756 Indian Creek Drive, Vestavia Hills, AL 35243, Alabama, Parcel I.D. Number 28-00-20-4-004-015.000, is in such a condition as to make it dangerous to the life, health, property, morals, safety, or general welfare of the public or the occupants;

WHEREAS, contemporaneously with the filing of “Finding of Public Nuisance, Notice and Order to Remedy and Notice of Lis Pendens” on May 5, 2016, a copy of same was sent via certified mail, properly addressed and postage prepaid, to:

A. All person or persons, firms, associations, or corporations last assessing the subject property for state taxes to the address on file in the Jefferson County Tax Collector’s Office;

B. The record property owner or owners (including any owner or owners of an interest in the subject property) as shown from a search of records of the office the Judge of Probate of Jefferson County, Alabama, at the owner or owners’ last known address and at the address of the subject property;

C. All mortgagees of record as shown from a search of the records of the office of the Judge of Probate of Jefferson County, Alabama, to the address set forth in the mortgage or, if no address for the mortgagee is set forth in the mortgage, to the address determined to be the correct address by the Appropriate Municipal Officials;

D. All lien holders of record as shown from a search of the records of the office of the Judge of Probate of Jefferson County, Alabama, to the address set forth in the statement of lien or, if no address for the lien holder is set forth in the statement of lien, to the address determined to be the correct address by the Appropriate Municipal Officials; and

E. Such other persons who are otherwise known to the City Clerk or to the Appropriate Municipal Officials who could have an interest in the subject property;

WHEREAS, contemporaneously with the filing of the “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of Lis Pendens,” a copy of the same was posted at or within three feet of an entrance to the building on the subject property and posted in three public places located within the City: 1.) at Vestavia Hills City Hall, 2.) at the Vestavia Hills Library in the Forest, and 3.) at the Vestavia Hills Civic Center;

WHEREAS, notice that the Appropriate Municipal Officials have made a finding that the subject property is a dangerous building because it is unsafe to the extent that it is a public nuisance and is subject to demolition and that a public hearing would be held on a certain date was also given to all interested parties and to the public at large by publication in the *Alabama Messenger*;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vestavia Hills, Alabama, while in regular session on Monday, June 27, 2016, as follows:

Section 1. A Public Hearing was held on Monday, June 27, 2016, at 5:00 p.m. and after due deliberation the Council of the City of Vestavia Hills, Alabama, finds that the structure standing at 1756 Indian Creek Drive, Vestavia Hills, AL 35243, Parcel ID# 28-00-20-4-004-015.000, is unsafe to the extent of becoming a public nuisance to the citizens of the City and is due to be demolished in compliance with Sections 11-40-30 through 11-40-36 and Sections 11-53B-1 through 11-53B-16, inclusive, of the Code of Alabama (1975), and Ordinance Number 2382 of the City;

Section 2. That the City shall cause said demolition to be performed by its own employees and/or by contractor(s); and

Section 3. That the City Attorney and the City Clerk are hereby directed to cause the cost of such demolition to be charged against the land on which the building or structure is located and shall constitute a lien on the property for the amount of the assessment or cause such cost to be recovered in a suit at law against the owner or owners.

ADOPTED and APPROVED this the 27th day of June, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY

Rebecca Leavings
City Clerk

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Rebecca Leavings, City Clerk of the City of Vestavia Hills, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Vestavia Hills, Alabama, on the 27th day of June, 2016 while in regular session, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this _____ day of June, 2016.

Rebecca Leavings, City Clerk

IN THE PROBATE COURT OF JEFFERSON COUNTY, ALABAMA

CITY OF VESTAVIA HILLS, ALABAMA)
)
 v.)
)
 JAMES D. REINHARDT;)
 DEBORAH REINHARDT;)
 COMPASS BANK;)
 ABINGDON GREEN HOMEOWNERS)
 ASSOCIATION, INC.;)
 JEFFERSON COUNTY SEWER SERVICE)
 OFFICE;)
 BIRMINGHAM WATER WORKS;)
)
 Lot 15, according to the survey of Abingdon)
 Green, as recorded in Map Book 152, page 85, in)
 the Probate Office of Jefferson County,)
 Alabama.)

County Division Code: AL040
 Inst. # 2016043741 Pages: 1 of 10
 I certify this instrument filed on
 5/5/2016 8:53 AM Doc: LN
 Alan L. King, Judge of Probate
 Jefferson County, AL. Rec: \$43.00
 Clerk: NICOLE

**FINDING OF PUBLIC NUISANCE, NOTICE AND ORDER TO REMEDY,
 AND NOTICE OF LIS PENDENS**

TAKE NOTICE that:

COMES NOW, the City of Vestavia Hills, Alabama (“the City”), by and through its Appropriate Municipal Officials, its City Clerk, and its Attorney to provide notice pursuant to Ordinance No. 2382 of the City that the Appropriate Municipal Officials have made a finding that a building located within the City is a dangerous building because it is unsafe to the extent that it is a public nuisance and subject to demolition. The building is located on the following described property, to wit, which will be described hereafter as “the Subject Property”:

STREET ADDRESS:

1756 Indian Creek Drive, Vestavia Hills, AL 35243

LEGAL DESCRIPTION:

Lot 15, according to the survey of Abingdon Green, as recorded in Map Book 152, page 85, in the Probate Office of Jefferson County, Alabama.

PARCEL IDENTIFICATION NUMBER:

28-00-20-4-004-015.000

The City provides further notice as follows:

1. In *Ellis v. City of Montgomery*, the United States District Court for the Middle District of Alabama stated that, in cases such as this where a municipality seeks the demolition of building by use of its police powers, “A simple *lis pendens* filing after sending notice to the current owner of a property would place subsequent purchasers on record notice that demolition could occur.” *Ellis v. City of Montgomery*, 460 F.Supp.2d 1301, 1307 (M.D. Ala. 2006). Here, the City is invoking the procedure recommended by the District Court.

2. By the filing of this Notice, the City is not claiming any right, title, or interest in the subject property. Rather, the purpose of this Notice is to put all interested parties on notice of the City’s intent to exercise its authority provided by law and specifically by the City’s ordinances.

3. Ordinance No. 2382 of the City is “An Ordinance to Amend the Official Policies and Procedures of the City of Vestavia Hills, Alabama, Regarding Unsafe Structures and Dangerous Buildings.” The below-signed Appropriate Municipal Officials are the persons designated to exercise the authority and perform the duties delegated by Ordinance No. 2382.

4. The Appropriate Municipal Officials find that the building located on the Subject Property is a “dangerous building” within the meaning of Ordinance No. 2382 because of the following defects:

- (1) Exclusive of the foundation, the building shows thirty-three (33) percent, or more, of damage or deterioration of one (1) or more supporting members, or fifty (50) percent of damage or deterioration of the non-supporting enclosing or outside walls or covering;
- (2) The building has improperly distributed loads upon the floors or roofs, or in which the same are overloaded, or has insufficient strength to be reasonably safe for the purpose used;

- (3) The building has become or is so damaged, dilapidated, decayed, unsafe, unsanitary, lacking in maintenance, vermin or rat infested, containing filth or contamination, lacking proper ventilation, lacking sufficient illumination, or so utterly fails to provide the amenities essential to decent living that it is unfit for human habitation, or is likely to cause sickness or disease, so as to work injury to the life, health, property, morals, safety, or general welfare of the public or the occupants;
- (4) The building has inadequate facilities for egress in case of fire or panic, or has insufficient stairways, elevators, fire escapes, or other means of ingress and egress to and from said building;
- (5) The building does not provide minimum safeguards to protect or warn occupants in the event of fire;
- (6) The building is so damaged, decayed, dilapidated, structurally unsafe, or of such fault construction or unstable foundation that partial or complete collapse is possible;
- (7) The building has parts thereof which are so attached that they may fall and damage property or injure the public or the occupants;
- (8) The building, or any portion thereof, is clearly unsafe for its use or occupancy;
- (9) The building is neglected, damaged, dilapidated, unsecured, or abandoned so as to become an attractive nuisance to children who might play in or on the building, structure, part of building or structure, party wall, or foundation to their danger, has become a harbor for vagrants, criminals, or immoral persons, or enables persons to resort to the building, structure, part of building or structure, party wall, or foundation for committing a nuisance or an unlawful act; and
- (10) The building is, because of its condition, unsafe, unsanitary, or dangerous to the life, health, property, morals, safety, or general welfare of the public or the occupants.

5. The Appropriate Municipal Officials find that the building on the Subject Property is substantially damaged or decayed, or deteriorated from its original value or structure (not including the value of the land).

6. The Appropriate Municipal Officials find that the building on the Subject Property is a fire hazard existing in violation of the terms of the terms of the City's ordinance, as amended, governing unsafe structures and dangerous buildings.

7. The Appropriate Municipal Official finds that the building on the Subject Property is unsafe to the extent that it is a public nuisance.

8. Notice is hereby given to remedy the unsafe or dangerous condition by demolition of the building on the Subject Property within forty-five (45) days of the date of this Notice to the Appropriate Municipal Officials' satisfaction. In the event the owner does not comply within the time specified herein to the Appropriate Municipal Officials' satisfaction, the demolition shall be accomplished by the City and the cost thereof assessed against the Subject Property and such cost shall constitute a lien against the Subject Property.

9. The Appropriate Municipal Officials find that the building on the Subject Property is in such condition as to make it dangerous to the life, health, property, morals, safety, or general welfare of the public or the occupants. Therefore, the Appropriate Municipal Officials order that the building on the Subject Property be and remain vacated until demolished.

10. A public hearing as provided for by Section 5-146(a) set forth in Ordinance No. 2382 shall be held on the finding of the Appropriate Municipal Officials in the Council Chambers at the Vestavia Hills City Hall, 1032 Montgomery Highway, Vestavia Hills, AL 35216, on the 27th day of June, 2016, at 5:00 p.m. At that time, the City Council shall hold a public hearing to receive any objections to the finding by the Appropriate Municipal Officials that the building or structure is unsafe to the extent of becoming a public nuisance. A written request for a public hearing is not necessary. At the public hearing, the City Council shall also receive any written objections to the finding by the Appropriate Municipal Officials. Any such written objection must be submitted to the City Clerk prior to the start of the City Council meeting at which the public hearing is held. No action shall be taken on the finding of the Appropriate Municipal Officials until determination thereon is made by the City

Council. Upon holding the hearing, the City Council shall determine whether or not the building or structure is unsafe to the extent that it is a public nuisance. If it is determined by the City Council that the building or structure is unsafe to the extent that it is a public nuisance, the City Council shall order demolition of the building at the expense of the City and assess the expenses of the move or demolition on the land on which the building stands or to which it is attached. Any person aggrieved by the decision of the City Council at the hearing may, within ten (10) days thereafter, appeal to the Circuit Court of Jefferson County, Alabama, Birmingham Division, upon filing with the Clerk of the Circuit Court of Jefferson County, Alabama, Birmingham Division, notice of the appeal and bond for security of costs in the form and amount to be approved by the Circuit Clerk. For further particulars, see Ordinance No. 2382.

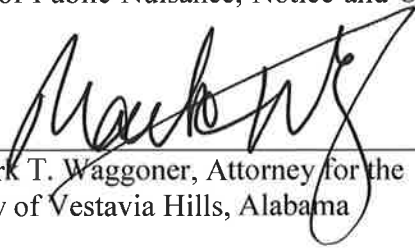
11. A failure by the Vestavia Hills City Council to act on the findings of the Appropriate Municipal Officials within ninety (90) days from the date of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*" shall constitute an abdication of the Appropriate Municipal Officials' findings. However, this shall in no way prevent the City from reinitiating the proceedings authorized by Ordinance No. 2382 at any time so long as all the requirements of Ordinance No. 2382 are satisfied anew. Furthermore, this does not require that the ordered demolition take place within ninety (90) days from the date of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*." A failure by the City to accomplish the demolition of the building within one hundred eighty (180) days of the passage of the resolution by the City Council ordering the same shall constitute an abdication of the City Council's order unless certain conditions further explained in Ordinance No. 2382 are satisfied. For further particulars, see Ordinance No. 2382. Anyone interested in the status of these proceedings should inquire with the Vestavia Hills City Clerk at (205) 978-0184 or at 1032 Montgomery Highway, Vestavia Hills, AL 35216.

12. It is unlawful for any person, or for any agent, servant or employee of such person, to obstruct or interfere with the Appropriate Municipal Officials in carrying out the purposes of Ordinance No. 2382.

13. It is unlawful for any person, or for any agent, servant or employee of such person, to mutilate, destroy, tamper with this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*."

14. It is unlawful for any person to enter, access, or be upon the building that the Appropriate Municipal Officials have ordered to be vacated pursuant to this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*" except for the purposes of demolishing the same.

15. It is unlawful for any person who has received this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*" to sell, transfer, mortgage, lease, encumber, or otherwise dispose of the building that is the subject of the same to another until such person shall first furnish the grantee, transferee, mortgagee, or lessee a true copy of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*" and shall furnish to the Appropriate Municipal Officials a signed and notarized statement from the grantee, transferee, mortgagee, or lessee acknowledging the receipt of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*" and fully accepting the responsibility without condition for making the corrections or repairs required by this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*."



Mark T. Waggoner, Attorney for the
City of Vestavia Hills, Alabama

OF COUNSEL:

Hand Arendall LLC
2001 Park Place North, Suite 1200
Birmingham, AL 35203
E-mail: mwaggoner@handarendall.com
Phone: (205) 324-4400 Fax: (205) 322-1163

VERIFICATION OF THE APPROPRIATE MUNICIPAL OFFICIALS

We, the undersigned, Keith Blanton and Scott Key state as follows: We are the Building Official and Fire Marshal, respectively, for the City of Vestavia Hills, Alabama, and for purposes of administering Ordinance No. 2382, we are the "Appropriate Municipal Officials." We hereby offer the findings made in this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*," make such orders as are offered herein, and provide such notice as is specified herein.

DONE this the 5th day of May, 2016.



Keith Blanton, Building Official and
Appropriate Municipal Official
City of Vestavia Hills, Alabama



Scott Key, Fire Marshal and
Appropriate Municipal Official
City of Vestavia Hills, Alabama

This Instrument Prepared By:

Mark T. Waggoner
Hand Arendall LLC
2001 Park Place North, Suite 1200
Birmingham, AL 35203
E-mail: mwaggoner@handarendall.com
Phone: (205) 324-4400
Fax: (205) 322-1163

CERTIFICATE OF SERVICE

Contemporaneously with the filing of this “Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*,” a copy of the same has been sent via certified mail, properly addressed and postage prepaid to all of the following persons on this the 5th day of May, 2016:

A. The person or persons, firm, association, or corporation last assessing the Subject Property for state taxes to the address on file in the Jefferson County Tax Collector’s Office:

James D. & Deborah Reinhardt
1756 Indian Creek Drive
Vestavia Hills, AL 35243

B. The record property owner or owners (including any owner or owners of an interest in the Subject Property) as shown from a search of the records of the office of the Judge of Probate of Jefferson County, Alabama, at the owner or owners’ last known address and at the address of the Subject Property:

Deborah Reinhardt
1756 Indian Creek Drive
Vestavia Hills, AL 35243

C. All mortgagees of record as shown from a search of the records of the office of the Judge of Probate of Jefferson County, Alabama, to the address set forth in the mortgage or, if no address for the mortgagee is set forth in the mortgage, to the address determined to be the correct address by the Appropriate Municipal Official:

Compass Bank
3960 Crosshaven Drive
Vestavia Hills, AL 35243

D. All lien holders of record as shown from a search of the records of the office of the Judge of Probate of Jefferson County, Alabama to the address set forth in the statement of lien or, if no address for the lien holder is set forth in the statement of lien, to the address determined to be the correct address by the Appropriate Municipal Official:

There are no lien holders of record.

E. Such other persons who are otherwise known to the City Clerk or to the Appropriate Municipal Official who could have an interest in the Subject Property:

Abingdon Green Homeowners Association, Inc.
c/o David P. Bruno
1764 Indian Creek Drive
Vestavia Hills, AL 35243

Jefferson County Sewer Service Office
Room 800
Jefferson County Courthouse
716 Richard Arrington Jr. Blvd. North
Birmingham, AL 35203
Attention: Alicia

Birmingham Water Works
3600 First Avenue North
Birmingham, AL 35233
Attention: Macaroy "Mac" Underwood

No other person is otherwise known to the City Clerk or to the Appropriate Municipal Official to have an interest in the Subject Property.

Contemporaneously with the filing of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*," a copy of the same has been posted at or within three feet of an entrance to the building on the Subject Property.

Contemporaneously with the filing of this "Finding of Public Nuisance, Notice and Order to Remedy, and Notice of *Lis Pendens*," a copy of the same has been posted in three public places located within the City: 1.) at Vestavia Hills City Hall, 2.) at the Vestavia Hills Library in the Forest, and 3.) at the Vestavia Hills Civic Center.

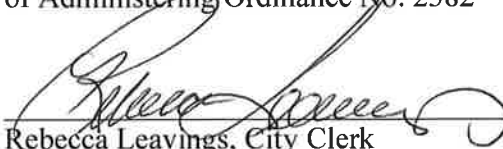
Notice that the Appropriate Municipal Official has made a finding that the Subject Property is a dangerous building because it is unsafe to the extent that it is a public nuisance and is subject to demolition and that a public hearing will be held on the date assigned herein will also be given to all interested parties and to the public at large by publication in the *Alabama Messenger*.



Keith Blanton, City of Vestavia Hills, Alabama Building
Official and Appropriate Municipal Official for Purposes
of Administering Ordinance No. 2382



Scott Key, Fire Marshal for City of Vestavia Hills,
Alabama and Appropriate Municipal Official for Purposes
of Administering Ordinance No. 2382



Rebecca Leavings, City Clerk
City of Vestavia Hills, Alabama

RESOLUTION NUMBER 4847

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ALLOW USE OF OVERTIME AND THE HIRING OF A TEMPORARY, PART-TIME EMPLOYEE TO SUPPLEMENT FIRE DEPARTMENT AND BUILDING SAFETY INSPECTIONS

WHEREAS, the City Manager has identified a need within the Fire Department and Building Safety inspections which have a temporary increase causing a 2-to-5 day delay in responding to inspections requests; and

WHEREAS, the City Manager, detailed said need to the City Council requesting an additional \$32,000 to be appropriated from the General Fund to allow the use of overtime and hiring of a temporary, part-time employee to supplement Fire Department and Building Safety inspections. A detailed explanation is attached to and incorporated into this Resolution Number 4847 as though written fully therein; and

WHEREAS, the Mayor and City Council feel it is in best public interest to accept the City Manager's recommendation and appropriate an additional \$32,000 from the General Fund as requested.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF VESTAVIA HILLS, ALABAMA, AS FOLLOWS:

1. The City Manager is hereby authorized to use overtime and hire a temporary, part-time inspector to assist with inspections in an amount not to exceed \$32,000; and
2. This Resolution Number 4847 shall become effective immediately upon approval and adoption.

ADOPTED and APPROVED this the 27th day of June, 2016.

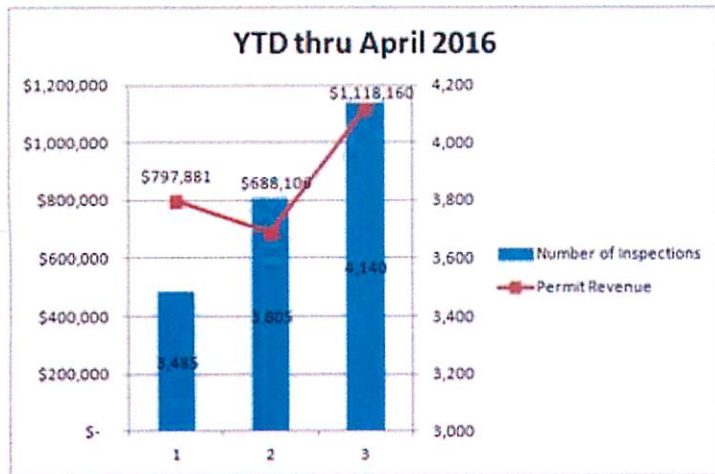
Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

1. An additional \$32,000 General Fund supplemental appropriation (see attached justification) to allow use of overtime, and hiring of a temporary, part time employee to supplement Fire Department and Building Department inspections. The number of inspections and permit revenue are both up significantly. In addition, Keith Blanton has and will be assisting in supervision of City facility enhancements/construction resulting in more pressures on his inspection time. This is resulting in a 2-5 day delay in responding to inspection requests. Your approval will shorten these delays and assist with the demands on inspections services. I have included a chart explaining this below.

FY thru April	Number of Inspections	Permit Revenue *	Number of Inspectors	Number of Work Days	Inspections per Day per Inspector
2014	3,485	\$ 797,881	3	140	8.30
2015	3,805	\$ 688,106	4	140	6.79
2016	4,140	\$ 1,118,160	3.5	140	8.45



Revenue Differential 2015 to 2016 thru April \$ 430,054
 Change in Number of Inspections 2015 to 2016 thru April 335

** Permit Revenue Includes New Construction Permits, Renovation Permits and Contractor's Licenses

RESOLUTION NUMBER 4849

**A RESOLUTION DECLARING A WEED AND
OTHER VEGETATION NUISANCE PURSUANT TO
ORDINANCE NUMBER 2567 AND DIRECTING THE
CITY MANAGER TO ABATE SAID NUISANCE**

WHEREAS, on May 11, 2015, the City Council of the City of Vestavia Hills, Alabama, adopted and approved Ordinance Number 2567 to establish a procedure for the abatement of grass and weeds and for the prosecution and abatement of grass and weed violations; and

WHEREAS, the City's Compliance Officer has made a "First Demand" on the property located at 4004 North Cahaba Drive; a copy of which is marked as "Exhibit A," attached to and incorporated into this Resolution Number 4849 as if written fully therein; and

WHEREAS, a public hearing was conducted at the regularly scheduled City Council meeting of June 27, 2016 at 5:00 PM in which the facts of the matter were discussed; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to declare the property a nuisance and direct the City Manager to abate said nuisance pursuant to the provisions set forth in Ordinance Number 2567; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vestavia Hills, Alabama, as follows:

1. The property located at 4004 North Cahaba Drive is hereby declared a nuisance pursuant to the provisions of Ordinance Number 2567 and the City Manager is hereby authorized to abate said nuisance pursuant to the terms and provisions of said ordinance.
2. This Resolution shall become effective immediately upon its approval and adoption.

APPROVED and ADOPTED this the 27th day of June, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

1 ORI # AL0010900	2 Date of Report 06 16 16	3 Time of Report 09:30	4 Incident Type <input type="checkbox"/> Incident <input checked="" type="checkbox"/> Offense <input type="checkbox"/> Supplement	5 Supplement Date	6 Agency Case Number 2016-00017466
----------------------	------------------------------	---------------------------	--	-------------------	---------------------------------------

8 Agency Name Vestavia Hills Police Department	9 Sector
--	----------

10 Type of Incident or Offense <input type="checkbox"/> Felony <input checked="" type="checkbox"/> Misdemeanor <input type="checkbox"/> Attempted <input checked="" type="checkbox"/> Completed Weeds	11 Degree (Circle) 1 2 3	12 UCR Code	13 State Code/Local Ordinance VHC 302.4
--	-----------------------------	-------------	---

14 Type of Incident or Offense <input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Attempted <input type="checkbox"/> Completed	15 Degree (Circle) 1 2 3	16 UCR Code	17 State Code/Local Ordinance
--	-----------------------------	-------------	-------------------------------

18 Place of Occurrence <input type="checkbox"/> Check here if event occurred at victim's residence	Victim Demographics (Where victim is an individual)		
If offense occurred at victim's residence, then only the approximate location should be listed in this section. (For example, a block number should be entered.) If the offense occurred elsewhere, then the specific address should be listed here.	18 Sex <input type="checkbox"/> M <input type="checkbox"/> F	20 Race <input type="checkbox"/> W <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> I	21 Ethnicity <input type="checkbox"/> Hispanic <input type="checkbox"/> Other
	22 Multiple Victims <input type="checkbox"/> LE Officer	23 Age	27 Bias Code

29 Point of Entry <input type="checkbox"/> Door <input type="checkbox"/> Roof <input type="checkbox"/> Window <input type="checkbox"/> Other	30 Method of Entry <input type="checkbox"/> Forcible <input type="checkbox"/> Attempted Forcible <input type="checkbox"/> No Force	31 Local Use	32 Lighting 1 Natural 2 Moon 3 Artificial Exterior 4 Artificial Interior 5 Unknown	33 Weather 1 Clear 2 Cloudy 3 Rain 4 Fog 5 Snow 6 Hail 7 Unknown	34 Location Type (Circle) 01 Terminal 02 Bank 03 Bar 04 Church 05 Commercial 06 Construction 07 Conv Store 08 Dept Store 09 Drug Store 10 Field/Woods 11 Govt/Public Building 12 Supermarket 13 Highway/Street 14 Hotel/Motel 15 Jail/Prison 16 Lake/Waterway 17 Liquor Store 18 Parking Lot/Garage 19 Storage Facility 20 Residence/Home 21 Restaurant 22 School/College 23 Service/Gas Station 24 Specialty Store 25 Other/Unknown
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35 Occurred from MM/DD/YY 04 11 16	36 Time of Event 12:00	37 Day of Week Monday	38 Occurred to MM/DD/YY 06 16 16	39 Time of Event 09:00	40 Day of Week Thursday	41 # Premises Entered (Burglary)	42 Type Criminal Activity B Buying/Receiving D Distributing/Selling O Operating/Promoting T Transporting/Importing C Cultivating/Manu E Exploiting Children P Possessing/Concealing U Using/Consuming	43 Victim Type I Individual F Financial (Bank) R Religious Org B Business G Government S Society
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44 Loss Code	45 Property Code	46 Qty	47 Property Description Include Make, Model, Size Type, Serial #, Color, Drug Type, Drug Qty, Etc.	48 Dollar Value		49 Recovered	
				Stolen	Damaged	Date	Value

Loss Code (Enter letter in loss code column) S Stolen B Burned R Recovered F Forged/ D Damaged/ Counterfeited Destroyed N None C Confiscated/ Seized	Property Code (Enter # in property type column) 01 Aircraft 02 Alcohol 03 Autos 04 Bicycles 05 Buses 06 Clothes 07 Computer 08 Consumables 09 Credit Card 10 Drugs 11 Drug Equip 12 Farm Equip 13 Firearms 14 Gambling Equipment 15 Heavy Construction 16 Household Goods 17 Jewelry 18 Livestock 19 Merchandise 20 Money 21 Negotiable Instrument 22 Non-negotiable Instru 23 Office Equipment 24 Other Motor Vehicle 25 Purse/Wallet 26 Radios/TV/VCR 27 Recordings 28 RV's 29 Structure - Single Occupancy Dwelling 30 Structure - Other Dwelling 31 Structure - Other Commercial 32 Structure - Industrial/ Manufacturing 33 Structure - Public/Community 34 Structure - Storage 35 Structure - Other 36 Tools - Power/Hand 37 Trucks 38 Vehicle Parts/Accessories 39 Watercraft 77 Other
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50 Stolen Vehicle Only <input type="checkbox"/> Area Stolen <input type="checkbox"/> Residence <input type="checkbox"/> Business <input type="checkbox"/> Rural	51 Ownership verified by: <input type="checkbox"/> Tag Receipt <input type="checkbox"/> Title <input type="checkbox"/> Bill of Sale <input type="checkbox"/> Other	52 Veh. Categories <input type="checkbox"/> Recovered <input type="checkbox"/> Victim's Vehicle <input type="checkbox"/> Abandoned <input type="checkbox"/> Stolen <input type="checkbox"/> Suspect's Vehicle <input type="checkbox"/> Unauthorized Use <input type="checkbox"/> Other
53 Vehicle Year	54 Vehicle Make	55 Vehicle Model
56 Number Veh Stolen	57 Vehicle Description	58 Vehicle Style
59 Vehicle Color Top _____ Bottom _____	60 License	61 LST
62 LIY	63 Tag Color	64 Vehicle VIN Number
65 Warrant Signed <input type="checkbox"/> Yes <input type="checkbox"/> No	Warrant Number	66 Stolen in your jurisdiction? <input type="checkbox"/> Yes <input type="checkbox"/> No Where?
67 Recovered in your jurisdiction? <input type="checkbox"/> Yes <input type="checkbox"/> No Where?	68 Case #	69 SFX
70 Case #	71 SFX	72 Case #
73 SFX	74 Case Status 1 Pending 2 Inactive 3 Closed	75 Multiple Cases Closed Listed Above <input type="checkbox"/> Multiple Cases Closed Listed On Supplement <input type="checkbox"/>
76 Entered NCIC/ACJIC <input type="checkbox"/> Yes <input type="checkbox"/> No	77 Case Disposition 1 Cleared by Arrest (Juvenile) 2 Cleared by Arrest (Adult) 3 Unfounded 4 Exceptional Clearance 5 Administratively Cleared	78 Exceptional Clearance (Circle One) A Suspect/Offender Dead B Prosecution Declined/ Other Prosecution C Extradition Denied D Victim Refused to Cooperate E Juvenile (No Custody) F Death of Victim
Date (MM/DD/YY)	79 Reporting Officer Coleman, James	Officer ID Number
NIC/AIN #	80 Assisting Officer	Officer ID Number
	81 Supervisor Approval	Officer ID Number
	82 Watch Commander	Officer ID Number

EVENT

PROPERTY

VEHICLES

ADMINISTRATION

Yes No 28 Domestic Violence

Vestavia Hills Police Department

Exhibit A - Resolution No. 4849

Incident/Offense Report - Continued		83 Date of Report (MM/DD/YY) 06 16 16		84 Time of Report 09 : 30		85 Agency Case Number 2 0 1 6 - 0 0 0 1 7 4 6 6		87 <input type="checkbox"/> Offender <input checked="" type="checkbox"/> Suspect <input type="checkbox"/> Missing Person		<input type="checkbox"/> Check if Multiple	
88 Reported By (Last, First, Middle Name) Ofc. J. Coleman,				<input type="checkbox"/> Victim Or		89 Suffix		90 <input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident		91 Home Phone	
94 Victim #		95 Victim (Last, First, Middle Name) City Of Vestavia				96 Suffix		97 Address (Street, City, State, Zip) 1032 Montgomery Highway Vestavia Hills, AL 35216		98 Home Phone	
99 Work Phone (208)978-0140		100 Other Phone		101 Employer/School		102 Occupation		103 Address (Street, City, State, Zip)		104 Work Phone	
105 Other Phone		106 Sex <input type="checkbox"/> M <input type="checkbox"/> F		107 Race <input type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I		<input type="checkbox"/> English <input type="checkbox"/> Spanish <input type="checkbox"/> Other		108		109 HGT	
110 WGT		111 Date of Birth		112 Age		113 Victim SSN		114 Complainant SSN		115 Multiple Victims <input type="checkbox"/> LE Officer	
116 Ethnicity <input type="checkbox"/> Hispanic <input type="checkbox"/> Other		117 Injury <input type="checkbox"/> Yes <input type="checkbox"/> No		118 Offender known to victim? <input type="checkbox"/> Yes <input type="checkbox"/> No		119 Victim was? (Explain Relationship.)		120 Relationship Code		121 Weapons Used <input type="checkbox"/> Firearm <input type="checkbox"/> Knife <input type="checkbox"/> Hands, Fist, Feet, Voice, etc. <input type="checkbox"/> Other Dangerous	
122 Description of Weapons/Firearms/Tools Used in Offense Describe:		<input type="checkbox"/> Handgun <input type="checkbox"/> Rifle <input type="checkbox"/> Shotgun <input type="checkbox"/> Unknown		123 Place of Occurrence 4004 North Cahaba Dr. Vestavia Hills, AL 35243		124 Injury Type N None I Internal Injury M Minor Injury T Loss of Teeth B Broken Bones L Severe Laceration O Other Major Injury U Unconscious		125 Sector		126 Circumstances: Homicide & Assault	
127 Location: Rape		128 Assault <input type="checkbox"/> Simple <input type="checkbox"/> Aggravated		129 Treatment for Assault? <input type="checkbox"/> Yes <input type="checkbox"/> No		130 Verify for Rape Exam? <input type="checkbox"/> Yes <input type="checkbox"/> No		131 Treatment for Rape? <input type="checkbox"/> Yes <input type="checkbox"/> No		132 Off #	
133 Name (Last, First, Middle) Clement, Jan, M.		134 SFX		135 Alias		136 Social Security #		137 Race <input checked="" type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I		138 Sex <input type="checkbox"/> M <input checked="" type="checkbox"/> F	
139 Date of Birth		140 Age		141 Address (Street, City, State, Zip)		142 HGT		143 WGT		144 Ethnicity <input checked="" type="checkbox"/> Other <input type="checkbox"/> Hispanic <input type="checkbox"/> Spanish <input type="checkbox"/> Other	
145 Language <input type="checkbox"/> English <input type="checkbox"/> Spanish <input type="checkbox"/> Other		146 Probable Destination		147 Eye		148 Hair		149 Complexion		150 Armed <input type="checkbox"/> Yes <input type="checkbox"/> No	
151 Clothing		152 <input type="checkbox"/> Scars <input type="checkbox"/> Marks <input type="checkbox"/> Tattoos <input type="checkbox"/> Amputations		153 <input type="checkbox"/> Arrested <input type="checkbox"/> Dual Arrest (Domestic Violence) <input type="checkbox"/> Wanted		154 Off #		155 Name (Last, First, Middle)		156 SFX	
157 Alias		158 Social Security #		159 Race <input type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I		160 Sex <input type="checkbox"/> M <input type="checkbox"/> F		161 Date of Birth		162 Age	
163 Address (Street, City, State, Zip)		164 HGT		165 WGT		166 Ethnicity <input type="checkbox"/> Other <input type="checkbox"/> Hispanic <input type="checkbox"/> Spanish <input type="checkbox"/> Other		167 Language <input type="checkbox"/> English <input type="checkbox"/> Spanish <input type="checkbox"/> Other		168 Probable Destination	
169 Eye		170 Hair		171 Complexion		172 Armed <input type="checkbox"/> Yes <input type="checkbox"/> No		173 Clothing		174 <input type="checkbox"/> Scars <input type="checkbox"/> Marks <input type="checkbox"/> Tattoos <input type="checkbox"/> Amputations	
175 <input type="checkbox"/> Arrested <input type="checkbox"/> Dual Arrest (Domestic Violence) <input type="checkbox"/> Wanted		176 Name (Last, First, Middle)		177 Sex <input type="checkbox"/> M <input type="checkbox"/> F		178 Race <input type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I		179 Date of Birth		180 Address	
181 Home		182 Work		183 Other		184 Name (Last, First, Middle)		185 Sex <input type="checkbox"/> M <input type="checkbox"/> F		186 Race <input type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I	
187 Date of Birth		188 Address		189 Home		190 Work		191 Other		192 Name (Last, First, Middle)	
193 Sex <input type="checkbox"/> M <input type="checkbox"/> F		194 Race <input type="checkbox"/> W <input type="checkbox"/> B <input type="checkbox"/> A <input type="checkbox"/> I		195 Date of Birth		196 Address		197 Home		198 Work	
199 Other		200 Witness # 1 SSN		201 Witness # 2 SSN		202 Witness # 3 SSN		203 6-16-2016 521 Weed Ordinance		204 Continued on Supplement <input type="checkbox"/> Yes <input type="checkbox"/> No	
205 Assisting Agency ORI		206 Assisting Agency Case Number		207 SFX		208 Warrant Signed <input type="checkbox"/> Yes <input type="checkbox"/> No		209 Warrant #		209 Add. Cases Closed Narrative <input type="checkbox"/> Y <input type="checkbox"/> N	
210		I hereby affirm that I have read this report and that all the information given by me is correct to the best of my knowledge. I will assume full responsibility for notifying the agency if any stolen property or missing person herein reported is returned.		Signature		211 Local Use		212 State Use		ACJC - 11-06	

**ADDITIONAL INCIDENT/OFFENSE
NARRATIVE CONTINUED**

79 Date and Time of Report
0 6 1 6 1 6

09:30

80 Case #
2 0 1 6 - 0 0 0 1 7 4 6 6

82 Type Report: 1 Continuation

2 Follow-up

NARRATIVE

6-16-2016 521 Weed Ordinance

once again. Officer held off from starting the abatement because of the fact the owner lives out of town. Officer was giving the owner plenty of time to take care of the property. The owner has not contacted officer about her property. At this time, officer can not delay this process any longer.

NARRATIVE

NARRATIVE









4004 NO. CALHOUN DR

NOTICE TO DESTROY WEEDS

Notice is hereby given that on the 27th day of JUNE, 2016, at 5:00 p.m. a meeting of the City Council of the City of Vestavia Hills, Alabama, will hold a public hearing and will consider the weeds growing upon or in front of this property; and at that time and place will determine if the weeds constitute a public nuisance which shall be abated by removal of the noxious weeds. If so, will order the abatement and removal of the nuisance. If abatement and removal of the weeds shall be assessed upon the lots and lands from which or in front of which the weeds were removed, and the cost shall be added to the next regular bills for taxes levied against the property for municipal purposes. **IF ABATEMENT IS PERFORMED, THE COSTS TAXED SHALL BE LESS THAN \$500.00.** The costs shall be collected at the same time and in the same manner as municipal taxes are collected. The costs shall be subject to the same commissions and fees as provided for foreclosure and sale in case of delinquency as provided for ordinary municipal taxes.

If no objections are filed with the City Clerk at least five days before the meeting of the City Council, and if the person appears before the City Council in person or through his or her representative, why his or her objection should be sustained, it shall be presumed that the person accepts the abatement and waives any rights he or she may have to contest the removal of the weeds and the action of the City Council shall be final.

In the event that you cut the weeds prior to abatement by the City, return this sign to Vestavia Hills, Alabama, and inform the City Building Inspector of the same. Otherwise, **IT IS A MISDEMEANOR TO REMOVE THIS SIGN, PUNISHABLE BY UP TO SIX MONTHS IMPRISONMENT AND A \$500.00 FINE.**

Posted this 16th day of JUNE, 2016.









RESOLUTION NUMBER 4852

**A RESOLUTION AUTHORIZING AND DIRECTING
THE CITY MANAGER TO ENTER INTO TWO
AGREEMENTS WITH EMS MANAGEMENT &
CONSULTANTS, INC.**

WHEREAS, the present medical transport billing service company wishes to terminate the service agreement as of September 1, 2016; and

WHEREAS, the Vestavia Hills Fire Department would like to enter into a billing services agreement (Exhibit B) with EMS Management & Consultants, Inc., for medical transports performed by the Vestavia Hills Fire Department; and

WHEREAS, compliance with the terms and conditions of Health Insurance Portability and Accountability Act of 1996 and as amended from time to time “HIPPA” requires a business associate agreement (Exhibit C) by and between the City of Vestavia Hills and EMS Management & Consultants, Inc., to safeguard for protection of protected health information “PHI” and regulate disclosure of all confidential information; and

WHEREAS, the Vestavia Hills Assistant Fire Chief of Operations in a letter dated June 22, 2016 (Exhibit A) recommended the approval of said agreements; and

WHEREAS, the Vestavia Hills City Manager has concurred with Vestavia Hills Assistant Fire Chief of Operations for approval of said agreements; and

WHEREAS, the Mayor and City Council have concurred with the City Manager and feel it is in the best public interest to enter into said agreements as presented and recommended by the City Manager.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vestavia Hills, Alabama, as follows:

1. The City Council authorizes and directs the City Manager to enter into a billing service agreement and a business associate agreement with EMS Management & Consultants, Inc.; and
2. This Resolution shall become effective immediately upon its approval and adoption.

APPROVED and ADOPTED this the 27th day of June, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk



VESTAVIA HILLS FIRE DEPARTMENT

MEMORANDUM

TO: Jeff Downes

FROM: AC Terry Ray

CC: Chief Jim St. John

DATE: June 22, 2016

RE: Transport Billing Recommendation

As you are aware, the company which presently provides transport billing services for the Fire Department has notified us that due to restructuring, they wish to terminate our services agreement September 1, 2016. I have contacted the transport billing companies provide by ESO Solutions that import data from our current patient care reporting software. After evaluating each of the respondents, I recommend the City Council authorize a contract with EMS Management and Consultants for our future transport billing services.

EMS Management and Consultants has extensive experience with transport billing within the State of Alabama and provides services for the largest private transport service in this area. This provides EMS Management and Consultants not only with experience with the Alabama the Medicaid system, but has established relationships with local hospitals and providers.

Additionally, the rate quoted by EMS Management and Consultants is 4.55 percent of net collections. Based upon FY 2016 figures, this is very compliable to the eighteen dollars per transport currently be charged by our present billing company.

BILLING SERVICES AGREEMENT

THIS BILLING SERVICES AGREEMENT (hereinafter "Agreement"), is entered into this 26th day of May, 2016 between EMS MANAGEMENT & CONSULTANTS, INC. (hereinafter "EMS|MC") and Vestavia Hills Fire Department, Alabama (hereinafter "Client").

WITNESSETH:

WHEREAS, EMS|MC is an ambulance billing service company with experience in providing medical billing and collection services to medical transport providers, including fire and rescue and emergency medical service (EMS) providers; and

WHEREAS, Client is normally engaged in the business of providing emergency medical services, and billable medical transportation services; and

WHEREAS, Client wishes to retain EMS|MC to provide medical billing and collection services as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements described below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. ENGAGEMENT.** During the term of this Agreement, EMS|MC shall provide routine billing, bill processing and fee collection services reasonably required and customary for service providers of similar size and situation to Client (the "Services"). The Services shall include: (1) preparing and submitting initial and secondary claims and bills for Client to insurers and others responsible for payment; (2) performing reasonable and diligent routine collection efforts to secure payments from primary and secondary payers and patients or other entities, (as EMS|MC, in its sole discretion deems appropriate); (3) issuing patient statements for all unpaid balances; and (4) referring accounts which have not been collected during EMS|MC normal billing cycle to an outside collection agency if so directed by Client.

Accounts with outstanding balances after the insurance and/or third party payer has determined benefits due will be billed by EMS|MC to the patient.

EMS|MC will send follow-up bills, except as to those accounts on which an insurance carrier or third-party payer has accepted responsibility to pay. Once Client has submitted all necessary information, EMS|MC will bill all uninsured patients directly.

EMS|MC will provide Client with a monthly financial report, to Client within ten (10) business days of the last business day of the month. The month end report shall include an account analysis report, aging report and accounts receivables reconciliation report. Deposit reports will be provided daily.

EMS|MC shall provide appropriate storage and data back-up for all records pertaining to Client's bills and collections hereunder, accessible to Client during reasonable business hours.

EMS|MC shall maintain records of all Services performed and records of all financial transactions. EMS|MC shall retain all financial records not tendered or returned to Client on any termination hereof for at least seven (7) years, and retain all Medicare and Medicaid records for seven (7) years.

EMS|MC will comply with all applicable state and federal regulations applicable to EMS|MC in the provision of the Services hereunder. This undertaking will expressly survive the termination of this Agreement.

EMS|MC shall notify Client of all patient complaints about clinical services within five (5) business days of receipt and notify Client of all patient complaints about billing within ten (10) days of receipt.

Client shall promptly advise EMS|MC of notices of audit received by Client. EMS|MC shall directly advise Client of any notices of audit, requests for medical records or other contacts or inquiries out of the normal course of business from representatives of Medicare, Medicaid or private payers, with which Client contracts ("Payer Inquiries"),. Client will be notified of Payer Inquiries within ten (10) business days of EMS|MC's receipt of same.

EMS|MC is appointed as the agent of Client under this Agreement solely for the express purposes of this Agreement relating to billing and receiving payments and mail, receiving and storing documents, and communicating with hospitals and other entities to facilitate its duties. EMS|MC will have no authority to pledge credit, contract, or otherwise act on behalf of Client except as expressly set forth herein.

As to all payments received from Medicare, Medicaid and other government funded programs, the parties specifically acknowledge that EMS|MC will only prepare claims for Client and will not negotiate checks payable or divert electronic fund transfers to Client from Medicare, Medicaid or any other government funded program. All Medicare, Medicaid and any other government funded program payments, including all electronic fund transfers, will be deposited directly into a bank account designated by Client to receive such payments and as to such account only Client, through its officers and directors, shall have access.

The Services provided by EMS|MC to Client under this Agreement are conditioned on Client's fulfillment of the responsibilities set forth in Sections 2 and 3 of this Agreement.

EMS|MC shall have no responsibility to provide any of the following services:

- (a) Determining the accuracy or truthfulness of documentation and information provided by Client;
- (b) Providing services outside the EMS|MC billing system;
- (c) Submitting any claim that EMS|MC believes to be inaccurate or fraudulent;
- (d) Providing any service not expressly required of EMS|MC by this Agreement.

2. COMPENSATION OF EMS|MC.

- (a) Client shall pay a fee for the Services of EMS|MC hereunder, on a monthly basis, in an amount equal to (4.55) percent of "Net Collections" as defined below (the "Compensation"). Net Collections shall mean all cash and check amounts including electronic fund transfers (EFT's) received by EMS|MC from payers, patients, attorney's offices, court settlements, collection agencies, government institutions, group health insurance plans, private payments, credit cards, healthcare facilities or any person or entity submitting funds on a patient's account, or any amounts paid directly to Client with or without the knowledge of EMS|MC that are paid, tendered, received or collected each month for Client's transports, less refunds processed or any other necessary adjustments to those amounts.

EMS|MC shall submit an invoice to Client by the tenth (10th) day of each month for the Compensation due to EMS|MC for the previous calendar month. The Compensation amount reflected on the invoice shall be paid in full by the 20th day of the month in which the invoice is first presented to Client. Such amount shall be paid without offset unless the calculation of the amount is disputed in good faith, in which case Client shall pay the undisputed amount and shall provide EMS|MC with detailed written notice of the basis for the disputed portion no later than the time payment is normally due. All invoices are to be paid directly from Client's banking institution to EMS|MC via paper check, direct deposit or ACH draft initiated by EMS|MC into EMS|MC's bank account.

In the event of a material change to the billing process and/or scope of Services provided in this Agreement or a significant difference in the original patient demographics provided by Client, EMS|MC reserves the right to, in good faith, negotiate a fee change with Client and amend this Agreement.

EMS|MC may, in its sole discretion, immediately cease to provide Services for Client should the outstanding balance owed to EMS|MC become in arrears. Claims processing will not resume

until all outstanding balances are paid in full or arrangements approved by EMS|MC have been made to wholly resolve any outstanding balances.

FEES and CHARGES - A one-time late fee of 5% shall be added to any invoices that remain unpaid by the 25th day of the calendar month in which such invoice is first presented to Client. Interest shall begin to accrue on all unpaid balances starting thirty (30) days after the date of the applicable invoice for any unpaid balances at the rate of 1½% per month or the highest rate allowed under applicable law, whichever is lower. Client shall be responsible for all costs of collection incurred by EMS|MC or others in attempting to collect any amounts due from Client under this Agreement, including, but not limited to, reasonable attorney fees.

3. RESPONSIBILITIES OF CLIENT.

The following responsibilities of Client are a condition of EMS|MC's services under this Agreement, and EMS|MC shall have no obligation to provide the Services to the extent that Client has not fulfilled these responsibilities:

- (a) Client will pay all amounts owed to EMS|MC under this Agreement.

- (b) Client will provide EMS|MC with complete and accurate demographic and charge information necessary for the processing of professional and/or technical component billing to third parties and/or patients, including the following: patient identification (name, address, phone number, birth date, gender); guarantor identification and address; insurance information; report of services; special claim forms; pre-authorization numbers; and such additional information as is requested by EMS|MC.

- (c) In addition, Client shall provide complete and accurate medical record documentation necessary to ensure proper billing and secure claim payment; secure authorizations and signatures, including consent to treat, assignment of benefits and release of information, and physician certification statements (PCS) forms for all non-emergency transports. Client will report to EMS|MC within ten (10) business days of payments received directly by Client, and promptly notify EMS|MC of any cases requiring special handling or billing. Client must provide Patient Care Reports (PCR's) in a timely manner in order to achieve higher performance. Further, Client will: implement any reasonable changes that EMS|MC determines to be necessary for the accurate completion of billing forms and related documentation; execute all forms required by Medicare, Medicaid, CHAMPUS, and any other payer or insurance carrier to allow EMS|MC to carry out its billing and other duties under this Agreement; implement reasonable and customary charges for complete, compliant billing as may be identified and recommended by EMS|MC; and maintain Client's own files with all original or source documents, as required by law. Client acknowledges that EMS|MC is not the agent of Client for storage of source documentation. Client will provide EMS|MC with a copy of any existing billing policy manuals or guidelines, Medicare or Medicaid reports, or any other record or document related to services or billing of Client's accounts.
- (d) In addition, Client is to provide EMS|MC with complete and accurate medical records for each incident or patient service rendered for reimbursement [(i.e. the Ambulance Call Report (ACR) or Patient Care Report (PCR)]. The PCR record must thoroughly detail the patient's full medical condition at the time of service and include a chronological narrative of all services and treatment rendered. Client represents and warrants that the PCR and any and all associated medical records, forms and certification statements provided to EMS|MC are true and accurate and contain only factual information observed and documented by the attending field technician during the course of the treatment and transport.
- (e) Client will obtain any and all additional patient documentation required by Centers for Medicare and Medicaid Services ("CMS") or any other governmental or commercial payer for reimbursement consideration,

including but not limited to a Physician Certification Statements (PCS) or other similar medical necessity forms or prior authorization statements as deemed necessary by the payer.

- (f) Client shall ensure that any refunds posted by EMS|MC are actually issued and paid to the patient, insurer, or other payer as appropriate.
- (g) Client shall allow EMS|MC to audit Client's records and processes at least annually, and on a more frequent basis if reasonably necessary, upon ten (10) days advance notice to Client, during regular business hours, to attempt to ensure that Client is in compliance with this Agreement and that all fees due to EMS|MC have been paid.
- (h) Client shall provide EMS|MC with access to its facilities and personnel for the purpose of providing on-site and/or online training to such personnel. Client shall cooperate with EMS|MC and facilitate any training that EMS|MC wishes to provide.
- (i) Client shall comply with all applicable federal, state, and local laws, rules, regulations, and other legal requirements that in any way affect this Agreement or the duties and responsibilities of the parties hereunder.

4. TERM OF AGREEMENT.

- (a) This Agreement shall be effective commencing on September 1, 2016 and shall thereafter continue through August 31, 2019. This Agreement shall be binding upon the parties hereto and their respective successors, assigns, and transferees. The Agreement shall automatically renew on the same terms and conditions as stated herein, for successive one (1) year terms, unless either party gives written notice of intent not to renew at least 60 days before expiration of any term. Notwithstanding anything herein to the contrary, this Agreement may be terminated under the provisions provided below.

- (i) **Termination for Cause.** Notwithstanding Section 4(a), this Agreement may be terminated by either party at any time for Cause, as defined below, based on a material breach of a term or condition hereof by the other party which is not remedied by the other party within ten (10) days of written notice describing the breach in reasonable detail. "Cause" shall include the following:
- (1) Failure of Client to make timely payments due under this Agreement;
 - (2) Any damage to property, business, reputation, or good will of the other party hereto arising from the gross negligence or willful misconduct of a party;
 - (3) Injury to any customer, independent contractor, employee or agent of the other party hereto arising from the gross negligence or willful misconduct of a party;
 - (4) Client's engagement of another billing services provider to provide services during the term of this Agreement;
 - (5) Harassment of any employee or contractor of a party or commitment of any act by a party which creates an offensive work environment;
 - (6) Failure to practice in accordance with the appropriate policies, standards and procedures established by the respective parties;
 - (7) Commitment of any unethical or immoral act which harms the other party or could have the effect of harming the other party; or
 - (8) Any breach of any material provision of this Agreement.

5. RESPONSIBILITIES UPON TERMINATION.

- (a) Subject to Client's payment of all amounts due hereunder, upon any termination of this Agreement, and during the period of any notice of termination, EMS|MC will make available to Client or its authorized representatives data from the billing system regarding open accounts in an electronic format, and will otherwise reasonably cooperate and assist in any transition of the Services to Client, or its successor billing agent.
- (b) Following termination of this Agreement, for a period of ninety (90) days (the "Wind Down"), EMS|MC will continue its billing and collection efforts as to those accounts with dates of services prior to termination, subject to the terms and conditions of this Agreement, for the applicable fee set forth in Section 2(a). Client will continue to provide EMS|MC with copies of checks and payments on those accounts which were filed by EMS|MC under this Agreement. EMS|MC shall have no further responsibilities as to such accounts after the Wind Down; however EMS|MC shall be entitled to compensation as provided in Section 2(a) for such amounts filed by EMS|MC, regardless of whether such amounts are collected by Client during or after the Wind Down period. In the event Client has an outstanding balance owed to EMS|MC which is more than 45 days in arrears at the time of termination, or in the event that EMS|MC believes that Client has provided false or fraudulent claim information, EMS|MC shall have no obligation to provide any Services after the date of termination.

6. MISCELLANEOUS BILLING POLICIES.

- (a) During the term of this Agreement, EMS|MC shall be Client's provider of the Services or services similar to the Services. Client may not directly file, submit or invoice for any medical or medical transportation services rendered while this Agreement is in effect.
- (b) In addition, Client agrees not to collect or accept payment for services from any patient unless the service requested does not meet coverage requirements under any insurance program in which

the patient is enrolled or the patient is uninsured. Payments received directly by Client for these services must be reported to EMS|MC as provided in Section 3(b) hereof and shall be treated as Net Collections for purposes of Section 2(a) hereof.

- (c) In compliance with CMS regulations, Medicare patients will not be charged by Client a higher rate or amount for identical covered services charged to other insurers or patients. Accordingly, only one fee schedule shall exist and be used in determining charges for all patients regardless of insurance coverage.
- (d) EMS|MC reserves the right not to submit a claim for reimbursement on any patient in which the PCR and/or associated medical records are incomplete or appear to be inaccurate or do not contain enough information to substantiate or justify reimbursement. This includes missing patient demographic information, insurance information, physician certification statements (PCS) or any required crew and/or patient signatures, or otherwise contradictory medical information.
- (e) Client shall implement and maintain a working compliance plan (“Compliance Plan”) in accordance with the most current guidelines of the U.S. Department of Health and Human Services (“HHS”). The Compliance Plan must include, but not be limited to, formal written policies and procedures and standards of conduct, designation of a compliance officer, quality assurance policy and effective training and education programs.
- (f) In accordance with the HHS Office of Inspector General (“OIG”) Compliance Program Guidance for Third-Party Medical Billing Companies, EMS|MC is obligated to report misconduct to the government, if EMS|MC discovers credible evidence of Client’s continued misconduct or flagrant, fraudulent or abusive conduct. In the event of such evidence, EMS|MC has the right to (a) refrain from submitting any false or inappropriate claims, (b) terminate this Agreement and/or (c) report the misconduct to the appropriate authorities.

7. NON-INTERFERENCE/NON-SOLICITATION OF EMS|MC EMPLOYEES.

Client understands and agrees that the relationship between EMS|MC and each of its employees constitutes a valuable asset of EMS|MC.

Accordingly, Client agrees that both during the term of this Agreement and for a period beginning on the date of termination of this Agreement, whatever the reason, and ending three (3) years after the date of termination of this Agreement (the "Restricted Period"), Client shall not, without EMS|MC's prior written consent, directly or indirectly, solicit or recruit for employment; attempt to solicit or recruit for employment; or attempt to hire or accept as an employee, consultant, contractor, or otherwise, or accept any work from EMS|MC's employees with whom Client had material contact during the term of this Agreement, in any position where Client would receive from such employees the same or similar services that EMS|MC performed for Client during the term of this Agreement. Client also agrees during the Restricted Period not to unlawfully urge, encourage, induce, or attempt to urge, encourage, or induce any employee of EMS|MC to terminate his or her employment with EMS|MC. Client has carefully read and considered the provisions of Section 7 hereof, and having done so, agrees that the restrictions set forth in such section (including, but not limited to, the time period) are fair and reasonable and are reasonably required for the protection of the legitimate interests of EMS|MC, its officers, directors, shareholders, and employees.

8. PRIVACY.

Confidentiality. All data and information furnished to EMS|MC by Client shall be regarded as confidential ("Confidential Information"), shall remain the sole property of Client and shall be held in confidence and safekeeping by EMS|MC under the terms of this Agreement. EMS|MC agrees that except as provided otherwise herein, its officers, employees and agents will not disclose to any person, firm or entity other than Client or EMS|MC's or Client's designated legal counsel, accountants or practice management consultants any information about Client, its practice or billing, or any of the patients of Client unless and to the extent required to do so by applicable law, including, without limitation, federal, state or local law enforcement authorities acting within their jurisdiction and/or acting under the law and/or under court orders. EMS|MC's obligations of confidentiality under this

Section 8 shall not extend to: (1) information which is already in the possession of EMS|MC and not under a duty of non-disclosure; (2) information which is generally known or revealed to the public through no fault of EMS|MC; (3) information which is revealed to EMS|MC by a third party, unless such party is under a duty of non-disclosure of which EMS|MC is aware; or (4) information that was or is independently developed by EMS|MC without reference to or use of any of the Confidential Information. In addition to the foregoing, EMS|MC and Client shall comply with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), and with the regulations promulgated thereunder, including, without limitation, the Privacy Rule, the Security Rule, and the amendments enacted in the Health Information Technology for Economic and Clinical Health ("HITECH") Act. EMS|MC and Client shall execute a separate Business Associate Agreement under HIPAA.

9. LIMITATIONS OF LIABILITY AND DISPUTE RESOLUTION

- (a) EMS|MC and Client acknowledge and agree that despite their best efforts, billing errors may occur from time to time. Each party will promptly notify the other party of the discovery of a billing error. EMS|MC's sole obligation in the event of a billing error will be to correct the error by making appropriate changes to the information in its system, posting a refund if appropriate, and re-billing the underlying claim if permissible.
- (b) A "Claim" is defined as any claim or other matter in dispute between EMS|MC and Client that arises from or relates in any way to this Agreement or to the Services, hardware, software, or data provided by EMS|MC hereunder, regardless of whether such claim or matter is denominated as a contract claim, tort claim, warranty claim, indemnity claim, statutory claim, arbitration demand, or otherwise.

- (e) To the fullest extent allowed by law, EMS|MC and Client waive Claims against each other for consequential, indirect, special, punitive, exemplary, and treble damages, and for any other damages in excess of direct, compensatory damages (the “Non-Direct Damages Waiver”).
- (f) Notwithstanding the Non-Direct Damages Waiver, EMS|MC agrees to indemnify, hold harmless, and defend Client with reasonably acceptable counsel from and against any fines, penalties, damages, and judgments that Client becomes legally obligated to pay to a third party proximately caused by EMS|MC’s gross negligence or willful misconduct. Provided, however, that this indemnity is subject to the following further conditions and limitations: (i) Client must provide prompt written notice to EMS|MC of the matter for which indemnity is or may be sought, within such time that no right of EMS|MC is prejudiced, and in no event no later than thirty (30) days after Client first becomes aware of the facts that give rise or may give rise to a right of indemnity; (ii) Client must allow EMS|MC the opportunity to direct and control the defense and handling of the matter for which indemnity is or may be sought; (iii) Client must not agree to any settlement or other voluntary resolution of a matter for which indemnity is or may be sought without EMS|MC’s express consent; and (iv) Client shall not seek or be entitled to indemnify for amounts that Client reimburses or refunds to Medicaid, Medicare, any governmental entity, any insurer, or any other payer as a result of medical services or medical transportation services for which Client should not have received payment in the first place under applicable rules, regulations, standards and policies. Client waives all rights of indemnity against EMS|MC not in accordance with this subsection.
- (g) All Claims between EMS|MC and Client shall be resolved by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association then in effect, except that either party may, at that party’s option, seek appropriate equitable relief in any court having jurisdiction. The hearing in such arbitration proceeding shall take place in Charlotte, North Carolina, or in such other location as may be mutually agreed on by EMS|MC and

Client. The arbitrator in such proceeding, or if more than one arbitrator, each arbitrator, shall be an attorney with at least fifteen (15) years of experience in commercial litigation or in health care law. The arbitrator(s) shall have no authority to enter an award against EMS|MC that: (i) exceeds the Liability Cap; (ii) is based on a Claim brought after the Claim Time Limit; (iii) includes any damages waived by the Non-Direct Damages Waiver; or (iv) is otherwise in contravention of this Agreement. An award entered by the arbitrator(s) shall be enforceable in the United States District Court for the Western District of North Carolina or in any other court having jurisdiction.

- (h) In any arbitration proceeding or permitted court proceeding regarding any Claim, the prevailing party shall be entitled to recover from the non-prevailing party the reasonable costs and expenses incurred by the prevailing party in connection with such proceeding, including, without limitation, the reasonable attorneys' fees, arbitration or court filing fees, arbitrator compensation, expert witness charges, court reporter charges, and document reproduction charges incurred by the prevailing party. Which party is the prevailing party shall be determined in light of the surrounding circumstances, such as comparing the relief requested with that awarded, and shall not be determined simply by whether one party or the other receives a net monetary recovery in its favor.

10. GENERAL.

Status of Parties. Nothing contained in this Agreement shall be construed as establishing a partnership or joint venture relationship between EMS|MC and Client, or as establishing an agency relationship beyond EMS|MC's service as a billing and collection agent of Client under the express terms of this Agreement. EMS|MC and its employees and representatives shall have no legal authority to bind Client.

Assignment. Neither this Agreement nor any rights or obligations hereunder shall be assigned by either party without prior written consent of the other party, except that this Agreement may be assigned without consent to the survivor in any merger or other

business combination including either party, or to the purchaser of all or substantially all of the assets of either party.

Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors, assigns (where permitted), and transferees.

Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date delivered personally or deposited in the United States Postal Service, certified mail, return receipt requested, with adequate postage affixed, addressed as follows:

Client:
Vestavia Hills Fire Department, Alabama
Terry Ray
1032 Montgomery Hwy
Vestavia Hills, Alabama 32516

EMS|MC:
EMS Management & Consultants, Inc.
Laurie O'Quinn
2540 Empire Drive
Suite 100
Winston-Salem, NC 27103

Either party may change its address for notices under this Agreement by giving written notice of such change to the other party in accordance with the terms of this section.

Governing Law. This Agreement and the rights and obligations to the parties hereunder shall be construed in accordance with and governed by the laws of Jefferson County, Alabama, notwithstanding any conflicts of law rules to the contrary.

Integration of Terms. This instrument constitutes the entire agreement between the parties, and supersedes all prior negotiations, commitments,

representations and undertakings of the parties with respect to its subject matter. Without limiting the foregoing, this Agreement supersedes and takes precedence over any inconsistent terms contained in any Request for Proposal ("RFP") from Client and any response to that RFP from EMS|MC.

Amendment and Waiver. This Agreement may be amended or modified only by an instrument signed by all of the parties. A waiver of any provision of this Agreement must be in writing, designated as such, and signed by the party against whom enforcement of the waiver is sought. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach thereof.

Severability. If any provision of this Agreement shall not be valid for any reason, such provision shall be entirely severable from, and shall have no effect upon, the remainder of this Agreement. Any such invalid provision shall be subject to partial enforcement to the extent necessary to protect the interest of the parties hereto.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed on the later of the dates set forth below.

EMS|MC:

CLIENT:

EMS Management & Consultants, Inc.

Vestavia Hills Fire Department

By: Allan Logie

By: _____

Print Name: Allan Logie

Print Name: _____

Title: Chief Performance Officer

Title: _____

Date: 6-16-2014

Date: _____

BUSINESS ASSOCIATE AGREEMENT

This [Amended and Restated] Business Associate Agreement (the “Agreement”) is made effective the 26th day of May, 2016, by and between Vestavia Hills Fire Department, Alabama, hereinafter referred to as “Covered Entity,” and EMS Management & Consultants, Inc., hereinafter referred to as “Business Associate” (individually, a “Party” and collectively, the “Parties”).

WITNESSETH:

WHEREAS, the Parties wish to enter into a Business Associate Agreement to ensure compliance with the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA Privacy and Security Rules”) (45 C.F.R. Parts 160 and 164) and the “Red Flag Rules” as found at 16 C.F.R. § 681.1 and applicable to creditors subject to the administrative enforcement of the FCRA by the Federal Trade Commission pursuant to 15 U.S.C. § 1681s(a)(1); and

WHEREAS, the Health Information Technology for Economic and Clinical Health (“HITECH”) Act of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, modified the HIPAA Privacy and Security Rules (hereinafter, all references to the “HIPAA Privacy and Security Rules” include all amendments thereto set forth in the HITECH Act and any accompanying regulations); and

WHEREAS, the Parties have entered into a written or oral arrangement or arrangements (the “Agreements”) whereby Business Associate will provide certain services to Covered Entity and, pursuant to such Agreements, Business Associate may be considered a “business associate” of Covered Entity as defined in the HIPAA Privacy and Security Rules; and

WHEREAS, Business Associate may have access to Protected Health Information or Electronic Protected Health Information (as defined below) in fulfilling its responsibilities under the Agreements; [and

WHEREAS, prior to enactment of the HITECH Act, Covered Entity and Business Associate previously entered into a Business Associate Agreement and now intend this Agreement to supersede the prior agreement in order to comply with the requirements of the HITECH Act;] and

WHEREAS, Covered Entity wishes to comply with the HIPAA Privacy and Security Rules, and Business Associate wishes to honor its obligations as a Business Associate to Covered Entity; and

WHEREAS, in the event that Business Associate is engaged to perform any activity in connection with any “covered account” of Covered Entity as defined in 16 C.F.R. § 681.1 (commonly referred to as the “Red Flag Rules” and applicable to any “creditor” or any “service provider” providing any service to such creditor with regard to a covered account), Business Associate agrees to fully adopt and comply with the Red Flag Rules as are currently in effect and as may be promulgated in the future, including but not limited to the adoption of a Red Flag program that is compliant with applicable federal regulations, and to take all necessary and appropriate steps to ensure that its activities are conducted in accordance with the Red Flag Rules designed to detect, prevent and mitigate the risk of identity theft.

THEREFORE, in consideration of the Parties' continuing obligations under the Agreements, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the provisions of this Agreement.

I. DEFINITIONS

Except as otherwise defined herein, any and all capitalized terms in this Agreement shall have the definitions set forth in the HIPAA Privacy and Security Rules. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Privacy and Security Rules, as amended, or the Red Flag Rules, the HIPAA Privacy and Security Rules and the Red Flag Rules in effect at the time shall control. Where provisions of this Agreement are different than those mandated by the HIPAA Privacy and Security Rules or the Red Flag Rules, but are nonetheless permitted by the HIPAA Privacy and Security Rules or the Red Flag Rules, the provisions of this Agreement shall control.

The term "Breach" means the unauthorized acquisition, access, use, or disclosure of protected health information which compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. The term "Breach" does **not** include: (1) any unintentional acquisition, access, or use of protected health information by any employee or individual acting under the authority of a covered entity or business associate if (a) such acquisition, access, or use was made in good faith and within the course and scope of the employment or other professional relationship of such employee or individual, respectively, with the covered entity or business associate, and (b) such information is not further acquired, accessed, used, or disclosed by any person; or (2) any inadvertent disclosure from an individual who is otherwise authorized to access protected health information at a facility operated by a covered entity or business associate to another similarly situated individual at same facility; and (3) any such information received as a result of such disclosure is not further acquired, accessed, used, or disclosed without authorization by any person.

The term "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.

The term "HIPAA Privacy and Security Rules" refers to 45 C.F.R. Parts 160 and 164 as currently in effect or hereafter amended.

The term "Protected Health Information" means individually identifiable health information including, without limitation, all information, data, documentation, and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is reasonable basis to believe the information can be used to identify the individual. "Protected Health Information" includes, without limitation, "Electronic Protected Health Information," as defined below.

The term "Electronic Protected Health Information" means Protected Health Information which is transmitted by or maintained in Electronic Media (as now or hereafter defined in the HIPAA Privacy and Security Rules).

The term “Red Flag Rules” refers to the provisions found at 16 C.F.R. § 681.1 as applicable to financial institutions and creditors subject to the administrative enforcement of the FCRA by the Federal Trade Commission pursuant to 15 U.S.C. § 1681s(a)(1).

The term “Red Flag” has the same meaning as provided within 16 C.F.R. § 681.1(b)(9) and means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

The term “Secretary” means the Secretary of the Department of Health and Human Services.

The term “Unsecured Protected Health Information” means Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in guidance published in the Federal Register at 74 Fed. Reg. 19006 on April 27, 2009 and in annual guidance published thereafter.

II. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

a. Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreements, provided that such use or disclosure would not violate the HIPAA Privacy and Security Rules if done by Covered Entity. Until such time as the Secretary issues regulations pursuant to the HITECH Act specifying what constitutes “minimum necessary” for purposes of the HIPAA Privacy and Security Rules, Business Associate shall, to the extent practicable, disclose only Protected Health Information that is contained in a limited data set (as defined in Section 164.514(e)(2) of the HIPAA Privacy and Security Rules), unless the person or entity to whom Business Associate is making the disclosure requires certain direct identifiers in order to accomplish the intended purpose of the disclosure, in which event Business Associate may disclose only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the disclosure.

b. Business Associate may use Protected Health Information in its possession for its proper management and administration and to fulfill any present or future legal responsibilities of Business Associate, provided that such uses are permitted under state and federal confidentiality laws.

c. Business Associate may disclose Protected Health Information in its possession to third parties for the purposes of its proper management and administration or to fulfill any present or future legal responsibilities of Business Associate, provided that:

1. the disclosures are required by law; or

2. Business Associate obtains reasonable assurances from the third parties to whom the Protected Health Information is disclosed that the information will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party, and that such third parties will notify Business Associate of any instances of which they are aware in which the confidentiality of the information has been breached.

d. Until such time as the Secretary issues regulations pursuant to the HITECH Act specifying what constitutes “minimum necessary” for purposes of the HIPAA Privacy and Security Rules, Business Associate shall, to the extent practicable, access, use, and request only Protected Health Information that is contained in a limited data set (as defined in Section 164.514(e)(2) of the HIPAA Privacy and Security Rules), unless Business Associate requires certain direct identifiers in order to accomplish the intended purpose of the access, use, or request,

in which event Business Associate may access, use, or request only the minimum necessary amount of Protected Health Information to accomplish the intended purpose of the access, use, or request. Covered Entity shall determine what quantum of information constitutes the “minimum necessary” amount for Business Associate to accomplish its intended purposes.

III. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

a. Business Associate acknowledges and agrees that all Protected Health Information that is created or received by Covered Entity and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by Covered Entity or its operating units to Business Associate or is created or received by Business Associate on Covered Entity’s behalf shall be subject to this Agreement.

b. Business Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as required by law.

c. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Agreement. Specifically, Business Associate will:

1. implement the administrative, physical, and technical safeguards set forth in Sections 164.308, 164.310, and 164.312 of the HIPAA Privacy and Security Rules that reasonably and appropriately protect the confidentiality, integrity, and availability of any Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity, and, in accordance with Section 164.316 of the HIPAA Privacy and Security Rules, implement and maintain reasonable and appropriate policies and procedures to enable it to comply with the requirements outlined in Sections 164.308, 164.310, and 164.312; and

2. report to Covered Entity any use or disclosure of Protected Health Information not provided for by this Agreement of which Business Associate becomes aware. Business Associate shall report to Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, “Security Incident” means the successful unauthorized access, use, disclosure, modification, or destruction of Protected Health Information or interference with system operations in an information system, of which Business Associate has knowledge or should, with the exercise of reasonable diligence, have knowledge, excluding (i) “pings” on an information system firewall; (ii) port scans; (iii) attempts to log on to an information system or enter a database with an invalid password or user name; (iv) denial-of-service attacks that do not result in a server being taken offline; or (v) malware (*e.g.*, a worms or a virus) that does not result in unauthorized access, use, disclosure, modification or destruction of Protected Health Information.

d. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

e. Business Associate agrees to comply with any requests for restrictions on certain disclosures of Protected Health Information to which Covered Entity has agreed in accordance with Section 164.522 of the HIPAA Privacy and Security Rules and of which Business Associate has been notified by Covered Entity. In addition, and notwithstanding the provisions of Section 164.522 (a)(1)(ii), Business Associate agrees to comply with an individual’s request to restrict

disclosure of Protected Health Information to a health plan for purposes of carrying out payment or health care operations if the Protected Health Information pertains solely to a health care item or service for which Covered Entity has been paid by in full by the individual or the individual's representative.

f. At the request of The Covered Entity and in a reasonable time and manner, not to extend ten (10) business days, Business Associate agrees to make available Protected Health Information required for Covered Entity to respond to an individual's request for access to his or her Protected Health Information in accordance with Section 164.524 of the HIPAA Privacy and Security Rules. If Business Associate maintains Protected Health Information electronically, it agrees to make such Protected Health Information available electronically to the applicable individual or to a person or entity specifically designated by such individual, upon such individual's request.

g. At the request of Covered Entity and in a reasonable time and manner, Business Associate agrees to make available Protected Health Information required for amendment by Covered Entity in accordance with the requirements of Section 164.526 of the HIPAA Privacy and Security Rules.

h. Business Associate agrees to document any disclosures of and make Protected Health Information available for purposes of accounting of disclosures, as required by Section 164.528 of the HIPAA Privacy and Security Rules.

i. Business Associate agrees that it will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity, available to the Secretary for the purpose of determining Covered Entity's compliance with the HIPAA Privacy and Security Rules, in a time and manner designated by the Secretary.

j. Business Associate agrees that, while present at any Covered Entity facility and/or when accessing Covered Entity's computer network(s), it and all of its employees, agents, representatives and subcontractors will at all times comply with any network access and other security practices, procedures and/or policies established by Covered Entity including, without limitation, those established pursuant to the HIPAA Privacy and Security Rules and the Red Flag Rules.

k. Business Associate agrees that it will not directly or indirectly receive remuneration in exchange for any Protected Health Information of an individual without the written authorization of the individual or the individual's representative, except where the purpose of the exchange is:

1. for public health activities as described in Section 164.512(b) of the Privacy and Security Rules;

2. for research as described in Sections 164.501 and 164.512(i) of the Privacy and Security Rules, and the price charged reflects the costs of preparation and transmittal of the data for such purpose;

3. for treatment of the individual, subject to any further regulation promulgated by the Secretary to prevent inappropriate access, use, or disclosure of Protected Health Information;

4. for the sale, transfer, merger, or consolidation of all or part of Business Associate and due diligence related to that activity;

5. for an activity that Business Associate undertakes on behalf of and at the specific request of Covered Entity;

6. to provide an individual with a copy of the individual's Protected Health Information pursuant to Section 164.524 of the Privacy and Security Rules; or

7. other exchanges that the Secretary determines in regulations to be similarly necessary and appropriate as those described in this Section III.k.

l. Business Associate agrees that it will not directly or indirectly receive remuneration for any written communication that encourages an individual to purchase or use a product or service without first obtaining the written authorization of the individual or the individual's representative, unless:

1. such payment is for a communication regarding a drug or biologic currently prescribed for the individual and is reasonable in amount (as defined by the Secretary); or

2. the communication is made on behalf of Covered Entity and is consistent with the terms of this Agreement.

m. Business Associate agrees that if it uses or discloses patients' Protected Health Information for marketing purposes, it will obtain such patients' authorization before making any such use or disclosure.

n. Business Associate agrees to implement a reasonable system for discovery of breaches and method of risk analysis of breaches to meet the requirements of HIPAA, The HITECH Act, and the HIPAA Regulations, and shall be solely responsible for the methodology, policies, and procedures implemented by Business Associate.

o. Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary, in a reasonable time and manner as designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

p. Business Associate agrees to mitigate, to the extent reasonably practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

q. State Privacy Laws. Business Associate shall understand and comply with state privacy laws to the extent that state privacy laws are not preempted by HIPAA or The HITECH Act.

r. Business Associate acknowledges that in the event Business Associate violates subsections (k), (l) or (m) hereof, the provisions of section 1176 and 1177 of the Social Security Act (42 U.S.C. 1320d-5, 1320d-6) shall apply to Business Associate with respect to such violation in the same manner as such provisions apply to Covered Entity.

IV. BUSINESS ASSOCIATE'S MITIGATION AND BREACH NOTIFICATION OBLIGATIONS

a. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

b. Following the discovery of a Breach of Unsecured Protected Health Information, Business Associate shall notify Covered Entity of such Breach without unreasonable delay and in no case later than forty-five (45) calendar days after discovery of the Breach. A Breach shall be treated as discovered by Business Associate as of the first day on which such Breach is known to Business Associate or, through the exercise of reasonable diligence, would have been known to Business Associate.

c. Notwithstanding the provisions of Section IV.b., above, if a law enforcement official states to Business Associate that notification of a Breach would impede a criminal investigation or cause damage to national security, then:

1. if the statement is in writing and specifies the time for which a delay is required, Business Associate shall delay such notification for the time period specified by the official; or

2. if the statement is made orally, Business Associate shall document the statement, including the identity of the official making it, and delay such notification for no longer than thirty (30) days from the date of the oral statement unless the official submits a written statement during that time.

Following the period of time specified by the official, Business Associate shall promptly deliver a copy of the official's statement to Covered Entity.

d. The Breach notification provided shall include, to the extent possible:

1. the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach;

2. a brief description of what happened, including the date of the Breach and the date of discovery of the Breach, if known;

3. a description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

4. any steps individuals should take to protect themselves from potential harm resulting from the Breach;

5. a brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and

6. contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

e. Business Associate shall provide the information specified in Section IV.d., above, to Covered Entity at the time of the Breach notification if possible or promptly thereafter as information becomes available. Business Associate shall not delay notification to Covered Entity that a Breach has occurred in order to collect the information described in Section IV.d. and shall provide such information to Covered Entity even if the information becomes available after the forty-five (45)-day period provided for initial Breach notification.

V. WARRANTIES OF BUSINESS ASSOCIATE

Business Associate warrants:

a. That its internal practices, policies, and records relating to the use and disclosure of Protected Health Information will comply with the HIPAA Privacy and Security Rules; and

b. That it will train all of its employees, agents, representatives, and subcontractors on the network access and other security practices, procedures and/or policies established by Covered Entity including, without limitation, those established pursuant to the HIPAA Privacy and Security Rules and the Red Flag Rules prior to permitting such employees, agents, representatives, and subcontractors to be present at any Covered Entity facility and/or to access Covered Entity's computer network(s).

VI. OBLIGATIONS OF COVERED ENTITY

a. Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with Section 164.520 of the HIPAA Privacy and Security Rules.

b. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

c. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with Section 164.522 of the HIPAA Privacy and Security Rules, and Covered Entity shall inform Business Associate of the termination of any such restriction, and the effect that such termination shall have, if any, upon Business Associate's use and disclosure of such Protected Health Information.

VII. REQUIRED COMPLIANCE WITH RED FLAG RULES

In the event that Business Associate is engaged to perform an activity in connection with any "covered account" as defined in 16 C.F.R. § 681.1 (as applicable to Covered Entity as a "creditor" and therefore to Business Associate as a "service provider" providing any service to Covered Entity), Business Associate agrees to: (i) fully adopt and comply with the Red Flag Rules currently in effect and as may be promulgated in the future; (ii) adopt a Red Flag program that is compliant with federal regulations as promulgated in 16 C.F.R. § 681.1; and (iii) take all necessary and appropriate steps to ensure that its activities undertaken as a part of this Agreement

are conducted in accordance with the Red Flag Rules and its Red Flag program, including, without limitation, ensuring the adoption of and continued compliance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, detecting any Red Flag that may arise during the term of this Agreement, reporting any such Red Flag to Covered Entity, and taking any such further steps as may be necessary to prevent or mitigate identity theft.

VIII. TERM AND TERMINATION

a. Term. The Term of this Agreement shall be effective as of the date first written above, and shall terminate upon the later of the following events: (i) in accordance with Section VIII.c., when all of the Protected Health Information provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity or, if such return or destruction is infeasible, when protections are extended to such information; or (ii) upon the expiration or termination of the last of the Agreements.

b. Termination for Cause. Upon Covered Entity's knowledge of a material breach of this Agreement by Business Associate, Covered Entity shall have the right to immediately terminate this Agreement and the Agreements. If termination is not feasible, Covered Entity shall report such violation to the Secretary.

c. Effect of Termination.

1. Except as provided in paragraph 2. of this subsection, upon termination of this Agreement, the Agreements or upon request of Covered Entity, whichever occurs first, Business Associate shall within ten (10) days return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Neither Business Associate nor its subcontractors or agents shall retain copies of the Protected Health Information.

2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide within ten (10) days to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

IX. MISCELLANEOUS

a. Indemnification. Business Associate shall indemnify, defend and hold harmless Covered Entity, its directors, officers, employees, contractors and agents, against, and in respect of, any and all claims, losses, expenses, costs, damages, obligations, penalties, judgments, fines, assessments, awards, liabilities, or other expenses of any kind and nature whatsoever, including, without limitation, attorneys' fees, expert witness fees, and costs of investigation, litigation, or dispute resolutions, relating to or arising out of any breach or alleged breach of this Agreement, or any Breach, by Business Associate or subcontractors or agents of Business Associate which Covered Entity may incur by reason of Business

Associate's breach of or failure to perform any of its obligations pursuant to this Agreement and/or incurred by or on behalf of Business Associate in connection with the defense thereof.

b. No Rights in Third Parties. Except as expressly stated herein, in the HIPAA Privacy and Security Rules, or in the Red Flag Rules, the Parties to this Agreement do not intend to create any rights in any third parties.

c. Survival. The obligations of Business Associate under Section VIII(c) of this Agreement shall survive the expiration, termination, or cancellation of this Agreement, the Agreements, and/or the business relationship of the parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

d. Amendment. This Agreement may be amended or modified only in a writing signed by the Parties. The Parties agree that they will negotiate amendments to this Agreement to conform to any changes in the HIPAA Privacy and Security Rules or Red Flag Rules as are necessary for Covered Entity to comply with the current requirements of the HIPAA Privacy and Security Rules, the Health Insurance Portability and Accountability Act, and the Red Flag Rules. In addition, in the event that either Party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy and Security Rules or any other applicable legislation including, but not limited to, the Red Flag Rules, then such Party shall notify the other Party of its belief in writing. For a period of up to thirty (30) days, the Parties shall address in good faith such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, after such thirty (30)-day period, the Agreement fails to comply with the HIPAA Privacy and Security Rules, the Red Flag Rules or any other applicable legislation, then either Party has the right to terminate this Agreement and the underlying arrangement upon written notice to the other party.

e. Assignment. Neither Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party.

f. Independent Contractor. None of the provisions of this Agreement are intended to create, nor will they be deemed to create, any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship.

g. Governing Law. To the extent this Agreement is not governed exclusively by the HIPAA Privacy and Security Rules, the Red Flag Rules, or other provisions of federal statutory or regulatory law, it will be governed by and construed in accordance with the laws of the state in which Covered Entity has its principal place of business.

h. No Waiver. No change, waiver, or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

i. Interpretation. Any ambiguity of this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Privacy and Security Rules and the Red Flag Rules.

j. Severability. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect.

k. Notice. Any notification required in this Agreement shall be made in writing to the representative of the other Party who signed this Agreement or the person currently serving in that representative's position with the other Party.

l. Certain Provisions Not Effective in Certain Circumstances. The provisions of this Agreement relating to the HIPAA Security Rule shall not apply to Business Associate if Business Associate does not receive any Electronic Protected Health Information from or on behalf of Covered Entity.

m. Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, The HITECH Act, or the HIPAA Regulations will be adequate or satisfactory for Business Associate's own purpose. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI and compliance with these rules.

n. Ownership of Information. Covered Entity holds all right, title, and interest in and to the PHI and Business Associate does not hold and will not acquire by virtue of this Agreement or by virtue of providing goods or services to Covered Entity, any right, title, or interest in or to the PHI or any portion thereof.

o. Right to Injunctive Relief. Business Associate expressly acknowledges and agrees that the breach, threatened breach, by it of any provision of this Agreement may cause Covered Entity to be irreparably harmed and that Covered Entity may not have an adequate remedy at law. Therefore, Business Associate agrees that upon such breach, or threatened breach, Covered Entity will be entitled to seek injunctive relief to prevent Business Associate from commencing or continuing any action constituting such breach without having to post a bond or other security and without having to prove the inadequacy of any other available remedies. Nothing in this paragraph will be deemed to limit or abridge any other remedy available to Covered Entity at law or in equity

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

Business Associate:

Covered Entity:

EMS Management & Consultants, Inc.

Vestavia Hills Fire Department

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RESOLUTION NUMBER 4850

A RESOLUTION ACCEPTING A BID FOR SHAC PHASE II AND AUTHORIZING THE CITY MANAGER TO EXECUTE AND DELIVER AN AGREEMENT FOR SAID CONSTRUCTION

WHEREAS, on March 9, 2016, bids were opened and publicly read for the Sicard Hollow Athletic Complex (SHAC) Park Improvements for a trail, HNP C013060; and

WHEREAS, on March 28, 2016, by way of Resolution Number 4813, the City Council approved the bid submitted by CB&A; and

WHEREAS, the City Council approved Resolution Number 4813 with the understanding that portion of the work would be donated, which did not materialize; and

WHEREAS, the City Council hereby rescinds Resolution Number 4813; and

WHEREAS, on May 25, 2016, bids were opened and publicly read for the Sicard Hollow Athletic Complex (SHAC) Park Improvements, HNP C013060; and

WHEREAS, two bids were received detailed as follows: (1) CB&A base bid in the amount of \$771,848 for a total with alternates of \$1,622,380; and the (2) Pennington Group in the amount of \$844,475 for a total with alternates of \$1,548,214; and

WHEREAS, it was determined that CB&A did not have the proper contractor's license; and

WHEREAS, it was determined that only one bid submitted by the Pennington Group was in accordance with the terms, specifications and requirements of the bid; and

WHEREAS, the Mayor and City Council approved Resolution 4783 authorizing and funding \$599,000 for the second phase of the Sicard Hollow Athletic Complex; and

WHEREAS, the Parks and Recreation Foundation will cover any and all costs above the \$599,000 in phases; and

WHEREAS, the Public Services Director, in an Interoffice Memorandum dated June 21, 2016, reviewed the bid submittal and recommended the acceptance of Pennington Group with the alternates for a total not to exceed \$1,548,214; and

WHEREAS, the City Manager concurs with the Public Services Director recommendation of the acceptance of Pennington Group with the alternates for a total not to exceed \$1,548,214; and

WHEREAS, the Mayor and City Council find it is in the best interest of the public and accept said recommendation.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF VESTAVIA HILLS, ALABAMA, AS FOLLOWS:

1. The bid submitted by Pennington Group in an amount not to exceed \$1,548,214 is hereby accepted as submitted; and
2. Funding for said bid shall be derived from SHAC Improvement funding as approved in Resolution Number 4783 with the Parks and Recreation Foundation covering any and all cost above \$599,000 in phases; and
3. The City Manager is hereby authorized to execute and deliver said contract for construction following the written approval of the City Attorney; and
4. This Resolution Number 4850 shall become effective upon adoption and approval.

ADOPTED and APPROVED this the 11th day of July, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

**Vestavia Hills Public Services
1973 Merryvale Road
Vestavia Hills, Al 35216**

INTEROFFICE MEMO

Date: June 21, 2016
TO: Jeff Downes
City Manager
From: Brian Davis
Public Service Director
RE: Sicard Hollow Phase II

In conjunction with the Vestavia Hills Parks and Recreation Foundation, invitations to bid were advertised for construction of Phase II of the SHAC passive park area. Bids were opened on May 25, 2016, at 10:00 am, and 2 bids were received as follows:

- CB&A base bid was \$771,848
- Pennington Group base bid was \$844,475
- CB&A base bid and all alternates was \$1,622,380
- Pennington Group base bid and all alternates was \$1,548,214

After the bids were received, it was determined that CB&A did not have the proper contractor's license, and they were disqualified, leaving Pennington Group as the lone bidder.

The city council authorized \$599,000 through resolution 4783. It is my recommendation to accept the Pennington Group bid with all alternates in coordination with the Parks and Recreation Foundation to cover any costs above \$599,000. If possible, I would like to present to the council for a first read on June 27, 2016 and approval on July 11, 2016.

On March 28, 2016, the council approved resolution 4813 for trail improvements at SHAC. We need to rescind this resolution as part of this work was going to be donated, but the logistics could not be worked out with the vendor. This work was folded into the bid prices above.

CC: Rebecca Leavings

BID TABULATION FORM

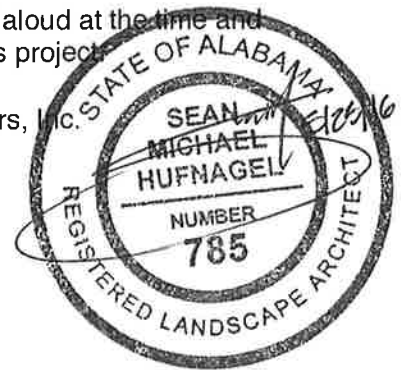
OPENING DATE AND TIME: 25 MAY 2016, 10:00 A.M.

SICARD HOLLOW ATHLETIC COMPLEX PARK IMPROVEMENTS
 PHASE 2
 CITY OF VESTAVIA HILLS
 Resolution Number 4850
 Exhibit A

	CB&A	PENNINGTON	
Addendum #1	/	✓	
Addendum #2	✓	✓	
License # on envelope	/	✓	
Bid Bond	✓	✓	
Proposal Attachment B (Unit Price Schedule)	✓	✓	
BASE BID	765,568.00 ^{+6,280} TO BASE	844,475.00	
Alternate No. 1 Stair	57,715	45,000	
Alternate No. 2 Landscape/Irr	73,388	75,000	
Alternate No. 3 Futsal	215,679	90,000	
Alternate No. 4 Wood Bridge	25,229	25,000	
Alternate No. 5 Wildflower	14,782.	5,000	

I certify that the above bids were received sealed and were publicly opened and read aloud at the time and place indicated and that this is a true and correct tabulation of all bids received for this project.

By: Sean Hufnagel., Registered Landscape Architect #785. Holcombe Norton Partners, Inc.

STATE OF ALABAMA COUNTY OF Jefferson

Subscribed and sworn to before me this 25th day of May, 2014-2016

Notary Public: Kay Russon

My Commission Expires: November 18, 2016

CB&A

Amount	Item	Carried Total	
771,848	Base Bid	771,848	
187,234	Kompan	959,082	Playground and Fitness Equipment, Surface
113,000	Splash Pad	1,072,082	Materials and Install
83,505	Pavilion & Tables	1,155,587	Materials and Install
80,000	Arch/Eng Fees	1,235,587	
57,715	Stair ALT	1,293,302	
73,388	Landscape ALT	1,366,690	
215,679	Futsal ALT	1,582,369	
25,229	Bridge ALT	1,607,598	
14,782	Wildflower ALT	1,622,380	

Pennington Group

Amount	Item	Carried Total	
844,475	Base Bid	844,475	
187,234	Kompan	1,031,709	Playground and Fitness Equipment, Surface
113,000	Splash Pad	1,144,709	Materials and Install
83,505	Pavilion & Tables	1,228,214	Materials and Install
80,000	Arch/Eng Fees	1,308,214	
45,000	Stair ALT	1,353,214	
75,000	Landscape ALT	1,428,214	
90,000	Futsal ALT	1,518,214	
25,000	Bridge ALT	1,543,214	
5,000	Wildflower ALT	1,548,214	

RESOLUTION NUMBER 4851

A RESOLUTION AUTHORIZING THE PURCHASE AND INSTALLATION OF VINYL FLOORING PLANKS AND FOR THE REMOVAL OF THE EXISTING FLOORING FOR THE COMMUNITY ROOM AT THE VESTAVIA HILLS LIBRARY IN THE FOREST

WHEREAS, the Vestavia Hills Library in the Forest has analyzed the need for a vinyl flooring planks in the Community Room; and

WHEREAS, the Vestavia Hills Library in the Forest has determined that there is a need for vinyl flooring planks designed for durability, to be waterproof and stain resistant; and

WHEREAS, the Vestavia Hills Library Foundation voted on June 14, 2016 for \$13,500 to be allocated from Fund 13/Donations for the purchase of the new flooring per City Council approval; and

WHEREAS, the Vestavia Hills Library in the Forest has requested that the expense for purchase and installation vinyl flooring planks and removal of the existing flooring of approximately \$13091.02 be expensed to Fund 13/Donations; and

WHEREAS, the Director of the Vestavia Hills Library in the Forest in a letter dated June 20, 2016 (Exhibit A) recommended the approval of said purchase; and

WHEREAS, the City Manager has reviewed the request and has recommended the approval of said purchase; and

WHEREAS, the Mayor and City Council have concurred with the City Manager and feel it is in the best public interest to accept the request as presented and recommended by the City Manager.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vestavia Hills, Alabama, as follows:

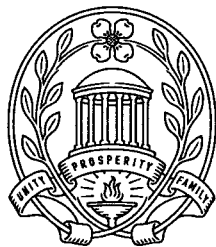
1. The City Manager is hereby authorized and directed to purchase the materials and installation of the vinyl flooring planks and for the removal of the existing flooring in the amount not to exceed \$13,091.02 to be expensed to Fund 13/Donations account; and
2. This Resolution shall become effective immediately upon its approval and adoption.

APPROVED and ADOPTED this the 11th day of July, 2016.

Alberto C. Zaragoza, Jr.
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk



VESTAVIA HILLS

A LIFE ABOVE

ALBERTO C. ZARAGOZA, JR.
Mayor

TANEISHA YOUNG TUCKER
Library Director

June 20, 2016

FROM: Taneisha Tucker, Library Director

TO: Jeff Downes, City Manager

CC: Rebecca Leavings, City Clerk

RE: Request Approval to Purchase Vinyl Flooring for the Library's Community Room

In 2015, the library offered 687 programs in which more than 21,000 patrons attended. Many of these programs were hosted in the library's Community Room. In addition, more than 12,000 library patrons and visitors attended non-library sponsored programs and events that also took place in the space. As a result of the continuous use for the past six years, the carpet is now stained.

To replace the carpet, purchasing vinyl planks that are durable, waterproof and stain resistant is the best option. On June 14, 2016, the Library Board of Trustees approved that \$13,500 be allocated from Fund 13 / Donations for the purchase of new flooring per City Council approval. They also requested product prices and specifications from local vendors.

Per their instructions, I gathered and have attached the following quotes/estimates:

Shaw Native Origins Finish Cherry Vinyl Planks

Acton Flooring, Inc., Cahaba Heights - \$13,218.00 (7 year limited warranty)

Devine's Flooring America, Hoover - \$6562.89 (10 year warranty)

Moduleo Embellish Vinyl Planks

Devine's Flooring America, Hoover - \$13,091.02 (10 year warranty)

Coretec Plus Carolina Pine Vinyl Planks

Don's Carpet One, Vestavia Hills, Trussville, - \$12,238.95 (10 year warranty)

In addition to the price and warranty of each product, I also inquired about the durability of each option. The Moduleo vinyl was the most durable and was the best cosmetic match for the Community Room.

I asked representatives at Acton Flooring and Don's Carpet One if they carried the Moduleo product. Acton stated that they carried it, but did not locate a sample for it. Don's Carpet One did not carry the product and a comparable vinyl from Don's would be more expensive than the amount budgeted by the Library Board of Trustees.

Based on the information I received from the vendors along with observations and recommendations from members of the Library Board, I recommend that the Library purchase the Moduleo Embellish product from Devine's Flooring America.

The \$13,091.02 price includes materials, installation and removal of current flooring. If approved, the flooring will be ordered immediately and installed the week of August 08, 2016.

Thank you.



ACTON FLOORING, INC.

PRICE QUOTE

Date: July 20, 2015

TO: Vestavia Hills Library in the Forest

Attn: Taneisha Young Tucker

FROM: Jeff Porterfield,

RE: Flooring Renovation

~ Acton Flooring, Inc. agrees to furnish & install:

Shaw Contract "Native Origins" color 840 Cherry

TOTAL.....\$13,218.00

**** Furniture to be moved by owner**

****Subject to inspection of space ****

Quote

6/14/16

Devine's Flooring America
1553 Montgomery Hwy
Hoover, Alabama 35216
205-942-1163

Project:

Vestavia Library Community Room
1221 Montgomery Hwy
Vestavia, AL
35216

Moduleo Embellish	2115.75 sq.ft. @ 4.89	10,346.02
Vinyl Plank Labor	2000 sq.ft. @ 1.00	2,000.00
Rubber Reducer	1 @ 15.00	15.00
1/4round stained to match	200 lin.ft. @ 1.50	300.00
Take up existing Carpet	215 sq.yds. @ 2.00	430.00
	TOTAL	13,091.02

Quote

6/14/16

Devine's Flooring America
1553 Montgomery Hwy
Hoover, Alabama 35216
205-942-1163

Project:

Vestavia Library Community Room
1221 Montgomery Hwy
Vestavia, AL
35216

Shaw Native Origins 0116V	2121.05 sq.ft. @	1.89	
3,817.89			
Vinyl Plank Labor	2000 sq.ft. @	1.00	2,000.00
Rubber Reducer	1 @	15.00	15.00
1/4round stained to match	200 lin.ft. @	1.50	300.00
Take up existing Carpet	215 sq.yds. @	2.00	430.00
	TOTAL		6,562.89

DON'S CARPET ONE
DIV. OF DIVERSIFIED SALES, INC
3541 VANN ROAD
BIRMINGHAM, AL 35235
Telephone: 205-508-5859 Fax: 205-655-8722

ES602239

QUOTE

Sold To VESTAVIA HILLS LIBRARY 1221 MONTGOMERY HIGHWAY VESTAVIA, AL 35216	Ship To VESTAVIA HILLS LIBRARY 1221 MONTGOMERY HIGHWAY VESTAVIA, AL 35216
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Quote Date 06/08/16	PHONE # 205-978-0161	PO Number	Quote Number ES602239
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Inventory	Style/Item	Color/Description	Quantity	Price	Extension
CG-COPL	CORETEC PLUS - 5"X48"	CAROLINA PINE	1,947.64	3.99	7,771.08
LVTPCO	LVT OR LVP CLICK/OCCUPIED		1,947.00	1.75	3,407.25
CTUGD	CPT TAKE UP GLUE DOWN		1,925.00	0.29	558.25
EVF81	ENVIRONMENTAL FEE		1.00	79.37	79.37
1/4ROUND-P	QUARTER ROUND	PINE	180.00	1.49	268.20
HISM	HWD INSTALL SHOE MOLD, 1/4 ROUND, FILL HOLES, STAIN ENDS- PUTTY		180.00	0.86	154.80

Based on a 35' X 55' Room

— 06/08/16 — 11:35AM —

Sales Representative(s):
JESSE

Material: 8,039.28
 Service: 4,199.67
 Misc. Charges: 0.00
 Sales Tax: 0.00
 Misc. Tax: 0.00

QUOTE TOTAL: \$12,238.95

