

Join us! In an effort to enhance meetings during the COVID-19 shutdown, the City Council invites you to join and/or participate in a variety of ways: Via computer Zoom meetings (no app is necessary), telephone, email and/or text! See details on page 3.

**Vestavia Hills
City Council Agenda
July 27, 2020
6:00 PM**

1. Call to Order
2. Roll Call
3. Invocation – Jim Cartledge, Vestavia Hills Senior Chaplain
4. Pledge Of Allegiance
5. Announcements, Candidates and Guest Recognition
6. City Manager’s Report
7. Councilors’ Reports
8. Financial Reports
9. Approval Of Minutes – July 13, 2020 (Regular Meeting)

Old Business

New Business

10. Resolution Number 5256 – A Resolution Declaring The Mayor To Be Elected Without Opposition
11. Adoption Of Certificate Of Election – Ashley C. Curry, Mayor
12. Resolution Number 5257 – A Resolution Declaring The Council, Place Number 1 To Be Elected Without Opposition
13. Adoption Of Certificate Of Election – Rusty Weaver, Council, Place Number 1
14. Resolution Number 5258 – A Resolution Declaring The Council, Place Number 2 To Be Elected Without Opposition
15. Adoption Of Certificate Of Election – Kimberly B. Cook, Council, Place Number 2
16. Resolution Number 5259 – A Resolution Declaring The Council, Place Number 4 To Be Elected Without Opposition
17. Adoption Of Certificate Of Election – George Pierce

18. Resolution Number 5260 - A Resolution Accepting The 2018-2019 Audit For The City Of Vestavia Hills
19. Resolution Number 5261 – A Resolution Authorizing The City Manager To Execute A Memorandum Of Understanding (MOU) With FivePoint Payments LLC For Merchant Payment Services For The City

New Business (Requesting Unanimous Consent)

First Reading (No Action To Be Taken At This Meeting)

20. Ordinance Number 2814-A – An Ordinance To Amend Chapter 16.5 Entitled “Telecommunications,” Article III Entitled “Small Cell Technology Facilities,” Of The Vestavia Hills Code Of Ordinances And To Amend Ordinance Number 2814 To Adopt Regulations For Small Cell Technology Facilities In The City Of Vestavia Hills, Alabama (*public hearing delayed until August 10*)
21. Ordinance Number 2940 – An Ordinance Authorizing The Mayor And City Manager To Execute And Deliver A Supplemental Agreement No. 2 With Gresham Smith & Partners As Architect And Engineer For The Pedestrian Bridge Over US Highway 31 (*public hearing*)
22. Motion for Adjournment
23. Citizens Comments

SPECIAL NOTICE CONCERNING CITY COUNCIL MEETINGS

Due to the COVID-19 “Stay at Home” Order issued by Gov. Ivey, the City Council work sessions and meetings are available via video-conference and teleconference. If you chose not to attend in person, you may still participate. Following are instructions for three options to participate remotely.

COMPUTER PARTICIPATION (view/participate in real time)

To participate in by videoconference, click <https://us02web.zoom.us/j/4555343275>. When the Zoom.us window opens in your browser, click “Allow” so that the meeting page may open. All participants will be automatically muted upon entrance to the meeting. If you wish to speak during time(s) identified for public input, activate the “Raise Hand” feature and unmute yourself by toggling the mute button. When the Mayor recognizes you and gives you the floor, state your name and address for the record and then you may address the Council.

Using the icons on the Zoom screen, you can:

- Mute/unmute your microphone (far left)
- Turn on/off camera (“Start/Stop Video”)
- View Participants – opens a pop-out screen that includes the “Raise Hand” icon that you may use to raise a virtual hand
- Change your screen name displayed in the participant list and video window
- Toggle between “speaker” and “gallery” views – “Speaker view” shows the active speaker; “Gallery view” tiles all of the meeting participants

TELEPHONE PARTICIPATION (view/participate in real time)

To participate by telephone, dial 312.626.6799 and enter the meeting ID: 455 534 3275. All participants will be automatically muted upon entrance to the meeting. If you wish to speak during time(s) identified for public input, press *6 on your phone keypad to unmute yourself. Then state your name and wait for the Mayor to recognize you. When the Mayor recognizes you and gives you the floor, state your name and address for the record and then address the Council.

TEXT AND/OR EMAIL (prior to the meeting or in real time)

If you do not wish to join the meeting but would like to ask a question or make a statement regarding an item on the agenda, you may email the City Council directly at City.Council@vhal.org. You may also text your question/statement to City Council at 205.517.1370. Both of these options are available prior to and during each work session and meeting. Be sure to provide your name and address for the record and your comments will be recited to the City Council as the corresponding item is being addressed. Note: As a matter of record, your name and address are required. If identification is not provided, your comment/question will not be presented.

CITY OF VESTAVIA HILLS

CITY COUNCIL

MINUTES

JULY 13, 2020

The City Council of Vestavia Hills met in regular session on this date at 6:00 PM, following publication and posting pursuant to Alabama law. Due to the COVID-19 pandemic, in coordination with a Proclamation from Governor Ivey and pursuant to orders from the Jefferson County Health Department Official requiring social distancing along with limits of attendees, this meeting was held with a portion of the City Council digitally attending the meeting via remote computer locations utilizing a Zoom.com application. Staff and general public/audience members also were invited to attend via Zoom.com following publication pursuant to Alabama law. Mayor Curry called the meeting to order and the acting City Clerk called the roll with the following:

MEMBERS PRESENT:

Mayor Ashley C. Curry
Rusty Weaver, Mayor Pro-Tem
Kimberly Cook, Councilor
Paul Head, Councilor
George Pierce, Councilor*

OTHER OFFICIALS PRESENT:

Jeff Downes, City Manager
Patrick Boone, City Attorney
Rebecca Leavings, City Clerk
Melvin Turner, III, Finance Director
Jason Hardin, Police Captain
Brian Davis, Public Services Director
Marvin Green, Fire Chief*
Cinnamon McCulley, Communication Specialist*
**present via Zoom or telephone*

Tom Bell, Vestavia Hills Chaplain, led the invocation followed by the Pledge of Allegiance.

ANNOUNCEMENTS, CANDIDATES, GUEST RECOGNITION

- Mrs. Cook welcomed Sam Curfman and Jackson Burrus, Boy Scouts, Troop 76, attending for Citizenship in the Community merit badges.
- Mrs. Cook announced that she qualified to run for re-election for City Council, Place Two in August. She stated that her website is www.cookforcouncil.org and invited everyone to her site for information.

- Mrs. Cook reminded everyone that there is a Republican runoff tomorrow. She encouraged everyone to get out and vote. More information can be obtained at the Secretary of State website.
- Mrs. Cook stated that she'll be hosting a "Coffee and Conversation" on Friday at 8 AM via videoconference and telephone. She stated some City staff members will be at the meeting to answer questions and receive comments regarding options for sanitation. She stated that the meeting will be very informal and anyone can drop in and drop out as they desire.
- Mr. Pierce welcomed Chamber of Commerce members, James Robinson and Clabe Dobbs who were attending via Zoom.
- Mr. Pierce urged everyone to shop Vestavia Hills merchants, particularly the smaller merchants.
- Mr. Pierce announced that he qualified today to run for re-election for City Council, Place 4, in the upcoming 2020 Municipal Election. He stated that the Council has done some great things in this administration but there's more to do.
- Mr. Weaver announced that he also qualified to run for re-election to City Council, Place 1.
- Mr. Head announced that he qualified for re-election for City Council, Place 3.
- Mr. Head announced a Parks and Recreation Board meeting to be held on July 21, 7 AM in the Council Chambers to allow social distancing.
- The Mayor stated that tomorrow, at noon, he will deliver a State of the City address via Zoom. He indicated this is the first time the address will be delivered via Zoom. Registration is through the Chamber of Commerce and everyone is welcome to attend.
- The Mayor announced that the Mayor's Prayer Breakfast has been postponed with a date TBD. He stated they are waiting to see if there is a possible decrease in COVID cases to see if there is any way to hold it as normal.
- The Mayor asked the City Clerk to give an update on the local and non-local elections.
 - Ms. Leavings read the five candidates that have qualified for election for a City Office. Mayor: Ashley C. Curry; Council Place No. 1: Rusty Weaver; Council Place No. 2: Kimberly Cook; Council Place No. 3: Paul Head; and Council Place No. 4: George Pierce. She stated that qualifications will close at 5 PM on Tuesday, July 21, 2020.
 - Ms. Leavings announced runoff elections for State Senate and other County/State races will be held Tuesday, July 14. She stated poll hours are from 7 AM to 7 PM and everyone should vote at their regular polling place. She stated that if anyone is not familiar with where they should vote to contact the Jefferson County Board of Registrars or look the information up at www.AlabamaVotes.gov.

CITY MANAGER'S REPORT

- Mr. Downes referenced back to the January annual planning meeting that it was the desire of the Council not to "maintain the status quo" in regards to Parks and Recreation programming. The Council discussed the question of how to move forward differently,

than in the past. To this end, he is excited to announce there are three upcoming baseball events to be held at city facilities:

- For the first time the City has collaborated with Vestavia Hills Youth Baseball League to host three separate baseball tournaments. This week, as a soft opening for the newly renovated Cahaba Heights Park the first of these tournaments will be held with 13 registered teams for ages 8-and-under tournaments. He stated landscaping is still being installed along with playground equipment, but some other amenities will be open. In a couple of weeks, the 7-and-under tournaments will be held at Cahaba Heights Park. He invited everyone to go to view the new park amenities.
- The Park and Recreation Department has collaborated with the Cahaba Heights Merchants Association to create some branding that will enhance shopping local in Cahaba Heights. He showed an example of the branding and announced a Cahaba Heights tent sale to grow some merchandising in the area.
- Working collaboratively with the Greater Birmingham Convention and Tourist Bureau, Vestavia Hills has been awarded the July 2021 State Youth Baseball tournament that has been held in Montgomery for years. He stated that this event will be coming to Liberty Park in 2021. He stated this will bring new people to our facilities to show what the City is all about.
- Jeff Corley, the City's new Recreational Program Leader, has been running a pickleball league play at the Rec Center, which will go until the end of August.
- Mr. Downes stated that Wald Park is moving nicely, but rain continues to delay progress. He stated that the large pool has been filled and the parking in front of the pool is stabilized. The roadway to the highway will be finished prior to the beginning of school, which is August 13. Between now and then there will be some phased completion of various parts of the field. Other amenities such as landscaping, restrooms, etc., will be proceeding within the new few months.

Discussion ensued and Mr. Downes indicated that the concession stand at Cahaba Heights should be in working order, but other amenities like the landscaping is not finished.

COUNCILOR REPORTS

- Mrs. Cook reported on the Board of Education meeting last week. She stated the most important thing was discussion of the re-open plan framework. She indicated that she is very proud of the Board members and the questions they are asking and for their support of planning efforts. She stated Board members are receiving a lot of input from teachers and parents, and that she has confidence in the plan that is being developed by Dr. Freeman and the Board of Education. Their priority is to get as many kids back in school as possible for the start of the new school year.
- Mrs. Cook stated that she went to see the installation of a "Litter Gitter" which diverts and catches trash along area waterways to hopefully keep the streams free of trash and debris. She stated that this was made possible by a Freshwater Land Trust grant.

- The Mayor shared some numbers from the health department concerning the spread of COVID-19, and he reiterated the need to wear masks. He stated that the week of July 1-8, 9,000 individuals tested for COVID-19, with 1,300 testing positive. That's a 14% positivity rate, and 19 people passed away during that same timeframe. The State of Alabama is one of 19 states banned from travel in New England. He urged people to practice social distancing, facial coverings, etc., especially persons under 30 who show the largest increase in numbers.
- Mr. Weaver announced that the Planning and Zoning Commission had a meeting last week with a few plat approvals and one home occupation. He stated that the meeting was a hybrid of Zoom and in person that he thinks will continue through the rest of the year.

APPROVAL OF MINUTES

The Mayor opened the floor for approval of the following minutes: June 22, 2020 (Regular Meeting).

MOTION Motion to approve the minutes of the June 22, 2020 (Regular Meeting) was by Mrs. Cook, seconded by Mr. Weaver. Roll call vote as follows:

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	motion carried.

OLD BUSINESS

RESOLUTION NUMBER 5250

Resolution Number 5250 – A Resolution appointing an election manager for the 2020 City of Vestavia Hills Municipal Election (public hearing)

MOTION Motion to approve Resolution Number 5250 was by Mr. Weaver seconded by Mrs. Cook.

The Mayor stated that he has qualified to run for office and cannot act as the Municipal Elections Manager. This Resolution will appoint City Clerk, Rebecca Leavings, to manage the upcoming election.

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

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

RESOLUTION NUMBER 5252

**Resolution Number 5252 – A Resolution Establishing The Use Of Electronic Vote Counting
And Marking Devices For 2020 Municipal Election (public hearing)**

MOTION Motion to approve Resolution Number 5252 was by Mr. Weaver seconded by Mr. Pierce.

The Mayor stated that this approves the tabulators that are used at the polls.

Ms. Leavings explained that Jefferson County has purchased new ballot marking machines to be utilized by those with disabilities and a new Resolution needs to be adopted to put these machines to use in the elections.

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

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

NEW BUSINESS

RESOLUTION NUMBER 5254

**Resolution Number 5254 – A Resolution Declaring Certain Personal Property As Surplus
And Authorizing The City Manager To Sell/Dispose Of Said Property**

MOTION Motion to approve Resolution Number 5254 was by Mr. Weaver, seconded by Mrs. Cook.

Mr. Downes stated that this allows disposal of some vehicles which have been deemed to be beyond their life use.

Mr. Pierce asked that the new vehicles purchased for replacement of these be labeled with decals so that they are recognizable as a municipal vehicle.

Mr. Downes agreed.

There being no one else to further address the Council, the Mayor called for the question. Roll call vote as follows:

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

RESOLUTION NUMBER 5255

Resolution Number 5255 - A Resolution To Award Bid For Sanitation Services To AmWaste, LLC, Effective October 1, 2020 While Withholding The Determination Of The Level Of Service To Be Provided Until Completion Of A Community Engagement Process

MOTION Motion to approve Resolution Number 5255 was by Mr. Weaver, seconded by Mrs. Cook.

The Mayor stated that the City is awarding AmWaste the contract but the level of service will be decided later, after feedback from the community is collected.

Mr. Downes explained that the contractor needs advance notice to obtain carts and prepare for the provision of services. However, the City is still engaged in gathering public input into the various options for level of service. This Resolution will show the City's intent to give AmWaste the contract, but will allow time to determine the level of service following public input.

Mrs. Cook stated she has heard from residents, some of whom believe this is an award of the contract. She explained that this does not decide the level of service. It shows the City's intent to award the contract to AmWaste, because AmWaste is the low bidder, regardless of the option.

Discussion ensued including the fact that the recycling will go to Repower South, which means a consumer does not have to separate recyclables from the household garbage/trash, and that all waste can be bagged, unlike the current recycling option. Repower South also does not require recycling to be clean and dry, making this an easier and more effective way to recycle.

Mr. Downes stated that Ms. McCulley is collecting citizen comment, provided through town hall discussions, emails, and survey results, and will place the results on the city's website for anyone to review.

Mr. Pierce stated that the Council has never before had options and flexibility on this type of contract, and he feels that is very important.

Mr. Downes indicated that the decision can be delayed as late as the end of August.

There being no one else to further address the Council, the Mayor called for the question. Roll call vote as follows:

Mrs. Cook – yes

Mr. Head – yes

Mr. Pierce – yes

Mr. Weaver – yes

Mayor Curry – yes

Motion carried.

ORDINANCE NUMBER 2937

Ordinance Number 2937 – Vestavia 2020 Warrant Ordinance, Series 2020-A

MOTION Motion to approve Ordinance Number 2937 was by Mr. Weaver, seconded by Mr. Pierce.

Mr. Downes invited Chris Willams, the City’s financial advisor; Heyward Hosch, Maynard Cooper and Gale; and, Jason Grubbs, The Frazier Lanier Company, underwriter, to explain. Mr. Downes discussed the parameters for this refinance effort to get a better interest rate, but not increase debt, thereby generating savings, which can be applied to Infrastructure and Community Spaces projects, which equates to about \$2.7 million, with the best interest rates ever. He stated the both this and the following ordinance are related to the refinance effort.

Chris Williams explained that the 2009-B bonds, “Build America Bonds,” are tax-exempt. He looked at various opportunities to refinance such that the payment (debt service) would not go up. Refunding the 2013-B bonds and the 2014-B bonds was also analyzed to determine what provides the best options for the City. He stated that the Series A were the tax-exempt bonds and the Series B were the non-exempt. He explained the parameters and the savings.

Heyward Hosch explained the parameters of both ordinances. He stated that the finances of the City, due to careful management by the Finance Department, has keep the City at the highest possible credit rating. With these refinance efforts, the City will actually pay down the debt faster than in the former debt financing.

Mr. Pierce stated they have heard suggestions from residents that the City should speed up paying off debt, and this refinancing accomplishes that goal. Mr. Hosch explained.

Jason Grubbs stated the City was lucky to enter the market at a good time to obtain maximum return. He explained the timing of the refinance and commended Mr. Downes for all the work he put into this, and also the work of Mr. Turner and Mr. Sawaya of the Finance Department.

The Mayor asked about the City’s AAa+ rating.

Mr. Grubbs stated that the City is in an elite status with this rating and did benefit both from the timing as well as the City’s rating.

Mrs. Cook thanked Mr. Downes, Mr. Turner and Mr. Sawaya for being such good stewards of the City’s money.

There being no one else to further address the Council, the Mayor called for the question. Roll call vote as follows:

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

ORDINANCE NUMBER 2938

Ordinance Number 2938 – Vestavia 2020 Warrant Ordinance, Series 2020-A

MOTION Motion to approve Ordinance Number 2938 was by Mrs. Cook seconded by Mr. Weaver.

The Mayor stated that this is the second bond issue, which was already discussed with the previous Ordinance.

There being no one else to further address the Council, the Mayor called for the question. Roll call vote as follows:

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

ORDINANCE NUMBER 2939

Ordinance Number 2939 – An Ordinance Authorizing The Mayor And City Manager To Enter Into An Agreement With Jefferson County To Obtain CARES Act Funding

MOTION Motion to approve Ordinance Number 2939 was by Mr. Weaver seconded by Mr. Pierce.

Mr. Downes stated that this is a request for reimbursement of expenses due to the COVID-19 pandemic that will be distributed through Jefferson County. He showed expenses totaling \$1,504,759 of actual as well as planned expenses of the City and Board of Education due to the pandemic. This resolution authorizes the City Manager and the Mayor to sign an agreement that sets the parameters of the reimbursement as well as approving expenses shown in the exhibits. He stated that the Board of Education provided a list of Covid-19 expenses to support the opening of schools, including items such as thermal imaging, thermometers, at a cost of \$543,000.

The Mayor asked if the allocations were based on population. Mr. Pierce asked about the classification of the SROs. Mr. Downes explained the allocation is population based and the SROs come under the Police Department. He stated that the school system's thermal imaging equipment will be available to the City as well as the schools.

Mrs. Cook stated that, when she found out about the \$1.5 million CARES act grant, she asked if some of the funding could be allocated for schools. She reached out to the Superintendent and asked for a list of expenses related to Covid-19, and Dr. Freeman complied.

There being no one else to further address the Council, the Mayor called for the question.
Roll call vote as follows:

Mrs. Cook – yes	Mr. Head – yes
Mr. Pierce – yes	Mr. Weaver – yes
Mayor Curry – yes	Motion carried.

NEW BUSINESS (UNANIMOUS CONSENT REQUESTED)

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

The Mayor announced that the following resolutions and/or ordinances will be presented at a public hearing, at the Council’s regular meeting, on July 27, 2020, at 6:00 PM.

- Ordinance Number 2814-A – An Ordinance To Amend Chapter 16.5 Entitled “Telecommunications,” Article III Entitled “Small Cell Technology Facilities,” Of The Vestavia Hills Code Of Ordinances And To Amend Ordinance Number 2814 To Adopt Regulations For Small Cell Technology Facilities In The City Of Vestavia Hills, Alabama (*public hearing*)

CITIZEN COMMENTS

Ms. Leavings read an email from Larry Durham relative to a zoning case in the County; a development by Mr. Kessler. The Mayor indicated he will check with the City Attorney to see if there is anything that the City needs to do in regard to the zoning request.

At 7:13 PM, Mrs. Cook made a motion to adjourn. The meeting adjourned at 7:13 PM.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

RESOLUTION NUMBER 5256

**STATE OF ALABAMA
JEFFERSON COUNTY/SHELBY COUNTY
CITY OF VESTAVIA HILLS**

WHEREAS, Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, provide for and regulate general and special elections in cities and towns of this state, except those cities and towns which have a commission form of government, and

WHEREAS, Section 11-46-43 of the *Alabama Code of 1975* prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, and

WHEREAS, Section 11-46-26 of the *Alabama Code of 1975*, as amended, provides that if only one person has filed a statement of candidacy or has been nominated for an office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such office, and the mayor or other chief executive officer shall not cause the name of such person or the office for which his candidacy was declared to be printed on the ballot, but he shall immediately file a written statement with the governing body of the municipality, attested by the clerk, certifying the fact that only one person filed a statement of candidacy or was nominated for the office preceding the deadline set for an election of municipal officers of the municipality and setting forth the name of such person, and

WHEREAS, said Section 11-46-26, as amended, provides that the governing body of the municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the office described in the statement, and shall issue a Certificate of Election to such person, and

WHEREAS, the Mayor of the City of Vestavia Hills Alabama has filed a written statement with the governing body of the municipality, attested by the Clerk, certifying the fact that only one person filed a statement of candidacy for the office of Mayor prior to the deadline and that the name of that person who filed such statement was Ashley C. Curry.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Vestavia Hills, Alabama that Ashley C. Curry be and he is hereby declared duly elected to the

office of Mayor in the City of Vestavia Hills for the term of office commencing on the first Monday in November, 2020, and

BE IT FURTHER RESOLVED, that the Mayor of the City of Vestavia Hills be and he hereby is directed to issue a certificate of election to Ashley C. Curry for the office of Mayor for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED and APPROVED this the 27th day of July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATE OF ELECTION

STATE OF ALABAMA

JEFFERSON COUNTY/SHELBY COUNTY

CITY OF VESTAVIA HILLS

The undersigned hereby certifies that the only candidate to qualify for Mayor as of five p.m., July 21, 2020, is Ashley C. Curry; therefore, pursuant to Section 11-46-26 of the Alabama Code of 1975, in the City of Vestavia Hills, Alabama, Ashley C. Curry, was duly elected to the office of Mayor of the City of Vestavia Hills, Alabama, for the term commencing on the first Monday of November, 2020.

Given under our hands pursuant to the requirements of Section 11-46-20 et seq. of the Alabama Code of 1975, as amended, this the 27th day of July, 2020.

Mayor

Mayor Pro-Tem

Councilmember

Councilmember

Councilmember

RESOLUTION NUMBER 5257

**STATE OF ALABAMA
JEFFERSON COUNTY/SHELBY COUNTY
CITY OF VESTAVIA HILLS**

WHEREAS, Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, provide for and regulate general and special elections in cities and towns of this state, except those cities and towns which have a commission form of government, and

WHEREAS, Section 11-46-43 of the *Alabama Code of 1975* prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, and

WHEREAS, Section 11-46-26 of the *Alabama Code of 1975*, as amended, provides that if only one person has filed a statement of candidacy or has been nominated for an office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such office, and the mayor or other chief executive officer shall not cause the name of such person or the office for which his candidacy was declared to be printed on the ballot, but he shall immediately file a written statement with the governing body of the municipality, attested by the clerk, certifying the fact that only one person filed a statement of candidacy or was nominated for the office preceding the deadline set for an election of municipal officers of the municipality and setting forth the name of such person, and

WHEREAS, said Section 11-46-26, as amended, provides that the governing body of the municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the office described in the statement, and shall issue a Certificate of Election to such person, and

WHEREAS, the Mayor of the City of Vestavia Hills Alabama has filed a written statement with the governing body of the municipality, attested by the Clerk, certifying the fact that only one person filed a statement of candidacy for the office of Council, Place Number 1 prior to the deadline and that the name of that person who filed such statement was Rusty Weaver.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Vestavia Hills, Alabama that Rusty Weaver be and he is hereby declared duly elected to the

office of Council, Place Number 1 in the City of Vestavia Hills for the term of office commencing on the first Monday in November, 2020, and

BE IT FURTHER RESOLVED, that the Mayor of the City of Vestavia Hills be and he hereby is directed to issue a certificate of election to Rusty Weaver for the office of Council, Place Number 1 for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED and APPROVED this the 27th day of July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATE OF ELECTION

STATE OF ALABAMA

JEFFERSON COUNTY/SHELBY COUNTY

CITY OF VESTAVIA HILLS

The undersigned hereby certifies that the only candidate to qualify for Council, Place Number 1 as of five p.m., July 21, 2020, is Rusty Weaver, therefore, pursuant to Section 11-46-26 of the Alabama Code of 1975, in the City of Vestavia Hills, Alabama, Rusty Weaver, was duly elected to the office of Council, Place Number 1 of the City of Vestavia Hills, Alabama, for the term commencing on the first Monday of November, 2020.

Given under our hands pursuant to the requirements of Section 11-46-20 et seq. of the Alabama Code of 1975, as amended, this the 27th day of July, 2020.

Mayor

Mayor Pro-Tem

Councilmember

Councilmember

Councilmember

RESOLUTION NUMBER 5258

**STATE OF ALABAMA
JEFFERSON COUNTY/SHELBY COUNTY
CITY OF VESTAVIA HILLS**

WHEREAS, Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, provide for and regulate general and special elections in cities and towns of this state, except those cities and towns which have a commission form of government, and

WHEREAS, Section 11-46-43 of the *Alabama Code of 1975* prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, and

WHEREAS, Section 11-46-26 of the *Alabama Code of 1975*, as amended, provides that if only one person has filed a statement of candidacy or has been nominated for an office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such office, and the mayor or other chief executive officer shall not cause the name of such person or the office for which his candidacy was declared to be printed on the ballot, but he shall immediately file a written statement with the governing body of the municipality, attested by the clerk, certifying the fact that only one person filed a statement of candidacy or was nominated for the office preceding the deadline set for an election of municipal officers of the municipality and setting forth the name of such person, and

WHEREAS, said Section 11-46-26, as amended, provides that the governing body of the municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the office described in the statement, and shall issue a Certificate of Election to such person, and

WHEREAS, the Mayor of the City of Vestavia Hills Alabama has filed a written statement with the governing body of the municipality, attested by the Clerk, certifying the fact that only one person filed a statement of candidacy for the office of Council, Place Number 2 prior to the deadline and that the name of that person who filed such statement was Kimberly B. Cook.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Vestavia Hills, Alabama that Kimberly B. Cook be and she is hereby declared duly elected to

the office of Council, Place Number 2 in the City of Vestavia Hills for the term of office commencing on the first Monday in November, 2020, and

BE IT FURTHER RESOLVED, that the Mayor of the City of Vestavia Hills be and he hereby is directed to issue a certificate of election to Kimberly B. Cook for the office of Council, Place Number 2 for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED and APPROVED this the 27th day of July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATE OF ELECTION

STATE OF ALABAMA

JEFFERSON COUNTY/SHELBY COUNTY

CITY OF VESTAVIA HILLS

The undersigned hereby certifies that the only candidate to qualify for Council, Place Number 2 as of five p.m., July 21, 2020, is Kimberly B. Cook, therefore, pursuant to Section 11-46-26 of the Alabama Code of 1975, in the City of Vestavia Hills, Alabama, Kimberly B. Cook, was duly elected to the office of Council, Place Number 2 of the City of Vestavia Hills, Alabama, for the term commencing on the first Monday of November, 2020.

Given under our hands pursuant to the requirements of Section 11-46-20 et seq. of the Alabama Code of 1975, as amended, this the 27th day of July, 2020.

Mayor

Mayor Pro-Tem

Councilmember

Councilmember

Councilmember

RESOLUTION NUMBER 5259

**STATE OF ALABAMA
JEFFERSON COUNTY/SHELBY COUNTY
CITY OF VESTAVIA HILLS**

WHEREAS, Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, provide for and regulate general and special elections in cities and towns of this state, except those cities and towns which have a commission form of government, and

WHEREAS, Section 11-46-43 of the *Alabama Code of 1975* prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, and

WHEREAS, Section 11-46-26 of the *Alabama Code of 1975*, as amended, provides that if only one person has filed a statement of candidacy or has been nominated for an office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the *Alabama Code of 1975*, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such office, and the mayor or other chief executive officer shall not cause the name of such person or the office for which his candidacy was declared to be printed on the ballot, but he shall immediately file a written statement with the governing body of the municipality, attested by the clerk, certifying the fact that only one person filed a statement of candidacy or was nominated for the office preceding the deadline set for an election of municipal officers of the municipality and setting forth the name of such person, and

WHEREAS, said Section 11-46-26, as amended, provides that the governing body of the municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the office described in the statement, and shall issue a Certificate of Election to such person, and

WHEREAS, the Mayor of the City of Vestavia Hills Alabama has filed a written statement with the governing body of the municipality, attested by the Clerk, certifying the fact that only one person filed a statement of candidacy for the office of Council, Place Number 4 prior to the deadline and that the name of that person who filed such statement was George Pierce.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Vestavia Hills, Alabama that George Pierce be and he is hereby declared duly elected to the

office of Council, Place Number 4 in the City of Vestavia Hills for the term of office commencing on the first Monday in November, 2020, and

BE IT FURTHER RESOLVED, that the Mayor of the City of Vestavia Hills be and he hereby is directed to issue a certificate of election to George Pierce for the office of Council, Place Number 4 for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED and APPROVED this the 27th day of July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATE OF ELECTION

STATE OF ALABAMA

JEFFERSON COUNTY/SHELBY COUNTY

CITY OF VESTAVIA HILLS

The undersigned hereby certifies that the only candidate to qualify for Council, Place Number 4 as of five p.m., July 21, 2020, is George Pierce, therefore, pursuant to Section 11-46-26 of the Alabama Code of 1975, in the City of Vestavia Hills, Alabama, George Pierce, was duly elected to the office of Council, Place Number 4 of the City of Vestavia Hills, Alabama, for the term commencing on the first Monday of November, 2020.

Given under our hands pursuant to the requirements of Section 11-46-20 et seq. of the Alabama Code of 1975, as amended, this the 27th day of July, 2020.

Mayor

Mayor Pro-Tem

Councilmember

Councilmember

Councilmember

RESOLUTION NUMBER 5260

**A RESOLUTION ACCEPTING THE 2018-2019 AUDIT
FOR THE CITY OF VESTAVIA HILLS, ALABAMA**

WHEREAS, the audit for the fiscal year 2018-2019 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 2018-2019; 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 July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

City of Vestavia Hills, Alabama

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

City of Vestavia Hills, Alabama
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September 30, 2019

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Resolution 5260 - Exhibit A
Carr, Riggs & Ingram, LLC
3700 Colonnade Parkway
Suite 300
Birmingham, AL 35243

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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, 2019, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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.

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, 2019, 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.

Emphasis of Matter

As described in Note 14 to the financial statements, the City discovered an under accrual of taxes related to the prior year. As a result, the City recorded a prior period adjustment during the current year. The cumulative effect of the adjustment was to increase fund balance of other governmental funds as well as net position of governmental activities as of September 30, 2018 by \$761,450. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4.1-4.13 and page 45 as well as the pension and OPEB schedules on pages 46-49 and notes to required supplementary information on page 50 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 July 16, 2020, 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 solely 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 the effectiveness of the City's 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Birmingham, Alabama
July 16, 2020

CITY OF VESTAVIA HILLS, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2019

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, 2019. 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 its liabilities at September 30, 2019, \$82.54 million (Total Net Position).
- ❖ The City's net position increased 3.10% (\$2.49 million) in 2019.
- ❖ The total cost of the City's programs for the 2019 fiscal year was \$51.91 million. The net cost was \$43.51 million after subtracting grants and contributions and charges for services.
- ❖ At September 30, 2019, the general fund unassigned fund balance, excluding the City's committed funds (Emergency Reserves) for economic stabilization of \$12.04 million, was \$3.39 million or 9.60% of total general fund operating expenses before debt service.
- ❖ Major capital expenditures totaled \$8.51 million including \$5.55 million projects in progress.
- ❖ The City decreased its outstanding General Obligation Warrants by \$3.95 million, exclusive of \$1.1 million held in the 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 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, the Capital Projects Fund and Debt Service 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 45 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. Various information regarding changes in the City's net pension liability and employer contributions to the pension plan are also presented in this section.

Analysis of the City of Vestavia Hills' Overall Financial Position

As indicated earlier, net assets 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>2019</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 67,114	\$ 73,073
Capital assets	<u>153,146</u>	<u>149,453</u>
Total Assets	<u>220,260</u>	<u>222,526</u>
Deferred outflows	8,047	7,908
Liabilities:		
Other liabilities	10,794	10,811
Long-term liabilities	<u>133,010</u>	<u>137,852</u>
Total Liabilities	<u>143,804</u>	<u>148,663</u>
Deferred inflows	1,961	1,715
Net position:		
Net invested in capital assets	81,806	84,178
Restricted	3,284	1,863
Unrestricted (deficit)	<u>(2,549)</u>	<u>(5,985)</u>
Total Net Position	<u>\$ 82,541</u>	<u>\$ 80,056</u>

The City's assets exceeded liabilities by \$82.54 million at September 30, 2019.

Net investment in capital assets of \$81.81 million reflects 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 \$3,284,465 represents net position restricted for payment to the Debt Sinking fund, \$1,109,670 million, prepayment of the 2019 debt service, \$650,000, and road maintenance, \$1,524,795.

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, 2019 and 2018.

Table 2: Summary of Changes in Net Position

	Fiscal Year Ended	
	September 30,	
	(dollars in thousands)	
	2019	2018
Program Revenues:		
Charges for services	\$ 7,145	\$ 6,849
Operating grants/contributions	921	763
Capital grants/contributions	331	517
General Revenues:		
Taxes	38,906	34,489
Utility Franchise fees	2,838	2,732
Investment earnings	1,261	360
Miscellaneous	217	1,344
Sale of assets	1,822	33
Donated infrastructure assets	188	9,318
Total Revenues	<u>53,629</u>	<u>56,405</u>
Program Expenses:		
General government	7,930	8,430
Public safety	21,444	20,386
Public works/Public services	15,624	11,468
Library	2,895	2,682
Interest on long term debt	4,012	2,498
Total Expenses	<u>51,905</u>	<u>45,464</u>
Change in net position	1,724	10,941
Net Position, beginning of year	80,056	69,930
Prior period adjustment	761	(815)
Net Position, ending	<u>\$ 82,541</u>	<u>\$ 80,056</u>

The City's revenues, excluding donated infrastructure assets, which do not provide spendable funds, increased \$6.35 million or 13.49%. The increase resulted principally from taxes, \$4.42 million or 12.81%, sale of assets, \$1.82 million or 5421.21%, investment earnings, \$.901 million or 250.28% and utility franchise, \$.106 million or 3.88%. The revenue increase was principally offset by a decrease in miscellaneous revenues, \$1.13 million or 83.85%.

The City's program expenses increased \$6.44 million or 14.17%. The increase resulted principally from public services, \$4.16 million or 36.24%, interest on long term debt, \$1.51 million or 60.61% and public safety, \$1.06 million or 5.19%, but was offset resulting from decrease expenditures within the general government division, \$.500 million or 5.93%.

Table 3 is a condensed statement taken from the Statement of Activities on page 6 showing the total cost for providing services for five 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, (dollars in thousands)	
	Total Cost of Services	Net Cost of Services
General government administration	\$ 7,930	\$ 3,539
Public safety	21,444	19,816
Public works/Public services	15,624	13,408
Library	2,895	2,732
Interest on long-term debt	4,012	4,012
Total	\$ 51,905	\$ 43,507

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 \$62.12 million, which includes general fund balances of \$12.04 million committed funds to be used for economic stabilization in the event of an unforeseen emergency and \$3.39 million unassigned funds which is available to address 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 2019 budget was adopted September 10, 2018. 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 45. The City's actual results as compared to the City's budget can be briefly summarized as follows:

- ❖ Actual revenues exceeded total budgeted revenues by \$2.62 million or 5.91%. Ad valorem real estate and sales taxes were the largest revenue generators, representing \$33.66 million or 75.93% of total budgeted revenues.
- ❖ Actual expenditures exceeded budget by \$.260 million or .74%. The overage resulted principally due to general government administration, public works/services and capital outlay exceeding budget by \$.376 million or 2.75%. The overage was offset due to public safety and the library reporting less than budgeted expenditures, \$.116 million or .54%

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental activities for fiscal year ended September 30, 2019 was \$81.81 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)	
	2019	2018
Land	\$ 82,607	\$ 80,827
Constructin-in-progress	7,248	2,461
Buildings	24,923	25,777
Land Improvements	6,251	6,079
Vehicles	2,457	2,363
Recreational facilities	8,744	9,539
Equipment and fixtures	4,437	5,264
Books and artwork	586	613
Infrastructure	15,893	16,530
Capital assets, net of depreciation	<u>\$ 153,146</u>	<u>\$ 149,453</u>

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

Donated infrastructure assets (streets)	\$	188
Construction-in-progress projects (includes sidewalk design and construction)		5,552
Buildings		32
Land		1,789
Vehicles		845
Equipment, furniture & fixtures		54
Computer equipment and software		83
Books and artwork		180
	<u>\$</u>	<u>8,723</u>

Long-Term Debt - At year-end, the City had \$105.99 million in general obligation warrants and capital leases. This represents a decrease of 4.60% in debt over last fiscal year, as shown in *Table 5* below.

Table 5: Outstanding Debt

As of September 30, 2019
(dollars in thousands)

	Beginning Balance	Net Change	Ending Balance
Governmental activities:			
Warrants payable	\$ 107,065	\$ 3,760	\$ 103,305
Capital leases	4,020	1,347	2,673
Totals	<u>\$ 111,085</u>	<u>\$ 5,107</u>	<u>\$ 105,978</u>

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

- ❖ The City reduced its general obligation warrants by \$3.8 million. The ending balance includes \$1.11 million, including interest, held in the debt sinking fund for the "Qualified Energy Conservation Bonds" (QECB) payment.
- ❖ There was a net reduction of \$1.3 million in capital leases resulting from the paydown and payout of leases.
- ❖ 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 ratings of "Aaa stable" and "AA+ positive", respectively, on its "Series 2018 Warrants", July 25 and July 26, 2018.

Economic Factors and Next Year's Budget

Ad Valorem Tax – The City's ad valorem tax is based on annual reassessment of real estate and was the city's second largest revenue generator in fiscal 2019. Over the previous five years, ad valorem taxes have exceeded budget resulting from the annual appreciation of real estate.

Ad Valorem Taxes - Real Estate					
Fiscal Year	Budget		Actual		Variance
2015	\$	12,007,873	\$	12,265,526	\$ 257,653
2016		12,239,096		12,840,240	601,144
2017		13,019,195		13,386,482	367,287
2018		13,728,188		14,215,087	486,899
2019	\$	14,175,565	\$	14,611,667	\$ 436,102

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 actual expense for fiscal 2019 was \$290,248.

Medical Costs – The City of Vestavia Hills' health insurance is with and administered through the "State of Alabama Local Government Health Insurance Board". In fiscal 2019, Vestavia Hills retained its preferred insurance classification rating resulting from minimal medical claims and 80% or greater employee participation in the State of Alabama's "Wellness Screening Program". There was a budgeted increase of 5%, anticipating an increase by the Alabama Local Government Health Insurance Board in calendar year 2019, which resulted in a budgeted contribution of \$1.84 million.

Retirement Costs – The City's retirement program for employees is provided through the Retirement System of Alabama (RSA). The pension plan is currently funded at 69.45%, reflecting an unfunded liability of \$25.73 million as of the latest measurement date – September 30, 2018. Vestavia Hills' contribution factors for fiscal 2019 were 14.43% - Tier 1 and 11.96% - Tier 2, representing a budgeted contribution of \$2.49 million.

Cost-of-Living Raise – A 3% cost of living adjustment was included in the 2019 fiscal budget.

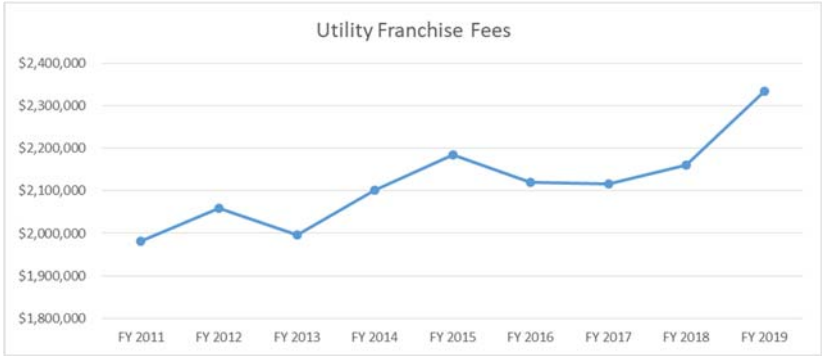
CITY MANAGER'S COMMENTS:**Fiscal Year 2019 Management Report**

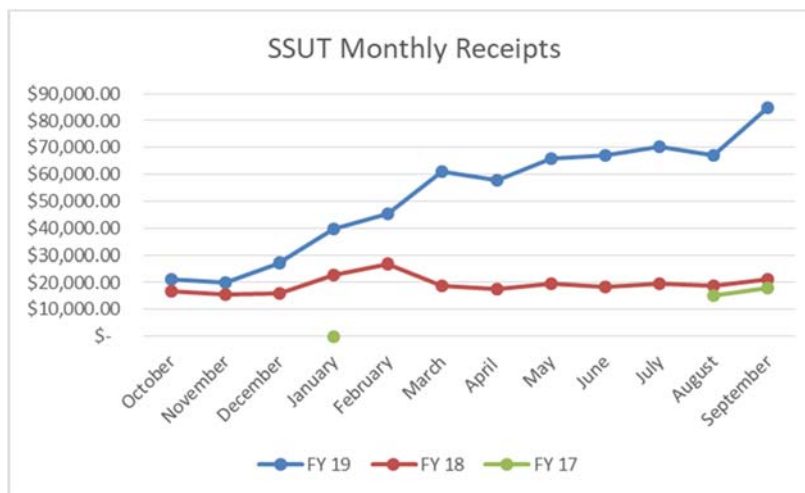
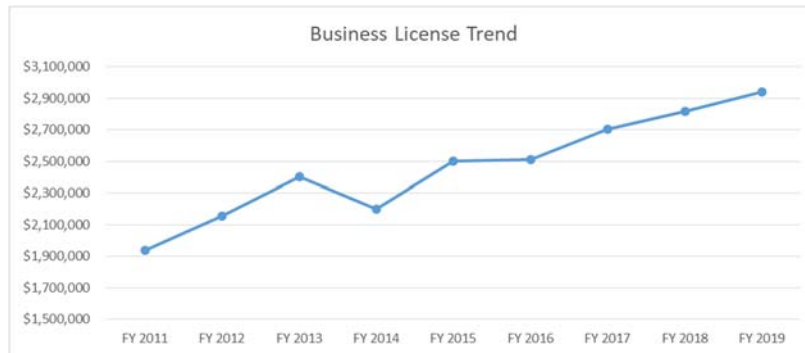
A review of financial and economic activities in the City of Vestavia Hills during fiscal year 2019 indicate a growing economy and continued conservative management of operations that bode well for the period of time indicated in this report while setting the stage for a solid financial foundation to mitigate the uncertainties of the future. All notable metrics during fiscal year 2019 supports this contention. In fact, past modeling and strategic planning for the City are showing accurate results from predictions associated with those efforts. They include revenue enhancement models, economic development strategies as well as efficiency efforts within the City's operations. In this report, I will focus initially on general fund financial metrics and follow up on the economic condition of the City while finishing with actions taken by the City leadership to manage operational expenses. The results of these intentional acts have and continue to pay dividends for the City when reviewing the FY 2019 results presented in this audited financial statement. From an operational standpoint, the most important overarching financial metric that I stay focused on as City Manager is the general fund balance. Our goal is to operate city services within our annual budget parameters and keep strategies in place that react to market conditions in our growth of revenues and/or managing of unavoidable downturns in any particular revenue line item. Since FY 2015, the City's general fund balance has increased 23%. Over this five-year period, we have experienced a significant surplus every year but one. These results, as expressed in the table below, show an overt act of the City to operate within its means and execute on its plans.

General Fund Surplus and Fund Balance			
City of Vestavia Hills			
Actual Results			
	<i>FY Surplus</i>	<i>EOY Fund Balance</i>	<i>% Change</i>
<i>Fiscal Year</i>			
2019	\$ 1,519,153	\$ 16,062,024	10.45%
2018*	\$ 1,184,355	\$ 14,542,871	8.87%
2017*	\$ (103,003)	\$ 13,358,516	-0.77%
2016*	\$ 443,870	\$ 13,461,519	3.41%
2015*	\$ 615,040	\$ 13,017,649	
* Source: Audited Financial Statements			

General Fund Financial Highlights

When drilling down beyond the consistent operational surplus, our top four revenue sources continue to experience strong results (year over year). Ad Valorem-Real (up 2.79%), Sales Tax (up 23.08%), Utility Franchise Fees (up 8.04%) and Business License (4.55%) revenues all have grown consistently over the latest five-year period. These revenue line items also serve as a positive measure of economic output and economic health of our community. I have graphically produced exhibits below to support these facts. In addition, the City has seen significant growth from a new and emerging source of revenue within the sales tax category- the Simplified Sellers Use Tax (SSUT). The SSUT is a use tax generated from online sales consistent with a relatively new State of Alabama authority that is also influenced by recent United States Supreme Court decisions mandating a change in online sales and use tax collection practices. The distribution of SSUT proceeds to Vestavia Hills in FY 19 represented a 171% increase over FY 18. We anticipate a comparable increase for FY 20.

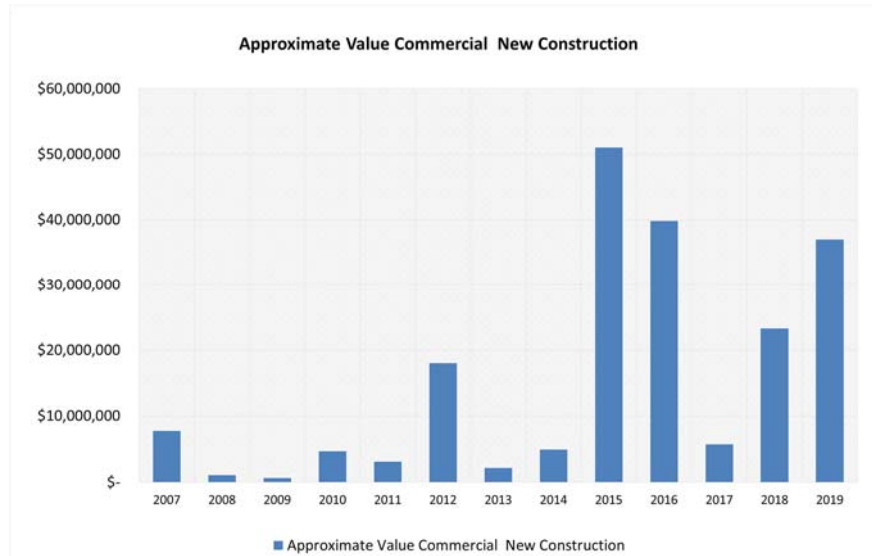




Economic Condition of the City of Vestavia Hills Alabama

The City of Vestavia Hills is a bedroom community located within the metropolitan area of Birmingham, Alabama. It has a public-school system consistently ranked very high in student achievement. Furthermore, its crime rates remain the lowest in Alabama and other quality of life measures place Vestavia Hills as one of the most desirable places to live within Alabama if not the southeastern United States. The City of Vestavia Hills consistently measures these variables in the form of community engagement efforts to ensure they remain at a high level of satisfaction among residents. The City’s expenditures are also focused in sustaining these high marks. The results of these actions and resident sentiments, keep Vestavia Hills as a highly sought-after community for residential and commercial investments. To further support this trend, the City has executed on economic development strategies designed to plug leaks in its economy such as grocery retail and unique restaurant and merchandise retail businesses. The City’s strategy involves selective partnerships to incent private sector investment in these areas of opportunity within the City. The aforementioned positive metrics are a result of this strategy coupled with the strong demand from private sector individuals to be a part of the Vestavia Hills community.

Over the last twelve months, the following multi-million-dollar commercial operations have or will open their doors for commerce within Vestavia Hills. Their capital investments over the last five years represent approximately a \$157,000,000 investment. Due to the nature of our revenue collections, we anticipate continued positive economic conditions based upon these investments and more to come.



New Commercial Business Opened or Commenced Construction Activities:

Baumhower's Victory Grill (Restaurant) – Highway 31
 Dunkin (Restaurant) – Highway 31
 Romeo's Sporting Good (Specialty Retail) – Highway 31
 Tazeki's (Restaurant) – Highway 31
 Waffle House (Restaurant) – Highway 31
 Leaf and Petal Development (Specialty Retail and Restaurant) – Cahaba Heights
 Milo's (Restaurant) – Cahaba Heights
 Chik-Fil-A (Restaurant) – Cahaba Heights
 Publix (Grocery Retail) - Liberty Park
 Publix (Grocery Retail) - Rocky Ridge Business District
 Vestavia Medical Plaza (Medical Clinic) – Highway 31

Operational Efficiencies within City Operations

While considerable effort is placed on economic growth within the City, there is also an effort to operate in the most efficient manner possible. Several specific efforts have produced a reduction of budgetary costs within the City while actually improving the quality of services provided by the City. This has been most noticeable in areas of fleet maintenance and facility/right of way maintenance. Both of these operations suffered from negative productivity and quality measures over a period of time. Through a privatization exercise completed in FY 19, where operations were contractually transferred to a third party, the costs of these operations were significantly reduced and evaluative responses from internal and external stakeholders were much improved. In previous years, the City operated a fleet maintenance facility with an average of four full time equivalent employees. After privatizing the operation, the costs of this operation decreased by 35-40%. In a similar fashion, the capital and personnel costs of right of way and ballfield maintenance were significant, and the City recent fully implemented contracting out of these services resulting in the ability to reassign personnel to higher priority functions, improve maintenance productivity and quality without an increase of budgetary resources.

Conclusion

From a City Manager's perspective, the City of Vestavia Hills is well positioned to continue to provide exceptional city services, withstand economic disruptions and be sustainable in the long term given the financial and operational decisions made by our City Council and operational leadership. The steady implementation of a solid plan coupled with discipline are the keys to these past and future accomplishments. The results from this audited financial statement reinforce these statements.

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, 1032 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, 2019

<i>September 30, 2019</i>	Governmental Activities
Assets	
Cash	\$ 10,748,318
Cash - restricted	39,762,317
Investments	12,036,083
Investment - restricted	1,096,696
Receivables, net of allowance for uncollectibles	3,394,767
Prepaid expenses	76,093
Land	82,607,368
Construction in progress	7,247,516
Capital assets, net of accumulated depreciation	63,291,148
Total assets	220,260,306
Deferred outflows of resources	
Deferred charges - debt refunding	1,189,239
Employer pension contributions subsequent to measurement date	2,450,447
Differences between expected and actual experience of pension plan	1,605,426
Changes of assumptions on net pension liability	2,537,020
Differences between expected and actual experience of OPEB plan	118,883
Changes of assumptions on net OPEB liability	146,741
Total deferred outflows of resources	8,047,756
Liabilities	
Accounts payable	3,950,079
Court and performance bonds payable	1,043,131
Accrued interest payable	474,683
Noncurrent liabilities	
Due within one year	
Compensated absences	361,422
Warrant obligations, net	3,790,000
Capital lease obligations	1,174,414
Due in more than one year	
Compensated absences	2,048,058
Warrant obligations, net	102,729,345
Capital lease obligations	1,499,223
Net pension liability	25,729,782
Net OPEB liability	1,004,293
Total liabilities	143,804,430
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	1,918,755
Changes in assumptions of OPEB net liability	42,956
Total deferred inflows of resources	1,961,711
Net Position	
Net investment in capital assets	81,806,469
Restricted for debt service	1,759,670
Restricted for capital projects	
Restricted for gas tax funds	1,524,795
Unrestricted (deficit)	(2,549,013)
Total net position	\$ 82,541,921

The accompanying notes are an integral part of these financial statements.

City of Vestavia Hills, Alabama
Statement of Activities

Year ended September 30, 2019

Program Activities	Expenses	Program Revenues			Total	Net (Expense) Revenue and Changes in Net Assets Primary Government
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary government						
Governmental activities						
General government administration	\$ 7,929,747	\$ 4,058,822	\$ 2,500	\$ 328,886	\$ (3,539,539)	
Public safety	21,444,576	748,731	879,953	-	(19,815,892)	
Public works	15,623,988	2,202,150	13,627	-	(13,408,211)	
Library	2,895,284	135,668	25,131	2,081	(2,732,404)	
Parks and recreation	-	-	-	-	-	
Interest on long-term debt	4,011,797	-	-	-	(4,011,797)	
Total primary government	\$ 51,905,392	\$ 7,145,371	\$ 921,211	\$ 330,967	(43,507,843)	
		General revenues				
		Taxes				
		Ad Valorem (real and personal property)				16,206,605
		Sales and use				20,341,644
		Other taxes				2,357,441
		Utility franchise fees				2,838,497
		Investment earnings				1,260,611
		Donated infrastructure assets				187,770
		Miscellaneous				217,188
		Gain on sale of assets				1,821,711
						<u>45,231,467</u>
		Change in net position				1,723,624
		Net position at beginning of year, as originally reported				80,056,847
		Prior period adjustment (Note 14)				761,450
		Net position - beginning of year, as restated				<u>80,818,297</u>
		Net position at end of year				<u>\$ 82,541,921</u>

The accompanying notes are an integral part of these financial statements.

City of Vestavia Hills, Alabama Governmental Funds Balance Sheet

September 30, 2019

	General	Debt Service	Capital Projects- Community Spaces	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 3,436,118	\$ 663,724	\$ 4,790,897	\$ 1,857,579	\$ 10,748,318
Cash - restricted	1,048,874	-	38,263,220	450,223	39,762,317
Investments	12,036,083	-	-	-	12,036,083
Investment - restricted	-	1,096,696	-	-	1,096,696
Accounts receivable, net of allowance for uncollectibles	2,368,518	-	96,600	929,649	3,394,767
Prepaid expenses	76,093	-	-	-	76,093
Interfund receivables	111,399	-	-	162,454	273,853
Total assets	\$ 19,077,085	\$ 1,760,420	\$ 43,150,717	\$ 3,399,905	\$ 67,388,127
Liabilities					
Accounts payable	\$ 1,896,297	\$ 750	\$ 1,628,899	\$ 424,133	\$ 3,950,079
Court and performance bonds payable	1,043,131	-	-	-	1,043,131
Interfund payables	134,810	-	-	139,043	273,853
Total liabilities	3,074,238	750	1,628,899	563,176	5,267,063
Fund balance					
Nonspendable	76,093	-	-	-	76,093
Restricted for					
Road maintenance	-	-	-	1,524,795	1,524,795
Capital projects	-	-	38,263,220	-	38,263,220
Debt service	-	1,759,670	-	-	1,759,670
Committed to					
Capital projects	-	-	3,258,598	-	3,258,598
Emergency reserve	12,036,083	-	-	-	12,036,083
Assigned	500,000	-	-	1,311,934	1,811,934
Unassigned	3,390,671	-	-	-	3,390,671
Total fund balance	16,002,847	1,759,670	41,521,818	2,836,729	62,121,064
Total liabilities and fund balance	\$ 19,077,085	\$ 1,760,420	\$ 43,150,717	\$ 3,399,905	\$ 67,388,127

The accompanying notes are an integral part of these financial statements.

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

September 30, 2019

Fund balance - total governmental funds		\$ 62,121,064
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.</p>		
Governmental capital assets	\$ 209,382,950	
Accumulated depreciation	<u>(56,236,918)</u>	153,146,032
<p>Deferred outflows of resources related to debt refundings, pensions, and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds balance sheet.</p>		
		8,047,756
<p>Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds balance sheet.</p>		
		(1,961,711)
<p>Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.</p>		
Warrant obligations, net	(106,519,345)	
Net pension liability	(25,729,782)	
Net OPEB liability	(1,004,293)	
Compensated absences	(2,409,480)	
Accrued interest payable	(474,683)	
Capital lease obligations	<u>(2,673,637)</u>	(138,811,220)
<hr/>		
Net position of governmental activities		<u>\$ 82,541,921</u>

The accompanying notes are an integral part of these financial statements.

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

<i>Year ended September 30, 2019</i>	General	Debt Service	Capital Projects - Community Spaces	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 36,628,663	\$ -	\$ -	\$ 777,755	\$ 37,406,418
Licenses and permits	4,712,682	-	-	162,068	4,874,750
Intergovernmental	-	-	-	678,669	678,669
Charges for services	393,142	-	-	710	393,852
Fines and forfeitures	364,533	-	-	491,743	856,276
Fees	2,934,205	-	-	820,603	3,754,808
Grants	765,494	-	21,775	459,961	1,247,230
Proceeds from sale of assets	16,016	-	1,810,950	-	1,826,966
Interest revenues	456,440	53,082	718,937	32,150	1,260,609
Library revenues	-	-	-	140,617	140,617
Other revenues	673,129	200,251	-	134,613	1,007,993
Total revenues	46,944,304	253,333	2,551,662	3,698,889	53,448,188
Expenditures					
Current (operating):					
General government administration	6,261,331	7,600	-	628,350	6,897,281
Public safety	19,331,268	-	-	1,015,300	20,346,568
Public works	7,590,608	-	4,722,379	1,134,941	13,447,928
Library	1,944,565	-	-	115,602	2,060,167
Debt service	-	7,680,312	280,000	1,193,892	9,154,204
Capital outlay	206,465	-	6,882,195	1,416,789	8,505,449
Total expenditures	35,334,237	7,687,912	11,884,574	5,504,874	60,411,597
Excess of revenues over (under) expenditures	11,610,067	(7,434,579)	(9,332,912)	(1,805,985)	(6,963,409)
Other financing sources (uses)					
Operating transfers in	94,230	7,637,914	4,719,381	1,051,110	13,502,635
Operating transfers out	(10,244,321)	-	(3,164,084)	(94,230)	(13,502,635)
Total other financing sources (uses)	(10,150,091)	7,637,914	1,555,297	956,880	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,459,976	203,335	(7,777,615)	(849,105)	(6,963,409)
Fund balance, beginning of year - as originally stated	14,542,871	1,556,335	49,299,433	2,924,384	68,323,023
Restatement - See Note #14	-	-	-	761,450	761,450
Fund balance, beginning of year - as restated	14,542,871	1,556,335	49,299,433	3,685,834	69,084,473
Fund balance, end of year	\$ 16,002,847	\$ 1,759,670	\$ 41,521,818	\$ 2,836,729	\$ 62,121,064

The accompanying notes are an integral part of these financial statements.

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

September 30, 2019

Net change in fund balances - total governmental funds	\$	(6,963,409)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for capital assets	\$ 8,534,694	
Less current year depreciation	<u>(5,023,337)</u>	3,511,357
<p>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.</p>		
The net effect of donated infrastructure		187,770
Repayment of long-term debt principal (including capital leases) are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position.		5,106,913
The net effect of transactions involving the disposal of capital assets is to decrease net position.		(6,941)
<p>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.</p>		
Difference in pension expense related to deferred outflows and inflows of resources and net pension liability	\$ (491,894)	
Difference in OPEB expense related to deferred outflows and inflows of resources and net OPEB liability	9,589	
Change in long-term compensated absences	82,825	
Change in accrued interest payable	165,315	
Amortization of bond premiums/discounts, net	280,569	
Amortization of loss on refunding	<u>(158,470)</u>	<u>(112,066)</u>
Change in net position of governmental activities	\$	<u>1,723,624</u>

The accompanying notes are an integral part of these financial statements.

City of Vestavia Hills, Alabama Notes to Financial Statements Index

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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, 2020.

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). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

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, 2019, the total advalorem taxes remitted to the Board amounted to approximately \$21.2 million and \$598,130 was due the Board of Education at September 30, 2019.

The City also remits a portion of sales taxes and automobile tags collected within the City. During the year ended September 30, 2019, the total sales taxes and automobile tags remitted to the Board was approximately \$618,694 and \$92,673 was due to the Board as of September 30, 2019.

During the year ended September 30, 2019 the City and the Board entered into a funding agreement whereby the City has agreed to use excess Community Spaces funds to cover 25% of the cost of debt service in relation to the additional costs needed by the system for various capital improvements. Annual support will be \$280,000 per year for ten years.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 component units or fiduciary type activities).

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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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.

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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 Fund

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

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 - Community Spaces Fund, and Debt Service Fund are classified as major funds.

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

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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. Grants and grants receivable are recognized when all the eligibility requirements of the providers have been met.

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 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.

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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".

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Fund Statements (Continued)

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 City has assigned \$500,000 of the General Fund balance, which includes \$250,000 for the City's unfunded pension liability and \$250,000 for the City's insurance reserve.

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 \$12,036,083 of General 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.

The City has assigned \$1,311,934 of the Other Governmental Funds balance for use as follows: \$324,788 for E-911, \$294,861 for the Library, \$692,093 for Capital Projects and \$192 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.

Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Losses resulting from the refunding of bonds are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs (except for prepaid insurance costs) are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures except as noted above.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Inventory

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

Pension

The Employees' Retirement System of Alabama (the Plan or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with the requirements of the Governmental Accounting Standards 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.

Other Postemployment Benefits (OPEB)

Other Postemployment Benefits (OPEB) cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note 9), regardless of the amount recognized as OPEB expense on a modified accrual basis of accounting. Annual OPEB cost is calculated in accordance with GASB Statement No. 75.

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions (Continued)

Details of current interfund receivables and payables are as follows:

<u>Payable from</u>	<u>Payable to</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 134,810
Other Governmental Funds	General Fund	111,399
Other Governmental Funds	Other Governmental Funds	27,644
		<u>\$ 273,853</u>

The purpose of the interfund receivable balance to the Capital Projects Fund from the General Fund is for the sales tax capital reserve transfer.

The purpose of the interfund receivable balance to the General Fund from the Other Governmental Funds is for the motor vehicle tag fees due to the General Fund.

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, 2019 consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects- Community Spaces</u>	<u>Other Governmental Funds</u>	
Debt Service Fund	\$ 4,473,830	\$ 3,164,084	\$ -	\$ 7,637,914
Other Governmental Funds	1,051,110	-	-	1,051,110
Community Spaces Fund	4,719,381	-	-	4,719,381
General Fund	-	-	94,230	94,230
<u>Total</u>	<u>\$ 10,244,321</u>	<u>\$ 3,164,084</u>	<u>\$ 94,230</u>	<u>\$ 13,502,635</u>

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions (Continued)

The purpose of the transfer from the General Fund to the Other Governmental Funds is for the capital reserve allocation and operations of the Municipal Court.

The purpose of the transfer from the General Fund to the Capital Projects – Community Spaces Fund is for funding of capital projects.

The purpose of the transfer from the Capital Projects – Community Spaces Fund to the Debt Service Fund is for reimbursement of debt service paid from the Debt Service Fund.

The purpose of the transfer from Other Governmental Funds to the General Fund is to reimburse expenditures paid for by the General Fund.

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 September 30 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 remits the City's portion by check on a monthly basis. Taxes collected by the Jefferson County Tax Collector prior to fiscal year end but remitted to the City after September 30 are accrued in the General Fund.

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.

Deferred Outflows/Inflows

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has six items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows (Continued)

The second one is related to pensions resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of net pension liability in 2020. The third and fourth items are also associated with the City's pension plan and are related to changes in assumptions and differences between expected and actual experience used to calculate the total pension liability. The fifth and sixth items are associated with the City's OPEB plan and are related to differences between expected and actual experience and changes in assumption used to calculate the total OPEB liability. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two items that qualify for reporting in this category. The first is the net difference between projected and actual earnings on plan investments for the pension plan. The second one is related to changes in assumptions used to calculate the total OPEB Liability.

Economic Dependency

The City receives a significant portion of their revenue from property taxes and sales and use taxes. Property tax revenue was \$16,206,605 or 30% of total revenue in fiscal year 2019. Sales and use tax revenue was \$20,341,644 or 38% of total revenue in fiscal year 2019.

Subsequent Events

The City has evaluated subsequent events through July 16, 2020.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: CASH AND INVESTMENTS

Cash

The City maintains several checking accounts that are separately held by several of the City's funds. At year-end, the carrying amount and bank balance of the City's deposit accounts were as follows:

	Carrying Amount	Bank Balance
All funds	\$ 50,510,635	\$ 51,820,687

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. Management believes that there is no significant custodial credit risk because as of September 30, 2019, 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, 2019, all of the City's depositories are participating in the SAFE program.

Included in the carrying amount above are restricted assets totaling \$39,762,317, which includes deposits related to the following: \$107,909 court appearance bonds, \$213,430 lease escrow, \$236,793 police confiscations, \$38,263,220 community spaces, and \$940,965 contractor's surety. 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 2: CASH AND INVESTMENTS (Continued)

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

The City's credit risk policy follows investment statutes of Alabama, which allows the City to invest in obligations of the U.S. Treasury.

The City has elected to invest a portion of its excess funds, in the amount of \$3,498,357, in a number of certificates of deposit at multiple financial institutions. In accordance with GASB 72, these investments are stated at cost plus accrued interest.

The City has invested annual sinking fund payments related to its Qualified Energy Conservation Bonds (QECB) Series 2003. The City also invests excess funds in U.S. Treasury securities. In accordance with GASB 72, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are categorized as Level 2 inputs.

The City has the following recurring fair value measurements as of September 30, 2019:

- U.S. Treasury securities of \$8,537,726 that are valued using quoted market prices (Level 1 inputs).
- QECB Guaranteed Investment Contract of \$1,096,696 (restricted investment) using discounted cash flow and theoretical transfer ("exit value") techniques (Level 3 inputs).

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, 2019:

	Balance at 9/30/2018	Additions	Disposals/ Retirements/ Completed	Balance at 9/30/2019
Capital assets not being depreciated:				
Land	\$ 80,827,238	\$ 1,780,130	\$ -	\$ 82,607,368
Construction in progress	2,460,707	5,552,112	(765,303)	7,247,516
Total capital assets not being depreciated	83,287,945	7,332,242	(765,303)	89,854,884
Capital assets being depreciated:				
Land improvements	11,555,670	9,395	724,875	12,289,940
Buildings	31,006,349	14,703	(121,230)	30,899,822
Building equipment and fixtures	395,270	17,080	3,778	416,128
Vehicles	7,107,249	844,675	(61,981)	7,889,943
Equipment	9,016,122	4,398	10,574	9,031,094
Computer equipment	2,169,306	83,034	-	2,252,340
Recreational equipment	2,336,994	17,858	18,002	2,372,854
Office furniture and fixtures	2,377,106	31,581	-	2,408,687
Office equipment	133,715	-	-	133,715
Recreational facilities	23,078,608	-	-	23,078,608
Books and artwork	2,000,930	179,728	-	2,180,658
Infrastructure	26,378,433	187,770	8,074	26,574,277
Total capital assets being depreciated	117,555,752	1,390,222	582,092	119,528,066
Less accumulated depreciation for:				
Land improvements	5,476,129	550,102	12,439	6,038,670
Buildings	5,457,490	893,273	(139,888)	6,210,875
Building equipment and fixtures	166,804	15,361	-	182,165
Vehicles	4,743,801	687,753	1,537	5,433,091
Equipment	5,309,160	485,617	(50,358)	5,744,419
Computer equipment	1,722,583	131,846	-	1,854,429
Recreational equipment	1,911,518	54,878	-	1,966,396
Office furniture and fixtures	1,695,837	367,546	-	2,063,383
Office equipment	129,669	3,004	-	132,673
Recreational facilities	13,539,200	795,288	-	14,334,488
Books and artwork	1,388,074	206,618	-	1,594,692
Infrastructure	9,849,586	832,051	-	10,681,637
Total accumulated depreciation	51,389,851	5,023,337	(176,270)	56,236,918
Total capital assets being depreciated, net	66,165,901	(3,633,115)	758,362	63,291,148
Governmental activities capital assets, net	\$ 149,453,846	\$ 3,699,127	\$ (6,941)	\$ 153,146,032

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	\$	1,105,134
Public safety		1,004,667
Public works		2,109,802
Library		803,734
<hr/>		
Total depreciation expense	\$	5,023,337

Note 4: CAPITALIZED LEASES

At September 30, 2019, approximately \$4,881,306 in accumulated depreciation has been recorded in the government-wide financial statements related to assets costing \$7,781,266 purchased under capital leases. The current portion of the outstanding liability related to these capital leases at September 30, 2019 reported in the government-wide financial statements totaled \$1,174,414. The remaining long-term portion of these capital lease obligations reported in the government-wide financial statements totaled \$1,499,223 at September 30, 2019.

The following schedule shows the future minimum lease payments at September 30, 2019:

<i>For the years ending September 30,</i>	Interest	Principal	Total Lease Payment
2020	\$ 51,602	\$ 1,174,414	\$ 1,226,016
2021	29,850	559,817	589,667
2022	19,055	344,547	363,602
2023	13,031	215,045	228,076
2024	8,357	184,181	192,538
2025 and thereafter	4,216	195,633	199,849
<hr/>			
Total	\$ 126,111	\$ 2,673,637	\$ 2,799,748

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	\$ 1,614,203
Property taxes	301,343
Other taxes	720,547
Franchise fees	120,000
Transport receivable	114,162
Intergovernmental	200,223
Other receivables	324,289
<hr/>	
Total	<u>\$ 3,394,767</u>

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, 2019:

Warrant obligations at September 30, 2018	\$ 107,065,000
Principal payments	<u>(3,760,000)</u>
Total principal outstanding	103,305,000
Unamortized bond issuance discount	(100,281)
Unamortized bond premium	<u>3,314,626</u>
<hr/>	
Total warrant obligations at September 30, 2019	<u>\$ 106,519,345</u>

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 6: LONG-TERM DEBT (Continued)

Outstanding principal of warrant obligations of the City at September 30, 2019 consist of the following:

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.	\$ 4,640,000
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.	1,605,000
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 \$1,096,696 held in sinking fund for repayment)	3,148,304
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.	7,690,000
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.	760,000
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.	7,955,000
General Obligation Warrants, Series 2016 were issued in the principal amount of \$11,810,000 in June 2016. 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 2028 and are callable at any time without penalty.	11,700,000
General Obligation Warrants, Series 2018 was issued in the principal amount of \$55,770,000 in August 2018. The warrants bear interest at an average of 3.75%, payable semiannually on February 1 and August 1. The warrants mature serially with a final maturity in 2048 and are callable at any time without penalty.	54,710,000
Total outstanding	102,208,304
Amount held in sinking fund for QECCB payment	1,096,696
Total principal outstanding	\$ 103,305,000

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, 2019:

<i>For the years ending September 30,</i>	Debt Service Related to Principal	Debt Service Related to Interest	Total Debt Service
2020	\$ 3,790,000	\$ 3,906,436	\$ 7,696,436
2021	3,935,000	3,746,499	7,681,499
2022	4,075,000	3,602,386	7,677,386
2023	4,220,000	3,448,030	7,668,030
2024	4,200,000	3,282,902	7,482,902
2025-2029	23,025,000	13,794,366	36,819,366
2030-2034	26,260,000	8,967,993	35,227,993
2035-2039	10,145,000	5,686,050	15,831,050
2040-2044	12,165,000	3,669,850	15,834,850
2045-2048	11,490,000	1,171,600	12,661,600
Total	\$ 103,305,000	\$ 51,276,112	\$ 154,581,112

The total interest paid by the City during 2019 relative to the above warrants was \$3,920,312.

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 are 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 \$1,096,696 as of September 30, 2019.

As a result of the refunding debts in prior years, the City recorded deferred charges in the Government-wide Statement of Net Position. These charges represent the difference between the reacquisition price and the net carrying amounts of the refunded warrants. These costs are being amortized over the average remaining life of the refunded warrants. The unamortized portion of these costs as of September 30, 2019 was \$1,189,239.

Note 7: PENSION PLAN

Plan Description

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

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

Plan Description (Continued)

The Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, under the provisions of Act 515 of the Legislature of 1945. The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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.

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. 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 are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

Benefits Provided (Continued)

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 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 are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

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 equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

The ERS serves approximately 909 local participating employers. The ERS membership includes approximately 90,999 participants. As of September 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	24,818
Terminated employees entitled to but not yet receiving benefits	1,426
Terminated employees not entitled to a benefit	7,854
Active Members	56,760
Post-DROP participants who are still in active service	<u>141</u>
Total	<u>90,999</u>

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

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. ERS local participating employers are not required by statute to increase contribution rates for their members. The City Council elected to increase the employee contribution rates as described above as provided in Act 2011-676 of the Regular Session of the 2011 Alabama Legislature effective October 1, 2011.

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.

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, 2019, the City's active employee contribution rate was 13.75% of covered employee payroll and the City's average contribution rate to fund the normal and accrued liability costs was 13.2% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2019 was 14.43% of pensionable pay for Tier 1 employees and 11.65% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2016, 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 \$2,450,447 for the year ended September 30, 2019.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2017 rolled forward to September 30, 2018 using standard roll-forward techniques as shown in the following table:

Total Pension Liability Roll Forward			
	Expected Valuation Assumptions	Actual 2018 Valuation Assumptions Original	Actual 2018 Valuation Assumptions Final
Total Pension Liability			
as of September 30, 2017 (a)	\$ 80,216,330	\$ 80,514,335	\$ 80,954,788
Discount Rate (b)	7.75%	7.75%	7.70%
Entry Age Normal Cost for			
October 1, 2017 – September 30, 2018 (c)	1,508,540	1,508,540	1,523,143
Transfers Among Employers (d)	-	(327,053)	(327,053)
Actual Benefit Payment and Refunds for			
October 1, 2017 – September 30, 2018 (e)	(4,016,820)	(4,016,820)	(4,016,820)
Total Pension Liability			
as of September 30, 2018			
$[(a) \times (1+(b))] + (c) + (d) + [(e) \times (1+0.5 \times (b))]$	\$ 83,769,164	\$ 83,763,211	\$ 84,212,928
Difference between Expected and Actual		\$ (5,953)	
Less liability transferred for immediate recognition		(327,053)	
Experience (Gain)/Loss		\$ 321,100	
Difference between Actual at 7.70% and Actual at 7.75% [Assumption Change (Gain)/Loss]			\$ 449,717

Actuarial Assumptions

The total pension liability as of **September 30, 2018** was determined based on the annual actuarial funding valuation report prepared as of September 30, 2017. The key actuarial assumptions are summarized below:

Inflation	2.75%
Salary increases	3.25%-5.00%
Investment rate of return	7.70%*

*Net of pension plan investment expense.

Mortality rates for ERS were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females ages 78 and older. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the September 30, 2017 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, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real Estate	10.00%	7.50%
Cash Equivalents	3.00%	1.50%
Total	100.00%	

*Includes 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, 7.70%. 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, 2017	\$ 80,216,330	\$ 54,800,406	\$ 25,415,924
Changes for the year:			
Service cost	1,508,540	-	1,508,540
Interest	6,061,114	-	6,061,114
Changes in assumptions	449,717	-	449,717
Difference between expected and actual experience	321,100	-	321,100
Contributions – employer	-	2,010,155	(2,010,155)
Contributions – employee	-	1,006,259	(1,006,259)
Net investment income	-	5,010,199	(5,010,199)
Benefit payments, including refunds of employee contributions	(4,016,820)	(4,016,820)	-
Transfers among employers	(327,053)	(327,053)	-
Net changes	3,996,598	3,682,740	313,858
Balances at September 30, 2018	\$ 84,212,928	\$ 58,483,146	\$ 25,729,782

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 7.70%, 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 (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	1% Decrease (6.70)	Current Discount Rate (7.70)	1% Increase (8.70)
Plan's Net Pension Liability	\$ 35,604,968	\$ 25,729,782	\$ 17,364,247

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, 2018**. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of **September 30, 2018**. The auditors' report dated August 17, 2019 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, 2019, the City recognized pension expense of \$491,894. At September 30, 2019, 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	\$ 1,605,426	\$ -
Changes of assumptions	2,537,020	-
Net differences between projected and actual earnings on plan investments	-	1,918,755
Employer contributions subsequent to the measure date	2,450,447	-
Total	\$ 6,592,893	\$ 1,918,755

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 7: PENSION PLAN (Continued)

The City reported \$2,450,447 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

For the years ending September 30,

2020	\$ 834,440
2021	222,701
2022	356,651
2023	543,618
2024	175,600
Thereafter	90,681
Total	\$ 2,223,691

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 estimated current portion of accrued vacation at September 30, 2019 reported in the government-wide financial statements is \$361,422. The remaining long-term incurred portion of the accrued vacation of the governmental activities at September 30, 2019 totaled \$2,048,058.

Note 9: OTHER POST-EMPLOYMENT BENEFITS

General information About the OPEB Plan

Plan description – The City of Vestavia Hills (the “City”) provides certain continuing health care and life insurance benefits for its retired employees. The City of Vestavia Hills’ OPEB Plan (the “OPEB Plan”) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier 1" members). Employees hired on and after January 1, 2013 (called "Tier 2" members) are eligible to retire only after attainment of age 62 or later completion of 10 years of service.

Employees covered by benefit terms – At September 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	256
<hr/>	
Total	267
<hr/>	

Total OPEB Liability

The City’s total OPEB liability of \$1,004,293 was measured as of September 30, 2019 and was determined by an actuarial valuation as of that date.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary increases	4.00%	
Discount rate	4.18% annually	(Beginning of Year to Determine ADC)
	2.66%, annually	(As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually	(Old Plan Only)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2019.

Balance at September 30, 2018	\$ 784,922
Changes for the year:	
Service cost	19,873
Interest	31,209
Differences between expected and actual experience	87,670
Changes in assumptions	157,223
Benefit payments and net transfers	(76,604)
Net changes	219,371
Balance at September 30, 2019	\$ 1,004,293

City of Vestavia Hills, Alabama
Notes to Financial Statements

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	1.0% Decrease (1.66%)	Current Discount Rate (2.66%)	1.0% (3.66%)
Total OPEB liability	\$ 1,128,926	\$ 1,004,293	\$ 896,532

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 890,507	\$ 1,004,293	\$ 1,135,253

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$67,015. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,883	\$ -
Changes in assumptions	146,741	42,956
Total	\$ 265,624	\$ 42,956

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<i>For the years ending September 30,</i>	Cumulative Net Amount to be Recognized
2020	\$ 15,934
2021	15,934
2022	15,934
2023	15,934
2024	15,934
Thereafter	142,998
Total	\$ 222,668

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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 11: CONTINGENCIES AND COMMITMENTS

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.

Project Commitments

As of September 30, 2019, the City had executed contracts for various project commitments in the amount of \$25,016,000. At September 30, 2019, \$1,941,708 had been expended on these construction contracts.

Note 12: TAX ABATEMENTS

The City has entered into various tax abatements with property owners, businesses and real estate developers for the purpose of a) recruiting new business development and b) promoting the development of commercial parcels within the City. The agreements have limited terms and are entered into by the City as they are expected to benefit the City to increase revenue. These incentive agreements require approval by the City Council and are authorized by Amendment 772 to the Constitution of Alabama (1901) (Article 94.01 of the Recompiled Constitution of Alabama).

The incentive agreements generally expire upon the earlier of a specified term of years or the satisfaction of the agreed upon incentive amount. Following is a summary of such agreements:

Nature of Incentive	Type of Tax	% of City Taxes Abated	FYE September 30, 2018 Abatement Amount	Expiration of Incentive ¹	Maximum Incentive Amount
Restaurant development	Sales tax ⁴	50%	\$11,318	December 31, 2027	\$575,000
Retail development	Sales tax ⁴	10%	\$1,431	December 31, 2018	\$750,000
Commercial development ³	Ad Valorem tax ²	100%	\$71,613	August 2034	\$5,150,000
Retail development	Sales tax ⁴	10%	\$15,016	December 31, 2019	\$900,000
Retail development	Sales tax ⁴	10%	\$1,804	December 31, 2018	\$750,000
Retail development ⁵	Ad Valorem tax ²	100%	\$50,538	June 2029 ³	\$3,500,000
Restaurant development	Sales tax ⁴	50%	\$21,619	July 31, 2026	\$325,000
Restaurant development	Sales tax ⁴	50%	\$36,174	July 31, 2028	\$500,000
Commercial development	Sales tax ⁴	75%		March 31, 2022	
Commercial development	Sales tax ⁴	50%	\$12,753	March 31, 2027	\$575,000

1 Earlier of date below, maximum incentive amount or cessation of operations, if applicable

2 Non-educational portion only

3 Of the \$5,150,000 Maximum Incentive amount, \$3,550,000 was paid directly by the City for building modifications and infrastructure improvements and \$1,600,000 will be abated in Ad Valorem taxes.

4 Non-educational portion only and none dedicated to capital reserves

5 Ad Valorem tax abatement was based on anchor tenant generating a certain sales tax amount. The anchor tenant ceased operations in December 2018 ending the Ad Valorem tax abatement.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 13: NEW PRONOUNCEMENTS

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

- Fiduciary activities;
- Leases;
- Certain disclosures related to debt, including direct borrowings and direct placements;
- Accounting for interest cost before the end of a construction period;
- Majority equity interests;
- Conduit Debt Obligations.

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

Note 14: PRIOR PERIOD ADJUSTMENT

During the fiscal year ending September 30, 2019, the City recorded a prior period adjustment as a result of an under accrual of taxes in the prior year. The effect of this adjustment was to increase fund balance of other governmental funds as well as net position of governmental activities by \$761,450 as of the beginning of the year.

Note 15: DEVELOPMENT AGREEMENT

In September 2018, the City entered into a development agreement with two other geographically adjoining governments to provide infrastructure improvements. As part of this development agreement, the City has entered into a funding agreement to provide annual payments of \$75,000 beginning in 2019 through 2025 for infrastructure improvements.

Note 16: SUBSEQUENT EVENT

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. Uncertainties have arisen that may have a significant negative impact on the City because of disruptions in revenues and operations. While the disruptions are expected to be temporary, there is uncertainty as to the duration. As a result, the negative impact on the City's revenues and operations cannot be reasonably estimated at this time. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

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

<i>Year ended September 30, 2019</i>	Budget - Original and Final	General Fund Actual	Variance
Revenues			
Taxes	\$ 34,784,862	\$ 36,628,663	\$ 1,843,801
Licenses and permits	4,684,376	4,712,682	28,306
Charges for services	261,700	393,142	131,442
Fines and forfeitures	280,000	364,533	84,533
Fees	2,751,356	2,934,205	182,849
Grants	701,548	765,494	63,946
Proceeds from sale of assets	7,500	16,016	8,516
Investment revenues	255,414	456,440	201,026
Other revenues	599,530	673,129	73,599
Total revenues	44,326,286	46,944,304	2,618,018
Expenditures			
General government administration	6,063,962	6,261,331	(197,369)
Public safety	19,386,113	19,331,268	54,845
Public works	7,431,214	7,590,608	(159,394)
Library	2,006,253	1,944,565	61,688
Capital outlay	187,000	206,465	(19,465)
Total expenditures	35,074,542	35,334,237	(259,695)
Excess of revenues over expenditures	9,251,744	11,610,067	2,358,323
Other financing sources (uses)			
Operating transfers in	50,000	94,230	44,230
Operating transfers out	(9,301,744)	(10,244,321)	(942,577)
Total other financing sources (uses)	(9,251,744)	(10,150,091)	(898,347)
Excess of revenues and other financing sources over (under) expenditures	-	1,459,976	1,459,976
Fund balances, beginning of year	13,882,669	14,542,871	660,202
Fund balances, end of year	\$ 13,882,669	\$ 16,002,847	\$ 2,120,178

City of Vestavia Hills, Alabama
Schedule of Changes in the Net Pension Liability
and Related Ratios
(As of Measurement Date)

Schedule of Changes in Net Pension Liability	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,508,540	\$ 1,486,956	\$ 1,379,763	\$ 1,319,081	\$ 1,277,907
Interest	6,061,114	5,772,185	5,371,641	4,970,899	4,747,042
Differences between expected and actual experience	321,100	529,080	141,280	2,132,828	-
Changes of assumptions	449,717	-	3,809,927	-	-
Benefit payments, including refunds of employee contributions	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employees	(327,053)	(128,346)	273,131	-	-
Net change in total pension liability	3,996,598	3,813,170	7,539,563	5,031,913	2,962,375
Total pension liability - beginning	80,216,330	76,403,160	68,863,597	63,831,684	60,869,309
Total pension liability - ending (a)	\$ 84,212,928	\$ 80,216,330	\$ 76,403,160	\$ 68,863,597	\$ 63,831,684
Plan Fiduciary Net Position					
Contributions - employer	\$ 2,010,155	\$ 2,076,923	\$ 1,852,693	\$ 1,777,403	\$ 1,750,292
Contributions - employee	1,006,259	984,086	974,431	916,651	851,524
Net investment income	5,010,199	6,272,112	4,585,395	532,576	4,842,808
Benefit payments, including refunds of employee contributions	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employers	(327,053)	(128,346)	273,131	235,587	245,477
Net change in plan fiduciary net position	3,682,740	5,358,070	4,249,471	71,322	4,627,527
Plan net position - beginning	54,800,406	49,442,336	45,192,865	45,121,543	40,494,016
Plan net position - ending (b)	\$ 58,483,146	\$ 54,800,406	\$ 49,442,336	\$ 45,192,865	\$ 45,121,543
Net pension liability - ending (a) - (b)	\$ 25,729,782	\$ 25,415,924	\$ 26,960,824	\$ 23,670,732	\$ 18,710,141
Plan fiduciary net position as a percentage of total pension liability	69.45%	68.32%	64.71%	65.63%	70.69%
Covered payroll*	\$ 16,890,643	\$ 16,582,596	\$ 15,839,133	\$ 15,248,055	\$ 14,710,190
Net pension liability as a percentage of covered employee payroll	152.33%	153.27%	170.22%	155.24%	127.19%

*Employer's covered payroll during the measurement period is the total covered payroll. For FY 2019 the measurement period is October 1, 2017-September 30, 2018.

City of Vestavia Hills, Alabama
Schedule of Employer Pension Contributions
(As of Fiscal Year End)

	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 2,450,447	\$ 2,072,633	\$ 2,132,174	\$ 1,911,298	\$ 1,829,808
Employer Contributions to Pension Plan	2,450,447	2,072,633	2,132,174	1,911,298	1,829,808
Annual Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll**	\$ 17,823,998	\$ 16,890,643	\$ 16,582,596	\$ 15,839,133	\$ 15,248,055
Employer Contributions to Pension Plan as a % of Covered Payroll	13.75%	12.27%	12.86%	12.07%	12.00%

*The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12-month period of the underlying financial statement.

City of Vestavia Hills, Alabama
Schedule of Changes in Net OPEB Liability and Related Ratios
(As of Measurement Date)

Total OPEB Liability	2019	2018
Service cost	\$ 19,873	\$ 21,139
Interest	31,209	28,260
Differences between expected and actual experience	87,670	41,998
Changes of assumptions	157,223	(48,684)
Benefit payments	(76,604)	(72,610)
Net change in total OPEB liability	219,371	(29,897)
Total OPEB liability - beginning	784,922	814,819
Total OPEB liability - ending	\$ 1,004,293	\$ 784,922
Covered - employee payroll	\$ 15,820,146	\$ 15,211,679
Net OPEB liability as a percentage of covered - employee payroll	6.35%	5.16%

Notes to Schedule:

Benefit changes - There were no changes of benefit terms for the year ended September 30, 2019.

Changes of assumptions - The discount rate as of 9/30/2018 was 4.18% and it changed to 2.66% as of 9/30/2019.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Vestavia Hills, Alabama
Schedule of Employer OPEB Contributions
(As of Fiscal Year End)

	Valuation Date	10/1/2018	10/1/2017
Actuarially determined contribution (ADC)	\$	66,262	\$ 66,166
Contributions in relation to the actuarially determined contribution:			
Employee contributions to trust		-	-
Employer paid - retiree premiums		-	-
Employer paid - expenses		(76,604)	(72,610)
Contribution deficiency (excess)	\$	(10,342)	\$ (6,444)
Covered annual payroll	\$	15,820,146	\$ 15,211,679
Contributions as a percentage of covered employee payroll		0.48%	0.48%

Notes to Schedule:

Valuation date	10/1/2018 Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.5% annually
Health care trend	Flat 5.5% annually (Old Plan Only)
Salary increases	4.0% annually
Discount rate	4.18% annually (beginning of year to determine the actuarially determined contributions (ADC)) 2.66% annually (as of end of year measurement date)
Retirement age	30 years of service at any age; for department heads, age 60 and 10 years of service; employees hired on and after January 1, 2013 are not eligible to retire until age 62.
Mortality	RP-2000 without projections, 50% unisex blend
Turnover	Age specific table with an average of 5% when applied to the active census

This schedule is intended to show information for 10 years. Additional years will be displayed as information become available.

City of Vestavia Hills, Alabama

Notes to Required Supplementary Information

Note 1: 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 is 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 September 10, 2018.

Note 2: SCHEDULE OF CHANGES IN NET PENSION LIABILITY

The total pension liabilities presented in these schedules were provided by the Retirement Systems of Alabama's actuarial consultants, Cavanaugh MacDonald Consulting, LLC. The net pension liability is measured as the total pension liability less the components of the plan net position reserved to fund the total pension liability. Those components are annuity savings and pension accumulation. The related ratios show plan net position as a percentage of the total pension liability and the net pension liability as a percentage of covered employee payroll.

Note 3: SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Contributions were made in accordance with actuarially determined contribution requirements. The employer contribution rate expressed as a percent of payroll is determined annually by reviewing a variety of factors including benefits promised, member contributions, investment earnings, mortality, and withdrawal experience. The City's employer contribution rates were 14.43% for Tier 1 employees (hired before January 1, 2013) and 11.65% for Tier 2 employees (hired after January 1, 2013).

Note 4: SCHEDULE OF CHANGES IN NET OPEB LIABILITY

The net OPEB liability presented in these schedules were provided by the City's actuarial consultants, Fontenot Benefits and Actuarial Consulting. The net OPEB liability is measured as the total OPEB liability less the components of the plan net position reserved to fund the total OPEB liability. The related ratios show plan net position as a percentage of the total OPEB liability and the net OPEB liability as a percentage of employee covered payroll.

City of Vestavia Hills, Alabama
Notes to Required Supplementary Information

Note 5: SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

There were no contributions to the Plan outside of employer-paid retiree premiums for the year ended September 30, 2019.

SUPPLEMENTARY INFORMATION

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

Year ended September 30, 2019	State Shared Gasoline Tax Funds							Capital Projects- Sidewalks	Vehicle Tags	Totals
	Four Cent	Five Cent	Seven Cent	Court & Corrections	E-911	Library	Capital Projects			
Assets										
Cash and temporary investments	\$ 404,195	\$ 155,420	\$ 123,270	\$ 7,369	\$ 260,900	\$ 295,564	\$ 267,776	\$ 82,643	\$ 260,442	\$ 1,857,579
Cash - Restricted	-	-	-	-	-	-	450,223	-	-	450,223
Accounts receivable, net of allowance for uncollectibles	39,854	19,548	803,919	-	66,328	-	-	-	-	929,649
Interfund receivables	-	-	27,644	-	-	-	134,810	-	-	162,454
Total assets	\$ 444,049	\$ 174,968	\$ 954,833	\$ 7,369	\$ 327,228	\$ 295,564	\$ 852,809	\$ 82,643	\$ 260,442	\$ 3,399,905
Liabilities										
Accounts payable	\$ -	\$ -	\$ 21,411	\$ 7,369	\$ 2,440	\$ 703	\$ 243,359	\$ -	\$ 148,851	\$ 424,133
Interfund payable	18,583	9,061	-	-	-	-	-	-	111,399	139,043
Total liabilities	18,583	9,061	21,411	7,369	2,440	703	243,359	-	260,250	563,176
Fund Equity										
Fund balance										
Restricted for road maintenance	425,466	165,907	933,422	-	-	-	-	-	-	1,524,795
Assigned	-	-	-	-	324,788	294,861	609,450	82,643	192	1,311,934
Total fund equity	425,466	165,907	933,422	-	324,788	294,861	609,450	82,643	192	2,836,729
Total liabilities and fund equity	\$ 444,049	\$ 174,968	\$ 954,833	\$ 7,369	\$ 327,228	\$ 295,564	\$ 852,809	\$ 82,643	\$ 260,442	\$ 3,399,905

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

Year ended September 30, 2019	State Shared Gasoline Tax Funds					E-911	Library	Capital Projects	Capital Projects - Sidewalks	Vehicle Tags	Totals
	Four Cent	Five Cent	Seven Cent	Court & Corrections							
Revenues											
Taxes	\$ 2,132	\$ -	\$ 775,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 777,755
License and permits	-	-	21,750	-	-	-	-	-	-	140,318	162,068
Intergovernmental	218,235	107,313	353,121	-	-	-	-	-	-	-	678,669
Charges for services	-	-	-	710	-	-	-	-	-	-	710
Fines and forfeitures	-	-	-	491,743	-	-	-	-	-	-	491,743
Fees	-	-	-	-	-	820,603	-	-	-	-	820,603
Grants	-	-	-	-	-	-	22,264	437,697	-	-	459,961
Interest revenues	-	-	-	261	2,501	-	-	27,235	-	2,153	32,150
Library revenues	-	-	-	-	-	140,617	-	-	-	-	140,617
Other revenues	-	-	-	15	-	-	-	134,598	-	-	134,613
Total revenues	220,367	107,313	1,150,494	492,729	823,104	162,881	599,530	-	-	142,471	3,698,889
Expenditures											
General government administration	-	-	-	453,814	-	-	45,127	-	-	129,409	628,350
Public safety	-	-	-	91,268	892,295	-	31,737	-	-	-	1,015,300
Public works	-	-	1,021,851	-	-	-	113,090	-	-	-	1,134,941
Library	-	-	-	-	-	100,602	15,000	-	-	-	115,602
Debt service	-	-	-	-	-	-	1,193,892	-	-	-	1,193,892
Capital outlay	-	-	-	-	-	35,979	1,160,844	219,966	-	-	1,416,789
Total expenditures	-	-	1,021,851	545,082	892,295	136,581	2,559,690	219,966	219,966	129,409	5,504,874
Excess of revenues over (under) expenditures	220,367	107,313	128,643	(52,353)	(69,191)	26,300	(1,960,160)	(219,966)	(219,966)	13,062	(1,805,985)
Other financing sources (uses)											
Operating transfers in	-	-	-	58,378	-	-	992,732	-	-	-	1,051,110
Operating transfers out	-	-	-	-	-	-	(50,000)	-	-	(44,230)	(94,230)
Total other financing sources (uses)	-	-	-	58,378	-	-	942,732	-	-	(44,230)	956,880
Excess of revenues and other sources over expenditures and other uses	220,367	107,313	128,643	6,025	(69,191)	26,300	(1,017,428)	(219,966)	(219,966)	(31,168)	(849,105)
Fund balance, beginning of year - as originally stated	185,305	48,855	72,862	(6,025)	393,979	268,561	1,626,878	302,609	31,360	31,360	2,924,384
Restatement - See Note #14	19,794	9,739	731,917	-	-	-	-	-	-	-	761,450
Fund balance, beginning of year - as restated	205,099	58,594	804,779	(6,025)	393,979	268,561	1,626,878	302,609	31,360	31,360	3,685,834
Fund balance, end of year	\$ 425,466	\$ 165,907	\$ 933,422	\$ -	\$ 324,788	\$ 294,861	\$ 609,450	\$ 82,643	\$ 192	\$ 192	\$ 2,836,729

RESOLUTION NUMBER 5261

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) WITH FIVEPOINT PAYMENTS, LLC, FOR MERCHANT PAYMENT SERVICES FOR THE CITY

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

1. The City Manager is hereby authorized to execute and deliver a Memorandum of Understanding (“MOU”) with FivePoint Payments, LLC for merchant service payments for the City of Vestavia including point of sale, online and mobile friendly smartphone devices; and
2. A copy of said MOU is marked as Exhibit A, attached to and incorporated into this Resolution Number 5261 as if written fully therein; and
3. This Resolution Number 5261 shall become effective immediately upon adoption and approval.

ADOPTED and APPROVED this the 27th day of July, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk



VESTAVIA HILLS

A LIFE ABOVE

MEMORANDUM

To: Jeff Downes, City Manager
From: Cinnamon McCulley, Communications Specialist
Date: July 8, 2020
Re: Electronic Payment Services RFP

New information has recently emerged regarding the ability of ACI Universal Payments to provide the services as stated in their RFP submission. Upon examination and verification of their services, I discovered that the information in their RFP was not factual – although the RFP stated that they do have existing integrations with the required software platforms utilized by the City, they do not. I reached out to the ACI contact and she confirmed that the information contained in their RFP is, indeed, not factual. Her explanation was that they read the request as stating that they “could” integrate with these platforms, although the question clearly asks if an integration currently exists. Therefore, as a result of this discovery, ACI is no longer a viable candidate for the City of Vestavia Hills.

As such, I vetted the next most appropriate vendor, FivePoint Payments. This vendor’s services, reporting and equipment have been reviewed and approved by City of Vestavia Hills auditors and by IT Director Darrin Estes. Additionally, I have confirmed that they currently integrate with the Municipal Court software provider, MSG, as well as future provider, Pioneer. FivePoint also integrates with Tyler Technologies, although the tag program will be remaining with FlatRate/Gov’t Portal at the request of Mr. George Sawaya. FivePoint also integrates with Authorize.net, a provider for Peak Info/Sportsman. While that integration will have to be further developed, it is able to happen at a much faster pace that ACI could have provided.

FivePoint’s original RFP provided higher fee rates than those provided by other respondents. In the interest of garnering the best fee structure for the City, I negotiated the rates with the FivePoint contact, Mr. Joel Darby, and we have agreed to the following:

- Confirmed SOC compliance reporting.
- Discussed reduction in number of kiosks required city-wide. Most departments will process transactions via computer/web-based portal. Therefore, the number of free-standing kiosks can be substantially reduced, thereby reducing the original hardware cost to the City from \$9,700 to \$3,000.
- Convenience fees for all City departments, except Finance (tag program to remain with Flat Rate) and Municipal Court (see page 2): 2.9% with \$1 minimum per transaction

- Convenience fees for Municipal Court to remain as stated in original proposal*:
 - Web (online) – 4%
 - In-person – 3%
 - Kiosk – 4%
 - IVR – 4%

**Court convenience fees are higher for the Municipal Court due to increased risk assumed by FivePoint Payments.*

- FivePoint has a fully developed app, named Check-In, that can be utilized to manage entry into City Hall offices, as well as the Library in the Forest. At present, the number of Municipal Court participants is limited and defendants must wait in their vehicles until it is time for their case to be heard. The Court staff has implemented a make-shift system for contacting defendants, but would benefit from a more efficient tool for managing Court participants. Likewise, when the Library in the Forest reopens, appointments for passports, computer lessons, etc. will be easier to manage utilizing the Check-In app. The annual cost is \$2,500 and I propose this be submitted for reimbursement from the CARES Act funding.

Addition of Check-In option:

- \$2,500/year (or \$249/month) – Requesting reimbursement from CARES Act funding
- Allows for up to 5,000 check-ins per month; max 10 staff users; max 3 independent locations

The Memorandum of Understanding, Equipment Agreement and Check-In Agreement generated by FivePoint Payments is attached for your review and consideration.

ORIGINAL RECOMMENDATION, submitted May 19, 2020

City Clerk Rebecca Leavings published a Request for Proposal for electronic payment services for the processing of credit cards on April 20, 2020 with a submittal deadline of 10 a.m. CST May 13, 2020. Proposals were submitted to the City of Vestavia Hills by the following vendors:

ACI Universal Payments
 Comprise Technologies
 Convenient Payments dba IntelliPay FIS
 FivePoint Payments
 FlatRate/Gov't Portal
 LexisNexis VitalChek Network
 North American Acquiring*

**This proposal was submitted on May 15, 2020, two days past the deadline. North American Acquiring is the suggested vendor for integration with the Sportsman software package. Therefore, Mrs. Leavings and I felt it would be in the City's best interest to consider their information, albeit past the submission deadline.*

A spreadsheet of responses is attached for reference and comparison. After evaluation of the data provided by all vendors, the field was narrowed to:

ACI Universal Payments
 FivePoint Payments
 FlatRate/Gov't Portal

Following a deeper review of these proposals, I requested additional information via email so that an equal comparison could be made among the front-runners prior to submitting my recommendation. Supplemental materials were received by 5 p.m. CST Thursday, May 14, 2020.

Upon review and evaluation of all proposals and supplemental materials, I recommend ACI Universal Payments as a city-wide vendor for electronic payment services for the following reasons:

• **Integration:**

- ACI stated that their payment platform fully integrates with Tyler Technologies (Incode 9 and 10); Municipal Software Group (Municipal Court software); and Peak Info Sportsman (rec membership and meeting room reservation software). This vendor's proposal also stated that they have the ability to integrate with Ingenuity (tag software). Due to the fact that Ingenuity requires direct integration, as opposed to allowing for a third-party payment platform, I have requested that ACI confirm their ability to directly integrate into Ingenuity's USAePay gateway. If they are unable to confirm, I recommend that Gov't Portal remain as the vendor for tag renewal/registration only.

• **Pricing:**

- ACI proposed the lowest City-absorbed processing fee at 2.25% regardless of card type. (Currently, the City absorbs fees for tag renewal/registration only. If ACI is unable to directly integrate, Gov't Portal's fee is 2.8% for Visa, MC, Discover and debit cards; 3.25% for American Express.)
- ACI proposed the lowest customer-paid convenience fee at 2.5%. While this cost is not incurred by the City, it will be charged to end-users. This lower percentage should be appealing to our customers and enhance the use of online services.
- The total cost for hardware required to process payments (card readers, kiosks, etc.) is \$4,775. This represents the lowest hardware cost among those who submitted.

• **Equipment Options:**

- The proposed equipment options allow for EMV, swipe or manual card entry, along with touchless options utilizing Apple Pay, Google Pay and/or Samsung Pay. The specified equipment allows for new payment technology options that the City does not currently offer for our customers.

• **Technology & Reporting:**

- Of the four most suitable vendors, ACI is the only vendor (1) accredited with PCI DSS version 3.2; and (2) fully audited annually against regulatory compliance standards (SOC 1 and SOC 2 reporting). These two controls were specifically requested by City of Vestavia Hills auditors.
- Online user interfaces, as well as client dashboards through their Client Connect module, appear to be uncluttered and easy to navigate.
- ACI offers robust reporting features, specifically standard daily reports that include daily transactions and account reconciliation reports.
- ACI's technical specifications have been reviewed and approved by IT Director Darrin Estes.

- **Professionalism:**

- In most cases, the overall quality of a formal presentation generally reflects a potential vendor's level of professionalism. ACI's bid was the most thorough, complete and professional. All questions were answered and directions for submission were followed explicitly.

Thank you for your consideration of this recommendation. Please let me know if I can provide any additional information or clarification.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into by and between: FivePoint Payments, LLC “FivePoint” having the address of 75 5th St NW, Suite 2240, Atlanta, GA 30308 and the City of Vestavia Hills “Vestavia Hills” having the address of 1032 Montgomery Highway, Vestavia Hills, AL 35266.

A. Purpose

The purpose of this MOU is to create an agreement between parties that will enable constituents to make payments via the FivePoint Payments web portal.

B. Roles and Responsibilities

FivePoint Payments Agrees to:

Provide Online Payments via FivePoint Payments web Portal:

- Provide an online, web-based application (FivePoint Payment Portal) that will allow users the ability to make online payments.
- Provide a mobile friendly web application for simple smartphone payments.
- Ensure that the FivePoint Payment Portal enforces the business rules and business logic requirements for paying online per The City of Vestavia Hills specifications.
- Submit all completed payments directly to The City of Vestavia Hills software through either integration or web services.
- Pay all the costs associated with the installation and maintenance of the FivePoint Payment Portal.
- Pay all associated credit card fees (including compliance).
- FivePoint Payments guarantees all monies collected on behalf of The City of Vestavia Hills or The City of Vestavia Hills’s customer.
- Provide email and phone Helpdesk support of the FivePoint Payment Portal during normal FivePoint business hours (Monday-Friday 8am-5pm excluding FivePoint holidays).
- Integrate directly with MSG Software for Municipal Court
- Integrate directly with Pioneer Software should the Municipal Court decide to transition
- Integrate with PeakSportsman Software for Parks and Recreation

Provide “FivePoint Accept” - Point of Sale:

- Ensure that the FivePoint Payment Portal enforces the business rules and business logic requirements for submitting payments per The City of Vestavia Hills specifications.
- Submit all completed payments directly to The City of Vestavia Hills software through either integration or web services.
- Pay all the costs associated with the installation and maintenance of the “FivePoint Accept”
- Pay all associated credit card fees (including chargebacks and compliance).
- FivePoint Payments guarantees all monies collected on behalf of The City of Vestavia Hills’s customer.
- Provide email and phone Helpdesk support of the FivePoint Payment Portal during normal FivePoint business hours (Monday-Friday 8am-5pm excluding FivePoint holidays).
- Inject, Configure and Assist in the deployment of any POS equipment purchased by the court.
- Supports EMV, Tap to Pay (Contactless), Swipe, Apple Pay and Android Pay
- **See Separate Hardware Agreement **

Provide Reporting:

- Access to a FivePoint Payment Portal custom reporting dashboard
- Batch, Settlement and Deposit Reports
- Provide Daily Automated Transaction Reports
- Payment Alerts and Notifications
- Access to process Refunds and Voids
- Role Based Access

Maintain Security and Compliance:

- At all times while this Agreement is in effect, FivePoint Payments will maintain compliance with the Payment Card Industry Data Security Standard (PCI DSS)
- FivePoint Payments agrees not to use, disclose, sell or disseminate any card, cardholder or ACH information obtained in connection with a transaction except for purposes of completing or settlement of a transaction and/or resolving chargebacks, retrievals or similar issues involving a transaction.
- FivePoint Payments will use commercially recognized products to safeguard Data and Transaction data transmitted while using our Payment Portal.
- FivePoint Payments will ensure that Data and Transaction data will be transported without unauthorized interception or modification and that Data or Transaction data will not be accessed or compromised by any unauthorized third parties.

The City of Vestavia Hills agrees to:

- Provide FivePoint Payments assistance in connecting to the The City of Vestavia Hills software if any assistance is needed with firewalls or connectivity.
- Notify FivePoint of any upcoming upgrades or changes to the software, case management solution or to any technology that would impact payment integrations in a reasonable timeframe to allow FivePoint to make any necessary changes to the FivePoint Payment Portal.

C. Funding

- FivePoint will provide all services described in this MOU at no cost to Vestavia Hills. Users of the Payment Portal will incur a service fee for all payments made face to face, online, via phone or text. The service fee will cover associated credit card fees, costs of integration, cost of maintenance, and support. This pricing is detailed in the "Schedule A" below.
- FivePoint Payments guarantees all moneys collected on behalf of Vestavia Hills or Vestavia Hills's customer. For any transaction exceeding \$500.00 in which a chargeback or dispute is issued, FivePoint Payments will attempt to collect the disputed charge for a duration of 30 days. Should FivePoint collection results be unsuccessful, FivePoint will require disputed amount to be remitted via ACH or Check within 30 days of notification. All documentation and communication regarding FivePoint attempted collection will be shared with the court to assist in their future efforts.
- All customer funds will be directly deposited to the bank account provided by Vestavia Hills. Funds are automatically settled daily and will arrive with 48 business hours (depending on customers banking institution). Settlements are deposited via the Federal Wire and therefore subject to standard banking hours and rules (no settlements on weekends or holidays).

D. Timeframe

This MOU will commence on the “Execution Date” and will automatically renew each anniversary for another year unless The City of Vestavia Hills notifies FivePoint of their desire to cancel this agreement at least 60 days in advance of the anniversary date. The City of Vestavia Hills may cancel this agreement immediately upon learning of gross negligence or misappropriation of funds. The City of Vestavia Hills may cancel this agreement at any time with 30 days written notice.

E. Confidentiality

FivePoint acknowledges and agrees that it and its vendor/subcontractors may have access to information, with the exception of public knowledge, deemed confidential regarding Vestavia Hills customers and individuals (Officers, caseworkers, offenders and defendants), either as Users or Enrollee, in the Vestavia Hills platform and, FivePoint agrees to hold, and shall require its vendors/subcontractors to hold, all such information confidential, and not to disclose such information to any person or entity without the prior written consent of Vestavia Hills. Notwithstanding the foregoing, Vestavia Hills acknowledges and agrees that FivePoint may provide such information to third parties, but only with prior written consent of Vestavia Hills as set forth in this agreement or pursuant to an order from a court of competent jurisdiction and/or if is otherwise obligated and/or ordered to do so by law. In the event that FivePoint receives such a court order, FivePoint shall notify Vestavia Hills of the existence of the order within (3) business days of receipt.

F. Entire Agreement

This Memorandum of Understanding is the complete agreement between FivePoint Payments and the Vestavia Hills and may be amended only by written agreement signed by each of the parties involved.

G. Immigration

By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in breach of the agreement and shall be responsible for all damages resulting therefrom.

H. SIGNATURES

The MOU must be signed by all partners. Signatories must be officially authorized to sign on behalf of the agency and include title and agency name.

The City of Vestavia Hills

Authorized Official Signature: _____

Name: _____

Address: _____

Telephone(s): _____

E-Mail Address: _____

FivePoint Payments, LLC

Authorized Official Signature: _____

Name: Joel Darby, President
 Address: 75 5th St. NW, Suite 2240
 Atlanta, GA 30308
 Telephone(s): 404-400-5397
 E-Mail Address: joel@fivepointpayments.com

Schedule A

Vestavia Hills Conv Fee Pricing:

For all accounts outside of Municipal Court, the following pricing will be assessed. These users funded convenience fees will offset the price of merchant processing. This is a \$0.00 cost solution to the City of Vestavia Hills.

2.90% or \$1.00 (whichever is greater) Per Transaction

Municipal Court User Funded Convenience Fee Accounts:

Any transaction within the Municipal Court will be assessed a convenience fee as follows to the end-user to offset merchant processing fees. This is a \$0.00 cost solution to the City of Vestavia Hills.

Web Based / Online Payments -	4.00% + \$0.00 Per Transaction
In-Person Retail Payments -	3.00% + \$0.00 Per Transaction
Kiosk Payments -	4.00% + \$0.00 Per Transaction
IVR (Phone) Payments -	4.00% + \$0.00 Per Transaction

FivePoint Accept:

Point of Sale EMV based equipment to be utilized in various departments. See separate Equipment Agreement for details.

Ingenico IPP330 EMV Terminals (7)	\$0.00
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FivePoint Check-IN

Lobby Management Queue and Software to be utilized for the safe acceptance of visitors to The City of Vestavia Hills various buildings. See Check-In Agreement for additional details.

Check-In Advanced – Annual	\$2,500.00
Desktop Kiosks – 2 Units	\$3,000.00

FIVEPOINT PAYMENTS CHECK-IN AGREEMENT

THIS CHECK-IN AGREEMENT ("Agreement"), entered into this _____ day of _____, 2020, between FivePoint Payments, a Limited Liability Company based in Atlanta, GA ("Seller"), and The City of Vestavia Hills a ("Customer").

PLEASE READ THIS AGREEMENT BEFORE USING FIVEPOINT'S SERVICES. BY ACCESSING OR USING FIVEPOINT'S CHECK-IN SOFTWARE OR SERVICES OFFERING, YOU ("the Customer") SIGNIFY ACCEPTANCE OF AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, DO NOT ACCESS OR USE THE SERVICES. IF THE PARTIES HAVE A FULLY EXECUTED AGREEMENT THAT EXPRESSLY GOVERNS ORDERS FOR FIVEPOINT'S SOFTWARE AS A SERVICE AGREEMENT, SUCH AGREEMENT SHALL SUPERSEDE THIS AGREEMENT.

The purpose of this agreement is to create and define an understanding between both parties that will allow for the deployment and use of FivePoint Payments Check-In application.

1. DEFINITIONS

"Administrator User" means each Customer employee designated by Customer to serve as technical administrator of the Services on Customer's behalf. Each Administrator User must complete training by FivePoint.

"Customer Content" means all data and materials provided by Customer to FivePoint for use in connection with the Services, including, without limitation, customer applications, data files, and graphics.

"Documentation" means the user guides, online help, release notes, training materials and other documentation provided or made available by FivePoint to Customer regarding the use or operation of the Services.

"Other Services" means all technical and non-technical services performed or delivered by FivePoint under this Agreement, including, without limitation, implementation services and other professional services, training and education services but excluding the Services and the Maintenance Services. Other Services will be provided on a time and material basis at such times or during such periods, as may be specified in a Schedule and mutually agreed to by the parties. All Other Services will be provided on a non-work for hire basis.

"Schedule" is a written document attached to this Agreement under Exhibit A or executed separately by FivePoint and Customer for the purpose of purchasing Services under the terms and conditions of this Agreement.

"Software" means the object code version of any software to which Customer is provided access as part of the Service, including any updates or new versions.

"Services" refer to the specific FivePoint's internet-accessible service identified in a Schedule that provides use of FivePoint's Check-In Software that is hosted by FivePoint or its services provider and made available to Customer over a network on a term-use basis.

"Subscription Term" shall mean that period specified in a Schedule during which Customer will have on-line access and use of the Software through FivePoint's Services. The Subscription Term shall renew for successive 12-month periods unless either party delivers written notice of non-renewal to the other party at least 30 days prior to the expiration of the then-current Subscription Term.

2. FivePoint Check-In Application

During the Subscription Term, Customer will receive a nonexclusive, non-assignable, royalty free, worldwide right to access and use the FivePoint Check-In service solely for your internal business operations subject to the terms of this Agreement.

3. RESTRICTIONS

Customer shall not, and shall not permit anyone to: (i) copy or republish the FivePoint Check-In application, (ii) make FivePoint Check-In available to any person other than authorized users, (iii) modify or create derivative works based upon FivePoint Check-In (iv) remove, modify or obscure any copyright, trademark or other proprietary notices

contained in the software used or in the Documentation, (v) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code of the Software used to provide the Services, except and only to the extent such activity is expressly permitted by applicable law, or (vi) access the Services or use the Documentation in order to build a similar product or competitive product. Subject to the limited licenses granted herein, FivePoint Payments shall own all right, title and interest in and to the Software, services, Documentation, and other deliverables provided under this Agreement, including all modifications, improvements, upgrades, derivative works and feedback related thereto and intellectual property rights therein. Customer agrees to assign all right, title and interest it may have in the foregoing to FivePoint Payments.

4. CUSTOMER RESPONSIBILITIES

4.1 Assistance. Customer shall provide commercially reasonable information and assistance to FivePoint Payments to enable FivePoint to deliver the Services. Upon request from FivePoint, Customer shall promptly deliver Customer Content to FivePoint in an electronic file format specified and accessible by FivePoint. Customer acknowledges that FivePoint's ability to deliver the Services in the manner provided in this Agreement may depend upon the accuracy and timeliness of such information and assistance.

4.2 Compliance with Laws. Customer shall comply with all applicable local, state, national and foreign laws in connection with its use of the Services, including those laws related to data privacy, international communications, and the transmission of technical or personal data. Customer acknowledges that FivePoint exercises no control over the content of the information transmitted by Customer through the Services. Customer shall not upload, post, reproduce or distribute any information, software or other material protected by copyright, privacy rights, or any other intellectual property right without first obtaining the permission of the owner of such rights.

4.3 Unauthorized Use; False Information. Customer shall: (a) notify FivePoint immediately of any unauthorized use of any password or user id or any other known or suspected breach of security, (b) report to FivePoint immediately and use reasonable efforts to stop any unauthorized use of the Services that is known or suspected by Customer or any user, and (c) not provide false identity information to gain access to or use the Services.

4.4 Administrator Access. Customer shall be solely responsible for the acts and omissions of its Administrator Users. FivePoint shall not be liable for any loss of data or functionality caused directly or indirectly by the Administrator Users.

4.5 Ownership and Restrictions. Customer retains ownership and intellectual property rights in and to its Customer Content. FivePoint or its licensors retain all ownership and intellectual property rights to the services, Software programs, and anything developed and delivered under the Agreement. Third party technology that may be appropriate or necessary for use with some FivePoint programs is specified in the program Documentation or ordering document as applicable. Customer's right to use such third party technology is governed by the terms of the third party technology license agreement specified by FivePoint and not under the Agreement.

4.6 Suggestions. FivePoint shall have a royalty-free, worldwide, irrevocable, perpetual license to use and incorporate into the Services any suggestions, enhancement requests, recommendation or other feedback provided by Customer, including Users, relating to the operation of the Services.

5. ORDERS AND PAYMENT

5.1 Orders. Customer shall order Services pursuant to a Schedule. All services acquired by Customer shall be governed exclusively by this Agreement and the applicable Schedule. In the event of a conflict between the terms of a Schedule and this Agreement, the terms of the Schedule shall take precedence.

5.2 Subscription. Unless otherwise provided in the Schedule, FivePoint shall auto draft Customer for all monthly fees starting on the Schedule effective date. The Customer will be auto drafted on a recurring basis monthly or annually (if

prepaid). Except as expressly provided otherwise, fees are non-refundable. All fees are stated in United States Dollars, and must be paid by Customer to FivePoint in United States Dollars.

5.3 *Taxes*. FivePoint shall bill Customer for applicable taxes as a separate line item on each invoice. Customer shall be responsible for payment of all sales and use taxes, value added taxes (VAT), or similar charges relating to Customer’s purchase and use of the services. Customer shall not be liable for taxes based on FivePoint’s net income, capital or corporate franchise.

6. SOFTWARE & PRICE SCHEDULE

This "Schedule", effective upon the Agreement Effective Date, documents the Services (defined below) being purchased by Customer under the terms and conditions of the Agreement dated _____, between FivePoint Payments LLC (“FivePoint”) and The City of Vestavia Hills (“Customer”).

Maintained Item	Amount
FivePoint Check-IN Advanced (Annual) 5,000 Check-Ins Per month 3 Physical Locations, 10 Staff Users	\$2,500.00
Desktop Kiosk (2 Units)	\$3,000.00
Total Due	\$5,500.00

6.1 *Services*: The Service includes one or more of the following service offerings:

- FivePoint Management Queue
- Customer Facing Check-In Page
- User Access

6.2 *Schedule Value*: All fees are in U.S. dollars and exclude applicable taxes. The fee includes access and usage of the Services during the Subscription Term for the defined number of users and locations. Upon execution of this Schedule, FivePoint shall issue an invoice in accordance with the Agreement. If at any time during the Subscription Term or Renewal Term the Customer exceeds the number of users, locations or text messages, Customer and FivePoint agree to execute a follow-on schedule for the purchase of additional users or data.

7. TERM AND TERMINATION

7.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall continue until terminated by either party as outlined in this Section.

7.2 Termination. Either party may terminate this Agreement immediately upon a material breach by the other party that has not been cured within thirty (30) days after receipt of notice of such breach.

7.3 Suspension for Non-Payment. FivePoint reserves the right to suspend delivery of the Services if Customer fails to timely pay any undisputed amounts due to FivePoint under this Agreement, but only after FivePoint notifies Customer of such failure and such failure continues for fifteen (15) days. Suspension of the Services shall not release Customer of its payment obligations under this Agreement. Customer agrees that FivePoint shall not be liable to Customer or to any third party for any liabilities, claims or expenses arising from or relating to suspension of the Services resulting from Customer's nonpayment.

7.4 Suspension for Ongoing Harm. FivePoint reserves the right to suspend delivery of the Services if FivePoint reasonably concludes that Customer or an end user's use of the Services is causing immediate and ongoing harm to FivePoint or others. In the extraordinary case that FivePoint must suspend delivery of the Services, FivePoint shall immediately notify Customer of the suspension and the parties shall diligently attempt to resolve the issue. FivePoint shall not be liable to Customer or to any third party for any liabilities, claims or expenses arising from or relating to any suspension of the Services in accordance with this Section 7.4. Nothing in this Section 7.4 will limit FivePoint's rights under Section 7.5 below.

7.5 Effect of Termination.

(a) Upon termination of this Agreement or expiration of the Subscription Term, FivePoint shall immediately cease providing the Services and all usage rights granted under this Agreement shall terminate.

(b) If FivePoint terminates this Agreement due to a breach by Customer, then Customer shall immediately pay to FivePoint all amounts then due under this Agreement and to become due during the remaining term of this Agreement, but for such termination. If Customer terminates this Agreement due to a breach by FivePoint, then FivePoint shall immediately repay to Customer all pre-paid amounts for any unperformed Services scheduled to be delivered after the termination date.

(c) Upon termination of this Agreement and upon subsequent written request by the disclosing party, the receiving party of tangible Confidential Information shall immediately return such information or destroy such information and provide written certification of such destruction, provided that the receiving party may permit its legal counsel to retain one archival copy of such information in the event of a subsequent dispute between the parties.

7.6 This Agreement will commence _____ and will automatically renew each anniversary for another year unless The City of Vestavia Hills notifies FivePoint of their desire to cancel this agreement at least 60 days in advance of the anniversary date. The City of Vestavia Hills may cancel this agreement at any time with at least a 30-day notice to FivePoint.

8. CONFIDENTIALITY

FivePoint acknowledges and agrees that it and its vendor/subcontractors may have access to information, with the exception of public knowledge, deemed confidential regarding The City of Vestavia Hills customers and individuals (Officers, caseworkers, offenders and defendants), either as Users or Enrollee, in the The City of Vestavia Hills platform and, FivePoint agrees to hold, and shall require its vendors/subcontractors to hold, all such information confidential, and not to disclose such information to any person or entity without the prior written consent of The City of Vestavia Hills. Notwithstanding the foregoing, The City of Vestavia Hills acknowledges and agrees that FivePoint may provide such information to third parties, but only with prior written consent of The City of Vestavia



Hills as set forth in this agreement or pursuant to an order from a court of competent jurisdiction and/or if is otherwise obligated and/or ordered to do so by law. In the event that FivePoint receives such a court order, FivePoint shall notify The City of Vestavia Hills of the existence of the order within (3) business days of receipt.

9. ENTIRE AGREEMENT

This Memorandum of Understanding is the complete agreement between FivePoint Payments and the The City of Vestavia Hills and may be amended only by written agreement signed by each of the parties involved.

BUYER:
(The City of Vestavia Hills)

By: _____

Name: _____

Title: _____

Date: _____

EQUIPMENT SALES AGREEMENT

THIS EQUIPMENT SALES AGREEMENT ("Agreement"), entered into this _____ day of _____, 2020, between FivePoint Payments, a Limited Liability Company based in Atlanta, GA ("Seller"), and The City of Vestavia Hills a ("Buyer").

1. Equipment Sold; Price Seller agrees to sell and Buyer agrees to buy the following materials or equipment (individually or collectively referred to as the "Equipment") in the quantities and at the prices (the "Purchase Price") listed below:

Maintained Item	Amount
Ingenico IPP350 EMV Credit Card Terminals - (7)	\$0.00

2. Description of the Equipment -The description of the Equipment is based on the best information available to the responsible sales personnel of Seller. Seller, however, makes no warranty, express or implied, as to the description of any of the Equipment, except as expressly set forth otherwise in this Agreement.
3. Terms of Payment - Payment of the Purchase Price must be made in full within thirty (30) days after the execution of this Agreement for all Equipment purchased by Buyer.
4. Delivery - Unless otherwise specified, the purchase of Equipment will be shipped to Seller's location. Costs of preparing, loading and installation will be at the expense of Buyer. Should the Buyer request installation services, the cost of those services will be at the expense of the Buyer.
5. Title and Risk of Loss - Title to and risk of loss or damage to all Equipment purchased by Buyer will pass to Buyer upon Seller's delivery to Buyer, Buyer's agent or Buyer's carrier at Seller's location.
6. Warranty - FivePoint warrants that all hardware portions of the Products (including associated software and firmware) sold by Seller to buyer under the terms of this Agreement will be free from defects in workmanship and conform to the Specifications for a period of twelve (12) months after equipment has been deployed. If BUYER, in its reasonable opinion, believes that any Product or part thereof contains a defect in workmanship, or otherwise fails to conform to the Specifications, during the warranty period, Seller shall at its expense correct any such defect by repairing such defective Product or part or, at Buyer's option, by delivering to Buyer an equivalent Product or part replacing such defective Product or part. In the event a Product completely fails to function within the first week (5 business days) of installation (dead-on-arrival or DOA), Seller agrees to replace the failed Product with a new Product and will use best efforts to ship replacement within two (w) business days of notification. If a unit of the Product under warranty should fail due to damage or negligence, Seller will assume all responsibility for the replacement costs of product.
7. Seller's Liability - Seller's liability with respect to any Equipment sold to Buyer will be limited to refunding payment made. In no event will Seller be liable for indirect, incidental or consequential damages.
8. Failure to Perform - In the event Buyer fails to make payment as required in Section 3 above, Buyer agrees that Buyer will (1) lose all right, title and interest which Buyer might otherwise have acquired in and to the Equipment; and (2) reimburse Seller for all costs, including attorney's fees, arising out of Buyer's failure to perform.
9. Force Majeure - Deliveries may be suspended by either party in case of act of God, war, riots, fire, explosion, flood, strike, lockout, injunction, inability to obtain fuel, power, raw materials, labor, containers or transportation

facilities, accident, breakage of machinery or apparatus, national defense requirements, government laws, ordinances, rules and regulations, whether valid or invalid, or any cause beyond the control of such party preventing the manufacture, shipment, acceptance or consumption of a shipment of the Equipment. If, because of any such circumstance, Seller is unable to supply the total demand for the Equipment, such deliveries so suspended will be canceled without liability to Seller.

10. Assignment - Seller and Buyer agree that neither party may assign any interest in this Agreement without the written consent of the other party.
11. Miscellaneous - Buyer will pay the amount of any tax or other charge imposed by law, upon, with respect to, or measured by the sale, shipment, or price of any Equipment sold under this Agreement. When performing any work at Seller's facility, Buyer and Buyer's subcontractor, if any, agree to comply with all of Seller's rules and regulations including its environmental, health, safety and security rules and regulations. Buyer agrees to comply with all Federal, State and local laws and regulations. Buyer will provide proof of such compliance to Seller upon request. This Agreement will be governed by and construed in accordance with the laws of the State of Alabama, without regard to choice of law or conflict of law provisions. No subsequent change or modification of the terms of this Agreement will be made except by a writing signed by both parties.
12. Termination - After the Purchase Price has been accepted by Seller, Buyer is bound by the terms of this Agreement and cannot terminate this Agreement. If the Buyer fails to fulfill any of its obligations the Seller may, with prior written notice to Buyer, terminate this Agreement at any time.

BUYER: The City Of Vestavia Hills

By: _____

Name: _____

Title: _____

Date: _____

PATRICK H. BOONE
ATTORNEY AND COUNSELOR AT LAW
NEW SOUTH FEDERAL SAVINGS BUILDING, SUITE 705
215 RICHARD ARRINGTON, JR. BOULEVARD NORTH
BIRMINGHAM, ALABAMA 35203-3720
TELEPHONE (205) 324-2018
FACSIMILE (205) 324-2295

E-Mail: patrickboone@bellsouth.net

July 24, 2020

By Electronic Mail

City Manager Jeffrey D. Downes
Vestavia Hills Municipal Center
1032 Montgomery Highway
Vestavia Hills, Alabama 35216

In Re: Proposed Agreements Between FivePoint Payments, LLC (“FivePoint”)
and the City of Vestavia Hills, Alabama (“Vestavia Hills”)

Dear Mr. Downes:

On July 8, 2020, you provided me with copies of the following documents:

1. Memorandum of Understanding by and between Five Points and Vestavia Hills.
2. Equipment Sales Agreement by and between FivePoint and Vestavia Hills.
3. FivePoint Check-In Agreement between FivePoint and Vestavia Hills.
4. Memorandum dated July 8, 2020 from Cinnamon McCulley to you.

You have requested that I review the above documents and provide you with my written legal opinion. The purpose of this letter is to comply with your request.

I. LEGAL ISSUE ONE

A. LEGAL ISSUE ONE: Is the Proposal by FivePoint subject to the Alabama Competitive Bid Law?

B. LEGAL OPINION: It is my legal opinion that the Proposal is not subject to the Alabama Competitive Bid Law.

C. **BASIS FOR LEGAL OPINION:** I base my legal opinion upon the Alabama Competitive Bid Law, which states in pertinent parts as follows:

(1) The Alabama Competitive Bid Law applicable to municipalities set forth at Title 41-16-50(a), *Code of Alabama, 1975*, provides in pertinent parts as follows:

"(a) With the exception of contracts for public works whose competitive bidding requirements are governed exclusively by Title 39, all expenditure of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving fifteen thousand dollars (\$15,000) or more, and the lease of materials, equipment, supplies, or other personal property where the lessee is, or becomes legally and contractually, bound under the terms of the lease, to pay a total amount of fifteen thousand dollars (\$15,000) or more, by or on behalf of any...governing bodies of the municipalities of the state ...shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder."

(2) Title 41-16-51(a)(11), *Code of Alabama, 1975*, provides as follows:

“§41-16-51. Exemptions—Void Contracts—Criminal Penalties.

(a) Competitive bids shall not be required for utility services, the rates for which are fixed by law, regulation, or ordinance, and the competitive bidding requirements of this article shall not apply to:

(5) Contracts for fiscal or financial advice or services.”

II. **LEGAL ISSUE TWO**

A. **LEGAL ISSUE TWO:** Can the City legally agree that the Agreement shall be governed by and construed in accordance with the laws of the State of Georgia as required by Section 7 of the Equipment Sales Agreement?

B. **LEGAL OPINION:** It is my legal opinion that the answer to Legal Issue Two is in the negative.

C. **BASIS FOR LEGAL OPINION:** I base my legal opinion upon the following Alabama laws:

(1) **Venue:** Title 6-3-6, *Code of Alabama, 1975*, provides that all civil actions against corporations may be brought in any of the following counties:

(a) The county where the event or omission giving rise to the claim occurred or a substantial part of real property that is the subject of the action is situated (Jefferson County, Alabama); or

(b) In the county where the plaintiff had its principal office in this state (the City operates in Jefferson County, Alabama); or

(c) If subdivisions 1 or 2 do not apply, then in any county in which the corporation was doing business at the time of the accrual of the cause of action (Jefferson County, Alabama).

(2) **Waiver of Consent to Jurisdiction:** The Supreme Court of Alabama decided the case of *Underwood v. Alabama State Board of Education*, 39 So.3rd 120, in 2009 and held that jurisdiction over the subject matter cannot be created by waiver or consent.

(3) **Jurisdiction:** In 1912, the Court of Civil Appeals of Alabama decided the case of *Hirsch & Spitz Mfg. Co. v. City of Enterprise*, 59 So. 315, 5 Ala.App. 387, and held that the right of a municipal corporation to contract must be construed by the laws of the state irrespective of where a contract is made. Based upon *Hirsch & Spitz Mfg. Co. v. City of Enterprise*, it is my legal opinion that the City cannot legally agree to submit to the jurisdiction of the courts in the State of Georgia to resolve any disputes or issues arising out of the Agreement.

D. **My RECOMMENDATION:** The proposed Agreement should state the Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

III. **LEGAL ISSUE THREE**

A. **LEGAL ISSUE THREE:** Must the Agreement address the subject of immigration?

B. **LEGAL OPINION:** It is my legal opinion that the answer to Legal Issue Three is in the affirmative.

C. **BASIS FOR LEGAL OPINION:** Title 31-13-9(k), *Code of Alabama, 1975*, provides as follows:

“(k) All contracts or agreements to which the state, a political subdivision, or state-funded entity are a party shall include the following language: “By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”

D. **MY RECOMMENDATION:** I recommend that the above language be added to the Agreement.

IV. **LEGAL ISSUE FOUR**

A. **LEGAL ISSUE FOUR:** Can the City legally indemnify, defend and hold harmless another party as required by Section F on page 3 of the MOU, Section 7 on page 1 of the Equipment Sales Agreement and Section 9 on page 3 of FivePoint Payments Check-In Agreement?

B. **LEGAL OPINION:** It is my legal opinion that a city cannot spend public funds to indemnify, defend and hold harmless other parties.

C. **BASIS FOR LEGAL OPINION:** I base my opinion upon the following:

1. **Expenditure of Public Funds:**

(a) **Constitution of Alabama of 1901:** Section 94 of the *Constitution of Alabama*, as amended by Amendments 112 and 558, prohibits a city from granting public money to any individual, association or corporation whatsoever. Section 94 of the *Constitution of Alabama* as amended by as amended by Amendments 112 and 558, provides as follows:

“The legislature shall not have power to authorize any county, city, town or other subdivision of this state to lend its credit or to grant public money or thing of value in aid of or to any individual, association or corporation whatsoever.”

(b) **Municipalities in Alabama Cannot Spend Public Money for Private Purposes:** Municipalities in Alabama may spend public funds only for public purposes. The Supreme Court of Alabama has interpreted the language of Sections 93 and 94 of the *Constitution of Alabama* to allow appropriations of public funds when the appropriation is used for public purposes. *Alabama Constitution* amend. 93; *Alabama Constitution* amend. 94; *Slawson v. Alabama Forestry Comm’n*, 631 So.2d 953 (Ala.1994). *Opinion of the Justices No. 269*, 384 So.2d 1051 (1980); *Stone v. State*, 251 Ala. 240 (1948).

It is my legal opinion, based upon the above legal authorities, that the City cannot spend public money to indemnify third parties.

D. **MY RECOMMENDATION:** I recommend that Section F on page 3 of the MOU, Section 7 on page 1 of the Equipment Sales Agreement and Section 9 on page 3 of FivePoint Payments Check-In Agreement be deleted.

V. CONCLUSION

I approve the documents from a legal standpoint and recommend the execution and delivery thereof provided they are amended consistent with this legal opinion.

Please call me if you have any questions regarding any matters set forth herein. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Patrick H. Boone". The signature is written in a cursive style with a long horizontal stroke at the end.

Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

ORDINANCE NUMBER 2814-A

AN ORDINANCE TO AMEND CHAPTER 16.5 ENTITLED “TELECOMMUNICATIONS,” ARTICLE III ENTITLED “SMALL CELL TECHNOLOGY,” OF THE VESTAVIA HILLS CODE OF ORDINANCES AND TO AMEND ORDINANCE NUMBER 2814 TO ADOPT REGULATIONS FOR SMALL CELL TECHNOLOGY FACILITIES IN THE CITY OF VESTAVIA HILLS, ALABAMA

WHEREAS, The City Council of the City of Vestavia Hills, Alabama seeks to facilitate the availability of reliable, personal wireless services for its citizens and the public by permitting the placement of Small Cell Technology Facilities and associated Support Structures along the Rights-Of-Way and on private properties in the City; and

WHEREAS, the installation, expansion, and maintenance of Small Cell Technology Facilities and associated Structures on or along the Rights-Of-Way and on private properties might have significant impact upon: (1) the aesthetic values and historical character of the City; (2) safe use and passage on or along the Rights-of-Way by the public; and (3) properties and property values in the City in areas where such Structures are placed; and

WHEREAS, the Federal Telecommunications Act of 1996 (the “Act”) and regulations promulgated with respect to the Act by the Federal Communications Commission (“FCC”) authorize local governments to enact responsible regulations for the placement, expansion, height, and maintenance of Small Cell Technologies Facilities and associated Support Structures; and

WHEREAS, as provided in this Ordinance Number 2814-A, the City seeks to mandate, where feasible, the colocation of Small Cell Technology Facilities on existing poles and other Support Structures as opposed to installation of new Structures; and

WHEREAS, the above-noted colocation and other provisions of this Ordinance are intended to be consistent with the Act and its associated regulation; and

WHEREAS, the adoption of the regulations, procedures, and requirements in this Ordinance will permit Applicants and Providers to enhance the provision of personal wireless service and protect the public welfare, health, safety and interests of the City’s citizens; and

WHEREAS, on December 17, 2018, the City Council adopted and approved Ordinance Number 2814 to establish regulations for small cellular technology; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to amend said Ordinance Number 2814 and the applicable sections of the Vestavia Code of Ordinances.

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

Chapter 16.5 of the Vestavia Hills Code of Ordinances entitled “Telecommunications,” Article III entitled “Small Cell Technology Facilities” is hereby amended as Ordinance Number 2814-A is hereby adopted and shall be inserted in the Vestavia Hills Municipal Code as follows:

ARTICLE III. SMALL CELL TECHNOLOGY FACILITIES

Section 1. Definitions.

The following definitions shall apply in the interpretation of this Ordinance:

- A. *Abandonment* or *Abandons* means that, following the placement of Small Cell Technologies Facilities (and associated Accessory Equipment) or Support Structures in the City pursuant to a permit issued to a Provider or an Applicant, any of the following has occurred: (a) for any reason the Facilities cease to be used to transmit signals, data, or messages or otherwise be used for their intended purposes for a period of ninety (90) days; (b) the City revokes the permit for placement and use of those Facilities due to nonpayment of applicable fees, the failure of the Provider or Applicant to comply with conditions in the permit or in this Ordinance concerning them, or other valid reason; or (c) the Provider or Applicant fails to perform any of its responsibilities, obligations and requirements in this ordinance or in a permit that relate to the installation, construction, maintenance, use or operation of the Facilities, Accessory Equipment or Support Structures, and that breach remains uncured for a period of sixty (60) days after the City provides written notice of the breach to the Provider or Applicant.
- B. *Accessory Equipment* means any equipment other than an antenna that is used in conjunction with Small Cell Technology Facility arrangements to offer or provide personal wireless services. This equipment may be attached to or detached from a Small Cell Technology Wireless Support Structure, and includes, but is not limited to, cabinets, optical converters, power amplifiers, radios, DWDM and CWDM multiplexers, microcells, radio units, fiber optic and coaxial cables, wires, meters, pedestals, power switches, and related equipment on or in the immediate vicinity of a Support Structure.
- C. *Antenna* means communications equipment that transmits and receives electromagnetic radio signals, is attached to a Small Cell Technology Wireless Support Structure and is used to communicate wireless service.
- D. *Applicant*, whether singular or plural, means a personal wireless service provider, an entity that is authorized by a personal wireless service provider to apply for or receive a permit to install, construct, modify or maintain a Small Cell Technology Facility and related Accessory Equipment or Support Structure in the City, or an entity certificated by the Alabama Public Service Commission to provide telecommunication service.
- E. *Application* means a formal request submitted by a personal wireless service provider, provider, or entity authorized by a personal wireless service provider or provider, to the City for a permit to install, construct, modify or maintain a Small Cell Technology Facility and related Accessory Equipment or Support Structure.
- F. *City* means the City of Vestavia Hills, Alabama.
- G. *City Council* means the City Council of the City of Vestavia Hills, Alabama.
- H. *City Manager* means the person appointed by the City Council as the City Manager of the City. The City Manager includes any employee of the City or other person designated by that Manager to perform the responsibilities of this Ordinance.
- I. *Colocation* means the placement or installation of a new Small Cell Wireless Technology Facility or related Accessory Equipment on an existing pole or other Support Structure that is owned, controlled or leased by a utility, the City or other person or entity.
- J. *Personal Wireless Service Provider* or *Provider* means an entity that provides personal wireless services, as defined in 47 U.S.C 332, to the public or citizens of the City on a commercial basis and is authorized by the FCC to provide those services.

- K. *Private Property* means real property located within the corporate limits of the City that does not lie within the Right-of-Way.
- L. *Provider* – see Personal Wireless Service Provider.
- M. *Right-Of-Way* or *Rights-Of-Way*, whether singular or plural, means the surface and space in, upon, above, along, across, over and below any public streets, avenues, highways, roads, courts, lanes, alleys, boulevards, ways, sidewalks and bicycle lanes, including all public utility easements and public service easements within those places, as the same now or may hereafter exist, that are within the City’s corporate boundaries and under the jurisdiction of the City. This term shall not include county, state, or federal Rights-of-Way or any property owned by any person or entity other than the City.
- N. *Small Cell Technology Facility(ies)* or *Facilities*, whether singular or plural, means and includes the following types of Structures when used to offer or provide personal wireless services: (a) antenna; and (b) associated Accessory Equipment. Photographs and illustrations of the types, relative dimensions and scale of these Facilities that are currently contemplated by this ordinance are attached as Exhibit A to the permanent record of this ordinance that is maintained by the City Clerk.
- O. *Small Cell Technology Wireless Support Structure, Support Structure* or *Structure*, whether singular or plural, means a freestanding structure designed or used to support, or capable of supporting, Small Cell Technology Facilities, including, but not limited to, electric utility distribution poles, street light poles, traffic signal structures, rooftops, attics, or other enclosed or open areas of a building or accessory structure, a sign, or a flag pole. These terms do not include any electric utility transmission poles, or decorative and architecturally significant street light poles that are inappropriate for use as a Support Structure as determined by the City Manager.
- P. *Stealth Technology* means one or more methods of concealing or minimizing the visual impact of a Small Cell Technology Facility (and associated Accessory Equipment) and Support Structure by incorporating features or design elements which either totally or partially conceal such Facilities or Equipment. The use of these design elements is intended to produce the result of having said Facilities and associated Structures blend into the surrounding environment and/or disguise, shield, hide or create the appearance that the Facilities architectural component of the Support Structure. Photographs and illustrations of examples of the types of Stealth Technology that may be used when buildings are utilized as Support Structures and other applications of Stealth Technology that are currently contemplated are attached as Exhibit B to the permanent record of the ordinance that is maintained by the City Clerk.

Section 2. Permit Required to Place Small Cell Technology Facilities in Rights-Of-Way.

- A. Provider or Applicant must obtain a permit from the City before placing, installing, or constructing any Small Cell Technology Facility (and associated Accessory Equipment) on any Support Structure that is located on the Right-Of-Way, or substantially modifying the position or characteristics of any such existing Facility thereon.
- B. The City Manager will review and administratively process any request for a permit to determine whether, in the exercise of the City Manger’s reasonable discretion, it should

be issued for the location and in the manner requested by the Applicant. In this process, the burden is on the Provider or Applicant to demonstrate that the placement of the proposed Small Cell Technology Facility and associated Accessory equipment or Support Structure on the Right-of-Way is the minimal physical installation which will achieve the goal of enhancing the provision of personal wireless service when considering all pertinent factors discussed in the provision immediately below. Except as set forth in this section this permitting process will be administrative and not require the approval of any City Board or City Official other than the City Manager. The factors, requirements and guidelines that the City Manager may consider and will apply when determining whether to issue a permit for placement of Small Cell Technology Facilities and associated Structure on the Right-Of-Way include, but are not limited to, the following:

1. the demonstrated need for placing the Structures at the requested location and geographic area in order to deliver or enhance personal wireless service;
2. the visual impact of placing the Support Structure or Facilities in the subject area;
3. the character of the area in which the Structures are requested, including surrounding buildings, properties, and uses;
4. whether the appearance and placement of the requested Structures is aesthetically consistent with the immediate area;
5. whether the Structures are consistent with the historic nature and characteristics of the requested location;
6. the Applicant's or Provider's network coverage objective and whether the Applicant or Provider should use available or previously unconsidered alternative locations to place the Support Structures or Facilities;
7. Colocation. To the extent practical, all Facilities and associated Accessory Equipment that are placed in the City shall be attached to a pre-existing Support Structure that is owned, controlled or leased by a utility, franchisee, the City or other entity. If the Applicant demonstrates that no colocation opportunities exist in the area where a technologically documented need for a Facility exists, the Applicant may request that a new pole or other Support Structure be installed in that area for purposes of constructing the Facilities. Before any new Support Structure is permitted, each of the following must occur:
 - a. The Applicant must have provided the City written evidence that no practical colocation opportunity exists. This evidence shall include, but not be limited to, affidavits, correspondence, or other written information that demonstrates that the Applicant has taken all commercially reasonable actions to achieve colocation in the requested location or area, that the Applicant has perused but been denied access to all potential colocation sites in the subject area (and the reasons for any such denial(s)), and otherwise show that the Applicant is unable to co-locate on an existing Support Structure;
 - b. The City Manager must recommend the placement of a new Support Structure in the Right-of-Way; and
 - c. The City Council must approve the recommendation of the City Manager to issue a permit that includes the placement of a new Support

Structure in the Right-of-Way. The City Council will consider whether to approve any such new Structures at a regular Council meeting that will be conducted as soon as practical after the City Manager's recommendation is made.

8. If a Facility is attached to a utility pole or other Support Structure in the Right-Of-Way, no antenna or other part of the Facility shall extend no more than five (5) feet above the height of that structure; provided that, in the event that the Applicant demonstrates that National Electric Safety Code regulations or other factors create an undue hardship in complying with this height requirement, the City Manager may permit a Facility to extend up to ten (10) feet above the height of such Support Structure;
9. The Accessory Equipment shall, if reasonably possible, be placed at least ten (10) feet above the ground;
10. The color of Antenna and Accessory Equipment shall be compatible with that of the Support Structure;
11. The Facility (including the Accessory Equipment) shall not be illuminated;
12. Whether the proposed installation could cause harm to the public or pose any undue risk to public safety;
13. Whether the proposed installation may interfere with vehicular traffic, passage of pedestrians, or other use of the Right-Of-Way by the public; and
14. If the proposed installation will disturb conditions on the Right-Of-Way, whether the Applicant can demonstrate its ability and financial resources to restore the subject area to its pre-existing condition following installation.

C. Application Process.

1. At a minimum, each application for a permit shall contain all of the following:
 - a. Engineering drawings depicting the type of Facilities, Support Structure, and means and points at which such Facilities and associated Accessory Equipment will be attached to a Support Structure;
 - b. Map(s) designating with specificity the location(s) of the requested Facilities;
 - c. If the Facilities will be located on a Support Structure on the Right-Of-Way that is owned by any entity other than the City or the Applicant, a copy of any license, lease, agreement or other documentation evidencing that the owner of that Support Structure authorizes the Facilities to be attached thereto or agrees in principle to authorize that attachment, provided that, if a representation is made to the City that the attachment has been authorized in principle by the owner of the Support Structure but the Applicant subsequently fails to furnish the City documentation that finalizes any such agreement, the City may refuse to issue the requested permit until that documentation is provided, or, if the City issues the requested permit before receiving such final documentation, the subject permit may be revoked and any license to use that part of the Right-Of-Way be rescinded.
 - d. If the Applicant requests permission to place Facilities on a new Support Structure, the substantiation therefor required by Section 2, Paragraph B-7 of this ordinance.

- e. An application shall not be deemed complete until the Applicant has submitted all documents, information, forms and fees specifically enumerated in this Ordinance that pertain to the location, construction, or configuration of the Facilities or Support Structures at the requested location(s). Within thirty (30) calendar days after an application for permit is submitted, the City shall notify the Applicant in writing if any additional information is needed to complete that application or supplemental information is required to process the request. If the City does not notify the Applicant in writing that the application is incomplete within thirty (30) days following its receipt, the application is deemed complete.
2. Time for Processing Application. Unless another date is specified in a written agreement between the City and the Applicant, the City will have the following time periods to make its final decision to approve or disapprove an application for a permit contemplated in this ordinance and advise the Applicant in writing of that determination:
 - a. Sixty (60) calendar days from the date an application for a permit is filed with respect to a request to co-locate Facilities on an existing Support Structure; and
 - b. Ninety (90) calendar days from the date an application for a permit is filed with respect to a request to attach Facilities to a new Support Structure.

To the extent additional information is required to complete the application after it is filed, the applicable calendar day review period set forth in this subsection shall be tolled and not continue to run until the Applicant has provided any missing or requested supplemental information; provided that tolling shall not occur if the City does not advise the Applicant in writing of the incompleteness of a submitted application within thirty (30) days after that submission.

3. Reconsideration/Appeal. Any Applicant that desires reconsideration of an administrative decision by the City Manager to deny a request for a permit to place a Facility or Support Structure on the Right-Of-Way may seek review, modification or reversal of that decision by the City Council by submitting a request for reconsideration with the City Clerk within twenty-one (21) calendar days following the City Manager's decision. That request for reconsideration will be considered by the City Council at a regular Council meeting that will be conducted as soon as practical after the request for reconsideration is made. If no request of reconsideration is submitted, the decision of the City Manager will be final.

Additionally, the Applicant, within thirty (30) days following a decision by the City Council to deny either a) a request for reconsideration or b) a decision by City Council to not approve the placement of a new Support Structure on the Right-of-Way, may appeal either of those decisions by the City Council to the Circuit Court of Jefferson County, Alabama or Shelby County, Alabama, as applicable. If no appeal of those decisions of the City Council is made, those will be deemed final.

D. Additional Requirements. Any Provider or Applicant to whom a permit is issued and that places Facilities and associated Support Structures on the Right-Of-Way also shall comply with the following requirements as long as those Facilities and Support Structures are on or under the Right-of-Way:

1. Prior to installing the Facilities or Support Structures, the Applicant shall provide the City a certificate(s) of insurance evidencing that it has obtained and will maintain the following types of insurance in connection with its operations on or use of the Right-Of-Way:
 - a. General Liability Coverage insuring the risk of claims for damages to persons or property arising from or related to the installation, construction, maintenance, operation or any use of the Facility or Support Structure placed on or along the Right-of-Way by the Applicant (or any of their contractors) with minimum limits of \$1,000,000 per occurrence; and
 - b. Workers Compensation Insurance as required by statute.

The General Liability coverage shall list the City of Vestavia Hills, Alabama as an additional insured, and may be provided through a combination of a primary and umbrella policies. All insurance policies shall be furnished by insurers who are reasonably acceptable to the City and authorized to transact business in the State of Alabama. On an annual basis following initial installation, the Applicant also shall furnish the City a Certificate indicating that the above-noted coverage remains and will remain in effect. The City shall allow the applicant to provide a certificate of self-insurance in lieu of these provisions and must affirm adequate financial security on the part of the self-insured entity.

2. All Facilities and associated Support Structures shall be installed, erected, maintained and operated in compliance with applicable federal and state laws and regulations, including, but not limited to, regulations of the FCC.
3. Following the installation of any Facilities and associated Support Structures, the Provider or Applicant, upon reasonable request and for good cause, shall furnish the City Manager a written certification from a licensed professional engineer in the State of Alabama stating that those Structures have been inspected and are being maintained, operated and used in compliance with all applicable laws and regulations, including those of the FCC that pertain to the transmission of wireless communication signals. For purposes of this provision, "good cause" shall mean circumstances have arisen that indicate the Facilities and associated Support Structures have been damaged, are not functioning in compliance with applicable laws and regulations, or otherwise pose a hazard to the public. If those Support Structures should fail at any time to comply with applicable laws and regulation, the Provider or Applicant, at either of their expense, shall cause those Structures to be brought into compliance with said laws and regulations within fifteen (15) days of the date of any written notice to them from the City Manager of non-compliance, or cease all personal wireless service operations related to those Structures until the Applicant or Provider comes into full compliance with said laws and regulations.

4. The Facilities and associated Support Structures must at all times be maintained in good and safe condition. On no more frequent than a triennial basis, the City Manager may request that the Provider or Applicant, at either of their expense, furnish certification from a professional engineer who is licensed in the State of Alabama that the Facilities and Support Structures are in sound condition. Should that engineer deem those Structures unsound, the Provider or Applicant shall furnish to the City Manager a plan to remedy any unsafe conditions or structural defect(s) and take that remedial action at the Provider or Applicant's expense.
 5. Each Applicant or Provider that applies for a permit to place Facilities (including the Accessory Equipment) and Support Structures on the Right-Of-Way and installs and utilizes those Structures shall defend, indemnify and hold the City and its employees or officials, harmless from all demands, losses, expenses (including attorney's fees and court costs), claims for personal injury or property damage, judgments or liabilities of any type that may be asserted or claimed against the City (or its employees or officials) by any third person, firm or entity that arise out of or relate in any manner to the following: 1) the installation, construction, maintenance, use or operation of the permitted Facilities, Accessory Equipment or any Support Structure on or about the Right-Of-Way; and 2) the failure of the Provider or Applicant to perform any of their respective responsibilities, obligations, and permit requirements in this ordinance. Notwithstanding the foregoing, the Provider or Applicant shall not be obligated to indemnify the City for claims resulting from the sole negligence or willful acts of the City (or its representatives).
- E. Permit and License Fees. The Applicant for a permit to place Facilities and associated Support Structures on the Right-of-Way shall pay the following types of fees that are enumerated in the City's officially adopted Fee Structure Ordinance, as amended:
1. A permit application and review fee to be paid when an application is submitted;
 2. A permit issuance fee for each Support Structure on the Right-of-Way contemplated for attachment; and
 3. An annual license fee per each Support Structure on the Right-of-Way pertaining to the ongoing use of public property.
- F. Removal, Relocation or Modification of Small Wireless Facility in the Right-of-Way.
1. Ninety (90) Day Notice to Remove, Relocate or Modify. Whenever the City reasonably determines that the relocation is needed as described below, then within ninety (90) days following written notice from the City, the Applicant shall, at its own expense, protect, support, temporarily or permanently disconnect, remove, relocate, change or alter the position of any small wireless Facilities within the Rights-Of-Way whenever the City has determined that such removal, relocation, change or alteration, is reasonably necessary for (excluding beautification-only projects), as follows:
 - a. the construction, repair, maintenance, or installation of any City improvement in or upon, or the operations of the City in or upon, the Rights-Of-Way; and/or

- b. if required for the construction, completion, repair, relocation, or maintenance of a City improvement or project in or upon, or the operations of the City in or upon, the Rights-Of-Way; and/or
 - c. because the small cell Facility or its related equipment is interfering with or adversely affecting proper operation of any City-owned light poles, traffic signals, or other equipment in the Public Way; and/or
 - d. to protect or preserve the public health or safety.
 - e. In any such case, the City shall use its best efforts to afford Applicant a reasonably equivalent alternate location. If Applicant shall fail to relocate any Equipment as requested by the City within a reasonable time under the circumstances in accordance with the foregoing provision, the City shall be entitled to relocate the Equipment at Applicant's sole cost and expense, without further notice to Applicant. If, at any time during the Term for which the permit is granted, the City determines that utility Facilities will be placed underground in an area including any City-owned Facilities upon which Applicant has installed Equipment, Applicant and the City will cooperate in good faith on the design and installation, at Applicant's costs, of suitable replacement of Applicant's Facilities, including decorative streetlight poles, provided that the City may not require an electric utility that is regulated by the Alabama Public Service Commission to install, move, remove relocate, or modify its facilities, poles, attachments, or equipment in violation of the rules and regulations of the Alabama Public Service Commission; and Applicant agrees that if reasonably required by the City Manager or his designee or upon final appeal by the Vestavia Hills Design Review Board in order to ensure appropriately even and level lighting within a previously unlighted area, additional Facilities, which may include decorative streetlight poles beyond or more numerous than those required for Applicant's Facilities, shall be installed. Applicant agrees that decorative streetlight poles may be required by the City in the future in the place of initially-installed standard-design streetlight poles, in which replacement of the Applicant's Facilities and Equipment on decorative streetlights that were initially installed standard-design streetlight poles shall be solely at Applicant's cost. Further, Applicant agrees that in such instances and at such time as replacement poles are installed, the City may reasonably require that the configuration and/or location of ground furniture (which references any equipment on the ground that is needed to supply power or backhaul services to the small cell Facility) and/or pole-mounted equipment or equipment cages be changed (such as changing from pole-mounted equipment cages to ground furniture), in the discretion of the City.
2. Emergency Removal or Relocation of Facilities. The City retains the Right and privilege to cut or move any small wireless Facility or related structure located within the Rights-of-Way of the City, as the City may determine to be necessary, appropriate or useful in response to any public health or safety emergency. If circumstances permit, the City shall notify the Applicant and

provide the Applicant an opportunity to move its own Facilities, if possible, prior to cutting electrical service or removing a Facility and shall notify the wireless Provider after cutting or removing a small wireless Facility.

Section 3. Placement of Small Cell Technology Facilities on Private Property.

- A. A Provider or Applicant must obtain a permit from the City before placing, installing, or constructing any Small Cell Technology Facility (and associated Accessory Equipment) on any Support Structure that is located on private property, or substantially modifying the position or characteristics of any such existing Facility thereon.
- B. The City Manager will review and administratively process any request for a permit to determine whether, in the exercise of the City Manager's reasonable discretion, it should be issued for the location and in the manner requested. In this process, the burden is on the Applicant to demonstrate that the placement of the proposed Small Cell Technology Facility and associated Accessory Equipment or Support Structure on private property is the minimal physical installation which will achieve the technological goal of enhancing the provision of personal wireless services. Except as set forth in this section, this permitting process will not require the approval of any City Board or City official other than the City Manager. The factors, guidelines and requirements that the City Manager may consider and will apply when determining whether to issue a permit for placement of Facilities and any associated Accessory Equipment or Support Structure on private property include, but are not limited to, the following:
 - 1. The factors and requirements set forth in Section 2 of this Ordinance Number 2814;
 - 2. Colocation. The guidelines in Section 2 of this Ordinance Number 2814 to utilize existing poles and Support Structures for the placement of Facilities and Accessory Equipment are also applicable when considering whether to permit the installation of those Facilities and Support Structures on private property, provided that City Council approval is not required before a permit is issued to place a new pole or other Support Structure on private property if that action is appropriate.
 - 3. The Provider or Applicant shall use Stealth Technology when installing the Facilities and associated Accessory Equipment on any building or accessory to that building that is located on private property. Further, Stealth Technology should be used when placing Facilities on other types of Support Structures on private property unless the Applicant can reasonably demonstrate that, given the nature of the requested application, the use of such Technology is (a) unnecessary; or (b) impractical.
 - 4. If Facilities are placed on an existing or new building or accessory to that building, the following dimensional regulations shall apply:
 - a. Façade-mounted antennas shall not extend above the face of any wall or exterior surface of the building.
 - b. Roof-mounted antennas and Accessory Equipment may be permitted on buildings in accordance with the following table:

Height of Building	Maximum Height of Facility above Highest Point of Roof	Required Setback from Edge of Roof of Building
Up to 15 feet	8 feet, including antenna	1 foot for every foot of height of equipment
15-35 feet	10 feet, including antenna	1 foot for every foot of height of equipment
More than 35 feet	12 feet, including antenna	1 foot for every foot of height of equipment

- c. The antenna component of the Facilities shall be limited to a maximum height of three (3) feet and a maximum width of two (2) feet; provided that authorization to install antenna up to six (6) feet in height may be permitted if a showing of the technological need for such equipment is made and other requirements of this Section are met.
 - d. Accessory Equipment must be located in an equipment cabinet, equipment room in an existing building or in an unmanned equipment building. If the equipment building is freestanding, it shall conform to the Vestavia Hills Municipal Code with respect to building setbacks, that building shall not exceed 400 square feet, and its overall height shall be limited to 15 feet (if located on the ground) measured from the finished grade. Further, if an equipment building or cabinet is located in a residential zone, or the nearest adjoining property is in a residential zone, that building or cabinet shall be surrounded by landscaping to provide a screen of the same height as the building or cabinet.
5. Application Process. Except as provided in paragraphs a and b immediately below, the same application process that is set forth in Section >>>>>>> will be utilized when processing any request for a permit to place Facilities or Support Structures on private property, except that:
- a. City Council approval to install a new Support Structure on private property is not a condition for a permit to place Facilities thereon; and
 - b. If the Facilities are located on private property that is not owned or exclusively used by the Applicant, instead of providing the documentation contemplated in Section 2(c)(1)(c), the Applicant shall present a license, lease, agreement or other documentation indicating that owner of said property authorizes the Applicant the Rights to place the Facilities thereon and access thereto, or that such owner agrees in principle to grant the Applicant those Rights; provided that, if a representation is made to the City that the owner of private property has agreed in principle to grant those Rights but the Applicant subsequently fails to furnish the City documentation that finalizes any such agreement, the City may refuse to issue the requested permit until the documentation is provided, or, if the City issues the requested permit

before receiving such final documentation, the subject permit and license may be revoked.

6. Additional Requirements. Any Provider or Applicant to whom a permit is issued and that places Facilities and associated Support Structures on private property also shall comply with the following requirements as long as those Facilities and Support Structures are located thereon:
 - a. All Facilities and Support Structures shall be installed, erected, and maintained in compliance with applicable federal and state laws and regulations, including, but not limited to, regulations of the Fcc, the National Electric Safety Code, and any policies and procedures required of the Support Structure owners.
 - b. At least triennially following the installation of the Facilities or associated Support Structures, upon reasonable request and for good cause, the Applicant shall furnish the City Manager a written certification from a professional engineer licensed in the State of Alabama indicating that those Structures have been inspected and are being maintained, operated and used in compliance with all applicable laws and regulations, including those of the FCC that pertain to the transmission of wireless communication signals, along with the requirements of the National Electric Safety Code, as applicable. For purposes of this provision, "good cause" shall mean circumstances have arisen that indicate the Facilities and associated Support Structures have been damaged, are not functioning in compliance with applicable laws and regulations, or otherwise pose a hazard to the public. If those Structures fail at any time to comply with said laws, regulations and codes, the Provider or Applicant shall cause those Structures to be brought into compliance with said laws and regulations within fifteen (15) days of the date of any written notice to either of them of such non-compliance, or cease all personal wireless communications operations related to those Structures until the Provider or Applicant comes into full compliance with applicable laws and regulations.
 - c. The Facilities and associated Support Structures on private property must at all times be maintained in good and safe condition.
- C. Permit and License Fees. The Provider or Applicant for a permit to place Facilities and associated Support Structures on private property shall pay the following types of fees that are enumerated in the City's officially adopted Fee Structure Ordinance as amended:
 1. a permit application and review fee to be paid when an application is submitted; and,
 2. a permit issuance fee per each Support Structure on private property contemplated for attachment.

Section 4. Abandonment of Facilities on Right-of-Way.

If a Provider or Applicant abandons any Facility (including the Accessory Equipment) or an associated Support Structure (collectively "Facilities" for purposes of this Section) that is

located on the Right-Of-Way, the following rights and obligations shall exist. The City may require the Provider or Applicant, at their expense, to remove and reclaim the abandoned Facilities within sixty (60) days from the date of written notice of Abandonment given by the City to them and to reasonably restore the condition of the property at which the Facilities are located to that existing before they were installed. If the Provider or Applicant fails to remove and reclaim its abandoned Facilities within such 60-day period and the Facilities are located on the Right-Of-Way, the City shall have the rights to:

1. remove them and charge its expense of any such removal operation to the account of the Provider or Applicant,
2. purchase all abandoned Facilities at the subject location from the Provider or Applicant in consideration for \$1.00,
3. at the City's discretion, either resell the abandoned Facilities to a third party or dispose and salvage them; provided that the proceeds of any resale of abandoned Facilities by the City to a third party shall be credited to the account of the Applicant or Provider that used those Facilities before the abandonment, and
4. charge any expense incurred by the City to restore the Right-of-Way to the account of the Provider or Applicant.

Section 5. Colocation.

To promote the public interest that is served by co-locating Facilities and associated Accessory Equipment on existing Support Structures and thereby mitigating the installation of additional Support Structures throughout the City, and to the extent permitted by 47 U.S.C.224, no person or entity (including any Provider or Applicant) that utilizes an existing Support Structure that is located on Right-of-Way or on private property in the City and has space available thereon may deny a Provider or Applicant the Right to use or access an existing Support Structure for purposes of attaching Facilities permitted by this ordinance without sound operational, technological or other good reason. Nothing in this Section shall be construed to grant mandatory access rights to any Support Structure to any Provider or Applicant where such access rights are not already granted by federal law. Nothing in this Ordinance shall affect, or be construed to affect, any pole attached agreement between any Applicant or Provider and any owner, lessor, or controller of a Support Structure or Structure.

Section 6. Non-Applicability.

The placement of an antenna(s), Facilities or equipment related to the following types of wireless services are exempt from regulation under this ordinance:

- A. Amateur radio service that is licensed by the FCC if the Facilities related thereto are not used or licensed for any commercial purpose; and
- B. Facilities used by any federal, state or local government or agency to provide safety or emergency services. Further, the provisions in this Article are supplemental to, and not intended to alter, affect or modify the provisions in Article II of Chapter 16.5 pertaining to the placement or use of macro Telecommunications Towers.
- C. Nothing in this Ordinance shall be construed to apply to the attachments, equipment, facilities or business activities of an electric utility that is regulated by the Alabama Public Service Commission. This Ordinance also does not apply to the attachments,

equipment, facilities or business activities of such utility's parents, affiliates, or subsidiaries when they are acting in support of the electric utility, provided they are not acting as a Personal Wireless Service Provider or Provider.

Section 7. Repealer.

All Ordinances or parts of ordinances heretofore adopted by the City Council of the City of Vestavia Hills, Alabama that are inconsistent with the provisions of this Ordinance are hereby expressly repealed.

Section 8. Severability.

If any part, section or subdivision of this ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this ordinance, which shall continue in full force and effect notwithstanding such holding.

Section 9. Effective Date.

This ordinance shall become effective immediately upon adoption and posting/publication as provided by Alabama law.

DONE, ORDERED, APPROVED and ADOPTED this the 10th day of August, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca H. Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance Number 2814-A is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Vestavia Hills on the 10th day of August, 2020, as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, Vestavia Hills New Merkle House and Vestavia Hills Recreational Center this the ____ day of _____, 2020.

Rebecca Leavings
City Clerk

ORDINANCE NUMBER 2814

AN ORDINANCE TO ADOPT REGULATIONS FOR SMALL CELL TECHNOLOGY FACILITIES IN THE CITY OF VESTAVIA HILLS, ALABAMA

WHEREAS, The City Council of the City of Vestavia Hills, Alabama seeks to facilitate the availability of reliable, personal wireless ~~communication~~-services for its citizens and the public by permitting the placement of Small Cell Technology Facilities and associated Support Structures along the Rights-Of-Way and on private properties in the City; and

WHEREAS, the installation, expansion, and maintenance of Small Cell Technology Facilities and associated Structures on or along the Rights-Of-Way and on private properties might have significant impact upon: (1) the aesthetic values and historical character of the City; (2) safe use and passage on or along the Rights-of-Way by the public; and (3) properties and property values in the City in areas where such Structures are placed; and

WHEREAS, the Federal Telecommunications Act of 1996 (the "Act") and regulations promulgated with respect to the Act by the Federal Communications Commission ("FCC") authorize local governments to enact responsible regulations for the placement, expansion, height, and maintenance of Small Cell Technologies Facilities and associated Support Structures; and

WHEREAS, as provided in this Ordinance Number 2814, the City seeks to mandate, where feasible, the collocation of Small Cell Technology Facilities on existing poles and other Support Structures as opposed to installation of new Structures; and

WHEREAS, the above-noted collocation and other provisions of this Ordinance are intended to be consistent with the Act and its associated regulation; and

WHEREAS, the adoption of the regulations, procedures, and requirements in this Ordinance will permit Applicants and Providers to enhance the provision of personal wireless service and protect the public welfare, health, safety and interests of the City's citizens.

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

Chapter 16.5 of the Vestavia Hills Code of Ordinances entitled "Telecommunications" is hereby amended as Ordinance Number 2814 is hereby adopted and shall be inserted in the Vestavia Hills Municipal Code as follows:

ARTICLE III. SMALL CELL TECHNOLOGY FACILITIES

Section 1. Definitions.

The following definitions shall apply in the interpretation of this Ordinance:

- A. *Abandonment* or *Abandons* means that, following the placement of Small Cell Technologies Facilities (and associated Accessory Equipment) or Support Structures in the City pursuant to a permit issued to a Provider or an Applicant, any of the following has occurred: (a) for any reason the Facilities cease to be used to transmit signals, data, or messages or otherwise be used for their intended purposes for a period of ninety (90) days; (b) the City revokes the permit for placement and use of those Facilities due to nonpayment of applicable fees, the failure of the Provider or Applicant

- to comply with conditions in the permit or in this Ordinance concerning them, or other valid reason; or (c) the Provider or Applicant fails to perform any of its responsibilities, obligations and requirements in this ordinance or in a permit that relate to the installation, construction, maintenance, use or operation of the Facilities, Accessory Equipment or Support Structures, and that breach remains uncured for a period of sixty (60) days after the City provides written notice of the breach to the Provider or Applicant.
- B. *Accessory Equipment* means any equipment other than an antenna that is used in conjunction with Small Cell Technology Facility arrangements to offer or provide personal wireless services. This equipment may be attached to or detached from a Small Cell Technology Wireless Support Structure, and includes, but is not limited to, cabinets, optical converters, power amplifiers, radios, DWDM and CWDM multiplexers, microcells, radio units, fiber optic and coaxial cables, wires, meters, pedestals, power switches, and related equipment on or in the immediate vicinity of a Support Structure.
- C. *Antenna* means communications equipment that transmits and receives electromagnetic radio signals, is attached to a Small Cell Technology Wireless Support Structure and is used to communicate wireless service.
- D. *Applicant*, whether singular or plural, means a personal wireless service provider, an entity that is authorized by a personal wireless service provider to apply for or receive a permit to install, construct, modify or maintain a Small Cell Technology Facility and related Accessory Equipment or Support Structure in the City, or an entity certificated by the Alabama Public Service Commission to provide telecommunication service.
- E. *Application* means a formal request submitted by a personal wireless service provider, provider, or entity authorized by a personal wireless service provider or provider, to the City for a permit to install, construct, modify or maintain a Small Cell Technology Facility and related Accessory Equipment or Support Structure.
- F. *City* means the City of Vestavia Hills, Alabama.
- G. *City Council* means the City Council of the City of Vestavia Hills, Alabama.
- H. *City Manager* means the person appointed by the City Council as the City Manager of the City. The City Manager includes any employee of the City or other person designated by that Manager to perform the responsibilities of this Ordinance.
- I. *Colocation* means the placement or installation of a new Small Cell Wireless Technology Facility or related Accessory Equipment on an existing pole or other Support Structure that is owned, controlled or leased by a utility, the City or other person or entity.
- J. *Personal Wireless Service Provider* or *Provider* means an entity that provides personal wireless ~~communication~~ services, as defined in 47 U.S.C. 332, to the public or citizens of the City on a commercial basis and is authorized by the FCC to provide those services.
- K. *Private Property* means real property located within the corporate limits of the City that does not lie within the Right-of-Way.
- L. *Provider* – see Personal Wireless Service Provider.
- M. *Right-Of-Way* or *Rights-Of-Way*, whether singular or plural, means the surface and space in, upon, above, along, across, over and below any public streets, avenues, highways, roads, courts, lanes, alleys, boulevards, ways, sidewalks and bicycle lanes,

- including all public utility easements and public service easements within those places, as the same now or may hereafter exist, that are within the City's corporate boundaries and under the jurisdiction of the City. This term shall not include county, state, or federal Rights-of-Way or any property owned by any person or entity other than the City.
- N. *Small Cell Technology Facility(ies) or Facilities*, whether singular or plural, means and includes the following types of Structures when used to offer or provide personal wireless services: (a) antenna; and (b) associated Accessory Equipment. Photographs and illustrations of the types, relative dimensions and scale of these Facilities that are currently contemplated by this ordinance are attached as Exhibit A to the permanent record of this ordinance that is maintained by the City Clerk.
- O. *Small Cell Technology Wireless Support Structure, Support Structure or Structure*, whether singular or plural, means a freestanding structure designed or used to support, or capable of supporting, Small Cell Technology Facilities, including, but not limited to, electric utility distribution poles, street light poles, traffic signal structures, rooftops, attics, or other enclosed or open areas of a building or accessory structure, a sign, or a flag pole. These terms do not include any electric utility transmission poles, or decorative and architecturally significant street light poles that are inappropriate for use as a Support Structure as determined by the City Manager.
- P. *Stealth Technology* means one or more methods of concealing or minimizing the visual impact of a Small Cell Technology Facility (and associated Accessory Equipment) and Support Structure by incorporating features or design elements which either totally or partially conceal such Facilities or Equipment. The use of these design elements is intended to produce the result of having said Facilities and associated Structures blend into the surrounding environment and/or disguise, shield, hide or create the appearance that the Facilities architectural component of the Support Structure. Photographs and illustrations of examples of the types of Stealth Technology that may be used when buildings are utilized as Support Structures and other applications of Stealth Technology that are currently contemplated are attached as Exhibit B to the permanent record of the ordinance that is maintained by the City Clerk.

Section 2. Permit Required to Place Small Cell Technology Facilities in Rights-Of-Way.

- A. Provider or Applicant must obtain a permit from the City before placing, installing, or constructing any Small Cell Technology Facility (and associated Accessory Equipment) on any Support Structure that is located on the Right-Of-Way, or substantially modifying the position or characteristics of any such existing Facility thereon.
- B. The City Manager will review and administratively process any request for a permit to determine whether, in the exercise of the City Manger's reasonable discretion, it should be issued for the location and in the manner requested by the Applicant. In this process, the burden is on the Provider or Applicant to demonstrate that the placement of the proposed Small Cell Technology Facility and associated Accessory equipment or Support Structure on the Right-of-Way is the minimal physical installation which will achieve the goal of enhancing the provision of personal wireless service when considering all pertinent factors discussed in the provision immediately below. Except

as set forth in this section this permitting process will be administrative and not require the approval of any City Board or City Official other than the City Manager. The factors, requirements and guidelines that the City Manager may consider and will apply when determining whether to issue a permit for placement of Small Cell Technology Facilities and associated Structure on the Right-Of-Way include, but are not limited to, the following:

1. the demonstrated need for placing the Structures at the requested location and geographic area in order to deliver or enhance personal wireless service;
2. the visual impact of placing the Support Structure or Facilities in the subject area;
3. the character of the area in which the Structures are requested, including surrounding buildings, properties, and uses;
4. whether the appearance and placement of the requested Structures is aesthetically consistent with the immediate area;
5. whether the Structures are consistent with the historic nature and characteristics of the requested location;
6. the Applicant's or Provider's network coverage objective and whether the Applicant or Provider should use available or previously unconsidered alternative locations to place the Support Structures or Facilities;
7. Colocation. To the extent practical, all Facilities and associated Accessory Equipment that are placed in the City shall be attached to a pre-existing Support Structure that is owned, controlled or leased by a utility, franchisee, the City or other entity. If the Applicant demonstrates that no colocation opportunities exist in the area where a technologically documented need for a Facility exists, the Applicant may request that a new pole or other Support Structure be installed in that area for purposes of constructing the Facilities. Before any new Support Structure is permitted, each of the following must occur:
 - a. The Applicant must have provided the City written evidence that no practical colocation opportunity exists. This evidence shall include, but not be limited to, affidavits, correspondence, or other written information that demonstrates that the Applicant has taken all commercially reasonable actions to achieve colocation in the requested location or area, that the Applicant has perused but been denied access to all potential colocation sites in the subject area (and the reasons for any such denial(s)), and otherwise show that the Applicant is unable to co-locate on an existing Support Structure;
 - b. The City Manager must recommend the placement of a new Support Structure in the Right-of-Way; and
 - c. The City Council must approve the recommendation of the City Manager to issue a permit that includes the placement of a new Support Structure in the Right-of-Way. The City Council will consider whether to approve any such new Structures at a regular Council meeting that will be conducted as soon as practical after the City Manager's recommendation is made.
8. If a Facility is attached to a utility pole or other Support Structure in the Right-Of-Way, no antenna or other part of the Facility shall extend no more than five

- (5) feet above the height of that structure; provided that, in the event that the Applicant demonstrates that National Electric Safety Code regulations or other factors create an undue hardship in complying with this height requirement, the City Manager may permit a Facility to extend up to ten (10) feet above the height of such Support Structure;
9. The Accessory Equipment shall, if reasonably possible, be placed at least ten (10) feet above the ground;
 10. The color of Antenna and Accessory Equipment shall be compatible with that of the Support Structure;
 11. The Facility (including the Accessory Equipment) shall not be illuminated;
 12. Whether the proposed installation could cause harm to the public or pose any undue risk to public safety;
 13. Whether the proposed installation may interfere with vehicular traffic, passage of pedestrians, or other use of the Right-Of-Way by the public; and
 14. If the proposed installation will disturb conditions on the Right-Of-Way, whether the Applicant can demonstrate its ability and financial resources to restore the subject area to its pre-existing condition following installation.

C. Application Process.

1. At a minimum, each application for a permit shall contain all of the following:
 - a. Engineering drawings depicting the type of Facilities, Support Structure, and means and points at which such Facilities and associated Accessory Equipment will be attached to a Support Structure;
 - b. Map(s) designating with specificity the location(s) of the requested Facilities;
 - c. If the Facilities will be located on a Support Structure on the Right-Of-Way that is owned by any entity other than the City or the Applicant, a copy of any license, lease, agreement or other documentation evidencing that the owner of that Support Structure authorizes the Facilities to be attached thereto or agrees in principle to authorize that attachment, provided that, if a representation is made to the City that the attachment has been authorized in principle by the owner of the Support Structure but the Applicant subsequently fails to furnish the City documentation that finalizes any such agreement, the City may refuse to issue the requested permit until that documentation is provided, or, if the City issues the requested permit before receiving such final documentation, the subject permit may be revoked and any license to use that part of the Right-Of-Way be rescinded.
 - d. If the Applicant requests permission to place Facilities on a new Support Structure, the substantiation therefor required by Section 2, Paragraph B-7 of this ordinance.
 - e. An application shall not be deemed complete until the Applicant has submitted all documents, information, forms and fees specifically enumerated in this Ordinance that pertain to the location, construction, or configuration of the Facilities or Support Structures at the requested location(s). Within thirty (30) calendar days after an application for permit is submitted, the City shall notify the Applicant in writing if any

additional information is needed to complete that application or supplemental information is required to process the request. If the City does not notify the Applicant in writing that the application is incomplete within thirty (30) days following its receipt, the application is deemed complete.

2. Time for Processing Application. Unless another date is specified in a written agreement between the City and the Applicant, the City will have the following time periods to make its final decision to approve or disapprove an application for a permit contemplated in this ordinance and advise the Applicant in writing of that determination:
 - a. Sixty (60) calendar days from the date an application for a permit is filed with respect to a request to co-locate Facilities on an existing Support Structure; and
 - b. Ninety (90) calendar days from the date an application for a permit is filed with respect to a request to attach Facilities to a new Support Structure.

To the extent additional information is required to complete the application after it is filed, the applicable calendar day review period set forth in this subsection shall be tolled and not continue to run until the Applicant has provided any missing or requested supplemental information; provided that tolling shall not occur if the City does not advise the Applicant in writing of the incompleteness of a submitted application within thirty (30) days after that submission.

3. Reconsideration/Appeal. Any Applicant that desires reconsideration of an administrative decision by the City Manager to deny a request for a permit to place a Facility or Support Structure on the Right-Of-Way may seek review, modification or reversal of that decision by the City Council by submitting a request for reconsideration with the City Clerk within twenty-one (21) calendar days following the City Manager's decision. That request for reconsideration will be considered by the City Council at a regular Council meeting that will be conducted as soon as practical after the request for reconsideration is made. If no request of reconsideration is submitted, the decision of the City Manager will be final.

Additionally, the Applicant, within thirty (30) days following a decision by the City Council to deny either a) a request for reconsideration or b) a decision by City Council to not approve the placement of a new Support Structure on the Right-of-Way, may appeal either of those decisions by the City Council to the Circuit Court of Jefferson County, Alabama or Shelby County, Alabama, as applicable. If no appeal of those decisions of the City Council is made, those will be deemed final.

- D. Additional Requirements. Any Provider or Applicant to whom a permit is issued and that places Facilities and associated Support Structures on the Right-Of-Way also shall comply with the following requirements as long as those Facilities and Support Structures are on or under the Right-of-Way:
 1. Prior to installing the Facilities or Support Structures, the Applicant shall provide the City a certificate(s) of insurance evidencing that it has obtained and

will maintain the following types of insurance in connection with its operations on or use of the Right-Of-Way:

- a. General Liability Coverage insuring the risk of claims for damages to persons or property arising from or related to the installation, construction, maintenance, operation or any use of the Facility or Support Structure placed on or along the Right-of-Way by the Applicant (or any of their contractors) with minimum limits of \$1,000,000 per occurrence; and
- b. Workers Compensation Insurance as required by statute.

The General Liability coverage shall list the City of Vestavia Hills, Alabama as an additional insured, and may be provided through a combination of a primary and umbrella policies. All insurance policies shall be furnished by insurers who are reasonably acceptable to the City and authorized to transact business in the State of Alabama. On an annual basis following initial installation, the Applicant also shall furnish the City a Certificate indicating that the above-noted coverage remains and will remain in effect. The City shall allow the applicant to provide a certificate of self-insurance in lieu of these provisions and must affirm adequate financial security on the part of the self-insured entity.

2. All Facilities and associated Support Structures shall be installed, erected, maintained and operated in compliance with applicable federal and state laws and regulations, including, but not limited to, regulations of the FCC.
3. Following the installation of any Facilities and associated Support Structures, the Provider or Applicant, upon reasonable request and for good cause, shall furnish the City Manager a written certification from a licensed professional engineer in the State of Alabama stating that those Structures have been inspected and are being maintained, operated and used in compliance with all applicable laws and regulations, including those of the FCC that pertain to the transmission of wireless communication signals. For purposes of this provision, "good cause" shall mean circumstances have arisen that indicate the Facilities and associated Support Structures have been damaged, are not functioning in compliance with applicable laws and regulations, or otherwise pose a hazard to the public. If those Support Structures should fail at any time to comply with applicable laws and regulation, the Provider or Applicant, at either of their expense, shall cause those Structures to be brought into compliance with said laws and regulations within fifteen (15) days of the date of any written notice to them from the City Manager of non-compliance, or cease all personal wireless service operations related to those Structures until the Applicant or Provider comes into full compliance with said laws and regulations.
4. The Facilities and associated Support Structures must at all times be maintained in good and safe condition. On no more frequent than a triennial basis, the City Manager may request that the Provider or Applicant, at either of their expense, furnish certification from a professional engineer who is licensed in the State of Alabama that the Facilities and Support Structures are in sound condition. Should that engineer deem those Structures unsound, the Provider or Applicant

shall furnish to the City Manager a plan to remedy any unsafe conditions or structural defect(s) and take that remedial action at the Provider or Applicant's expense.

5. Each Applicant or Provider that applies for a permit to place Facilities (including the Accessory Equipment) and Support Structures on the Right-Of-Way and installs and utilizes those Structures shall defend, indemnify and hold the City and its employees or officials, harmless from all demands, losses, expenses (including attorney's fees and court costs), claims for personal injury or property damage, judgments or liabilities of any type that may be asserted or claimed against the City (or its employees or officials) by any third person, firm or entity that arise out of or relate in any manner to the following: 1) the installation, construction, maintenance, use or operation of the permitted Facilities, Accessory Equipment or any Support Structure on or about the Right-Of-Way; and 2) the failure of the Provider or Applicant to perform any of their respective responsibilities, obligations, and permit requirements in this ordinance. Notwithstanding the foregoing, the Provider or Applicant shall not be obligated to indemnify the City for claims resulting from the sole negligence or willful acts of the City (or its representatives).
- E. **Permit and License Fees.** The Applicant for a permit to place Facilities and associated Support Structures on the Right-of-Way shall pay the following types of fees that are enumerated in the City's officially adopted Fee Structure Ordinance, as amended:
1. A permit application and review fee to be paid when an application is submitted;
 2. A permit issuance fee for each Support Structure on the Right-of-Way contemplated for attachment; and
 3. An annual license fee per each Support Structure on the Right-of-Way pertaining to the ongoing use of public property.
- F. **Removal, Relocation or Modification of Small Wireless Facility in the Right-of-Way.**
1. **Ninety (90) Day Notice to Remove, Relocate or Modify.** Whenever the City reasonably determines that the relocation is needed as described below, then within ninety (90) days following written notice from the City, the Applicant shall, at its own expense, protect, support, temporarily or permanently disconnect, remove, relocate, change or alter the position of any small wireless Facilities within the Rights-Of-Way whenever the City has determined that such removal, relocation, change or alteration, is reasonably necessary for (excluding beautification-only projects), as follows:
 - a. the construction, repair, maintenance, or installation of any City improvement in or upon, or the operations of the City in or upon, the Rights-Of-Way; and/or
 - b. if required for the construction, completion, repair, relocation, or maintenance of a City improvement or project in or upon, or the operations of the City in or upon, the Rights-Of-Way; and/or
 - c. because the small cell Facility or its related equipment is interfering with or adversely affecting proper operation of any City-owned light poles, traffic signals, or other equipment in the Public Way; and/or
 - d. to protect or preserve the public health or safety.

- e. In any such case, the City shall use its best efforts to afford Applicant a reasonably equivalent alternate location. If Applicant shall fail to relocate any Equipment as requested by the City within a reasonable time under the circumstances in accordance with the foregoing provision, the City shall be entitled to relocate the Equipment at Applicant's sole cost and expense, without further notice to Applicant. If, at any time during the Term for which the permit is granted, the City determines that utility Facilities will be placed underground in an area including any City-owned Facilities upon which Applicant has installed Equipment, Applicant and the City will cooperate in good faith on the design and installation, at Applicant's costs, of suitable replacement of Applicant's Facilities, including decorative streetlight poles, provided that the City may not require an electric utility that is regulated by the Alabama Public Service Commission to install, move, remove, relocate, or modify its facilities, poles, attachments, or equipment in violation of the rules and regulations of the Alabama Public Service Commission; and Applicant agrees that if reasonably required by the City Manager or his designee or upon final appeal by the Vestavia Hills Design Review Board in order to ensure appropriately even and level lighting within a previously unlighted area, additional Facilities, which may include decorative streetlight poles beyond or more numerous than those required for Applicant's Facilities, shall be installed. Applicant agrees that decorative streetlight poles may be required by the City in the future in the place of initially-installed standard-design streetlight poles, in which replacement of the Applicant's Facilities and Equipment on decorative streetlights that were initially installed standard-design streetlight poles shall be solely at Applicant's cost. Further, Applicant agrees that in such instances and at such time as replacement poles are installed, the City may reasonably require that the configuration and/or location of ground furniture (which references any equipment on the ground that is needed to supply power or backhaul services to the small cell Facility) and/or pole-mounted equipment or equipment cages be changed (such as changing from pole-mounted equipment cages to ground furniture), in the discretion of the City.
2. Emergency Removal or Relocation of Facilities. The City retains the Right and privilege to cut or move any small wireless Facility or related structure located within the Rights-of-Way of the City, as the City may determine to be necessary, appropriate or useful in response to any public health or safety emergency. If circumstances permit, the City shall notify the Applicant and provide the Applicant an opportunity to move its own Facilities, if possible, prior to cutting electrical service or removing a Facility and shall notify the wireless Provider after cutting or removing a small wireless Facility.

Section 3. Placement of Small Cell Technology Facilities on Private Property.

- A. A Provider or Applicant must obtain a permit from the City before placing, installing, or constructing any Small Cell Technology Facility (and associated Accessory Equipment) on any Support Structure that is located on private property, or substantially modifying the position or characteristics of any such existing Facility thereon.
- B. The City Manager will review and administratively process any request for a permit to determine whether, in the exercise of the City Manager's reasonable discretion, it should be issued for the location and in the manner requested. In this process, the burden is on the Applicant to demonstrate that the placement of the proposed Small Cell Technology Facility and associated Accessory Equipment or Support Structure on private property is the minimal physical installation which will achieve the technological goal of enhancing the provision of personal wireless services. Except as set forth in this section, this permitting process will not require the approval of any City Board or City official other than the City Manager. The factors, guidelines and requirements that the City Manager may consider and will apply when determining whether to issue a permit for placement of Facilities and any associated Accessory Equipment or Support Structure on private property include, but are not limited to, the following:
1. The factors and requirements set forth in Section 2 of this Ordinance Number 2814;
 2. Colocation. The guidelines in Section 2 of this Ordinance Number 2814 to utilize existing poles and Support Structures for the placement of Facilities and Accessory Equipment are also applicable when considering whether to permit the installation of those Facilities and Support Structures on private property, provided that City Council approval is not required before a permit is issued to place a new pole or other Support Structure on private property if that action is appropriate.
 3. The Provider or Applicant shall use Stealth Technology when installing the Facilities and associated Accessory Equipment on any building or accessory to that building that is located on private property. Further, Stealth Technology should be used when placing Facilities on other types of Support Structures on private property unless the Applicant can reasonably demonstrate that, given the nature of the requested application, the use of such Technology is (a) unnecessary; or (b) impractical.
 4. If Facilities are placed on an existing or new building or accessory to that building, the following dimensional regulations shall apply:
 - a. Façade-mounted antennas shall not extend above the face of any wall or exterior surface of the building.
 - b. Roof-mounted antennas and Accessory Equipment may be permitted on buildings in accordance with the following table:

Height of Building	Maximum Height of Facility above Highest Point of Roof	Required Setback from Edge of Roof of Building
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Up to 15 feet	8 feet, including antenna	1 foot for every foot of height of equipment
15-35 feet	10 feet, including antenna	1 foot for every foot of height of equipment
More than 35 feet	12 feet, including antenna	1 foot for every foot of height of equipment

- c. The antenna component of the Facilities shall be limited to a maximum height of three (3) feet and a maximum width of two (2) feet; provided that authorization to install antenna up to six (6) feet in height may be permitted if a showing of the technological need for such equipment is made and other requirements of this Section are met.
- d. Accessory Equipment must be located in an equipment cabinet, equipment room in an existing building or in an unmanned equipment building. If the equipment building is freestanding, it shall conform to the Vestavia Hills Municipal Code with respect to building setbacks, that building shall not exceed 400 square feet, and its overall height shall be limited to 15 feet (if located on the ground) measured from the finished grade. Further, if an equipment building or cabinet is located in a residential zone, or the nearest adjoining property is in a residential zone, that building or cabinet shall be surrounded by landscaping to provide a screen of the same height as the building or cabinet.
5. Application Process. Except as provided in paragraphs a and b immediately below, the same application process that is set forth in Section >>>>>>> will be utilized when processing any request for a permit to place Facilities or Support Structures on private property, except that:
- City Council approval to install a new Support Structure on private property is not a condition for a permit to place Facilities thereon; and
 - If the Facilities are located on private property that is not owned or exclusively used by the Applicant, instead of providing the documentation contemplated in Section 2(c)(1)(c), the Applicant shall present a license, lease, agreement or other documentation indicating that owner of said property authorizes the Applicant the Rights to place the Facilities thereon and access thereto, or that such owner agrees in principle to grant the Applicant those Rights; provided that, if a representation is made to the City that the owner of private property has agreed in principle to grant those Rights but the Applicant subsequently fails to furnish the City documentation that finalizes any such agreement, the City may refuse to issue the requested permit until the documentation is provided, or, if the City issues the requested permit before receiving such final documentation, the subject permit and license may be revoked.
6. Additional Requirements. Any Provider or Applicant to whom a permit is issued and that places Facilities and associated Support Structures on private

property also shall comply with the following requirements as long as those Facilities and Support Structures are located thereon:

- a. All Facilities and Support Structures shall be installed, erected, and maintained in compliance with applicable federal and state laws and regulations, including, but not limited to, regulations of the FCC, the National Electric Safety Code, the National Electric Code, and any policies and procedures required of Support Structure owners.
 - b. At least triennially following the installation of the Facilities or associated Support Structures, upon reasonable request and for good cause, the Applicant shall furnish the City Manager a written certification from a professional engineer licensed in the State of Alabama indicating that those Structures have been inspected and are being maintained, operated and used in compliance with all applicable laws and regulations, including those of the FCC that pertain to the transmission of wireless communication signals, along with the requirements of the National Electric Safety Code, as applicable. For purposes of this provision, "good cause" shall mean circumstances have arisen that indicate the Facilities and associated Support Structures have been damaged, are not functioning in compliance with applicable laws and regulations, or otherwise pose a hazard to the public. If those Structures fail at any time to comply with said laws, ~~and~~ regulations, and codes, the Provider or Applicant shall cause those Structures to be brought into compliance with said laws and regulations within fifteen (15) days of the date of any written notice to either of them of such non-compliance, or cease all personal wireless communications operations related to those Structures until the Provider or Applicant comes into full compliance with applicable laws and regulations.
 - c. The Facilities and associated Support Structures on private property must at all times be maintained in good and safe condition.
- C. Permit and License Fees. The Provider or Applicant for a permit to place Facilities and associated Support Structures on private property shall pay the following types of fees that are enumerated in the City's officially adopted Fee Structure Ordinance as amended:
1. a permit application and review fee to be paid when an application is submitted; and,
 2. a permit issuance fee per each Support Structure on private property contemplated for attachment.

Section 4. Abandonment of Facilities on Right-of-Way.

If a Provider or Applicant abandons any Facility (including the Accessory Equipment) or an associated Support Structure (collectively "Facilities" for purposes of this Section) that is located on the Right-Of-Way, the following rights and obligations shall exist. The City may require the Provider or Applicant, at their expense, to remove and reclaim the abandoned Facilities within sixty (60) days from the date of written notice of Abandonment given by the City to them and to reasonably restore the condition of the property at which the Facilities are located to that

existing before they were installed. If the Provider or Applicant fails to remove and reclaim its abandoned Facilities within such 60-day period and the Facilities are located on the Right-Of-Way, the City shall have the rights to:

1. remove them and charge its expense of any such removal operation to the account of the Provider or Applicant,
2. purchase all abandoned Facilities at the subject location from the Provider or Applicant in consideration for \$1.00,
3. at the City's discretion, either resell the abandoned Facilities to a third party or dispose and salvage them; provided that the proceeds of any resale of abandoned Facilities by the City to a third party shall be credited to the account of the Applicant or Provider that used those Facilities before the abandonment, and
4. charge any expense incurred by the City to restore the Right-of-Way to the account of the Provider or Applicant.

Section 5. Colocation.

To promote the public interest that is served by co-locating Facilities and associated Accessory Equipment on existing Support Structures and thereby mitigating the installation of additional Support Structures throughout the City, and to the extent permitted by 47 U.S.C. 224, no person or entity (including any Provider, or Applicant, utility, or franchisee) that utilizes an existing Support Structure that is located on Right-of-Way or on private property in the City and has space available thereon may deny a Provider or Applicant the Right to use or access an existing Support Structure for purposes of attaching Facilities permitted by this ordinance without sound operational, technological or other good reason. Nothing in this Section shall be construed to grant mandatory access rights to any Support Structure to any Provider or Applicant where such access rights are not already granted by federal law. Nothing in this Ordinance shall affect, or be construed to affect, any pole attachment agreement between any Applicant or Provider and any owner, lessor, or controller of a Support Structure or Structure.

Section 6. Non-Applicability.

The placement of an antenna(s), Facilities or equipment related to the following types of wireless ~~communication~~ services are exempt from regulation under this ordinance:

- A. Amateur radio service that is licensed by the FCC if the Facilities related thereto are not used or licensed for any commercial purpose; and
- B. Facilities used by any federal, state or local government or agency to provide safety or emergency services. Further, the provisions in this Article are supplemental to, and not intended to alter, affect or modify the provisions in Article II of Chapter 16.5 pertaining to the placement or use of macro Telecommunications Towers.

Nothing in this Ordinance shall be construed to apply to the attachments, equipment, facilities, or business activities of an electric utility that is regulated by the Alabama Public Service Commission. This Ordinance also does not apply to the attachments, equipment, facilities, or business activities of such electric utility's parents, affiliates, or subsidiaries when they are acting in support of the electric utility, provided they are not acting as a Personal Wireless Service Provider or Provider.

Section 7. Repealer.

All Ordinances or parts of ordinances heretofore adopted by the City Council of the City of Vestavia Hills, Alabama that are inconsistent with the provisions of this Ordinance are hereby expressly repealed.

Section 8. Severability.

If any part, section or subdivision of this ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this ordinance, which shall continue in full force and effect notwithstanding such holding.

Section 9. Effective Date.

This ordinance shall become effective immediately upon adoption and posting/publication as provided by Alabama law.

DONE, ORDERED, APPROVED and ADOPTED this the 17th day of December, 2018.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca H. Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance Number 2814 is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Vestavia Hills on the 17th day of December, 2018, as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, Vestavia Hills New Merkle House and Vestavia Hills Recreational Center this the ____ day of _____, 2018.

Rebecca Leavings
City Clerk

ORDINANCE NUMBER 2940

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE AND DELIVER A SUPPLEMENTAL AGREEMENT NO. 2 WITH GRESHAM SMITH & PARTNERS AS ARCHITECT AND ENGINEER

WHEREAS, the City wishes to construct a pedestrian bridge (hereinafter referred to as “Bridge”) over U.S. Highway 31 South of Round Hill Road as a connection between Wald Park and the new Vestavia Hills Library in the Forest; and

WHEREAS, the Bridge will be constructed in the City of Vestavia Hills, Alabama on, in and above the right-of-way of U.S. Highway 31 South (the “construction site”), which is not owned by the City; and

WHEREAS, on September 27, 2011, the City and Gresham Smith & Partners (hereinafter referred to as “GSP”) entered into a Contract wherein GSP agreed to perform architectural and engineering services for the design of the Bridge for an in consideration of the payment of Two Hundred Eight Thousand Three hundred forty-one Dollars (\$208,341.00); and

WHEREAS, GSP performed design services and has been paid the sum of \$187,177.10 to date; and

WHEREAS, the City and GSP negotiated a Supplemental Agreement to the Contract between the City and GSP, dated September 23, 2011; and

WHEREAS, The City and GSP have agreed to the terms, provisions and conditions of that supplemental agreement and agreed that it is in the best parties interest that this agreement be reduced to writing; and

WHEREAS, on July 23, 2018, the City Council adopted and approved Ordinance Number 2777 authorizing the Mayor and City Manager to execute said Supplemental Agreement; and

WHEREAS, The City and GSP have negotiated a Supplemental Agreement No. 2 to the Contract and Supplemental Agreement between the City and GSP; and

WHEREAS, The City and GSP have agreed to the terms, provisions and conditions of that Supplemental Agreement No. 2 and agreed that it is in the best parties interest that this agreement be reduced to writing; and

WHEREAS, a copy of said Supplemental Agreement No 2 is marked as Exhibit A, attached to and incorporated into this Ordinance Number 2940 as if written fully therein; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to accept said Supplemental Agreement No. 2.

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

1. The Mayor and City Manager are hereby authorized to execute and deliver said Supplemental Agreement No. 2 marked as Exhibit A, attached to and incorporated into this Ordinance Number 2940 as if written fully therein; and
2. Said agreement shall be attested by the City Clerk with the City Seal; and
3. If any portion of this agreement shall be held unconstitutional, invalid or unenforceable, such holding shall not affect the remaining portions of this agreement nor render the remaining portions of this agreement invalid, and to that end the provisions hereof are declared to be severable.
4. This ordinance shall become effective immediately upon publication/posting pursuant to Alabama law.

ADOPTED and APPROVED this the 10th day of August, 2020.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance # 2940 is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Vestavia Hills on the 10th day of August, 2020 as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, Vestavia Hills New Merkle House and Vestavia Hills Recreational Center this the _____ day of _____, 2020.

Rebecca Leavings
City Clerk

STATE OF ALABAMA

JEFFERSON COUNTY

**SUPPLEMENTAL AGREEMENT NUMBER 2
BETWEEN OWNER AND ARCHITECT/ENGINEER**

WHITNESSETH THIS SUPPLEMENTAL AGREEMENT, made and entered into on this the _____ day of _____, 2020, by and between the City of Vestavia Hills, Alabama, a municipal corporation, as “Owner”, hereinafter referred to as “City”, and Gresham Smith (formerly Gresham, Smith & Partners in original Agreement), as “Architect/Engineer”, hereinafter referred to as “Gresham Smith.”

WHITNESSETH THESE RECITALS:

WHEREAS all Recitals contained in the original Agreement dated September 27, 2011 and the Supplemental Agreement dated October 23, 2018 for the design of a pedestrian Bridge, hereinafter referred to as “Bridge”, over U.S. Highway 31 South of Round Hill Road, hereinafter referred to as “Project”, remain in force unless specifically modified herein; and

WHEREAS Gresham Smith is required by ALDOT to perform additional utility coordination services and utility-related plan revisions; and

WHEREAS Gresham Smith and City agree that additional design services are needed prior to the construction of the Bridge; and **WHEREAS**, the City and Gresham Smith have agreed for Gresham Smith to perform the additional utility coordination and plan revision services for and in consideration of the payment of Thirty Five Thousand Four Hundred Fifty Eight Dollars (\$35,458.00); and

WHEREAS the City and Gresham Smith have negotiated this Supplemental Agreement to the Contract between the City and Gresham Smith, dated _____, 2020.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That in consideration of the mutual covenants, premises and promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged by each of the parties hereto, the city and Gresham Smith mutually agree as follows:

All terms and conditions of the Agreement between the City and Gresham Smith, dated September 27, 2011, as amended in the Supplemental Agreement dated October 23, 2018, remain in force unless modified herein:

6. PERFORMANCE OF THE WORK: Gresham Smith agrees to perform the additional services as described in Exhibit A to this Supplemental Agreement.

7. CONTRACT PRICE: As consideration for this agreement, the City agrees to pay Gresham Smith for the faithful performance of the work in this Supplemental Agreement the

sum of Thirty-Five Thousand Four Hundred Fifty-Eight Dollars (\$35,458.00). The total contract price for all services completed by Gresham Smith under the Agreement shall be Five Hundred Thirty-One Thousand One Hundred Fourteen Dollars (\$531,114.00). The breakdown of this Supplemental Agreement price by task is further identified in Attachment B to this Supplemental Agreement.

9. TERM OF THE CONTRACT: The term of the Supplemental Agreement shall be for a period of 12 months beginning on the date of the execution and delivery of this Supplemental Agreement.

IN WITNESS WHEREOF, the City of Vestavia Hills, Alabama, a municipal corporation, and Gresham Smith have caused this Supplemental Agreement to be executed by their duly authorized officers on this _____ day of _____, 2020.

OWNER:
CITY OF VESTAVIA HILLS, ALABAMA
A Municipal Corporation

By _____
Jeffrey Downes
Its City Manager

ATTESTED:

By _____
Rebecca Leavings
City Clerk

ARCHITECT/ENGINEER:
GRESHAM SMITH

By _____

ATTESTED:

By _____

February 20, 2020 *(Revised July 24, 2020)*

Mr. Christopher Brady, PE, City Engineer
City of Vestavia Hills
1032 Montgomery Highway
Vestavia Hills, AL 35216

Subject: Additional Utility Coordination
ALDOT Project No. DE-HPP-TAPBH-A104(916)
Pedestrian Bridge over US-31 at Wald Park
Vestavia Hills, AL (Jefferson County)
Gresham Smith Project No. 28668.00

Dear Christopher:

As you are well aware, the US-31 Pedestrian Bridge project has always been full of challenges. One of those challenges has been with the coordination of utilities for this project. We had high hopes that that we could move through the utility coordination and agreements process without any major issues, but that has not been the case. In our utility coordination efforts, we are largely at the mercy of all of the utility companies/owners and ALDOT as to how much time is required to coordinate the utilities and needed utility relocations, secure ALDOT approvals of the utility relocations and facilitate the necessary ALDOT utility agreements. We have run into a number of issues with the utility relocation that are beyond our control and have taken/are taking a considerable amount of time to resolve. These issues include:

- Determining the correct utility company/owner contacts for utility coordination.
- Utility companies/owners changing contacts during the course of utility coordination.
- Unresponsiveness from several of the utility companies/owners, particularly Birmingham Water Works Board (BWVB), AT&T, Charter/Spectrum and Jefferson County Environmental Services, that required us to place numerous calls and send numerous email to these utilities to coordinate the utilities.
- ALDOT requested that we update the 811 location ticket and provide to them.
- When the 811 ticket was updated, it showed MCI telecommunications has having facilities in the project limits. After finding a contact with MCI and having several calls and emails with MCI and ALDOT, they determined that they did not, in fact, have any facilities in the project limits.
- ALDOT's Birmingham Area Assistant Utility Manager, Daniel Pendley, did not approve the original BWVB water main relocation design and utility agreement. Pendley also advised that the water main relocation could not be included in the bridge construction project as originally planned.

- Coordinating with BWWB, ALDOT, and the City on how water main relocation would be designed, who would design, timeframe, cost, who fill fund relocation, utility agreements needed, etc.
- Additional utility coordination with BWWB and ALDOT on a revised location and design for the relocated BWWB water main to go around the elevator/stair tower.
- ALDOT ITS Reviewer (Jeff Little) asked us to move the relocated buried fiber optic line under the pedestrian bridge where the water main line was located (based on ALDOT's direction to relocate the BWWB water main behind the elevator/stair tower).
- ALDOT's Assistant Utility Manager, Daniel Pendley had multiple issues with BWWB's initial design and plans for relocation of BWWB water main (Dec 20th email from Daniel Pendley)
- Gresham Smith has continued to coordinate the BWWB water main relocation plans and addressing Pendley's comments with BWWB and ALDOT. Water main relocation plans were resubmitted to ALDOT in January 2020. Pendley continues to have multiple issues with design (Jan 30th email from Daniel Pendley).
- On October 4, 2019, ALDOT issued a new Construction Information Memorandum, CIM No 6-2019, that requires a minimum of 20' of horizontal clearance between the pedestrian bridge and overhead power lines. The horizontal clearance in our plans was approximately 17', which meets OSHA requirements, and was determined to be acceptable to Alabama Power Company in our initial utility coordination with them. However, ALDOT advised that the APCO lines must be de-energized or relocated to comply with their new CIM.
- Gresham Smith commenced additional utility coordination with Alabama Power Company (APCO) to determine if the overhead power line on the Wald Park side of the project could be de-energized or relocated to achieve the required 20' of horizontal clearance. We have also been coordinating this issue with the City, as the relocation of the APCO poles will be on the Wald Park property.
- Continuing to work with BWWB, ALDOT and the City to secure ALDOT's approval of the BWWB water main relocation plans. We anticipate that this may require several more submittals to ALDOT and coordinating with BWWB to address ALDOT's comments
 - Once ALDOT approves the water main relocation plans, Gresham Smith will coordinate with BWWB to obtain the required ALDOT utility agreement and submit to ALDOT for review and approval.
- Continuing to work with APCO, ALDOT and the City to secure ALDOT's approval of APCO's plan to temporarily relocate the overhead electric lines to obtain the 20' of horizontal clearance required by ALDOT.
 - Once ALDOT approves the APCO temporary relocation plans, Gresham Smith will coordinate with APCO to obtain the required ALDOT utility agreement and submit to ALDOT for review and approval.
 - Gresham Smith will coordinate with ALDOT, APCO and the other utility companies that are attached to the APCO poles (AT&T, Charter/Spectrum and MCI) to determine if the other utilities have to be relocated. If relocation of those utilities is required, we will work with those utilities to obtain the required ALDOT utility agreements and submit those to ALDOT for review and approval.
- Revise the utility certification and resubmit to ALDOT.
- Make revisions to the roadway and bridge plans to reflect the utility relocations. These plan revisions will include:
 - Updating the Utility Sheet with the relocated water main and relocated APCO overhead power line
 - Adding a pay item and quantity for removal of the existing BWWB water main
 - Adding notes to the ITS buried fiber optic relocation sheet advising the contractor of the location where the relocated fiber optic line must cross the relocated water main.
 - Adding details of the elevator sump discharge pipes to make sure that they do not conflict with the relocated water main

In Supplemental Agreement #1, we included eight (8) Senior Engineer hours (Blair Perry) and eight (8) Engineer hours (Leslie Corlett) for additional utility coordination. As of this date, we have spent 40 Senior Engineer hours and 138 Engineer hours coordinating the utilities with ALDOT, BWWB, APCO and you. Fortunately, at this point it appears that ALDOT has approved the APCO and BWWB Utility Agreements and the Utility Certificate for this project, and we can move forward with resubmitting the plans for a second ALDOT Construction Bureau review.

As stated above, the amount of time that we have spent on utility coordination is largely beyond our control. Given that we have significantly exceeded our budgeted time for utility coordination, Gresham Smith is requesting additional compensation in the amount of \$34,458 (not-to-exceed cost-plus billing) for the additional utility coordination work and plan revisions summarized above. Attached is an ALDOT fee proposal for the additional work for your review. **We appreciate the City's understanding of this issue. If you have any questions or would like to discuss this further, please don't hesitate to call or email me.**

Sincerely,

A handwritten signature in blue ink that reads "Blair C. Perry". The signature is written in a cursive, flowing style.

Blair Perry, P.E.
Project Manager
Alabama State Transportation Leader

BCP/lbc

7/24/2020

Alabama Department of Transportation

12:28 PM

Project Number DE-IBRD-A104(916) CPMS # _____ County Jefferson Description Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park Scope of work Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility Coordination Length 0.06 miles Consultant Gresham, Smith and Partners						
ROADWAY PLANS SHEET TITLE	NO OF SHEETS	ESTIMATED MAN-DAYS				COMMENTS / REVISIONS
		SENIOR ENGINEER		ENGINEER		
		SHEET	TOTAL	SHEET	TOTAL	
NOTE: SHEETS WITH NO CHANGES ARE HIDDEN						
PROJECT NOTE SHEET (Project)	1.00	0.10	0.10	0.25	0.25	Add utility coordination notes to Project Notes sheet
SUMMARY SHEET						
Main Summary	1.00	0.05	0.05	0.20	0.20	Add pay items and quantities for removal of old water main and roof/elevator stormwater discharges
SUMMARY BOX SHEETS						
Misc Boxes	0.50	0.10	0.05	0.25	0.13	Add summary box roof drainage & oil/water separator discharges
PLAN & PROFILE						
Main Roadway (Bridge Site Plan)	1.00	0.15	0.15	0.25	0.25	Add roof drainage and oil/water separator discharges in plan view
TRAFFIC CONTROL						
Sequence of Construction	0.50	0.10	0.05	0.50	0.25	Revise sequence to address utilities
UTILITY SHEETS						
Utility Locations	1.00	0.10	0.10	0.25	0.25	Update based on BWWB water main relocation prior to project and APCO temporary overhead electrical line relocation. Update utility contact information.
DRAINAGE SECTIONS						
Drainage Section for Elevator sump and oil/water separator discharge	1.00	0.15	0.15	0.50	0.50	Add drainage section to confirm that discharge pipes won't conflict with relocated water main.
REVIEW COMMENTS						
PS&E Inspection			0.75		0.75	PS&E spilled into second day due to ALDOT ITS reviewer could not attend first day
Construction Bureau resubmittal			0.15		0.75	Resubmit plans for ALDOT Construction Bureau
SUB-TOTAL						
	6.00		1.55		3.33	
TOTALS						
	6.00		1.55		3.33	

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners
Fee Proposal (Roadway Plans)	

PERSONNEL COST			
	Man-days x Daily Rate		
Project Manager (10% of Eng.)	0.33	\$ 557.76	\$ 184.06
Senior Engineer	1.55	\$ 557.76	\$ 864.53
Engineer / Engineer Intern / Technician	3.33	\$ 361.20	\$ 1,202.80
Clerical		\$ 203.00	\$ -
Total Direct Labor			\$ 2,251.39
Combined Overhead (%)	164.47		\$ 3,702.86
Out-of-Pocket Expenses**			\$ 33.63
Sub-Total			\$ 5,987.88
Operating Margin (10%)			\$ 598.79
Sub-Total			\$ 6,586.67
SUB-CONSULTANTS (attach man-day & fee FROM each sub-consultant; show total fee for each here)			
			\$ -
			\$ -
			\$ -
Subconsultant Administration Expense (5%)			\$ -
Sub-Total			\$ 6,586.67
Facilities Capital Cost of Money (% of Direct Labor)	0.91		\$ 20.49
TOTAL FEE			\$ 6,607.16

**See Grand Total Fee sheet

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility Coordination
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners

Out-of-pocket Expenses (Roadway Plans)

TRAVEL COST

Mileage Cost	Trips	Miles/Trip	\$/Mile	Total
Trips to Site (Vestavia Hills, AL)	1	15	\$0.575	\$ 8.63
Trips to ALDOT Birmingham Area Office	0	25	\$0.575	\$ -
	0	0	\$0.575	\$ -
	0	0	\$0.575	\$ -
Total Mileage Cost				\$ 8.63

Subsistence Cost	Days	# People	\$/Day	Total
Travel allowance (6 hour trips)	0	0	\$11.25	\$ -
Travel allowance (12 hour trips - meal provided by others)	0	0	\$20.00	\$ -
Travel allowance (12 hour trips)	0	0	\$30.00	\$ -
Travel allowance (overnight)***	0	0	\$75.00	\$ -
				\$ -
Total Subsistence Cost				\$ -
Total Travel Cost				\$ 8.63

PRINTING / REPRODUCTION COST

Type of printing/reproduction	# of Sets	Sheets/Set	Total Sheets	Cost/Sheet	Total
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
Total Printing/Reproduction Cost					\$ -

Communication Cost (telephone, fax, etc.)	Total
	\$ -

Postage Cost (overnight, stamps, etc.)	Total
Resubmit plans for ALDOT CN Review	\$ 25.00

Other (provide description on next line)	Total
	\$ -

Total Out-of-pocket Expenses	\$ 33.63
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Comments:

***You must have ALDOT approval for ANY overnight trips of less than 100 miles.

Project Number DE-IBRD-A104(916) **CPMS #** _____
County Jefferson
Description Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of work Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility Coordination
Length 0.06 miles
Consultant Gresham, Smith and Partners

ROADWAY PLANS SHEET TITLE	NO OF SHEETS	ESTIMATED MAN-DAYS				COMMENTS / REVISIONS
		SENIOR ENGINEER		ENGINEER		
		SHEET	TOTAL	SHEET	TOTAL	
UTILITY COORDINATION						
Additional Utility Coordination (thru 2/18/2020)			2.50		9.00	Additional utility coordination time above what was budgeted in SA#1 thru 2/17/20
Additional Utility Coordination (future)			1.75		7.50	Estimated additional utility coordination time above what was budgeted in SA#1 after 2/17/20
SUB-TOTAL			4.25		16.50	
TOTALS			4.25		16.50	

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners
Fee Proposal (Roadway Plans)	

PERSONNEL COST			
	Man-days x Daily Rate		
Project Manager (10% of Eng.)	1.65	\$ 557.76	\$ 920.30
Senior Engineer	4.25	\$ 557.76	\$ 2,370.48
Engineer / Engineer Intern / Technician	16.50	\$ 361.20	\$ 5,959.80
Clerical		\$ 203.00	\$ -
Total Direct Labor			\$ 9,250.58
Combined Overhead (%)	164.47		\$ 15,214.43
Out-of-Pocket Expenses**			\$ 73.60
Sub-Total			\$ 24,538.61
Operating Margin (10%)			\$ 2,453.86
Sub-Total			\$ 26,992.47
SUB-CONSULTANTS (attach man-day & fee FROM each sub-consultant; show total fee for each here)			
			\$ -
			\$ -
			\$ -
Subconsultant Administration Expense (5%)			\$ -
Sub-Total			\$ 26,992.47
Facilities Capital Cost of Money (% of Direct Labor)	0.91		\$ 84.18
TOTAL FEE			\$ 27,076.65

**See Grand Total Fee sheet

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility Coordination
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners

Out-of-pocket Expenses (Roadway Plans)

TRAVEL COST				
Mileage Cost	Trips	Miles/Trip	\$/Mile	Total
Trips to Site to meet with Utility Owners (Vestavia Hills, AL)	4	15	\$0.575	\$ 34.50
Trips to ALDOT Birmingham Area Office	2	25	\$0.575	\$ 28.75
Trips to City Hall (Vestavia Hills, AL)	1	18	\$0.575	\$ 10.35
	0	0	\$0.575	\$ -
Total Mileage Cost				\$ 73.60

Subsistence Cost				
	Days	# People	\$/Day	Total
Travel allowance (6 hour trips)	0	0	\$11.25	\$ -
Travel allowance (12 hour trips - meal provided by others)	0	0	\$20.00	\$ -
Travel allowance (12 hour trips)	0	0	\$30.00	\$ -
Travel allowance (overnight)**	0	0	\$75.00	\$ -
				\$ -
Total Subsistence Cost				\$ -
Total Travel Cost				\$ 73.60

PRINTING / REPRODUCTION COST					
Type of printing/reproduction	# of Sets	Sheets/Set	Total Sheets	Cost/Sheet	Total
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
Total Printing/Reproduction Cost					\$ -

Communication Cost (telephone, fax, etc.)	Total
	\$ -

Postage Cost (overnight, stamps, etc.)	Total
	\$ -

Other (provide description on next line)	Total
	\$ -

Total Out-of-pocket Expenses		\$ 73.60
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Comments:

***You must have ALDOT approval for ANY overnight trips of less than 100 miles.

7/24/2020

Alabama Department of Transportation

12:28 PM

Project Number DE-IBRD-A104(916) CPMS # _____ County Jefferson Description Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park Scope of work Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility Coordination Length 0.06 miles Consultant Gresham, Smith and Partners						
UTILITY RELOCATION PLANS SHEET TITLE	NO OF SHEETS	ESTIMATED MAN-DAYS				COMMENTS / REVISIONS
		ENGINEER		TECHNICIAN		
		SHEET	TOTAL	SHEET	TOTAL	
SUMMARY BOX SHEETS						
Utility Relocation (Water main)	0.25	0.10	0.03	0.50	0.13	Add summary box for removal of old water main
Utility Relocation (Buried Fiber Optic Line)						
UTILITY (WATER MAIN) RELOCATION SHEETS						
Plan sheet & details	1.00	0.15	0.15	0.50	0.50	Add Service tap and meter detail for water service for elevator
Water main profile						
UTILITY (BURIED FIBER OPTIC) RELOCATION SHEETS						
Coordinate location, clearances, sequence, etc w/ALDOT & BWWB						
Temporary Relocation Plan & Details						
Permanent Relocation Plan	1.00	0.25	0.25	0.25	0.25	
Design Details, Coordination with Bridge Foundations						
Notes						
SUB-TOTAL	2.25		0.43		0.88	
10% Supervision			0.04			
TOTALS	2.25		0.43		0.88	

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Supplemental Agreement #2 - Additional Utility Coordination and Plan Revisions due to Utility
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners
Fee Proposal (Utility Relocation Plans)	

PERSONNEL COST			
	Man-days	x Daily Rate	
Project Manager (10% of Eng.)	0.09	\$ 557.76	\$ 50.20
Senior Engineer	0.43	\$ 557.76	\$ 239.84
Engineer / Engineer Intern / Technician	0.88	\$ 361.20	\$ 317.86
Clerical	0.00	\$ 203.00	\$ -
Total Direct Labor			\$ 607.90
Combined Overhead (%)	164.47		\$ 999.81
Out-of-Pocket Expenses**			
Sub-Total			\$ 1,607.71
Operating Margin (10%)			\$ 160.77
Sub-Total			\$ 1,768.48
SUB-CONSULTANTS (attach man-day & fee FROM each sub-consultant; show total fee for each here)			
			\$ -
			\$ -
			\$ -
Subconsultant Administration Expense (5%)			\$ -
Sub-Total			\$ 1,768.48
Facilities Capital Cost of Money (% of Direct Labor)	0.91		\$ 5.53
TOTAL FEE			\$ 1,774.01

**See Grand Total Fee sheet

Project No.	DE-IBRD-A104(916)
County	Jefferson
Description	Pedestrian Walkway Over US-31 in Vestavia Hills Near Wald Park
Scope of Work	Coordination and Plan Revisions due to Utility Coordination
Project Length	0.06 Miles
Consultant	Gresham, Smith and Partners

Out-of-pocket Expenses (Utility Relocation Plans)

TRAVEL COST				
Mileage Cost	Trips	Miles/Trip	\$/Mile	Total
Trips to Site (Vestavia Hills, AL)	2	15	\$0.575	\$ 17.25
Trips to ALDOT Birmingham Area Office	0	25	\$0.575	\$ -
	0	0	\$0.575	\$ -
	0	0	\$0.575	\$ -
Total Mileage Cost				\$ 17.25

Subsistence Cost	Days	# People	\$/Day	Total
Travel allowance (6 hour trips)	0	0	\$11.25	\$ -
Travel allowance (12 hour trips - meal provided by others)	0	0	\$20.00	\$ -
Travel allowance (12 hour trips)	0	0	\$30.00	\$ -
Travel allowance (overnight)***	0	0	\$75.00	\$ -
				\$ -
Total Subsistence Cost				\$ -
Total Travel Cost				\$ 17.25

PRINTING / REPRODUCTION COST					
Type of printing/reproduction	# of Sets	Sheets/Set	Total Sheets	Cost/Sheet	Total
11"x17" checksets & submittals	25	#REF!	#REF!	\$ 0.53	#REF!
22"x34" Checksets	2	#REF!	#REF!	\$ 1.06	#REF!
	0	0.00	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
	0	0	0	\$ -	\$ -
Total Printing/Reproduction Cost					#REF!

Communication Cost (telephone, fax, etc.)	Total
	\$ -

Postage Cost (overnight, stamps, etc.)	Total
	\$ -

Other (provide description on next line)	Total
	\$ -

Total Out-of-pocket Expenses	#REF!
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Comments:

***You must have ALDOT approval for ANY overnight trips of less than 100 miles.