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**Vestavia Hills
City Council Agenda
September 27, 2021
6:00 PM**

1. Call to Order
2. Roll Call
3. Invocation – Don Richards, Vestavia Hills Chaplain
4. Pledge Of Allegiance
5. Approval Of The Agenda
6. Announcements, Candidates and Guest Recognition
7. Proclamation – National Down Syndrome Awareness Month – October 2021; and National Down Syndrome Day – October 1, 2021
8. Proclamation – Gynecologic Cancer Awareness Month – September 2021
9. City Manager’s Report
10. Councilors’ Reports
11. Approval Of Minutes – August 30, 2021 (Work Session) And September 13, 2021 (Regular Meeting)

Old Business

12. Ordinance Number 3037 – Rezoning – 2608, 2611, 2612, 2615, 2616, 2620 And 2627 Alta Vista Circle; Lots 3, 6, 7, 10, 11, 12 & 13, Altadena Valley Country Club Sector; Rezone From Shelby County E-1 And Vestavia Hills E-2 To Vestavia Hills R-2 For The Purpose Of True Compatible Zoning For Annexed Properties And To Ensure Consistent Zoning On Said Street; Deborah Dye, Et Al, Owners (*public hearing*)
13. Ordinance Number 3038 – Rezoning – 4224 And 4228 Oakview Lane; Lots 3 & 31, Block 2, New Merkle Heights; Rezone From Vestavia Hills Institutional To Vestavia Hills R-9 (Planned Residential District) For Construction Of Seven Townhomes; Cahaba Heights United Methodist Church; Owners; Jason Kessler, KADCO, representing (*public hearing*)

New Business

14. Ordinance Number 3027-A – An Ordinance To Amend Ordinance Number 3027 To Correct A Legal Description Of Property Annexed At 2621 Red Bud Lane; Jordan Hoffman, Owner
15. Resolution Number 5351 – A Resolution accepting the FY 2020 Audit for the City of Vestavia Hills
16. Ordinance Number 3040 – An Ordinance Authorizing The Mayor And City Manager To Execute And Deliver The Alabama Association Of Fire Chiefs Mutual Aid Consortium Agreement

New Business (Requesting Unanimous Consent)

17. Resolution Number 5350 – A Resolution Authorizing The City Manager To Make Application Through The FY 2022 Recreational Trails Program For Improvements To Altadena Valley Park *(public hearing)*

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

18. Resolution Number 5349 – A Resolution Authorizing The City Manager To Execute And Deliver And Easement Agreement With Cellco Partnership D/B/A Verizon Wireless To Grant An Easement On The Property Located At 509 Montgomery Highway, Aka Vestavia Hills Bill F. Towers Fire Station No. 1 *(delayed until October)*
19. Citizens Comments
20. Adjournment

SPECIAL NOTICE CONCERNING CITY COUNCIL MEETINGS

Due to the COVID-19 safety advice given by the ADPH, the City Council work sessions and meetings are available via video-conference and teleconference. If you choose 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/5539517181>. When the Zoom.us window opens in your browser, click “Allow” so that the page may open to a waiting room. The host will open the meeting and bring all into the meeting room at that time. 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

WORK SESSION

AUGUST 30, 2021

The City Council of Vestavia Hills met in regular work session on this date at 6:00 PM, following publication and posting pursuant to Alabama law. Social distancing along with limits of attendees, this meeting was held with a portion of Staff and general public/audience members attending via Zoom.com following publication pursuant to Alabama law. The Mayor called the meeting to order. The 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
***arrived at 3:13 PM*

OTHER OFFICIALS PRESENT:

Patrick H. Boone, City Attorney
Rebecca Leavings, City Clerk
Dan Rary, Police Chief
Marvin Green, Fire Chief
Brian Davis, Public Services Director*
Christopher Brady, City Engineer
Lori Beth Kearley, Asst. City Engineer
Sandi Wilson, Superintendent of Programs and Senior Services
Marvin Green, Fire Chief
Shawn Jackson, Asst. Fire Chief
Ryan Farrell, Asst. Fire Chief
Melvin Turner III, Finance Director*
George Sawaya, Asst. Finance Director
Darrin Estes, IT Director
Umang Patel, Court Director
Taneisha Tucker, Library Director
Keith Blanton, Building Official*
Cinnamon McCulley, Communications Specialist
**present via Zoom or telephone*

PROPOSED FY2022 BUDGETS FOR THE CITY

Mr. Downes explained the background of his proposed budget, emphasizing how this budget compares to what has been done in the past. Each department has submitted and will present a high-level brief as to the difference between last year's budget and this year's budget. Mr. Downes explained that this has been an extraordinary year for preparing this budget because of growth in revenues. Comparison shows a sustained growth in revenues despite detrimental conditions such as the pandemic and the unstable economy. This growth has allowed the City to address some challenges that needed funding. For employees, the proposed budget funds the merit increases, the longevity pay, covers increases in benefits and allows a 3% COLA. This will also allow some new hires in areas where there is a significant need. A summary sheet of the various funds was shown to the Council and explained by Mr. Downes. This included General Fund, special funds, etc. He indicated that each department will provide individual narratives for their budget requests.

Umang Patel, Court Director, explained the goals of the Court which included expansion of technology including utilizing aspects of cash bonding with the new credit card company. People will be able to pay citations along with being encouraged to use the website to get information to reduce phone calls. The new Court Technology fund will continue to progress toward a paperless system including demos and reviewing possible systems for easier integration with other city-based systems. Courts will continue to expanding use of retired officers to serve as bailiffs and other part-time positions.

Melvin Turner, Finance Director, explained that his budget contains a person to shadow Mr. Sawaya up until his retirement to allow a seamless transition. Also, a revenue examiner will be brought in to replace Mr. Seagrist who transferred to Homewood three years ago.

Rebecca Leavings, City Clerk, indicated that her budget reflected increased training opportunities for her staff.

Mrs. Cook stated that the City Council can also take advantage of training offered by the League of Municipalities. She said this training is very valuable. Ms. Leavings stated the budget reflects funding for that training.

Mr. Estes stated that they are looking at an expanded solution for on-site data storage that is currently running at about 86% capacity. A new device will be installed to reduce this to 46% capacity. Data will be housed off-site so if City Hall is destroyed that data can be restored.

Mrs. Cook asked about digital document imaging and storage. Mr. Estes explained a plan for keeping documents in-house, with a centralized index system that will aid in transitioning to larger, more comprehensive document storage in the future. He explained that the City will begin scanning with the City Clerk's documents and move from there.

Mr. Downes explained about the cyber-liability and the prerequisites of coverage which includes redundancy of services.

Mr. Estes explained the dual authenticity of log-in to emails that will begin soon. This will include mandatory training for all employees, including councilors who use city emails and devices.

Keith Blanton, stated that his budget is basically status-quo and that he slightly reduced his training because the code training was handled last year.

Mrs. Cook asked if employees receive training on the changes within the Code.

Mr. Blanton stated that they have resources that identify significant code changes. Most training is done through collaboration with other inspectors.

Mr. Pierce asked if permit holders are satisfied with response times.

Mr. Blanton stated they stay one to two days out on inspections and he finds that satisfactory.

Chief Rary explained that the VHPD budget accomplished three goals. He explained that they anticipate reduced call times, with the Patchwork Farms area still lagging a bit behind. He explained that they decided to keep the take-home car policy, with 70% of all patrol officers having a take-home car, while 100% of officers will have a car eventually. He indicated that the generous benefits package means we continue to see choice, well-qualified officers coming to work for the City.

Mr. Downes stated that the one-to-one car assignment requires funding and explained how that has been funded over the last two years. He stated that the Council has allowed the surplus from previous years to be split with half going to the General Fund and half to the Capital Fund. He stated that same approach will be recommended this year in order to fully fund that effort.

Mr. Pierce commended the Police Department on the events that occurred in Hoover last night and the actions our officers took in assisting.

Mrs. Cook asked about reduced overtime and how it helps the officers. Chief Rary explained that their goal is to further reduce overtime as it is a benefit to the City and the department. Reducing overtime means less vacation of compensated time is banked, meaning that if an officer were to leave employment, the City has to pay less compensatory time and vacation pay. In the past, large payouts of banked time has caused gaps in replacing officers because the City makes an effort to pay out the banked time before replacing officers.

Mr. Pierce asked about the SRO program and time off. Chief explained that the SRO's work out all their time in the summer and it is expended by August 1.

Chief Green explained the requested budget of the VHFD. He stated that they kept most line items basically the same with a few line items changing. The fire station One capital improvements had to be revised due to shortages of labor and materials, meaning higher prices.

Other capital improvement projects and a rescue unit are included in this budget. The rescue unit will not be delivered until the next year but must be ordered now because of slow build-out times. A logistics person for administration is requested which will improve the efficiency of staffing and scheduling. He explained the increases in employees and training needed.

Mrs. Cook asked about the number of increased calls from 2008. Chief Green explained they are tracking 5300 this year vs 3000 a few years ago mostly due to the addition of new senior care units.

Mr. Pierce asked about transport units. Chief Greene explained they will be receiving one additional unit soon but some are on life support.

Mrs. Cook asked about the training facility. Chief Green stated that they are gearing up on the site. They have drawings and are ready to move dirt. The facility will be shared with multiple departments.

Chief Green stated there are no significant budget changes to the E-911 services. Mr. Downes explained that is primarily funding Shelby County dispatch along with certain radio purchases.

Mrs. Cook asked about swift water rescue. Chief Green stated that locally there are plenty of municipal resources but that is not the norm across the country.

Christopher Brady, City Engineer, gave a brief overview of the budgets for Public Services including the opening of the new Civic Center and increased senior adult activities, focusing on new personnel, effective maintenance, and increased programming. An additional engineering assistant is requested to allow for better coverage of engineering inspections. Increased revenues are also expected from stormwater permits which will help to fund this position. There is a 23% increase for street resurfacing programs including nine miles of resurfacing next year. There is a \$150,000 line item presented, for the first time, to fund routine stormwater replacement projects. The budget funds expanded grass-cutting for various locations, including Altadena, as well as capital projects to replace turf. New staffing needs include a supervisory position for park operations.

Mr. Pierce asked about increased parking at Altadena Valley Park. Mr. Downes explained that Mr. Boone is working on some legal work needed to secure that parking along with meetings with Jefferson County over uses of the former fairways. Tony Renta has been working on some landscaping plans to include some natural wildflower areas. With the rain and the rapid growth this year, the City has fallen behind with mowing.

Discussion ensued regarding plans for the Altadena Valley Park, SHAC, and other park areas. Mr. Downes explained.

Mrs. Cook asked about the specific \$150,000 repair of storm water infrastructure. Mr. Brady explained that this would fund critical repairs as needed.

Mr. Downes stated that there are a couple of repairs coming to the Council over and above this funded amount, and these include Kyle Lane.

Mrs. Cook asked about the duties of the employee on the executive level, Director of Parks and Recreation. Mr. Downes stated that that will be a search for someone to lead the Parks and Recreation within the Public Services Department. Discussion ensued for the duties of that position. Mrs. Cook asked for an updated organizations chart to show who would report to the new employee and the new employee's duties.

Mrs. Cook asked about the role of "athletic coordinator." Ms. Wilson stated that these would oversee individual recreational sports including baseball, soccer, and others. This person will be a liaison between the City and each sport association. She stated that this will provide the additional benefit of facility monitors for both indoor and outdoor events.

Mr. Weaver asked about parking for the Miracle League field.

Mr. Downes stated that the parking for the last season had construction going on but there is disabled parking at the flat area immediately adjacent to the field. During events, monitors ensure those spots are reserved for the handicapped. With construction coming to an end, this should free up parking and Phase III parking additions should help, once completed. Discussion ensued that maybe the Miracle League participant cars should have some type of identifier.

The Mayor indicated that the City does need to enforce handicapped parking.

Mr. Pierce asked about speed indicators in the parking areas and Wald Park roadways.

Mrs. Cook asked about plans to ensure the new facilities are maintained properly. She gave a specific example of the disrepair of the walking trail at SHAC. Mr. Downes stated that athletic coordinators and monitors would be responsible for reporting maintenance needs. Mrs. Cook emphasized that the new parks supervisor should be responsible for periodic inspections of facilities to ensure proper maintenance.

Mr. Pierce stated that the new Civic Center will need to be staffed with individuals who understand the needs of that building's programs, as this facility's program will encompass much more than just athletics.

Mrs. Cook asked about the ratio of revenues expected to be generated by the facility and programs compared to the cost of new personnel. Mr. Downes stated that the new revenues will not pay for all of the new employees, but we anticipate a healthy growth in revenues in excess of \$500,000.

Mr. Pierce urged that the Civic Center's opening be done correctly. Mr. Downes explained the new employee over that facility has a lot of experience and it should be done very well.

Mr. Pierce asked about the naming of the various rooms. Mr. Head stated that the Park Board needs direction on that issue. Mr. Downes suggested that the topic be discussed in a Work Session at a later date.

Mrs. Cook discussed branding efforts of cities and stated that she has not received positive feedback about the “Life Above” motto. After attending an ALM seminar on new branding efforts in new cities, she desires a brand with a modern feel. She suggested a “catch phrase” that could appear in different expressions for various programs and facilities in the City.

Cinnamon McCulley explained the Communications budget. She stated that she has begun subtly added new brand ideas into various city websites including newer logos for Parks and Recreation. She stated she has been bringing in new ideas slowly. She indicated that the City needs to avoid doing anything that is too trendy or it will require frequent changes. She gave as examples of the recent adaptions including expanded color palettes to create a more up-to-date look.

Mrs. Cook stated she would like to see branding that is more appealing to the younger families in the City. She stated that the new Parks website will have some of those elements. She stated that she will continue to meet with Park Board representatives to hone the website for launching at a later date. She said it will be great.

Mrs. McCulley stated the City has not increased the budget for branding but there is some funding for photography and graphic design work. She indicated they have not used it before, but will use it when needed.

Taneisha Tucker explained her budget requests for the Vestavia Hills Library in the Forest with includes technology upgrades with a laptop bar and individual solitary seating. It includes updating public-use computers which are out of warranty and programming enhancements. She stated they would like two personnel upgrades to upgrade the page positions to assistants. This will reduce turnover rates and result in better services.

Mr. Pierce asked about the cost of program admissions. Mrs. Tucker stated their programs are a free service.

Mrs. Cook asked about which services will be resumed. Mrs. Tucker stated they wanted to add back some outdoor family programming which had been cut a few years ago. Mrs. Cook asked whether the public-use computers are monitors or personal computers. Mrs. Tucker explained and also indicated how the computers are filtered through the library association’s software filters.

Mr. Pierce asked about enhanced lockboxes for books. Mrs. Tucker stated they believe the lockers at Liberty Pharmacy are fine but could use a set at Cahaba Heights.

Mrs. Cook asked about the HVAC systems. Mr. Downes explained.

Mr. Pierce stated that he believes the library is a great asset to the City.

Mr. Downes stated that one of the non-departmental questions was what to budget for the public transit system. He stated that the Chamber solicited feedback concerning the usage for ridership services along Montgomery. He showed the response of 9.5% usage and 90.5% did not use public transit. However, in ranking the need for the service, a relatively small number of people rely upon public transit. A third question queried the need to increase funding for public transit services. Based on these responses, the budget provides level funding for BJCTA. Mr. Downes stated that he sent the survey results to the Council earlier today to support the discussion for whether the Council desires a change in the proposed budget.

Mrs. Cook stated that she would like to see a more widespread survey to query resident needs for transit services and she would like to know more about how other cities utilize transit so we can understand how our decisions for expanded routes affect other cities.

Mr. Downes suggested a Vestavia Listens survey. Mrs. Cook stated that would be great. The Mayor stated that some of the people using the services are not from Vestavia, but might work here.

Mr. Downes stated that a change in service could not be accomplished by October 1 anyway so this could be an ongoing conversation. Mr. Pierce suggested that Mr. Harwell get with the BJCTA Board and come back to the Council with suggestions.

Mr. Head stated he feels that the City Manager should have more discretion for approving expenditures outside the budget to address needs of the City that demand immediate attention. Currently, the threshold is \$5,000. He stated that, in a \$50 million budget, the threshold should be higher.

Mr. Pierce commended the actions of the residents, the staff, and everyone else in pulling together a large budget this good. Mr. Downes added that holding strategic planning sessions annually to set goals helps, and that many cities neglect to do this kind of planning.

Mrs. Cook explained budgeting and how it is a year-long process.

There being no further business, the work session adjourned at 5:07 PM.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CITY OF VESTAVIA HILLS

CITY COUNCIL

MINUTES

SEPTEMBER 13, 2021

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. A number of staff and general public/audience members also attended virtually, via Zoom.com, following publication pursuant to Alabama law. The Mayor called the meeting to order. The City Clerk called the roll with the following:

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Paul Head, Councilor

OTHER OFFICIALS PRESENT:

Jeff Downes, City Manager
Patrick H. Boone, City Attorney
Rebecca Leavings, City Clerk
Dan Rary, Police Chief
Marvin Green, Fire Chief
Brian Davis, Public Services Director*
Sandi Wilson, Superintendent of Programs and Senior Services
Keith Blanton, Building Official*
Darrin Estes, IT Director*
Christopher Brady, City Engineer
Melvin Turner III, Finance Director*
George Sawaya, Asst. Finance Director
Cinnamon McCulley, Communications Specialist

**present via Zoom or telephone*

David Phillips, Vestavia Hills City Chaplain, led the invocation which was followed by the Pledge of Allegiance.

APPROVAL OF THE AGENDA

The Mayor opened the floor for a motion of approval of the agenda as amended to move Item 20 to First Reading.

MOTION Motion to amend the agenda moving Resolution Number 5349 to a first reading was by Mr. Weaver seconded by Mr. Pierce. Roll call vote was, as follows:

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

MOTION Motion to approve the agenda as amended was by Mr. Weaver seconded by Mr. Pierce. Roll call vote was, as follows:

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

ANNOUNCEMENTS, CANDIDATES, GUEST RECOGNITION

- Mr. Pierce welcomed Clabe Dobbs and Kelly Botcher, representing the Vestavia Hills Chamber of Commerce Board.
- Mr. Pierce pointed out that the new 2021 *Vestavia Hills Magazine* was just mailed to every household. He stated that it is a great read and a great resource and encouraged everyone to read theirs when it arrives.
- Mr. Pierce announced that this is the second year for the Rotary’s “Hike the Hills” event. He stated the event is entering the halfway point and will end in September. Proceeds will benefit Vestavia Hills students. Many businesses are giving discounts for wearing the Hike the Hills t-shirt. He encouraged everyone to participate and walk all five courses.

PROCLAMATION

The Mayor presented a Proclamation designating September 17-23, 2021 as “Constitution Week.” Mr. Downes read the Proclamation aloud and the Mayor presented it to following individuals, members of the Daughters of the American Revolution: MaryAnn Lambert and Cindi Akins, Cahawba Chapter; Emily Blount, General Sumter Chapter; and Jessie Schniper, Sehoy Chapter and on behalf of John Park Custis Chapter, Birmingham Territory Chapter and Oak Mountain Chapter, which were unable to have representatives at the meeting.

PROCLAMATION

The Mayor presented a Proclamation designating September 20-24, 2021 as “Love Your Neighbor Week.” Mr. Downes read the Proclamation aloud and the Mayor presented it to members of the Vestavia Hills High School Habitat for Humanity Club: Rebecca Berry, President, Nathaniel Bass, President Emeritus and Molly Steur, VP Emeritus.

CITY MANAGER'S REPORT

- Mr. Downes stated the Council's regular work session is scheduled for next Monday and he plans for Chris Williams, the City's Financial Advisor, to present a recommendation for refinancing some older debt for a better interest rate. He indicated the entire TCU team will be present to discuss some additional options for the Civic Center.

COUNCILOR REPORTS

- Mrs. Cook stated she held a Coffee and Conversation which was attended by six people where they discussed various issues within the City. She stated her coffees had been suspended because of the pandemic, but that she hopes to resume these events regularly.
- Mrs. Cook stated both she and the Mayor attended the Patriot Day Ceremony held at Mountain Brook City Hall. The speaker was Col. Brian Hastings who heads the Alabama EMA.
- Mr. Pierce stated that he will attend the Chamber's luncheon tomorrow featuring the Mayor's annual State of the City address.
- The Mayor stated that the 9-11 ceremonies, which were held this past weekend, are a combined effort with Mountain Brook and Homewood. Next year, the ceremony will be here at City Hall. He asked people to remember the lingering effect on the number of first responders who survived the catastrophe that day. The fumes, dust and gases from that day still greatly affect many of these first responders.
- Mr. Weaver reported that the Planning and Zoning Commission had its meeting last week. He stated that there was one rezoning request for construction of an oil change facility and was tabled until next month after much discussion.

FINANCIAL REPORTS

Mr. Sawaya presented the financial reports from July 2021. He read and explained the balances.

Mrs. Cook stated that the rate of sales tax revenue increase is remarkable. The Mayor asked about the sales tax increase and asked if it was due to the 1% increase.

Mr. Downes stated what the Council is observing is not due to the 1% sales tax increase, but an actual increase in sales tax collections because of increased sales in the City, primarily grocery sales and the SSUT.

Mrs. Cook explained that, while SSUT revenue is great to have, our City likely misses out on remote sales compared to brick-and-mortar sales because SSUT is distributed per capita and not according the dollars actually spent by Vestavia Hills residents on online purchases.

UPDATE ON COMMUNITY SPACES PROJECTS

Raynor Boles, TCU Consulting, updated the Council on each of the following Community Spaces projects:

- Wald Park, Phase II is at its completion. There is some retainage that should be paid out soon after completion of a few punch and warranty items. He stated that the job site trailer should have been pulled today but he has not been able to confirm that. Once that is gone, the area will be cleaned and planted. He explained that installation of the sunscreens are tied into the budget approvals for next year. He explained that the City will take a credit from this construction contractor and apply it to the next phase. He stated that the dugouts have fans installed and he has not gotten any negative feedback on air flow. Mr. Weaver stated he had not heard about the fans, and all he hears about are the condition of the fields. Discussion ensued regarding how much of a credit the City would expect. Mr. Boles explained.
- Wald Park, Phase III has to be explored because the bid numbers were too far above budget. He stated that they are still working on a new plan including a major scope reduction. He stated that the moment he has better numbers he will report back to the Council. Discussion ensued.
- Crosshaven Drive, with the addition of a third lane, at just under \$3 million in improvements, has been completed. He stated that some of the sidewalks are also completed. Landscaping will be installed this month. Paving will begin soon in a few sections. The area in front of the new Chick-Fil-A has been widened to three lanes but there will likely still be construction ongoing when they open. He stated the third lane addition will help to keep traffic going, and it is the best they can do. Mr. Boles stated that they are doing everything within their power but there will need to be some manual traffic control there after they open. He stated that the water tie-ins are being constructed and, when they are done, they can begin construction of sidewalks on the west side. There will be a lot of work being done at that time.
- Civic Center: \$9.25 million in improvements are completed. He stated they are working through the finishing stages of that job, which is a slower process. Metal panels and overhead lighting are being installed along with tiling in the restrooms. The bridge from the building to City Hall is scheduled for construction later this month. Some of the steel has arrived but they expect the rest to arrive sometime this week. He stated that construction supplies are just very difficult to obtain. Discussion ensued regarding when the building will be turned over to the City, the staffing and marketing of the building, and other topics. Mr. Downes explained that it is impossible to design marketing materials and plans when opening date and remaining challenges during construction are still unknown.

APPROVAL OF MINUTES

The Mayor opened the floor for approval of the following minutes: August 23, 2021 (Regular Meeting).

MOTION Motion to approve the minutes of August 23, 2021 was by Mrs. Cook and seconded by Mr. Weaver. Roll call vote as follows:

Mrs. Cook – yes
Mr. Weaver – yes

Mr. Pierce – yes
Mayor Curry – yes
motion carried.

OLD BUSINESS

ORDINANCE NUMBER 3033

Ordinance Number 3033 – Approving The Final 10% Of The FY 2021 Budgets For The City Of Vestavia Hills (*public hearing*)

MOTION Motion to approve Ordinance Number 3033 was by Mr. Pierce and seconded by Mr. Weaver.

Mr. Downes explained that this authorizes the final 10% of last year's budget and the next item on the agenda will be the approval of 90% of the next year's budget.

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

Mrs. Cook – yes
Mr. Weaver – yes

Mr. Pierce – yes
Mayor Curry – yes
motion carried.

ORDINANCE NUMBER 3034

Ordinance Number 3034 – Approving FY 2022 General And Special Funds Budgets For The City Of Vestavia Hills (*public hearing*)

MOTION Motion to approve Ordinance Number 3034 was by Mr. Weaver and seconded by Mr. Pierce.

Mr. Downes stated there have been no changes since the discussion at the previous meeting.

Mr. Pierce pointed out a clerical error in the preamble to reflect the correct year. Ms. Leavings indicated that will be corrected prior to posting.

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

Mrs. Cook – yes
Mr. Weaver – yes

Mr. Pierce – yes
Mayor Curry – yes
motion carried.

RESOLUTION NUMBER 5344

Resolution Number 5344 – Approving A Three Percent Cost Of Living Increase For The Employees Of The City Of Vestavia Hills

MOTION Motion to approve Resolution Number 5344 was by Mr. Weaver and seconded by Mrs. Cook.

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

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

RESOLUTION NUMBER 5345

Resolution Number 5345 – Approving Financing Terms For Equipment And Vehicles Purchased In FY 2022

MOTION Motion to approve Resolution Number 5345 was by Mr. Weaver and seconded by Mrs. Cook.

Mr. Downes explained that interest rates for equipment financing was solicited from area leasing agents and this Resolution authorizes the best interest rates for FY 2022 which was BB&T Bank.

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

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

NEW BUSINESS

RESOLUTION NUMBER 5347

Resolution Number 5347 – A Resolution Approving An Alcohol License For Grand Cantina LLC D/B/A Grand Cantina Bar And Grill For The On-Premise Sale Of 020-Restaurant Retail Liquor; Jaime Antonio Hernandez Sanchez And Alonso Hernandez Sanchez, Executives (*public hearing*)

MOTION Motion to approve Resolution Number 5347 was by Mr. Weaver and seconded by Mrs. Cook.

Jaime Sanchez and Alonzo Sanchez were present in regard for this request. Mr. Sanchez thanked the Council for consideration and indicated this was a new restaurant in the City and that they run other businesses in other cities.

Mr. Pierce asked about training of employees.

Mr. Sanchez explained that they use the responsible vendor training and ensure that each of their employees identify the age of anyone being served liquor.

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

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

RESOLUTION NUMBER 5348

Resolution Number 5348 – 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 5348 was by Mr. Weaver and seconded by Mr. Pierce.

Mr. Downes explained that this property is at the end of use.

Mrs. Cook asked about the disposal of the rifles. Chief Rary explained they are exchanging these with the Warrior PD and the new weapons will give them varying capabilities. The exchange will bring the City new equipment.

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

Mrs. Cook – 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)

- Resolution Number 5349 – A Resolution Authorizing The City Manager To Execute And Deliver And Easement Agreement With Cellco Partnership D/B/A Verizon Wireless To Grant

An Easement On The Property Located At 509 Montgomery Highway, Aka Vestavia Hills Bill F. Towers Fire Station No. 1

- Ordinance Number 3037 – Rezoning – 2608, 2611, 2612, 2615, 2616, 2620 And 2627 Alta Vista Circle; Lots 3, 6, 7, 10, 11, 12 & 13, Altadena Valley Country Club Sector; Rezone From Shelby County E-1 And Vestavia Hills E-2 To Vestavia Hills R-2 For The Purpose Of True Compatible Zoning For Annexed Properties And To Ensure Consistent Zoning On Said Street; Deborah Dye, Et Al, Owners (*public hearing*)
- Ordinance Number 3038 – Rezoning – 4224 And 4228 Oakview Lane; Lots 3 & 31, Block 2, New Merkle Heights; Rezone From Vestavia Hills Institutional To Vestavia Hills R-9 (Planned Residential District) For Construction Of Seven Townhomes; Cahaba Heights United Methodist Church; Owners; Jason Kessler, KADCO, representing (*public hearing*)

CITIZEN COMMENTS

None.

At 7:00 PM, Mrs. Cook made a motion to adjourn. The meeting adjourned at 7:01 PM.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

WHEREAS, Down syndrome is the most frequently occurring chromosomal disorder and is the leading cause of intellectual and developmental delay in the United States; and

WHEREAS, approximately one in every 691 children are born with Down syndrome, representing an estimated 5,000 births per year in the United States with approximately 85 of those annual births occurring in Alabama; and

WHEREAS, today through the efforts of parents, activists, advocacy organizations and self-advocates, people with Down syndrome are offered transition services and vocational training; have meaningful relationships and experience a life of inclusion and rewarding independence; and

WHEREAS, yet despite significant increases in lifespan and intellectual opportunities over the past decade, there is still much work to be done regarding the rights to equality, education, medical care, research, employment and support for people with Down syndrome; and

WHEREAS, all citizens are encouraged to work together to celebrate the lives of individuals with Down syndrome, recognize their accomplishments, promote awareness and remember to appreciate and regard every individual with dignity as a valued member of the community.

NOW, THEREFORE, I, Ashley C. Curry, by virtue of the authority vested in me as Mayor of the City of Vestavia Hills in the State of Alabama, do hereby proclaim October 1, 2021 as Down Syndrome Day and the month of October 2021 as

**NATIONAL DOWN SYNDROME
AWARENESS MONTH**

in the City of Vestavia Hills to support the initiatives of organizations working to ensure people with Down syndrome have adequate services, are valued by society and can lead fulfilling and productive lives in our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Vestavia Hills to be affixed this the 27th day of September 2021.

Ashley C. Curry

Ashley C. Curry
Mayor

WHEREAS, gynecologic (GYN) cancers are among the leading cancer killers of women in the United States, and more than 107,000 women will be diagnosed, and more than 31,000 women will die from these diseases this year and the absence they leave in our hearts will be deeply felt forever; and

WHEREAS, the Laura Crandall Brown Foundation and their “State of Teal” initiative brings awareness of all GYN cancers to the people throughout the State of Alabama; and

WHEREAS, the good health and well-being of women in our state and the City of Vestavia Hills are enhanced by increased awareness of GYN cancers and their symptoms and treatments; and

WHEREAS, it is also crucial that all women in our state and the City of Vestavia Hills take an active role in learning the symptoms and risk factors associated with GYN cancers, developing healthy habits, and undergoing regular medical examinations so that any occurrence of these diseases may be detected in their early and treatable stages; and

WHEREAS, we reflect upon the memory of those lost to these diseases, the bravery of those currently battling these diagnoses, and the need for increased awareness, screening, and research so that the women of our state and the City of Vestavia Hills might be spared from them in the future, and encourage all citizens to work together to raise awareness of GYN cancers;

NOW, THEREFORE, I, Ashley C. Curry, by virtue of the authority vested in me as Mayor of the City of Vestavia Hills in the State of Alabama, do hereby proclaim September 2021 as

GYNECOLOGIC CANCER AWARENESS MONTH

throughout Vestavia Hills and encourage all residents to work together to raise awareness of GYN cancers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Vestavia Hills to be affixed this the 27th day of September 2021.

Ashley C. Curry

Ashley C. Curry
Mayor

ORDINANCE NUMBER 3037

AN ORDINANCE TO FURTHER AMEND THE ZONING ORDINANCE AND THE ZONING MAP OF THE CITY OF VESTAVIA HILLS, ALABAMA, ADOPTED SEPTEMBER 16, 1985, AND AS LAST AMENDED SO AS TO CHANGE THE CLASS OF DISTRICT ZONING OF PROPERTY FROM SHELBY COUNTY E-1 AND VESTAVIA HILLS R-1 TO VESTAVIA HILLS R-2

BE IT ORDAINED by the City Council of the City of Vestavia Hills, Alabama, as follows: That the Zoning Ordinance and Zoning Map of the City of Vestavia Hills, Alabama, adopted September 16, 1985, and as last amended so as to change the class of district zoning of the following described property from Shelby County E-1 and Vestavia Hills E-2 (single-family residential estate district) to Vestavia Hills R-2 (medium density residential district):

2608, 2611, 2612, 2615, 2616, 2620 and 2627 Alta Vista Circle
Lots 3, 6, 7, 10, 11, 12 & 13, Altadena Valley Country Club Sector
Deborah Dye, Kent & Sina Skates, Evan & Courtney Bradley, Marvin & Stacey Green,
Joy Sweitzer, Lynda Montana and Douglas & Linda Blake, Owners

APPROVED and ADOPTED this the 27th day of September, 2021.

Ashley C. Curry
Mayor

ATTESTED BY:

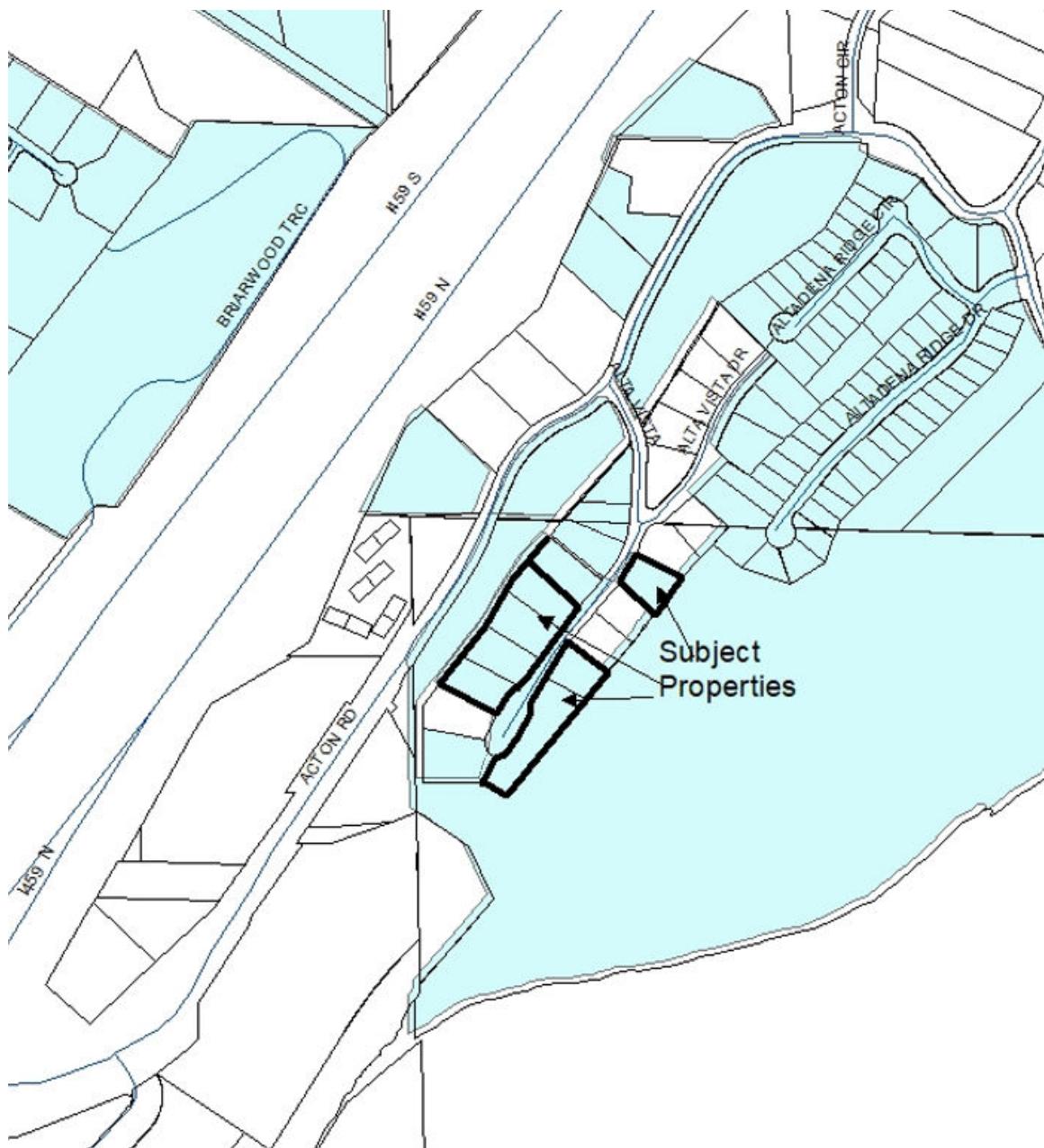
Rebecca Leavings
City Clerk

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 # 3037 is a true and correct copy of such 27th day of September, 2021, as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, New Merkle House and Vestavia Hills Recreational Center this the _____ day of _____, 2021.

Rebecca Leavings
City Clerk



CITY OF VESTAVIA HILLS
SYNOPSIS AND STAFF RECOMMENDATION CONCERNING
APPLICATION BEFORE THE PLANNING AND ZONING COMMISSION

Date: **AUGUST 12, 2021**

- **CASE:** **P-0821-30**
- **REQUESTED ACTION:** Rezoning Shelby County E-1 & Vestavia Hills E-2 to Vestavia Hills R-2
- **ADDRESS/LOCATION:** 2608, 2611, 2612, 2615, 2616, 2620 & 2627 Alta Vista Circle
- **APPLICANT/OWNER:** Deborah Dye. Et Al.
- **GENERAL DISCUSSION:** This is a rezoning “clean-up” of previously annexed and rezoned properties. Pre-annexed properties maintained a zoning of Shelby County E-1, which according to our compatible definition would be VH E-2. However, all lots failed to meet the minimum zoning for lot sizes and widths, as well as building setbacks. The VH R-2 zoning more closely matches the platted lots and will decrease the number of non-conformities and requests for variances. Additionally, some previously annexed lots received no Vestavia zoning at all. See the attached letter from the City Clerk to the applicant for additional information.
- **STAFF REVIEW AND RECOMMENDATION:**
 1. **City Planner Review:** I have looked at all of the relevant zoning / subdivision requirements related to this proposal, including application, notification, setbacks, area of lot development, etc. Notification has been sent to property owners pursuant to Alabama law. I have reviewed this request and find it does meet the minimum requirements of the proposed zoning.
 2. **City Engineer Review:** I have reviewed the application and I have no issues with this request.
 3. **City Fire Marshal Review:** I have reviewed the application and I have no issues with this request.
 4. **Building Safety Review:** I have reviewed the application and I have no issues with this request.
- **MOTION** Mr. Weaver made a motion to recommend Rezoning from Shelby County E-1 & Vestavia Hills E-2 to Vestavia Hills R-2

for the property located at 2608, 2611, 2612, 2615, 2616, 2620 & 2627 Alta Vista Circle. Second was by Mr. Honeycutt. Motion was carried on a roll call; vote as follows:

Mr. Romeo— yes

Mr. Ferrell – yes

Mr. Honeycutt— yes

Mr. Sykes – yes

Mr. Larson— yes

Mr. Weaver – yes

Mr. Vercher – yes

Motion carried.

ORDINANCE NUMBER 3038

**AN ORDINANCE TO FURTHER AMEND THE ZONING
ORDINANCE AND THE ZONING MAP OF THE CITY OF
VESTAVIA HILLS, ALABAMA, ADOPTED SEPTEMBER 16, 1985,
AND AS LAST AMENDED SO AS TO CHANGE THE CLASS OF
DISTRICT ZONING OF PROPERTY FROM VESTAVIA HILLS
INSTITUTIONAL TO VESTAVIA HILLS R-9**

BE IT ORDAINED by the City Council of the City of Vestavia Hills, Alabama, as follows: That the Zoning Ordinance and Zoning Map of the City of Vestavia Hills, Alabama, adopted September 16, 1985, and as last amended so as to change the class of district zoning of the following described property from Vestavia Hills Institutional (institutional estate district) to Vestavia Hills R-9 (planned residential district):

4224 and 4228 Oakview Lane
Lots 30 and 31, Block 2, New Merkle Heights
Cahaba Heights United Methodist Church, Owners

APPROVED and ADOPTED this the 27th day of September, 2021.

Ashley C. Curry
Mayor

ATTESTED BY:

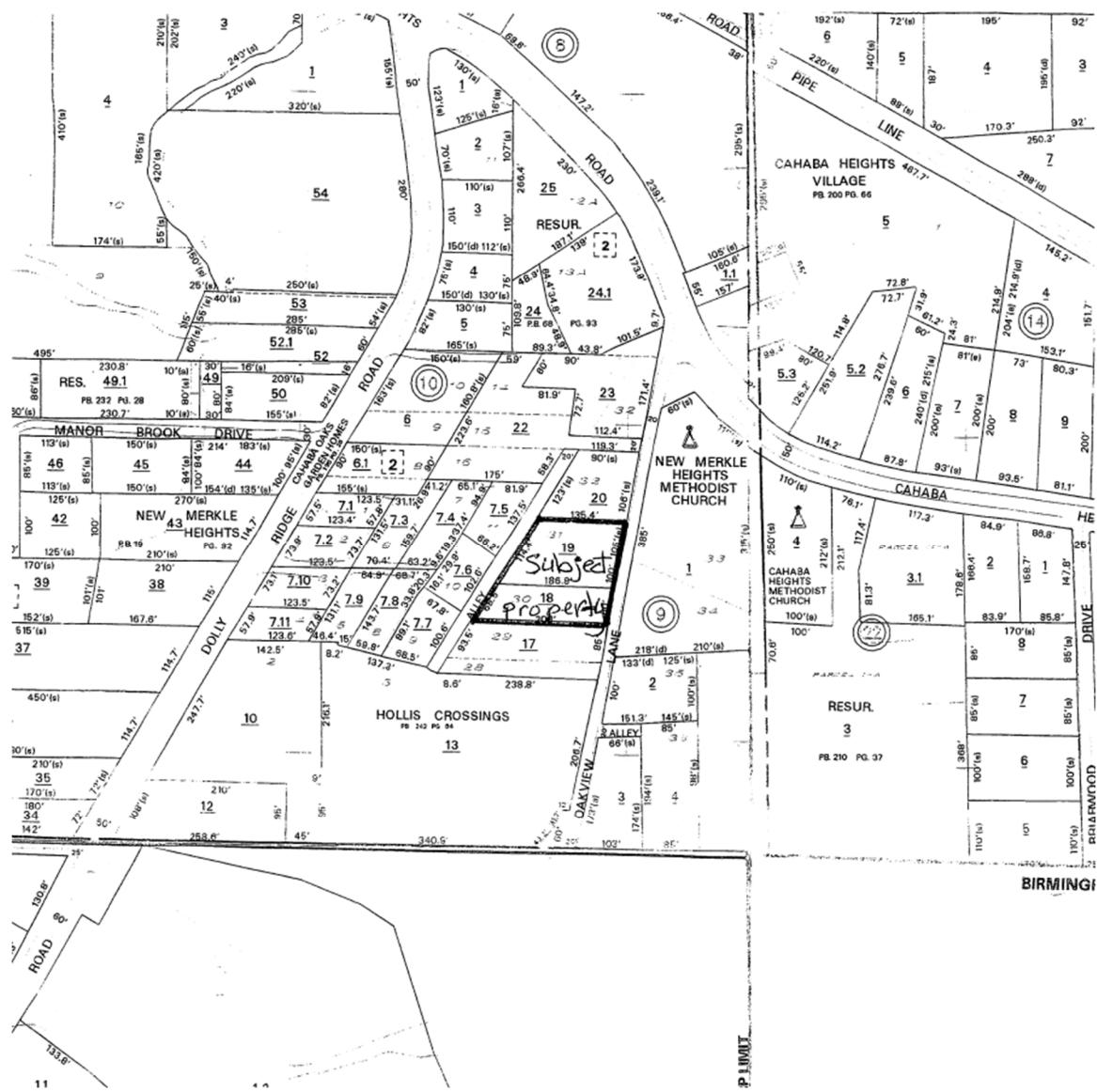
Rebecca Leavings
City Clerk

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 # 3038 is a true and correct copy of such 27th day of September, 2021, as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, New Merkle House and Vestavia Hills Recreational Center this the _____ day of _____, 2021.

Rebecca Leavings
City Clerk



CITY OF VESTAVIA HILLS

SYNOPSIS AND STAFF RECOMMENDATION CONCERNING APPLICATION BEFORE THE PLANNING AND ZONING COMMISSION

Date: **AUGUST 12, 2021**

- **CASE:** P-0821-32
- **REQUESTED ACTION:** Rezoning Vestavia Hills INST to Vestavia Hills R-9
- **ADDRESS/LOCATION:** 4224 & 4228 Oakview Ln.
- **APPLICANT/OWNER:** Cahaba Heights United Church/Jason Kessler
- **GENERAL DISCUSSION:** The request rezone property on Oakview Ln. from Inst to R-9 for seven townhomes. The new development would be accessed from the front with an additional guest spot. Setbacks for the project would be 20' in the front and rear. The developers will also improve the road frontage along Oakview Ln. with a 5' sidewalk.
- **CAHABA HEIGHTS COMMUNITY PLAN:** The Community Plan calls for calls for these lots to be "Institutional" due to church ownership, with neighboring properties listed as high density residential and mixed use. However, the Cahaba Heights Village Plan highlights this area as transitional and encouraging of varied, denser housing types.
- **STAFF REVIEW AND RECOMMENDATION:**
 1. **City Planner Review:** I have looked at all of the relevant zoning / subdivision requirements related to this proposal, including application, notification, setbacks, area of lot development, etc. Notification has been sent to property owners pursuant to Alabama law. I have reviewed this request and find it does meet the minimum requirements of the proposed zoning.

City Planner Recommendation: Staff recommends the following conditions: A. Approval based on site plan presented.
 2. **City Engineer Review:** I have reviewed the application and I have no issues with this request.
 3. **City Fire Marshal Review:** I have reviewed the application and I have no issues with this request.
 4. **Building Safety Review:** I have reviewed the application and I have no issues with this request.

MOTION Mr. Larson made a motion to recommend Rezoning from Vestavia Hills INST to Vestavia Hills R-9 for the property located at 4224 & 4228 Oakview Ln. with the following condition

1. Road improvements to be constructed along Oakview Ln as presented.

Second was by Mr. Weaver. Motion was carried on a roll call; vote as follows:

Mr. Romeo— yes

Mr. Ferrell – yes

Mr. Honeycutt— yes

Mr. Sykes – yes

Mr. Larson— yes

Mr. Weaver – yes

Mr. Vercher – yes

Motion carried.

CIVIL CONSTRUCTION DOCUMENTS
FOR
OAKVIEW LANE TOWNHOME DEVELOPMENT

PROJECT CONTACTS:

CITY ENGINEER

CONTACT:
CHRISTOPHER BRADY P.E.
(205) 978-5801

ALABAMA POWER
CONTACT:
BRIANNA BOLTON
(205) 226-1792

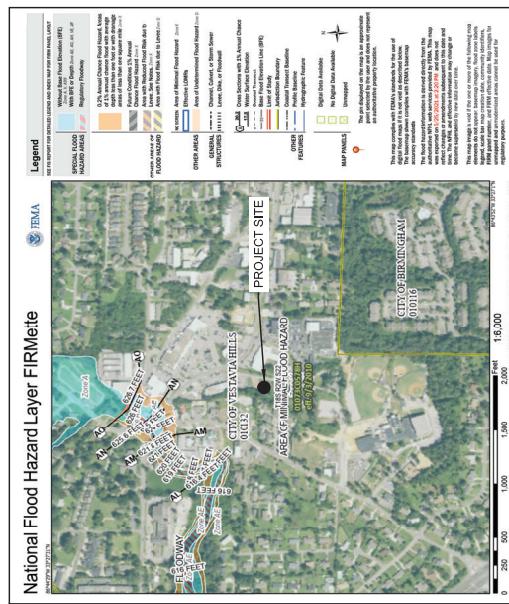
BIRMINGHAM WATER
WORKS BOARD

CONTACT:
DOUG STOCKHAM
(205) 244-4186

ENVIRONMENTAL SERVICES
CONTACT:

BEN PATE
(205) 325-5801

VICINITY MAP
N.T.S.



PER FEMA PANEL 01073C0578H THIS SITE
LIES WITHIN AN AREA OF MINIMAL FLOOD HAZARD

OWNER/DEVELOPER KADCO
3505 BENT RIVER ROAD
BIRMINGHAM, AL 35216
(205) 985-7171
CONTACT: JASON KESSLER OWNER

SURVEYING BY
ENGINEERING DESIGN GROUP, LLC
220 BISHOP CIRCLE, SUITE 300
PELHAM, AL 35124
(205) 403-1588
FACT: RONNEY CUNNINGHAM PLS



Exhibit - Ordinance No. 3038

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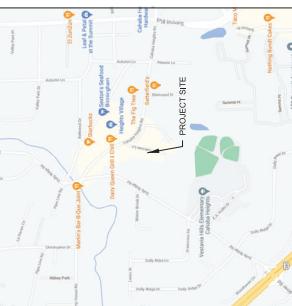
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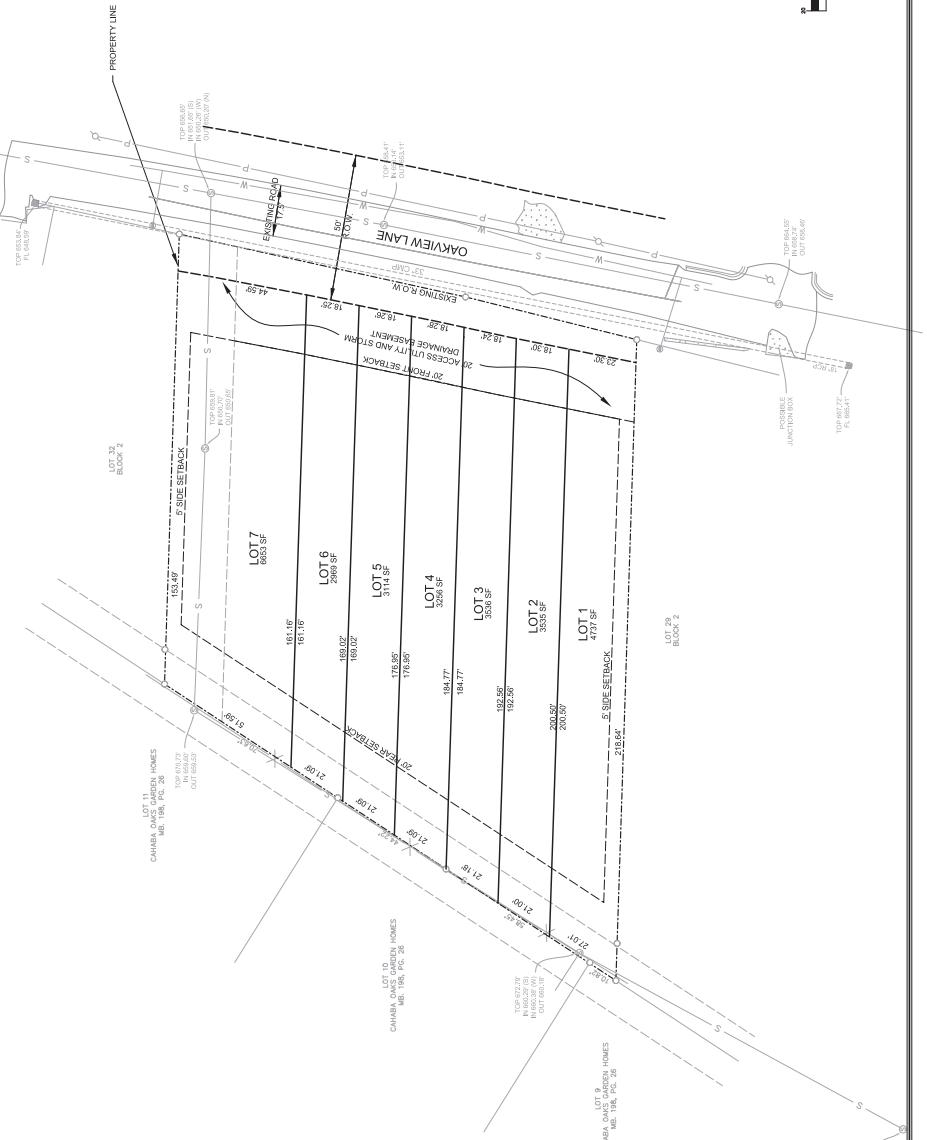
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SITE DATA TABLE	
TOTAL SITE AREA	45.67 AC
PARCEL ID	200022010109.00
SETBACK	20'
FRONT:	20'
REAR:	None
SIDE:	None
PROPOSED UNITS	7
CURRENT ZONING	INST
PROPOSED ZONING	R-9
PARKING REQUIRED	2 SPACES PER UNIT OR 14 TOTAL SPACES
PARKING PROVIDED	15 SPACES



GRAPHIC SCALE
(1 INCH = 20 FT.)

PRINTED BY: [Redacted]

PRINTED DATE: [Redacted]

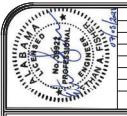
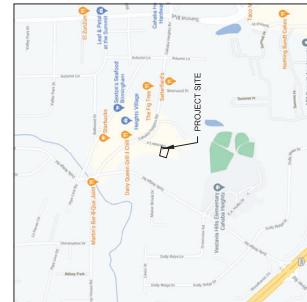
EDG Engineering Group, LLC

Engineering Design Group, LLC

Land Surveyors

Land Surveyors

GOOG

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JULY 8, 2021

SITE DATA TABLE	
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PARCEL ID	2800220100000
SETBACK	20'
FRONT:	20'
REAR:	NONE
SIDE:	NONE
PROPOSED UNITS	7
CURRENT ZONING	INST
PROPOSED ZONING	R-9
PARKING REQUIRED	2 SPACES PER UNIT OR 14 TOTAL SPACES
PARKING PROVIDED	15 SPACES

SITE LAYOUT PLAN

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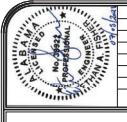
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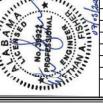
REVISIÖNS

JULY 8, 2021
U.S. CONTROL PLAN/DEGN
D-PILOT PHASE 2
KES50100
EAF
AGL

120 BISHOP CIRCLE, SUITE 300
OKLAHOMA CITY, OK 73124
WESTAVIA HILLS, ALABAMA
TEL - (205) 403-9158
FAX - (205) 403-9175

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SHEET NO.





BIRMINGHAM

ALABAMA

CITY OF

BIRMINGHAM

GENERAL

SERVICES

DEPARTMENT

OF

PLANNING

AND

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COMMISSION

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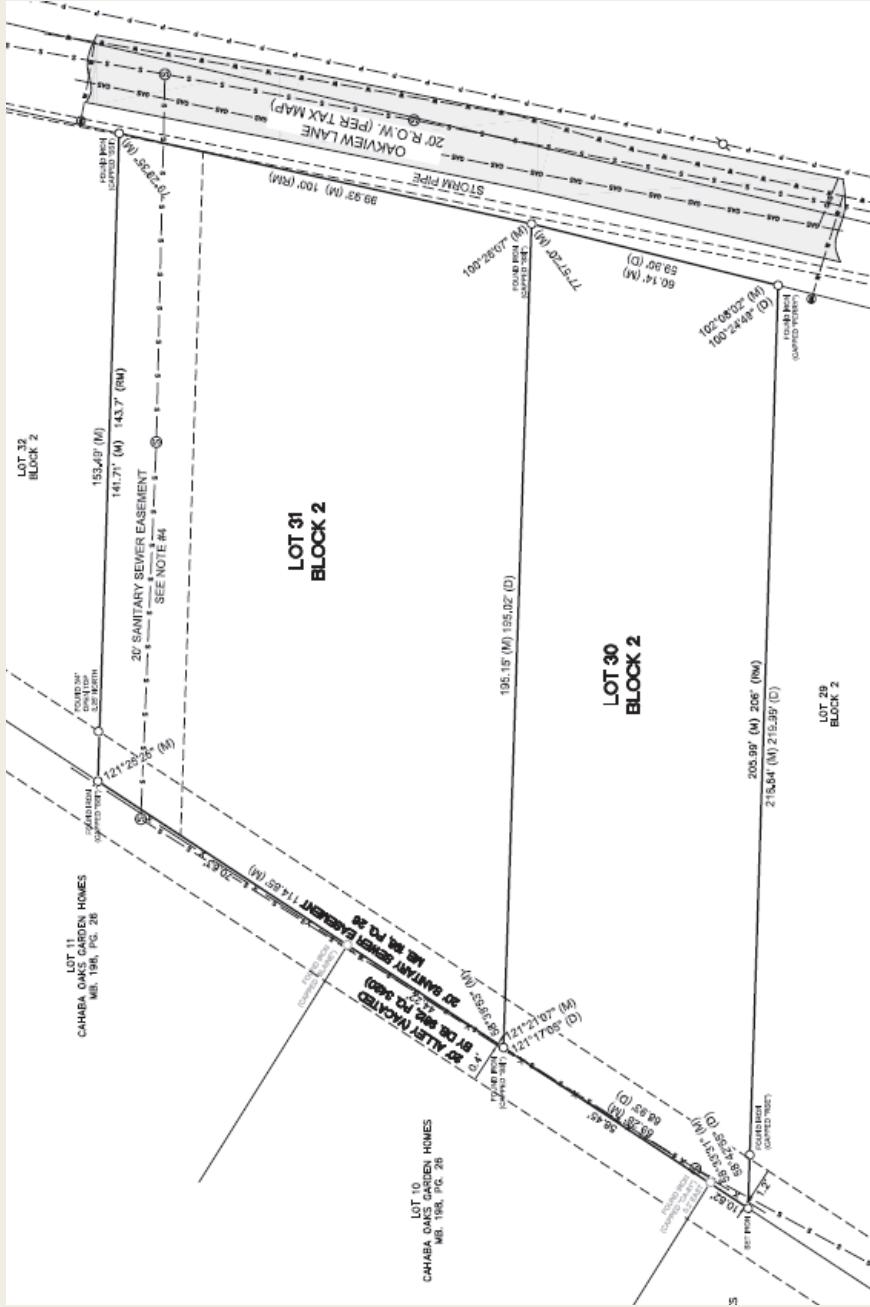
4224 & 4228
OAKVIEW LANE

Vestavia Hills, Alabama

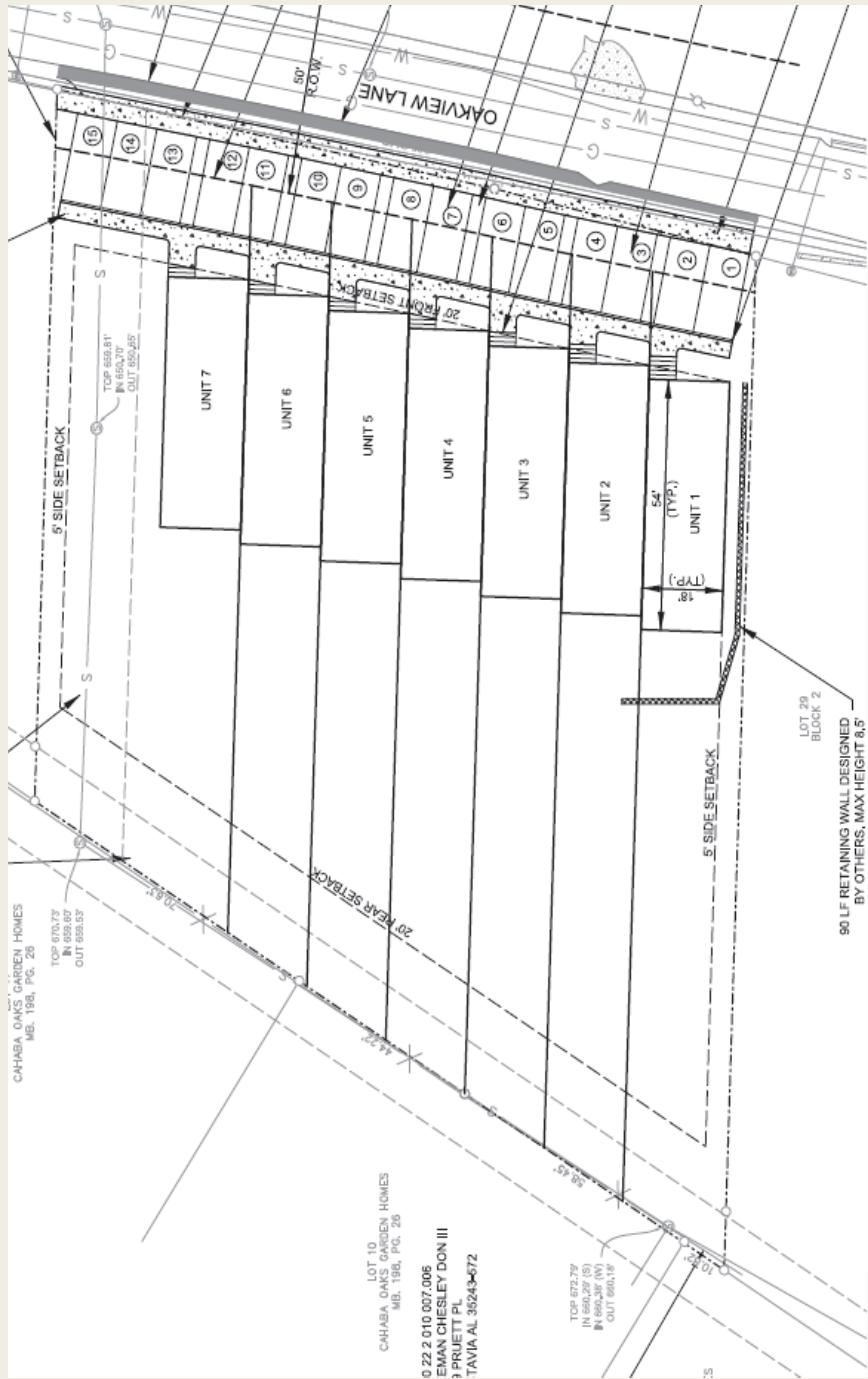
Existing Property



Existing Lots

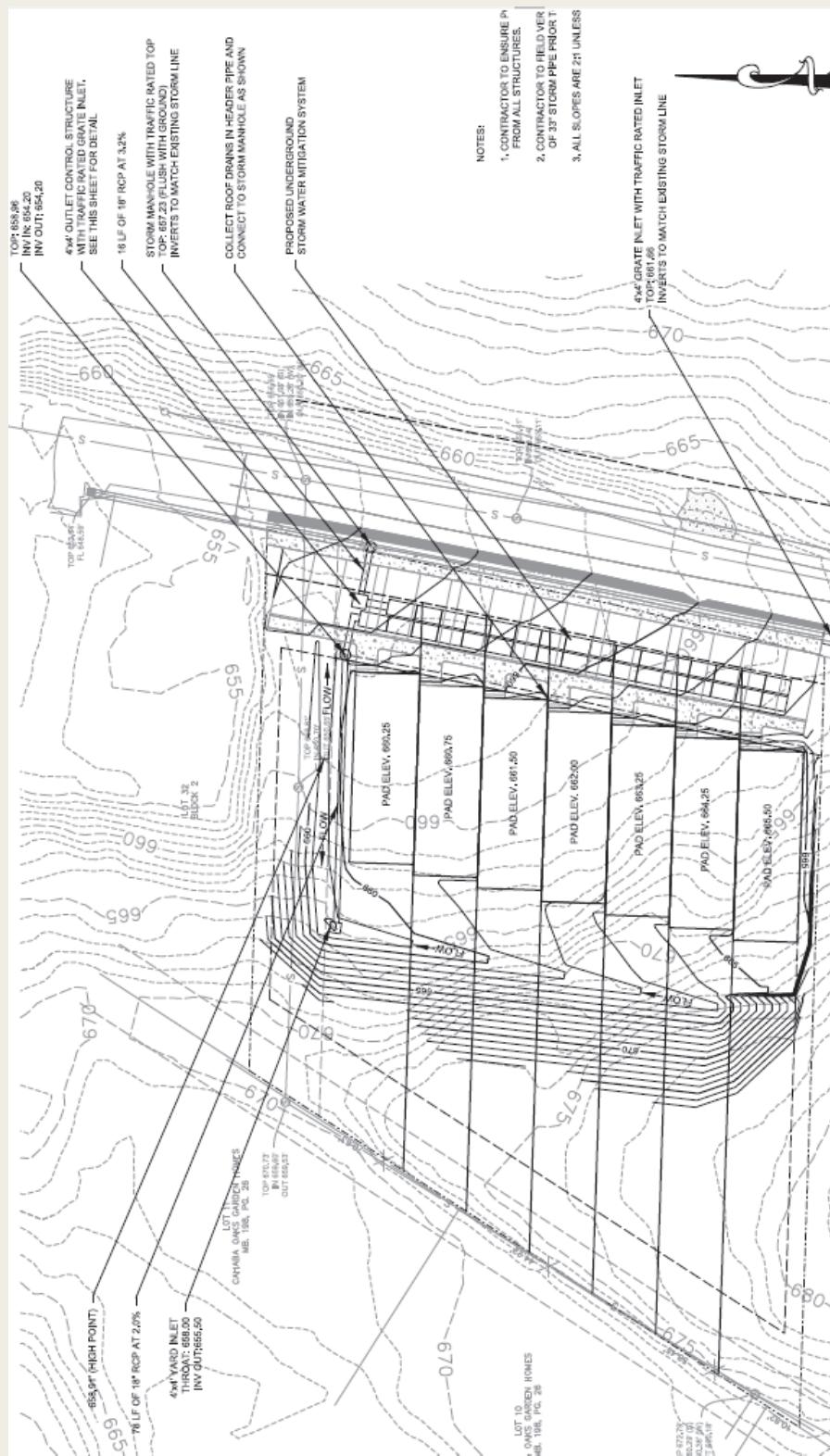


Proposed Layout



Drainage Plan

Exhibit - Ordinance No. 3038

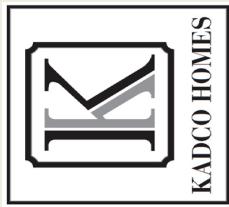


- The property is currently zoned Institutional which allows for uses such as Assisted Living Facilities, Nursing Homes, Churches, and Rehab Facilities. We feel given the surrounding properties that residential townhomes are a better fit.
- The property has single family detached homes to the West and multiple Commercial pieces around it. We feel residential townhomes provide an appropriate transitional use and end users will enjoy the walkability of the area visiting the surrounding shops and restaurants.
- Typically, residential townhomes do not attract many people with school aged children so we do not anticipate any real impact to the school system.
- Institutional zoning allows for structure heights of 45 feet. Our townhomes will be roughly 35 feet tall which will be less imposing for the surrounding neighbors.

CONCEPTUAL FRONT ELEVATIONS



About KADCO Homes



We have been in business here in Birmingham for over 35 years. With a strong and consistent focus on the Vestavia area market, we have helped create communities such as Wellington Park, Cambridge, Kensington, Panorama Brook, Crossbridge, Cobblestone, Westminster, The Cove at Overton, Pumphouse Village, & more.

We are currently working on several communities in Vestavia such as Vestavia Terrace townhomes, Natchez Drive, Poe Drive at Overton Village, Fairhaven Manor, and The Arbor at Rocky Ridge. You can find out more about us by visiting kadcohomes.com





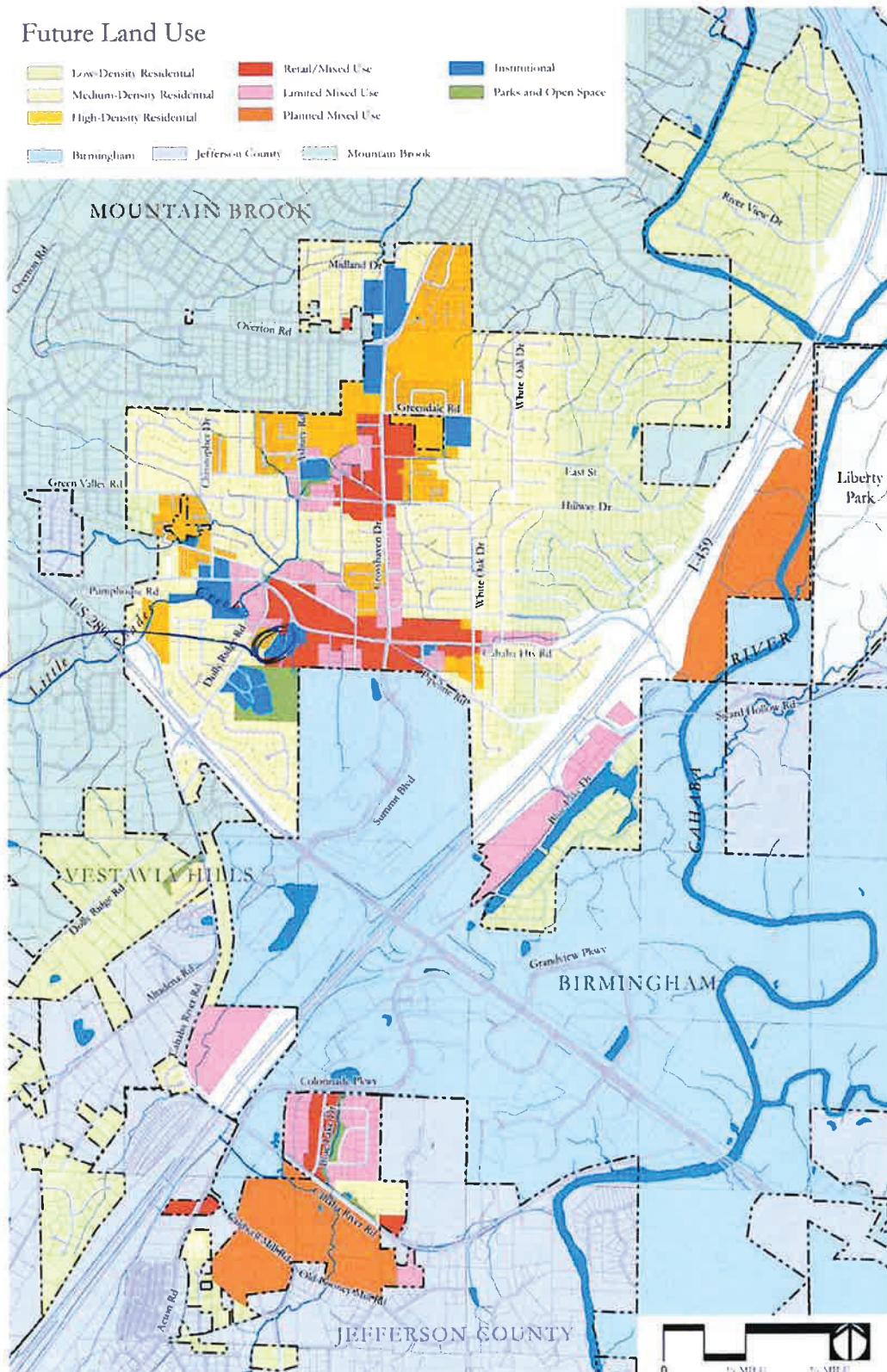


Figure 4: Future Land Use Map

ORDINANCE NUMBER 3027-A

AN ORDINANCE TO AMEND ORDINANCE 3027 TO ALTER, REARRANGE, AND EXTEND THE CORPORATE LIMITS OF THE CITY OF VESTAVIA HILLS, ALABAMA, SO AS TO EMBRACE AND INCLUDE WITHIN THE CORPORATE AREA OF SAID CITY ALL TERRITORY NOW WITHIN SUCH CORPORATE LIMITS AND ALSO CERTAIN OTHER TERRITORY CONTIGUOUS TO SAID CITY IN ORDER TO AMEND THE LEGAL DESCRIPTION.

WHEREAS, a certain petition signed by Jordan Hoffman dated January 19, 2021, that the property therein described be annexed to the City of Vestavia Hills, Alabama, together with a map of said territory showing its relationship to the corporate limits of the City, has been filed with the City Clerk of the City of Vestavia Hills; and

WHEREAS, this Council has determined and found that the matters set forth and alleged in said petition are true and correct, and that it is in the public interest that said territory be annexed to the City of Vestavia Hills;

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

SECTION 1. That said Council hereby assents to the annexation of said territory to the City of Vestavia Hills, Alabama, the corporate limits of the City to be extended and rearranged pursuant to the provisions of Title 11, Chapter 42, Article 2, Code of Alabama, 1975 (Sections 11-42-20 through 11-42-23, as amended) so as to embrace and include said territory, in addition to the territory already within its present corporate limits. The new boundary line does not lie at any point more than half the distance between the old city boundary and the corporate boundary of any other municipality. Said territory is described as follows:

2621 Red Bud Lane
Jordan Hoffman, Owner

Lot 4A, Gary & Pam West Survey, LESS AND EXCEPT 40' strip located on the southern boundary of the lot, more particularly described as follows:

Parcel of land situated in northwest 1/4 of Section 33, Township 18 South, Range 2 West, Jefferson County, Alabama, and being a part of Lot 4A, according to the Gary and Pam West Survey, as recorded in Map Book 216, page 90, in the Probate office of Jefferson County,

Alabama, and also being a part of Parcel 1 and Parcel 2, as recorded in Deed Book 914, page 5907, and being described as follows:

Commence at the southwest corner of Estate number 4, as recorded in Map Book 27, page 14 in the Probate office of Jefferson County, Alabama and further shown on Map Book 226, page 45. Being a 1 inch iron found, thence from said point run S 53 degrees 54'00"E along the southerly line of said Estate No. 4 for a distance of 179.40 feet to the point of beginning said point being a capped re bar set stamped "CARR 00010 LS" lying on the southerly line of Lot 4A; from said point run N 36 degrees 34'17" E for a distance of 184.92 feet to capped re bar found stamped RYS 21784 lying on the southerly line of a Red Bud Lane being 30 feet in width; thence run S 53 degrees 37'06" E along said southerly line of Red Bud Lane and along the northerly line of said Lot 4A for a distance of 262.72 feet to a capped rebar set stamped "CARR 000 1 O LS"; thence leaving said Red Bud Lane run S 35 degrees 40'00"W for a distance of 183.59 feet to a capped rebar set stamped "CARR 000 1 O LS" lying on the southerly line of said Lot 4A; thence run N 53 degrees 54'00"W along the southerly line of said Lot 4A for a distance of 265.62 feet to the Point of Beginning.

SECTION 2. That the City Clerk shall file a certified copy of this Ordinance containing an accurate description of said annexed territory with the Probate Judge of Jefferson County, Alabama, and also cause a copy of this Ordinance to be published/posted in accordance with Alabama law.

APPROVED and ADOPTED this the 27th day of September, 2021.

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 # 3027-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 27th day of September, 2021, as same appears in the official records of said City.

Posted at Vestavia Hills Municipal Center, Vestavia Hills Library in the Forest, Vestavia Hills New Merkle House and Vestavia Hills Recreational Center this the _____ day of _____, 2021.

Rebecca Leavings
City Clerk

2621 Red Bud Lane

N




RESOLUTION NUMBER 5351

A RESOLUTION ACCEPTING THE 2019-2020 AUDIT FOR THE CITY OF VESTAVIA HILLS, ALABAMA

WHEREAS, the audit for the fiscal year 2019-2020 has been submitted to the City Manager, 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 2019-2020; 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 September, 2021.

Ashley C. Curry
Mayor

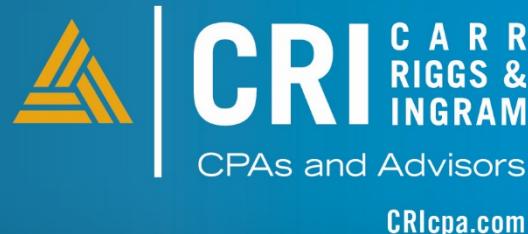
ATTESTED BY:

Rebecca Leavings
City Clerk

City of Vestavia Hills, Alabama

FINANCIAL STATEMENTS

September 30, 2020



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Exhibit A - Resolution No. 5351
Carr, Riggs & Ingram, LLC
3700 Colonnade Parkway
Suite 300
Birmingham, AL 35243

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Vestavia Hills, Alabama (the City) as of and for the year ended September 30, 2020, 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, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4.1-4.10 and page 47 as well as the pension and OPEB schedules on pages 48-51 and notes to required supplementary information on page 52 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedule of expenditures of federal awards 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 and schedule of expenditures of federal awards 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 September 21, 2021, 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, LLC

CARR, RIGGS & INGRAM, LLC

Birmingham, Alabama
September 21, 2021

CITY OF VESTAVIA HILLS, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020

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, 2020. 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, 2020, \$88.66 million (Total Net Position).
- ❖ The City's net position increased 7.41% (\$6.12 million) in 2020.
- ❖ The total cost of the City's programs for the 2020 fiscal year was \$50.8 million. The net cost was \$40.14 million after subtracting grants and contributions and charges for services.
- ❖ At September 30, 2020, the general fund unassigned fund balance, excluding the City's committed funds (Emergency Reserves) for economic stabilization of \$12.95 million, was \$5.18 million or 14.00% of total general fund operating expenses before debt service.
- ❖ Major capital expenditures totaled \$28.07 million including \$25.89 million projects in progress.
- ❖ The City decreased its outstanding General Obligation Warrants by \$0.305 million, exclusive of \$1.29 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, liabilities, deferred outflows of resources, and deferred inflows of resources 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), deferred outflows of resources (consumption of net position that applies to a future period(s)), and deferred inflows of resources (acquisition of net position that applies to a future period(s)), 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 and the Capital Projects Fund.

The *Fund Financial Statements* are measured on the modified-accrual basis of accounting. As a result, the *fund financial statements* focus more on the near-term use and availability of spendable resources. The information provided in these statements is useful in determining the City's immediate financial needs. This is in contrast to the accrual-based *government-wide financial statements*, which focus more on overall long-term availability of spendable resources. The relationship between governmental activities reported in the *government-wide financial statements* and the governmental funds reported in the *fund financial statements* are reconciled on pages 8 and 10 of these financial statements. These reconciliations are useful to readers in understanding the long-term impact of the City's short-term financing decisions.

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

After the presentation of the basic financial statements, the *required supplementary information* is presented following the notes to the basic financial statements. The *required supplementary information* beginning on page 46 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. Various information regarding changes in the City's OPEB liability and employer contributions to the OPEB plan are also presented in this section.

Analysis of the City of Vestavia Hills' Overall Financial Position

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

Table 1: Summary of Net Position

	As of September 30, (dollars in thousands)	
	2020	2019
Assets:		
Current and other assets	\$ 54,652	\$ 67,114
Capital assets	<u>176,358</u>	<u>153,146</u>
Total Assets	<u>231,010</u>	<u>220,260</u>
 Deferred outflows	 9,445	 8,047
 Liabilities:		
Other liabilities	12,734	10,794
Long-term liabilities	<u>138,663</u>	<u>133,010</u>
Total Liabilities	<u>151,397</u>	<u>143,804</u>
 Deferred inflows	 398	 1,961
 Net position:		
Net invested in capital assets	81,106	81,806
Restricted	20,084	3,284
Unrestricted (deficit)	<u>(12,531)</u>	<u>(2,549)</u>
 Total Net Position	 <u>\$ 88,659</u>	 <u>\$ 82,541</u>

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$88.66 million at September 30, 2020.

Net investment in capital assets of \$81.11 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 position is not available for future spending or funding of operations.

Restricted net position in the amount of \$20,084,299 represents net position restricted for capital projects, \$17,020,438, debt service, \$1,989,023, and road maintenance, \$1,074,838.

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, 2020 and 2019.

Table 2: Summary of Changes in Net Position

	Fiscal Year Ended September 30, (dollars in thousands)	
	2020	2019
Program Revenues:		
Charges for services	\$ 7,585	\$ 7,145
Operating grants/contributions	1,812	921
Capital grants/contributions	1,271	331
General Revenues:		
Taxes	41,807	38,906
Utility franchise fees	2,919	2,838
Investment earnings	783	1,261
Miscellaneous	523	217
Sale of assets	89	1,822
Donated infrastructure assets	135	188
Total Revenues	56,924	53,629
 Program Expenses:		
General government	9,652	7,930
Public safety	21,996	21,444
Public works/Public services	12,395	15,624
Library	3,003	2,895
Appropriations to BOE	560	-
Interest on long term debt	3,200	4,012
Total Expenses	50,806	51,905
Change in net position	6,118	1,724
Net Position, beginning of year	82,541	80,056
Prior period adjustment	-	761
Net Position, ending	\$ 88,659	\$ 82,541

The City's revenues, excluding donated infrastructure assets, which do not provide spendable funds, increased \$3.35 million or 6.27%. The increase resulted principally from taxes, \$2.90 million or 7.46%, utility franchise fees, \$.081 million or 2.85%, and miscellaneous revenues, \$.306 million or 141.01%. The revenue increase was principally offset by decreases in investment earnings, \$.478 million or 37.91% and sale of assets, \$1.73 million or 95.12%.

The City's program expenses decreased \$1.1 million or 2.12%. The decrease resulted principally from public services, \$3.23 million or 20.67% and interest on long term debt, \$0.812 million or 20.24%, but was offset resulting from increased expenditures within the general government, \$2.0 million or 25.25%, public safety \$0.552 or 2.57%, library \$0.108 or 2.73%, and appropriations to BOE, \$0.280 million.

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, 2020 (dollars in thousands)	
	Total Cost of Services	Net Cost of Services
General government administration	\$ 9,652	\$ 2,918
Public safety	21,996	20,780
Public works/Public services	12,395	10,127
Library	3,003	2,901
Appropriations to BOE	560	280
Interest on long-term debt	3,200	3,200
Total	\$ 50,806	\$ 40,206

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 \$47.83 million, which includes general fund balances of \$12.95 million committed funds to be used for economic stabilization in the event of an unforeseen emergency and \$5.18 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 2020 budget was adopted September 9, 2019. The comparison of the general fund budget to the actual results is detailed in the "Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual" on page 47. 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 \$5.60 million or 12.16%. Ad valorem real estate and sales taxes were the largest revenue generators, representing \$34.95 million or 77.99% of total budgeted revenues.
- ❖ Actual expenditures exceeded budget by \$.630 million or 1.72%. The overage resulted principally due to general government administration exceeding budget by \$1.09 million or 16.66%. The overage was offset due to public safety, public services, library, and capital outlays reporting less than budgeted expenditures, \$.456 million or 1.51%.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental activities for fiscal year ended September 30, 2020 was \$81.11 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)	
	2020	2019
Land	\$ 82,623	\$ 82,607
Construction-in-progress	32,330	7,248
Buildings	23,839	24,923
Land improvements	6,474	6,251
Vehicles	2,678	2,457
Recreational facilities	7,940	8,744
Equipment and fixtures	4,703	4,437
Books and artwork	549	586
Infrastructure	15,222	15,893
Capital assets, net of depreciation	\$ 176,358	\$ 153,146

Additions to capital assets during the current year included the following (dollars in thousands):

Land	\$ 16
Construction-in-progress	25,887
Buildings	11
Land improvements	9
Vehicles	977
Equipment, furniture & fixtures	987
Books and artwork	180
Donated infrastructure assets	135
	<u>\$ 28,202</u>

Long-Term Debt - At year-end, the City had \$108.78 million in general obligation warrants and capital leases. This represents an increase of 2.64% in debt over last fiscal year, as shown in *Table 5* below.

Table 5: Outstanding Debt

As of September 30, 2020
(dollars in thousands)

	Beginning Principal Balance		Net Change		Ending Principal Balance
Governmental activities:					
Warrants payable	\$ 103,305		\$ (305)		\$ 103,000
Capital leases	2,673		3,102		5,775
Totals	<u>\$ 105,978</u>		<u>\$ 2,797</u>		<u>\$ 108,775</u>

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

- ❖ The City reduced its general obligation warrants by \$.305 million. The ending balance includes \$1.29 million, including interest, held in the debt sinking fund for the “Qualified Energy Conservation Bonds” (QECB) payment.
- ❖ There was a net increase of \$3.10 million in capital leases resulting from assets purchased under capital leases in 2020.
- ❖ 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 2020A Warrants” and “Series 2020B Warrants”.

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 2020. 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
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
2020	14,668,306	15,786,903	1,118,597

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 2020 was \$291,557.

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 2020, 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 4.9%, anticipating an increase by the Alabama Local Government Health Insurance Board in calendar year 2020, which resulted in a budgeted contribution of \$1.99 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 68.04%, reflecting an unfunded liability of \$28.06 million as of the latest measurement date – September 30, 2019. Vestavia Hills' contribution factors for fiscal 2020 were 14.61% - Tier 1 and 11.69% - Tier 2, representing budgeted contributions of \$2.54 million.

Cost-of-Living Raise – A 1% cost of living adjustment was included in the 2020 fiscal budget.

CITY MANAGER'S COMMENTS:**Fiscal Year 2020 Management Report**

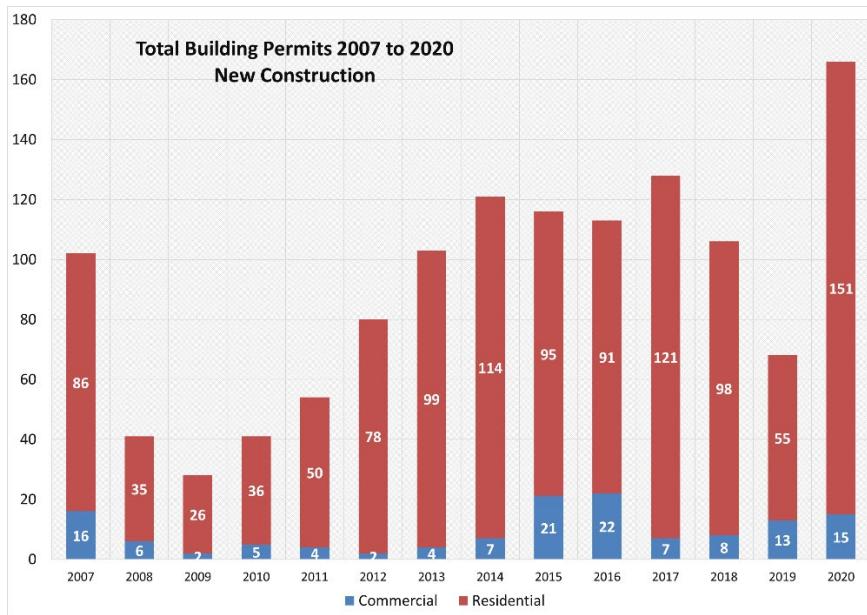
Review of the financial and economic activities with the City of Vestavia Hills during FY 2020 would not be complete without highlighting the impact of the COVID-19 pandemic in our suburban community. The introduction, mid-year, of dramatic public health safety and disease mitigation actions by multiple governmental agencies set the tone for the economic health of the City. These actions included work from home orders, temporary closure of some retail business operations, and school closures to name a few. While headlines from many communities across the United States bemoaned the financial repercussions of these actions to local government finances, the City of Vestavia Hills actually experienced a very strong financial boost from the “new normal” associated with societal shifts. As we are a bedroom community for the larger metropolitan area, the shift to working from home and the need for virtual work solutions led to a sharp increase in economic activity that previously had been dispersed between an individual’s work day and personal activities. The new working locations, at home, led to a dramatic increase in grocery sales and consumer use of delivery services to the home that included technology, commodities and other items that heretofore were purchased in other local governmental jurisdictions.

Additionally, the City of Vestavia Hills has always had a large financial impact from grocery sales even prior to the pandemic related shifts in behavior. Historically, this fact informed the City’s economic development strategy which focused on eliminating grocery shopping leakage- defined as a situation where Vestavia Hills residents would previously be forced to shop in neighboring jurisdictions due to the lack of convenient store locations within Vestavia Hills. During FY 2020, the City strategically facilitated the private sector construction of two additional Publix branded grocery stores that opened in the midst of the pandemic. The addition of those two locations coupled with the new grocery shopping norms led to a dramatic increase in sales taxes associated with grocery purchases. While the pandemic related operational concerns with the City did put pressure on expense management, they were mitigated by federal CARES Act funding. The bottom line is that revenues grew solidly and expenses were managed within budgetary expectations. The resulting financial implication for the City’s General Fund was a record surplus to end FY 2020. This surplus further reinforced existing financial reserves. The results and historical context are illustrated in the table below.

General Fund Surplus and Fund Balance			
City of Vestavia Hills			
Actual Results			
		EOY Fund	
Fiscal Year	FY Surplus	Balance	% Change
2020	\$ 2,717,800	\$ 18,720,647	18.73%
2019	\$ 1,459,976	\$ 16,002,847	10.04%
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	

It remains to be seen what the long-term ramifications of pandemic related work behaviors and locations will bring for the City. However, businesses which closed during the public health mandates have recently reopened and are showing a sharp rebound. Grocery sales have remained strong. All of these facts demonstrate the future economic strength of Vestavia Hills appears sustainable.

Outside of this dissertation on sales tax growth, the strong demand for housing in Vestavia Hills remains notable as well. While the sales tax is the largest revenue source in the City, the Ad Valorem taxes are just as significant as the second largest source of revenue. Together, they make up 74% of the total General Fund revenue. The high-performing City school system, low crime rates and recent investments in new recreational amenities provide ample reasons for the high demand in Vestavia Hills' real estate within the region. Census figures indicate a strong and healthy growth in number of residents. These factors buoy a steady multi-year growth in Ad Valorem revenues that will remain such based upon this long and steady historical trend. The so-called "canary in the coal mine" for future Ad Valorem trends can be determined with current year building permit activity. The chart below marks the historical trend in such permits. FY 2020 metrics show that construction activity in the city were the highest in recent history. 166 new construction permits were issued during this time frame.



The facts expressed in this report continue to illustrate an economically strong and viable city with foundational elements that support long term success in sustaining strong City services and providing a quality of living that is very appealing for current and future residents and businesses. The more comprehensive results provided in this audited financial report reinforces these statements.

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.

<i>September 30, 2020</i>	Governmental Activities
Assets	
Cash	\$ 12,919,585
Cash - restricted	21,454,961
Investments	12,946,508
Investment - restricted	1,293,888
Receivables, net of allowance for uncollectibles	5,947,831
Prepaid expenses	89,456
Land	82,623,425
Construction in progress	32,329,529
Capital assets, net of accumulated depreciation	61,405,097
Total assets	231,010,280
Deferred Outflows of Resources	
Deferred charges - debt refunding	2,235,688
Employer pension contributions subsequent to measurement date	2,542,889
Differences between expected and actual experience of pension plan	1,146,273
Changes of assumptions on net pension liability	1,918,722
Net difference between projected and actual earnings on pension plan investments	720,043
Differences between expected and actual experience of OPEB plan	228,288
Changes of assumptions on OPEB liability	652,700
Total deferred outflows of resources	9,444,603
Liabilities	
Bank overdraft	8,360
Accounts payable	4,809,151
Retainage payable	591,923
Court and performance bonds payable	1,067,938
Accrued interest payable	346,977
Noncurrent liabilities	
Due within one year	
Compensated absences	411,393
Warrant obligations, net	4,235,000
Capital lease obligations	1,262,847
Due in more than one year	
Compensated absences	2,331,225
Warrant obligations, net	102,034,677
Capital lease obligations	4,512,612
Net pension liability	28,056,359
OPEB liability	1,728,735
Total liabilities	151,397,197
Deferred Inflows of Resources	
Differences between expected and actual experience of pension plan	357,903
Changes of assumptions on OPEB liability	40,092
Total deferred inflows of resources	397,995
Net Position	
Net investment in capital assets	81,105,999
Restricted for debt service	1,989,023
Restricted for capital projects	17,020,438
Restricted for gas tax funds	1,074,838
Unrestricted (deficit)	(12,530,607)
Total net position	\$ 88,659,691

For the year ended September 30, 2020

Program Activities	Expenses	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	Primary Government
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
		Total					
Primary government							
Governmental activities							
General government administration	\$ 9,652,252	\$ 4,305,721	\$ 1,504,759	\$ 1,270,937	\$ (2,570,835)		
Public safety	21,996,026	960,524	255,858	-	(20,779,644)		
Public services	12,395,353	2,253,835	14,500	-	(10,127,018)		
Library	3,002,534	64,523	36,744	50	(2,901,217)		
Appropriations to BOE	559,811	-	-	-	(559,811)		
Interest on long-term debt	3,199,842	-	-	-	(3,199,842)		
Total primary government	\$ 50,805,818	\$ 7,584,603	\$ 1,811,861	\$ 1,270,987		(40,138,367)	
General revenues							
Taxes							
Ad Valorem (real and personal property)					17,446,551		
Sales and use					21,773,501		
Other taxes					2,586,863		
Utility franchise fees					2,919,092		
Investment earnings					782,637		
Donated infrastructure assets					135,044		
Miscellaneous					523,649		
Gain on sale of assets					88,800		
					46,256,137		
Change in net position						6,117,770	
Net position at beginning of year						82,541,921	
Net position at end of year						\$ 88,659,691	

September 30, 2020

	General	Capital Projects-Community Spaces	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 3,406,474	\$ 6,214,166	\$ 3,298,945	\$ 12,919,585
Cash - restricted	1,074,517	17,020,438	3,360,006	21,454,961
Investments	12,946,508	-	-	12,946,508
Investments - restricted	-	-	1,293,888	1,293,888
Accounts receivable, net of allowance for uncollectibles	4,204,958	315,000	1,427,873	5,947,831
Prepaid expenses	89,456	-	-	89,456
Interfund receivables	126,604	-	79,242	205,846
Total assets	\$ 21,848,517	\$ 23,549,604	\$ 9,459,954	\$ 54,858,075
Liabilities				
Bank overdraft	\$ -	\$ -	\$ 8,360	\$ 8,360
Accounts payable	1,980,690	1,820,848	1,007,613	4,809,151
Retainage payable	-	573,248	18,675	591,923
Court and performance bonds payable	1,067,938	-	-	1,067,938
Interfund payables	79,242	-	126,604	205,846
Total liabilities	3,127,870	2,394,096	1,161,252	6,683,218
Deferred inflows of resources				
Unavailable revenues - capital improvement fund	-	-	347,016	347,016
Total deferred inflows of resources	-	-	347,016	347,016
Fund balance				
Nonspendable	89,456	-	-	89,456
Restricted for				
Road maintenance	-	-	1,074,838	1,074,838
Capital projects	-	17,020,438	-	17,020,438
Debt service	-	-	1,989,023	1,989,023
Committed to				
Capital projects	-	4,135,070	-	4,135,070
Emergency reserve	12,946,508	-	-	12,946,508
Assigned	500,000	-	4,899,138	5,399,138
Unassigned (deficit)	5,184,683	-	(11,313)	5,173,370
Total fund balance	18,720,647	21,155,508	7,951,686	47,827,841
Total liabilities, deferred inflows, and fund balance	\$ 21,848,517	\$ 23,549,604	\$ 9,459,954	\$ 54,858,075

September 30, 2020

Fund balance - total governmental funds	\$ 47,827,841
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	
Governmental capital assets	\$ 237,130,952
Accumulated depreciation	<u>(60,772,901)</u>
	176,358,051
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.	9,444,603
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.	(397,995)
Deferred inflows of resources related to unavailable revenues	347,016
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Warrant obligations, net	(106,269,677)
Net pension liability	(28,056,359)
OPEB liability	(1,728,735)
Compensated absences	(2,742,618)
Accrued interest payable	(346,977)
Capital lease obligations	<u>(5,775,459)</u>
	(144,919,825)
Net position of governmental activities	\$ 88,659,691

<i>For the year ended September 30, 2020</i>	General	Capital Projects -	Other Governmental Funds	Total Governmental Funds
		Community Spaces		
Revenues				
Taxes	\$ 39,361,237	\$ -	\$ 827,006	\$ 40,188,243
Licenses and permits	5,426,845	-	198,618	5,625,463
Intergovernmental	-	-	776,033	776,033
Charges for services	234,737	-	105	234,842
Fines and forfeitures	270,900	-	343,116	614,016
Fees	2,973,552	-	842,639	3,816,191
Grants	2,390,624	594,238	504,909	3,489,771
Proceeds from sale of assets	42,328	-	91,189	133,517
Interest revenues	249,308	457,688	75,640	782,636
Library revenues	-	-	66,751	66,751
Other revenues	747,001	315,000	452,950	1,514,951
Total revenues	51,696,532	1,366,926	4,178,956	57,242,414
Expenditures				
Current (operating)				
General government administration	7,329,386	-	692,114	8,021,500
Public safety	19,863,500	-	1,210,176	21,073,676
Public services	7,560,454	897,383	1,722,271	10,180,108
Library	2,108,932	-	33,669	2,142,601
Debt service	-	254,469	8,277,466	8,531,935
Capital outlay	180,313	26,123,665	1,763,268	28,067,246
Total expenditures	37,042,585	27,275,517	13,698,964	78,017,066
Excess of revenues over (under) expenditures				
	14,653,947	(25,908,591)	(9,520,008)	(20,774,652)
Other financing sources (uses)				
Operating transfers in	59,121	5,530,904	9,350,978	14,941,003
Operating transfers out	(11,715,457)	(3,166,425)	(59,121)	(14,941,003)
Appropriations to BOE	(279,811)	(280,000)	-	(559,811)
Other financing sources - proceeds of warrants	-	24,060,000	-	24,060,000
Other financing sources - bond premium	-	538,270	-	538,270
Other financing sources - proceeds of capital lease	-	825,000	3,583,438	4,408,438
Other financing uses - payment to bond escrow agent	-	(21,965,468)	-	(21,965,468)
Total other financing sources (uses)	(11,936,147)	5,542,281	12,875,295	6,481,429
Excess of revenues and other financing sources over (under) expenditures and other financing uses				
	2,717,800	(20,366,310)	3,355,287	(14,293,223)
Fund balance, beginning of year	16,002,847	41,521,818	4,596,399	62,121,064
Fund balance, end of year	\$ 18,720,647	\$ 21,155,508	\$ 7,951,686	\$ 47,827,841

For the year ended September 30, 2020

Net change in fund balances - total governmental funds	\$ (14,293,223)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Expenditures for capital assets	\$ 28,067,246
Less current year depreciation	<u>(4,945,553)</u>
	23,121,693
Some revenues reported in the government-wide statement of activities do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	
The net effect of donated infrastructure	135,044
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.	
	5,096,616
Payments to refunding escrow agent are recorded as expenditures or other financing uses in governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
	21,965,468
Proceeds from the issuance of long-term debt and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. Issuing long-term debt and capital leases increases liabilities in the Statement of Net Position but does not affect the Statement of Activities.	
	(28,468,438)
Bond premiums on debt issuance are recorded as financing sources in the governmental funds, but are deferred and amortized in the Statement of Activities.	(538,270)
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds. However, amounts are recorded as current year revenues in the statement of activities.	
	347,016
The net effect of transactions involving the disposal of capital assets is to decrease net position.	(44,717)
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.	
Difference in pension expense related to deferred outflows and inflows of resources and net pension liability	\$ (1,030,693)
Difference in OPEB expense related to deferred outflows and inflows of resources and net OPEB liability	(106,214)
Change in long-term compensated absences	(333,138)
Change in accrued interest payable	127,706
Amortization of bond premiums/discounts, net	297,390
Amortization of loss on refunding	(158,470)
	<u>(1,203,419)</u>
<u>Change in net position of governmental activities</u>	<u>\$ 6,117,770</u>

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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 five year terms. The City Manager is appointed by the City Council. The terms of the current administration are scheduled to expire October 31, 2025.

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, 2020, the total advalorem taxes remitted to the Board amounted to approximately \$22,926,219 and \$438,877 was due the Board of Education at September 30, 2020.

The City also remits a portion of sales taxes and automobile tags collected within the City. During the year ended September 30, 2020, the total sales taxes and automobile tags remitted to the Board was approximately \$668,523 and \$33,961 was due to the Board as of September 30, 2020.

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 Board's debt for various capital improvements. Annual support will be \$280,000 per year for ten years.

During the year ended September 30, 2020, the City and the Board entered into an agreement whereby the City requested reimbursement of CARES expenditures from Jefferson County Commission on behalf of the Board. \$279,812 was due to the Board of Education as of September 30, 2020.

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.

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 and Capital Projects - Community Spaces Fund are classified as major funds.

The remaining Other Governmental Funds (Special Revenue Funds, Debt Service Fund, 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.

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.

Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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.

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".

With 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.

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.

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 \$12,946,508 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 \$4,899,138 of the Other Governmental Funds balance for use as follows: \$213,031 for E-911, \$294,374 for the Library, \$4,309,090 for Capital Projects and \$82,643 for Capital Projects – Sidewalks.

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.

Budgetary Information***Budgetary Basis of Accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Funds, and Special Revenue Funds. The capital projects funds are appropriated on a project-length basis. Certain special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Budgetary Information (Continued)******Budgetary Basis of Accounting (Continued)***

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 acquisition 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.

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.

Investments

Investments for the City are reported at cost plus accrued interest.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Restricted Assets***

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and capital lease debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

Law enforcement fines and confiscated property account – Funds generated from fines and confiscated property applied towards further education and enhancement of the police department pursuant to state statutes.

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.

Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employ of the City and, accordingly upon separation from service, no monetary obligation exists.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***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.

Details of current interfund receivables and payables are as follows:

Payable from	Payable to	Amount
General Fund	Other Governmental Funds	\$ 79,242
Other Governmental Funds	General Fund	126,604
		\$ 205,846

The purpose of the interfund receivable balance to the Other Governmental Funds 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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Interfund Transactions (Continued)***

Transfers for the fiscal year ended September 30, 2020 consisted of the following:

Transfer to	Transfer From					Total
	General Fund	Capital Projects-Community Spaces	Other Governmental Funds			
Other Governmental Funds	\$ 6,184,553	\$ 3,166,425	\$ -			\$ 9,350,978
Community Spaces Fund	5,530,904	-	-			5,530,904
General Fund	-	-	59,121			59,121
Total	\$ 11,715,457	\$ 3,166,425	\$ 59,121			\$ 14,941,003

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 Other Governmental Funds 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***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 several 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.

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 fourth, and fifth items are also associated with the City's pension plan and are related to changes in assumptions, differences between expected and actual experience used to calculate the total pension liability, and difference between projected and actual earnings on plan investments. The sixth and seventh 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 \$17,446,551 or 30.8% of total revenue in fiscal year 2020. Sales and use tax revenue was \$21,773,501 or 38.5% of total revenue in fiscal year 2020.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 21, 2021. See Note 15 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these 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	\$ 34,374,546	\$ 37,369,644

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, 2020, 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, 2020, all of the City's depositories are participating in the SAFE program.

Included in the carrying amount above are restricted assets totaling \$21,454,961, which includes deposits related to the following: \$109,266 court appearance bonds, \$3,964,631 lease escrow, \$220,375 police confiscations, \$16,195,438 community spaces, and \$965,251 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.

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 \$12,946,508, in a number of certificates of deposit at multiple financial institutions. These investments are stated at cost plus accrued interest.

The City has invested annual sinking fund payments related to its Qualified Energy Conservation Bonds (QEBCB) 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, 2020:

- QEBCB Guaranteed Investment Contract of \$1,293,888 (restricted investment) using discounted cash flow and theoretical transfer (exit value) techniques (Level 3 inputs).

Note 3: CAPITAL ASSETS

Following is a summary of the changes in the City's capital assets for the year ended September 30, 2020:

	Balance at 9/30/2019	Additions	Disposals/ Retirements/ Completed	Balance at 9/30/2020
Capital assets not being depreciated:				
Land	\$ 82,607,368	\$ 16,057	\$ -	\$ 82,623,425
Construction in progress	7,247,516	25,886,881	(804,868)	32,329,529
Total capital assets not being depreciated	89,854,884	25,902,938	(804,868)	114,952,954
Capital assets being depreciated:				
Land improvements	12,289,940	8,911	804,868	13,103,719
Buildings	30,899,822	10,739	-	30,910,561
Building equipment and fixtures	416,128	33,550	-	449,678
Vehicles	7,889,943	977,051	(448,587)	8,418,407
Equipment	9,031,094	8,992	(5,700)	9,034,386
Computer equipment	2,252,340	217,540	-	2,469,880
Recreational equipment	2,372,854	727,211	-	3,100,065
Office furniture and fixtures	2,408,687	-	-	2,408,687
Office equipment	133,715	-	-	133,715
Recreational facilities	23,078,608	-	-	23,078,608
Books and artwork	2,180,658	180,313	-	2,360,971
Infrastructure	26,574,277	135,044	-	26,709,321
Total capital assets being depreciated	119,528,066	2,299,351	350,581	122,177,998
Less accumulated depreciation for:				
Land improvements	6,038,670	591,141	-	6,629,811
Buildings	6,210,875	860,994	-	7,071,869
Building equipment and fixtures	182,165	82,422	-	264,587
Vehicles	5,433,091	711,293	(403,870)	5,740,514
Equipment	5,744,419	432,969	(5,700)	6,171,688
Computer equipment	1,854,429	131,135	-	1,985,564
Recreational equipment	1,966,396	56,210	-	2,022,606
Office furniture and fixtures	2,063,383	252,525	-	2,315,908
Office equipment	132,673	86	-	132,759
Recreational facilities	14,334,488	803,709	-	15,138,197
Books and artwork	1,594,692	216,807	-	1,811,499
Infrastructure	10,681,637	806,262	-	11,487,899
Total accumulated depreciation	56,236,918	4,945,553	(409,570)	60,772,901
Total capital assets being depreciated, net	63,291,148	(2,646,202)	760,151	61,405,097
Governmental activities capital assets, net	\$ 153,146,032	\$ 23,256,736	\$ (44,717)	\$ 176,358,051

Note 3: CAPITAL ASSETS (Continued)

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

Governmental activities	
General government administration	\$ 1,088,022
Public safety	989,111
Public services	2,077,132
Library	791,288
Total depreciation expense	\$ 4,945,553

Note 4: CAPITALIZED LEASES

At September 30, 2020, approximately \$3,402,210 in accumulated depreciation has been recorded in the government-wide financial statements related to assets costing \$5,553,045 purchased under capital leases. The current portion of the outstanding liability related to these capital leases at September 30, 2020 reported in the government-wide financial statements totaled \$1,262,847. The remaining long-term portion of these capital lease obligations reported in the government-wide financial statements totaled \$4,512,612 at September 30, 2020.

The following schedule shows the future minimum lease payments at September 30, 2020:

<i>For the years ending September 30,</i>				Total Lease Payment
2021	\$ 125,815	\$ 1,262,847	\$ 1,388,662	
2022	80,065	1,182,326	1,262,391	
2023	60,813	982,682	1,043,495	
2024	45,160	871,920	917,080	
2025	26,129	881,825	907,954	
<u>2026 and thereafter</u>	<u>9,632</u>	<u>593,859</u>	<u>603,491</u>	
Total	\$ 347,614	\$ 5,775,459	\$ 6,123,073	

Note 5: ACCOUNTS RECEIVABLE

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

Sales taxes	\$ 1,928,155
Property taxes	310,014
Other taxes	954,305
Franchise fees	115,000
Transport receivable	231,890
Intergovernmental	198,064
Other receivables	<u>2,210,403</u>
 Total	 <u>\$ 5,947,831</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, 2020:

Warrant obligations at September 30, 2019	\$ 103,305,000
Principal payments and refundings	(24,365,000)
Debt issuance	<u>24,060,000</u>
Total principal outstanding	103,000,000
Unamortized bond issuance discount	(80,111)
Unamortized bond premium	3,349,788
 Total warrant obligations at September 30, 2020	 <u>\$ 106,269,677</u>

Note 6: LONG-TERM DEBT (Continued)

Outstanding principal of warrant obligations of the City at September 30, 2020 consist of the following:

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.	\$ 990,000
General Obligation Warrants, Qualified Energy Conservation Bonds (QEBCB) 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 \$1,293,888 held in sinking fund for repayment)	2,951,112
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.	1,000,000
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.	715,000
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.	7,145,000
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.	11,120,000
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.	53,725,000
General Obligation Warrants, Series 2020A was issued in the principal amount of \$4,175,000 in June 2020. The warrants bear interest at an average of 3.625%, 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.	4,175,000
General Obligation Warrants, Series 2020B was issued in the principal amount of \$19,885,000 in June 2020. The warrants bear interest at an average of 1.4%, 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.	19,885,000
Total outstanding	101,706,112
Amount held in sinking fund for QEBCB payment	1,293,888
Total principal outstanding	\$ 103,000,000

Note 6: LONG-TERM DEBT (Continued)

The following schedule shows the debt service requirements at September 30, 2020:

<i>For the years ending September 30,</i>	Debt Service Related to Principal	Debt Service Related to Interest	Total Debt Service
2021	\$ 4,235,000	\$ 3,378,349	\$ 7,613,349
2022	4,390,000	3,209,870	7,599,870
2023	4,540,000	3,060,665	7,600,665
2024	4,520,000	2,901,261	7,421,261
2025	4,690,000	2,733,719	7,423,719
2026-2030	24,995,000	11,214,386	36,209,386
2031-2035	23,705,000	7,743,447	31,448,447
2036-2040	10,540,000	5,291,200	15,831,200
2041-2045	12,600,000	3,231,050	15,831,050
2046-2050	8,785,000	712,000	9,497,000
Total	\$ 103,000,000	\$ 43,475,947	\$ 146,475,947

The total interest paid by the City during 2020 relative to the above warrants was \$3,457,667.

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 \$1,293,888 as of September 30, 2020.

As a result of the refunding debts in prior years, the City recorded deferred charges in the Government-wide State 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, 2020 was \$1,030,769.

On June 25, 2020, the City issued its General Obligation Warrants, Series 2020-A (the 2020-A Warrants) for the purpose of refunding (on a current basis) the City's General Obligation Warrants, Series 2009-B (the "Series 2009-B Warrants); providing funds for capital improvements to park, recreation, and other public facilities and for the payment of issuance expenses. At the time of issuance of the Series 2020-A Warrants the Series 2009-B warrants were outstanding in the principal amount of \$4,220,000.

Note 6: LONG-TERM DEBT (Continued)

The current refunding of the Series 2009-B Warrants resulted in a decrease in debt service of \$64,873. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$64,973. When combined with additional refunding funds on hand (to be used for capital improvements) the total economic gain is approximately \$389,160.

On June 25, 2020 the City also issued its General Obligation Warrants, Series 2020-B (the 2020-B Warrants) for the purpose of refunding (on an advance basis) the City's General Obligation Warrants, Series 2013-A (the 2013-A Warrants) and a portion of the City's General Obligation Warrants, Series 2014 (the 2014 Warrants). In accordance with its Refunding Escrow Trust Agreement, the City deposited \$10,778,986 and \$6,846,092 of proceeds from the Warrants (related to Series 2013-A Warrants and 2014 Warrants, respectively) into an Escrow Fund. The amount deposited into the Escrow Fund was used to purchase U.S. Government securities. These securities will mature at such times and in such amounts in order to provide, when added to any uninvested cash in the Escrow Fund, sufficient funds to pay all principal and interest of the Series 2013-A Warrants as well as principal and interest of the Series 2014 Warrants with stated maturity dates during 2028-2031 (the Refunded Series 2014 Warrants). The Series 2014 Warrants that mature during 2021-2023 were not refunded (the Un-refunded Series 2014 Warrants). The remaining balance of the Un-refunded Series 2014 Warrants was \$1,000,000 as of September 30, 2020. As a result of this refunding transaction, the Series 2013-A and Refunded Series 2014 Warrants are considered defeased, and the City has removed the liability from its accounts. The outstanding principal balances of the Series 2013-A and Refunded Series 2014 Warrants were \$10,000,000 and \$6,355,000, respectively, as of September 30, 2020.

The advance refunding of the Series 2013-A and the Refunded Series 2014 Warrants resulted in a decrease in debt service of \$304,539. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$293,963. When combined with additional refunding funds on hand (to be used for capital improvements) the total economic gain is approximately \$2,346,000.

As a result of the refunding of the Series 2009-B Warrants the City recorded deferred charges of \$131,054 in the government-wide Statement of Net Position. Furthermore, as a result of refunding the Series 2013-A and a portion of the Series 2014 Warrants, the City recorded deferred charges of \$1,073,865 in the government-wide Statement of Net Position. These charges represent the difference between the reacquisition price and the net carrying amount 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, 2020 was \$1,204,919.

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.

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.

Note 7: PENSION PLAN (Continued)

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.

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 membership includes approximately 93,986 participants from approximately 907 local participating employers. As of September 30, 2019, membership consisted of:

Retirees and beneficiaries currently receiving benefits	25,871
Terminated employees entitled to but not yet receiving benefits	1,794
Terminated employees not entitled to a benefit	11,001
Active Members	55,222
Post-DROP participants who are still in active service	98
Total	<u>93,986</u>

Tier I 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, Tier I covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Tier I certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From

Note 7: PENSION PLAN (Continued)***Benefits Provided (Continued)***

October 1, 2011, to September 30, 2012, Tier I 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, Tier I 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.

Contributions

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, 2020, the City's active employee contribution rate was 13.78% of covered employee payroll and the City's average contribution rate to fund the normal and accrued liability costs was 13.51% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2020 was 14.61% of pensionable pay for Tier 1 employees and 11.69% 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 \$2,542,889 for the year ended September 30, 2020.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2018 rolled forward to September 30, 2019 using standard roll-forward techniques as shown in the following table:

Note 7: PENSION PLAN (Continued)***Net Pension Liability***

	Expected Valuation Assumption	Actual 2019 Valuation Assumptions	Original
Total Pension Liability			
as of September 30, 2018 (a)	\$84,212,928	\$83,824,289	
Discount Rate (b)	7.70%	7.70%	
Entry Age Normal Cost for			
October 1, 2018 – September 30, 2019 (c)	1,555,575	1,555,575	
Transfers Among Employers (d)	-	259,081	
Actual Benefit Payment and Refunds for			
October 1, 2018 – September 30, 2019 (e)	(4,157,825)	(4,157,825)	
Total Pension Liability			
as of September 30, 2019			
[(a) x (1+(b))] + (c) + (d) + [(e)x(1+0.5*(b))]	\$87,934,997	\$87,775,514	
Difference between Expected and Actual		\$ (159,483)	
Less liability transferred for immediate recognition		259,081	
Experience (Gain)/Loss		\$ (418,564)	

Actuarial Assumptions

The total pension liability as of September 30, 2019 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2018. 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.

Note 7: PENSION PLAN (Continued)***Actuarial Assumptions (Continued)***

The actuarial assumptions used in the September 30, 2018 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 2.75%.

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, 2018	\$ 84,212,928	\$ 58,483,146	\$ 25,729,782
Changes for the year			
Service cost	1,555,575	-	1,555,575
Interest	6,324,319	-	6,324,319
Changes in assumptions	-	-	-
Difference between expected and actual experience	(418,564)	-	(418,564)
Contributions – employer	-	2,384,919	(2,384,919)
Contributions – employee	-	1,251,467	(1,251,467)
Net investment income	-	1,498,367	(1,498,367)
Benefit payments, including refunds of employee contributions	(4,157,825)	(4,157,825)	-
Transfers among employers	259,081	259,081	-
Net changes	3,562,586	1,236,009	2,326,577
Balances at September 30, 2019	\$ 87,775,514	\$ 59,719,155	\$ 28,056,359

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	\$ 38,168,419	\$ 28,056,359	\$ 19,501,750

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, 2019. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2019. The auditors' report dated August 27, 2020 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, 2020, the City recognized pension expense of \$1,030,693. At September 30, 2020, 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	\$ 1,146,273	\$ 357,903
Changes of assumptions	1,918,722	-
Net differences between projected and actual earnings on pension plan investments	720,043	-
<u>Employer contributions subsequent to the measurement date</u>	<u>2,542,889</u>	<u>-</u>
Total	\$ 6,327,927	\$ 357,903

Note 7: PENSION PLAN (Continued)***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

The City reported \$2,542,889 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, 2021. 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,

2021	\$ 760,987
2022	894,937
2023	1,081,904
2024	713,885
2025	30,020
Thereafter	(54,598)
 Total	 <u>\$ 3,427,135</u>

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.

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, 2020 reported in the government-wide financial statements is \$411,393. The remaining long-term incurred portion of the accrued vacation of the governmental activities at September 30, 2020 totaled \$2,331,225.

Note 9: OTHER POST-EMPLOYMENT BENEFITS

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, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>264</u>
 Total	 <u>272</u>

Total OPEB Liability

The City's total OPEB liability of \$1,728,735 was measured as of September 30, 2020 and was determined by an actuarial valuation as of that date.

Note 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)***Actuarial Assumptions and other inputs***

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019 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	2.66% annually (Beginning of Year to Determine ADC) 2.21%, 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 October 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2006 to September 30, 2020.

Changes in the Total OPEB Liability

Balance at September 30, 2019	\$ 1,004,293
Changes for the year	
Service cost	36,221
Interest	25,686
Differences between expected and actual experience	149,569
Changes in assumptions	590,285
Benefit payments and net transfers	(77,319)
<hr/>	
Net changes	724,442
<hr/>	
Balance at September 30, 2020	\$ 1,728,735

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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease (1.21%)	Current Discount Rate (2.21%)	1.0% Increase (3.21%)
Total OPEB liability	\$ 2,034,064	\$ 1,728,735	\$ 1,473,898

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%)	Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 1,467,904	\$ 1,728,735	\$ 2,039,674

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$106,214. At September 30, 2020, 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	\$ 228,288	\$ -
Changes in assumptions	\$ 652,700	<u>\$ 40,092</u>
Total	\$ 880,988	\$ 40,092

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:

<u>For the years ending September 30,</u>	Cumulative Net Amount to be Recognized
2021	\$ 121,626
2022	121,626
2023	121,626
2024	121,626
2025	121,626
<u>Thereafter</u>	<u>232,766</u>
<u>Total</u>	<u>\$ 840,896</u>

Note 10: DEFERRED COMPENSATION PLAN

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

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

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

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

Note 11: CONTINGENCIES AND COMMITMENTS

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, 2020, the City had executed contracts for various project commitments in the amount of \$19,468,862. At September 30, 2020, \$15,610,685 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, 2020 Abatement Amount	Expiration of Incentive ¹	Maximum Incentive Amount
Restaurant development	Sales tax ⁴	50%	\$70,935	December 31, 2027	\$575,000
Commercial development ³	Ad Valorem tax ²	100%	\$96,269	August 2034	\$5,150,000
Retail development	Sales tax ⁴	10%	\$21,168	December 31, 2019	\$900,000
Restaurant development	Sales tax ⁴	50%	\$17,318	July 31, 2026	\$325,000
Restaurant development	Sales tax ⁴	50%	\$41,502	July 31, 2028	\$500,000
Commercial development	Sales tax ⁴	75%		March 31, 2022	
	Sales tax ⁴	50%	\$8,760	March 31, 2027	\$575,000
Commercial development	Sales tax ⁴	50%	\$67,314	October 31, 2025	\$475,000
Restaurant development	Sales tax ⁴	50%	\$59,796	September 26, 2029	\$750,000
Restaurant development	Sales tax ⁴	50%	\$12,984	September 21, 2029	\$250,000
		Total	\$396,046		

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.

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;
- 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: 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 15: SUBSEQUENT EVENT

The City received a charitable donation of real estate, which consisted of approximately 13 acres of land with an estimated value of \$3,725,000.

REQUIRED SUPPLEMENTARY INFORMATION

<i>For the year ended September 30, 2020</i>	Budget - Original and Final	General Fund Actual	Variance
Revenues			
Taxes	\$ 35,949,222	\$ 39,361,237	\$ 3,412,015
Licenses and permits	4,752,170	5,426,845	674,675
Charges for services	433,700	234,737	(198,963)
Fines and forfeitures	325,000	270,900	(54,100)
Fees	2,863,832	2,973,552	109,720
Grants	872,596	2,390,624	1,518,028
Proceeds from sale of assets	15,000	42,328	27,328
Interest revenues	240,811	249,308	8,497
Other revenues	640,530	747,001	106,471
Total revenues	46,092,861	51,696,532	5,603,671
Expenditures			
General government administration	6,522,784	7,329,386	(806,602)
Public safety	20,014,192	19,863,500	150,692
Public services	7,773,778	7,560,454	213,324
Library	2,191,405	2,108,932	82,473
Capital outlay	189,778	180,313	9,465
Total expenditures	36,691,937	37,042,585	(350,648)
Excess of revenues over expenditures	9,400,924	14,653,947	5,253,023
Other financing sources (uses)			
Operating transfers in	50,000	59,121	9,121
Operating transfers out	(9,450,924)	(11,715,457)	(2,264,533)
Total other financing sources (uses)	(9,400,924)	(11,656,336)	(2,255,412)
Excess of revenues and other financing sources over (under) expenditures	-	2,997,611	2,997,611
Fund balances, beginning of year	16,002,847	16,002,847	-
Fund balances, end of year	\$ 16,002,847	\$ 19,000,458	\$ 2,997,611

Schedule of Changes in Net Pension Liability	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,555,575	\$ 1,508,540	\$ 1,486,956	\$ 1,379,763	\$ 1,319,081	\$ 1,277,907
Interest	6,324,319	6,061,114	5,772,185	5,371,641	4,970,899	4,747,042
Differences between expected and actual experience	(418,564)	321,100	529,080	141,280	2,132,828	-
Changes of assumptions	-	449,717	-	3,809,927	-	-
Benefit payments, including refunds of employee contributions	(4,157,825)	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employees	259,081	(327,053)	(128,346)	273,131	-	-
Net change in total pension liability	3,562,586	3,996,598	3,813,170	7,539,563	5,031,913	2,962,375
Total pension liability - beginning	84,212,928	80,216,330	76,403,160	68,863,597	63,831,684	60,869,309
Total pension liability - ending (a)	\$ 87,775,514	\$ 84,212,928	\$ 80,216,330	\$ 76,403,160	\$ 68,863,597	\$ 63,831,684
Plan Fiduciary Net Position						
Contributions - employer	\$ 2,384,919	\$ 2,010,155	\$ 2,076,923	\$ 1,852,693	\$ 1,777,403	\$ 1,750,292
Contributions - employee	1,251,467	1,006,259	984,086	974,431	916,651	851,524
Net investment income	1,498,367	5,010,199	6,272,112	4,585,395	532,576	4,842,808
Benefit payments, including refunds of employee contributions	(4,157,825)	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employers	259,081	(327,053)	(128,346)	273,131	235,587	245,477
Net change in plan fiduciary net position	1,236,009	3,682,740	5,358,070	4,249,471	71,322	4,627,527
Plan net position - beginning	58,483,146	54,800,406	49,442,336	45,192,865	45,121,543	40,494,016
Plan net position - ending (b)	\$ 59,719,155	\$ 58,483,146	\$ 54,800,406	\$ 49,442,336	\$ 45,192,865	\$ 45,121,543
Net pension liability - ending (a) - (b)	\$ 28,056,359	\$ 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	68.04%	69.45%	68.32%	64.71%	65.63%	70.69%
Covered payroll*	\$ 17,823,733	\$ 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	157.41%	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 2020, the measurement period is October 1, 2018 - September 30, 2019.

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 2,542,889	\$ 2,450,447	\$ 2,072,633	\$ 2,132,174	\$ 1,911,298	\$ 1,829,808
Employer Contributions to Pension Plan	2,542,889	2,450,447	2,072,633	2,132,174	1,911,298	1,829,808
Annual Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll**	\$ 18,449,981	\$ 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	13.78%	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.

**Employer's covered payroll for the year ending 2019 is the total covered payroll for the 12-month period underlying the financial statement.

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

Total OPEB Liability	2020	2019	2018
Service cost	\$ 36,221	\$ 19,873	\$ 21,139
Interest	25,686	31,209	28,260
Differences between expected and actual experience	149,569	87,670	41,998
Changes of assumptions	590,285	157,223	(48,684)
Benefit payments	(77,319)	(76,604)	(72,610)
Net change in total OPEB liability	724,442	219,371	(29,897)
Total OPEB liability - beginning	1,004,293	784,922	814,819
Total OPEB liability - ending	\$ 1,728,735	\$ 1,004,293	\$ 784,922
Covered - employee payroll	\$ 16,665,706	\$ 15,820,146	\$ 15,211,679
Net OPEB liability as a percentage of covered - employee payroll	10.37%	6.35%	5.16%

Notes to Schedule:

Benefit changes - There were no changes of benefit terms for the year ended September 30, 2020.

Changes of assumptions - The discount rate as of 9/30/2019 was 2.66% and it changed to 2.21% as of 9/30/2019.

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

	Valuation Date	10/1/2019	10/1/2018
Actuarially determined contribution (ADC)	\$ 85,233	\$ 66,262	
Contributions in relation to the actuarially determined contribution:			
Employee contributions to trust	-	-	
Employer paid - retiree premiums	-	-	
Employer paid - expenses	(77,319)	(76,604)	
Contribution deficiency (excess)	\$ 7,914	\$ (10,342)	
Covered annual payroll		16,665,706	\$ 15,820,146
Contributions as a percentage of covered employee payroll		0.46%	0.48%
Notes to Schedule:			
Valuation date	10/1/2019		
		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		2.66% annually (beginning of year to determine the actuarially determined contributions (ADC))	
		2.21% 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 projection		
Turnover		Age specific table with an average of 5% when applied to the active census	
Decline rate		43% of retirees decline medical coverage at retirement and an additional 27% defer retirement until age 65.	

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

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 Schedule 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.

Budget information presented in the financial statements is based on the original budget as adopted by the City Council on September 9, 2019.

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 14.61% for Tier 1 employees (hired before January 1, 2013) and 11.69% 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.

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, 2020.

SUPPLEMENTARY INFORMATION

State Shared Gasoline Tax Funds												
For the year ended September 30, 2020	Four Cent	Five Cent	Six Cent	Seven Cent	Court & Corrections	E-911	Library	Capital Projects	Capital Projects- Sidewalks	Vehicle Tags	Debt Service	Totals
Assets												
Cash and temporary investments	\$ 440,892	\$ 75,634	\$ 133,046	\$ -	\$ 12,435	\$ 162,026	\$ 294,374	\$ 1,202,020	\$ 82,643	\$ 300,285	\$ 595,590	\$ 3,298,945
Cash - restricted	-	-	-	-	-	-	-	-	-	-	-	3,360,006
Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	1,293,888
Accounts receivable, net of allowance for uncollectibles	37,045	18,160	12,971	846,808	-	66,328	-	347,016	-	-	99,545	1,427,873
Interfund receivables	-	-	-	-	-	-	-	79,242	-	-	-	79,242
Total assets	\$ 477,937	\$ 93,794	\$ 146,017	\$ 846,808	\$ 12,435	\$ 228,354	\$ 294,374	\$ 4,988,284	\$ 82,643	\$ 300,285	\$ 1,989,023	\$ 9,459,954
Liabilities												
Accounts payable	\$ 261,424	\$ 43,675	\$ 127,614	\$ 29,970	\$ 12,435	\$ 15,323	\$ -	\$ 332,178	\$ -	\$ 184,994	\$ -	\$ 1,007,613
Retainage payable	18,675	-	-	-	-	-	-	-	-	-	-	18,675
Bank overdraft	-	-	8,360	-	-	-	-	-	-	-	-	8,360
Interfund payable	-	-	-	-	-	-	-	-	-	126,604	-	126,604
Total liabilities	280,099	43,675	127,614	38,330	12,435	15,323	-	332,178	-	311,598	-	1,161,252
Deferred inflows of resources												
Unavailable revenues - capital improvement	-	-	-	-	-	-	-	347,016	-	-	-	347,016
Total deferred inflows of resources	-	-	-	-	-	-	-	347,016	-	-	-	347,016
Fund Balance												
Restricted for road maintenance	197,838	50,119	18,403	808,478	-	-	-	-	-	-	-	1,074,838
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for debt service	-	-	-	-	-	-	-	-	-	-	1,989,023	1,989,023
Assigned	-	-	-	-	213,031	294,374	4,309,090	82,643	-	-	-	4,899,138
Unassigned (deficit)	-	-	-	-	-	-	-	-	(11,313)	-	(11,313)	
Total fund balance	197,838	50,119	18,403	808,478	-	213,031	294,374	4,309,090	82,643	(11,313)	1,989,023	7,951,686
Total liabilities and fund balance	\$ 477,937	\$ 93,794	\$ 146,017	\$ 846,808	\$ 12,435	\$ 228,354	\$ 294,374	\$ 4,988,284	\$ 82,643	\$ 300,285	\$ 1,989,023	\$ 9,459,954

State Shared Gasoline Tax Funds												
For the year ended September 30, 2020	Four Cent	Five Cent	Six Cent	Seven Cent	Court & Corrections	E-911	Library	Capital Projects	Capital Projects - Sidewalks	Vehicle Tags	Debt Service	Totals
Revenues												
Taxes	\$ 2,316	\$ -	\$ -	\$ 824,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,614	\$ -	\$ 827,006
License and permits	-	-	-	48,004	-	-	-	-	-	-	-	198,618
Intergovernmental	202,727	99,947	146,017	327,342	-	-	-	-	-	-	-	776,033
Charges for services	-	-	-	-	105	-	-	-	-	-	-	105
Fines and forfeitures	-	-	-	-	343,116	-	-	-	-	-	-	343,116
Fees	-	-	-	-	-	842,639	-	-	-	-	-	842,639
Grants	-	-	-	-	-	-	34,565	470,344	-	-	-	504,909
Proceeds from sales of assets	-	-	-	-	-	-	-	91,189	-	-	-	91,189
Interest revenues	-	-	-	-	-	642	-	13,377	-	889	60,732	75,640
Library revenues	-	-	-	-	-	-	66,751	-	-	-	-	66,751
Other revenues	-	-	-	-	-	-	-	254,460	-	-	198,490	452,950
Total revenues	205,043	99,947	146,017	1,200,036	343,221	843,281	101,316	829,370	-	151,503	259,222	4,178,956
Expenditures												
General government administration	-	-	-	-	494,973	-	-	35,754	-	153,887	7,500	692,114
Public safety	-	-	-	-	83,413	955,038	-	171,725	-	-	-	1,210,176
Public services	38,418	192,682	127,614	1,363,557	-	-	-	-	-	-	-	1,722,271
Library	-	-	-	-	-	-	33,669	-	-	-	-	33,669
Debt service	-	-	-	-	-	-	-	1,029,798	-	-	7,247,668	8,277,466
Capital outlay	394,253	23,053	-	-	-	-	68,134	1,277,828	-	-	-	1,763,268
Total expenditures	432,671	215,735	127,614	1,363,557	578,386	955,038	101,803	2,515,105	-	153,887	7,255,168	13,698,964
Excess of revenues over (under) expenditures	(227,628)	(115,788)	18,403	(163,521)	(235,165)	(111,757)	(487)	(1,685,735)	-	(2,384)	(6,995,946)	(9,520,008)
Other financing sources (uses)												
Operating transfers in	-	-	-	38,577	235,165	-	-	1,851,937	-	-	7,225,299	9,350,978
Operating transfers out	-	-	-	-	-	-	-	(50,000)	-	(9,121)	-	(59,121)
Other financing sources - proceeds of capital leases	-	-	-	-	-	-	-	3,583,438	-	-	-	3,583,438
Total other financing sources (uses)	-	-	-	38,577	235,165	-	-	5,385,375	-	(9,121)	7,225,299	12,875,295
Excess of revenues and other sources over expenditures and other uses	(227,628)	(115,788)	18,403	(124,944)	-	(111,757)	(487)	3,699,640	-	(11,505)	229,353	3,355,287
Fund balance, beginning of year	425,466	165,907	-	933,422	-	324,788	294,861	609,450	82,643	192	1,759,670	4,596,399
Fund balance, end of year	\$ 197,838	\$ 50,119	\$ 18,403	\$ 808,478	\$ -	\$ 213,031	\$ 294,374	\$ 4,309,090	\$ 82,643	\$ (11,313)	\$ 1,989,023	\$ 7,951,686

REPORT ON COMPLIANCE AND INTERNAL CONTROL

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Vestavia Hills, Alabama (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Birmingham, Alabama

September 21, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Vestavia Hills, Alabama's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Birmingham, Alabama

September 21, 2021

For the year ended September 30, 2020

Description	Federal CFDA Number	Pass Through Entity Identifying Number	Total Grant Award	Revenue Recognized	Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security						
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		\$ 309,660	\$ 125,539	\$ 125,539	\$ -
U.S Department of Interior Office						
Abandoned Mine Land Reclamation (AMLR)	15.252		750,000	569,238	569,238	-
Institute of Museum and Library Services						
Grants to States	45.310		8,000	7,774	7,774	-
U.S. Department of Treasury						
Passed through Jefferson County Commission						
COVID-19 - Coronavirus Relief Fund	21.019	2020	<u>1,504,759</u>	<u>1,224,948</u>	<u>1,224,948</u>	-
Total Federal Awards						
			<u>\$ 2,572,419</u>	<u>\$ 1,927,499</u>	<u>\$ 1,927,499</u>	-

Notes to Schedule of Expenditures of Federal Awards

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Vestavia Hills, Alabama. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other state and local government agencies, is included in the schedule.

2. Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

3. Indirect cost

The City does not utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Federally funded insurance and federally funded loans

The City has no federally funded insurance and no federally funded loans or loan guarantees for the fiscal year ended September 30, 2020.

5. Non-cash awards

During the year ended September 30, 2020, the City did not receive any non-cash federal assistance.

Section I - Summary of Auditors' Results**Financial Statements**

Type of auditors' report issued:	<u>Unmodified</u>			
Internal control over financial reporting:				
Material weakness(es) identified?	<input checked="" type="checkbox"/>	yes	<input type="checkbox"/>	no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	none reported
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

SECTION II: FINANCIAL STATEMENT FINDINGS

2020-001: Improve controls over financial reporting process

Criteria: Financial reporting controls should ensure complete and accurate financial statements.

Condition: During our audit, we noted material misstatements in the City's accounts receivable related to grants, retainage payable related to construction projects, compensated absences and accounts receivable related to capital improvement revenues.

Cause: Due to personnel shortages in the Finance Department, the City lacked personnel to perform a timely review of accounting data and financial information used to prepare financial statements in accordance with GAAP prior to issuance.

Effect: The lack of appropriate financial statement review failed to note transactions which were not accounted for in accordance with appropriate accounting standards in the correct period.

Recommendation:

A review related to year-end financial statement close should occur to ensure that all transactions are properly accounted for, appropriate accounting standards are applied, and transactions are reported in the proper period.

Management's response:

The City agrees with this finding. Several measures are being taken to ensure that this condition is remedied including: soliciting the help of consultants, increased inter-departmental communication, and the development of new monthly close-out procedures.

While facing the staffing interruptions, outside consultants were hired to assist in reconciling certain general ledger accounts. Departmental staff were ultimately able to continue the work of consultants and complete all necessary reconciliations.

As part of a new monthly close-out process, individuals that are assigned to reconcile balance sheet accounts, will present the reconciliations for approval to the Finance Director, on a monthly basis. These reconciliations should be presented in a way consistent with the information needed for the annual audit. Accountants who are not responsible for the reconciliation of key balance sheet accounts, will be assigned certain funds for monthly financial statement analysis. Each fund will be assigned to a staff member. These enhanced monthly close-out procedures, will make staff more accountable for the accounts they are responsible for analyzing, and will aid in the preparation for the annual audit.

We believe all of these additional measures will help to provide timely, accurate monthly reconciliations of general ledger accounts.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no matters to be reported.

City of Vestavia Hills

REQUIRED COMMUNICATIONS

September 30, 2020

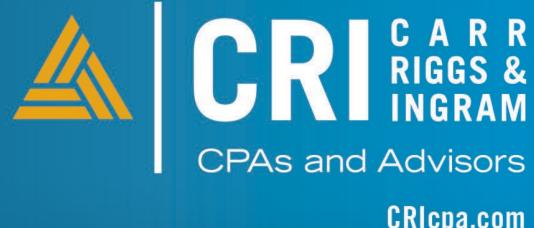




Exhibit A - Resolution No. 5351
Carr, Riggs & Ingram, LLC
3700 Colonnade Parkway
Suite 300
Birmingham, AL 35243

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

September 21, 2021

To the City Council
City of Vestavia Hills, Alabama

Dear City of Vestavia Hill's Council Members:

We are pleased to present the results of our audit of the September 30, 2020 financial statements of the City of Vestavia Hill's (the City).

This report to the City Council summarizes our audit, the reports issued and various analyses and observations related to the City's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the City's September 30, 2020 financial statements. We considered the City's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the City's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the City, management and others within the City and should not be used by anyone other than these specified parties.

We appreciate this opportunity to meet with you.

Very truly yours,

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Certified Public Accountants

As discussed with City Council and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the City. Specifically, we planned and performed our audit to:

- Perform audit services as requested by the City Council, 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, in order to express an opinion on the City's financial statements for the year ending September 30, 2020;
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* and Uniform Guidance 2 CFR Part 200 in order to express an opinion on compliance with requirements applicable to each major federal program;
- Report on internal control over compliance with the types of compliance requirements described in Uniform Guidance 2 CFR Part 200 and the OMB Compliance Supplement;
- Communicate directly with the City Council and management regarding the results of our procedures;
- Address with the City Council and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the City Council and management; and
- Other audit-related projects as they arise and upon request.

We have audited the financial statements of the City for the year ended September 30, 2020, and have issued our report thereon dated September 21, 2021. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Auditors' responsibility under Generally Accepted Auditing Standards and <i>Government Auditing Standards</i> and the Uniform Guidance	<p>As stated in our engagement letter dated June 21, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the City over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
Client's responsibility	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework.</p> <p>Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles	The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted during the fiscal year and the application of existing policies was not changed during 2020.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
	<p>We noted no transactions entered into by the City during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>
Management judgments and accounting estimates	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality".
Corrected and Uncorrected Misstatements	Please see the following section titled "Summary of Audit Adjustments".
Other information in documents containing audited financial statements	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
Disagreements with management	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management	None noted.
Consultation with other accountants	To our knowledge, there were no such consultation with other accountants.
Major issues discussed with management prior to retention	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant difficulties encountered in the audit	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Internal control deficiencies	<p>See Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>.</p> <p>See Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.</p> <p>See letter dated September 21, 2021 identifying deficiencies in internal control over compliance other than significant deficiencies and material weaknesses.</p>
Fraud and illegal acts	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Written representations	Please see the following section titled "Management Representation Letter".
Significant unusual accounting transactions	No significant unusual accounting transactions were noted during the fiscal year.
Required Supplementary Information	We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Supplementary Information in relation to the financial statements as a whole.	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are required to communicate our judgments about the quality, not just the acceptability, of the City's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significant to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The City may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of property and equipment	The City depreciates property and equipment using the straight-line method.	X	The City depreciates property and equipment over their estimated useful lives, which are based on the experience with similar assets and guidance provided by Section 1400: <i>Reporting Capital Assets</i> , of the GASB Codification.	The City's recognition methods and disclosures appear appropriate.
Liability to Personnel Board	The City estimates the liability to the Jefferson County Personnel Board.	X	The City estimates the liability to the Jefferson County Personnel Board.	We evaluated key factors and assumptions used to develop the balance in determining that it is reasonable in relation to the financial statements taken as a whole.
Investments	The City follows the provisions of Section 150: <i>Investments</i> , of the GASB Codification when reporting investments.	X	The City relies on investment valuation information from the bank or investment manager based upon financial market information to determine current or fair value.	The City's policies are in accordance with all applicable accounting guidelines and GASB.
Other postemployment benefit obligation	The City records a liability for its post-employment benefits obligation other than pensions.	X	The OPEB liability is projected using methods and assumption as provided in the most recent actuarial	We evaluated the assumptions used by the actuary in determining the total OPEB liability and

AREA	ACCOUNTING POLICY	CRITICAL POLICY	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
			valuation, in accordance with the provisions of GASB Statement No. 75. Health care cost trend rates were based on market assessments.	found them to be in accordance with the provisions of GASB 75 and reasonable in relation to the financial statements taken as a whole.
Defined benefit pension plan	The City participates in the Employee Retirement System (ERS), an agent multiple-employer plan administered by RSA. RSA utilizes an independent actuary to provide an actuarial valuation report specific to each participating employer with estimates of the total pension liability, fiduciary net position, related deferred outflows/inflows and actuarially required contributions in accordance with the provisions of GASB 68.	X	Key assumptions utilized by the actuary in making the estimates in accordance with GASB 68. The total pension liability was determined by an actuarial valuation as of September 30, 2020, with a measurement date of September 30, 2019.	We evaluated the assumptions used by the actuary in estimating the City's total pension liability, the fiduciary net position, and the related deferred outflows/inflows and found them to be in accordance with the provisions of GASB 68 and reasonable in relation to the financial statements taken as a whole.

During the course of our audit, we accumulate differences between amounts recorded by the City and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the City or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgement, such uncorrected misstatements are immaterial to the financial statements under audit. For a listing of corrected adjustments, see the section entitled Adjusting Journal Entry Report. For a listing of uncorrected adjustments, see the section entitled Passed Adjusting Journal Entry Report. Management has determined that the effect of the uncorrected adjustments are immaterial to the financial statements.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the City's operating environment that has been identified as playing a significant role in the City's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

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Passed Adjusting Journal Entries
City of Vestavia Hills
September 30, 2020

PAJE No.	Account Description	W/P Ref	Account Number	Asset	Liability	Equity	Revenue Expense
1	GASOLINE TAX	4201	0700-3118-000-704				6,336.80
1	ACCOUNTS RECEIVABLE		0700-1230-000-000		-6,336.80		
To record entry for difference between actual and estimated A/R.							
2	COMPENSATION	5203	0141-5010-000-100				21,267.40
2	WAGES PAYABLE		0100-2002-000-000		-21,267.40		
To accrue hourly employees payroll expense for 9/24/2020-9/30/2020							
3	PROF SVCS/PAYROLL	5102	0110-5520-000-100				48,182.52
3	A/P OTHER		0100-2008-000-000		-48,182.52		
To adjust for unrecorded portion of Jefferson County Personnel Board invoice related to FY2020.							
4	STATE FUNDING/CAP INVESTMENTS	4204.1	2000-3141-000-112				329,682.95
4	FUND BALANCE/UNRESTRICTED		2000-2590-000-000		-329,682.95		
To record FY2019 monies received from State of Alabama for capital improvement fund.							
5	BUSINESS LICENSE	8001	0100-3352-000-110				99,150.19
5	ACCOUNTS PAYABLE		0100-2000-000-000		-99,150.19		
To record business license refunds.							
PAJE Totals By Classification				-6,336.80	-168,600.11	-329,682.95	504,619.86
Classification Totals Before PAJE				<u>332,671,511.90</u>	<u>-108,108,439.12</u>	<u>-242,602,129.57</u>	<u>19,239,056.79</u>

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Adj. Journal Entries
City of Vestavia Hills
September 30, 2020

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	ACCTS REC/COMM SPACES	4201	2200-1230-000-000		41,450.48
1	STORMWATER/PROPERTY TAX		2260-5710-000-300	41,450.48	
PBC - To take off receivable related to outstanding JT Smallwood check in regards to the purchase of the old Gold's Gym property.					
2	ACCTS REC/COMM SPACES	4201	2200-1230-000-000		55,150.00
2	CONSTRUCTION		2260-8740-000-712	55,150.00	
To reverse off construction expenditures incurred on the sale of the property at Baumhowers (water/drainage issue). Amount should have been reimbursed to the City if there were no problems.					
3	ACCOUNTS RECEIVABLE	4201	0100-1230-000-000	279,811.22	
3	GRANT/ FEDERAL		0100-3390-000-111		279,811.22
3	A/P OTHER		0100-2005-000-000		279,811.22
3	COMPENSATION-OTHER		0142-5010-002-100	279,811.22	
To record BOE's portion of CARES Act money received.					
4	NEW ROAD CONSTRUCTION	4611	0460-8740-000-712	18,675.21	
4	ACCOUNTS PAYABLE/OTHER		0400-2005-000-000		18,675.21
4	CONSTRUCTION		2260-8740-000-712	147,650.99	
4	CONSTRUCTION		2260-8740-000-712	10,782.87	
4	CONSTRUCTION		2260-8740-000-712	407,435.73	
4	CONSTRUCTION		2260-8740-000-712	7,369.32	
4	ACCOUNTS PAYABLE/OTHER		2200-2005-000-000		573,246.91
To record retainage payable for construction projects at 9/30/2020.					
5	COURT	5215	0100-1038-000-000	29,031.00	
5	COURT BONDS		0100-1043-000-000		29,031.00
PBC- Record deposit error for Five Points deposited in court bond should be deposited in special court in Sept 2020. Entry posted 11/10/20.					
6	COMPENSATED ABSENCES	5202	3000-1890-000-000	208,607.31	
6	ACCUMULATED COMP ABSENCES		3000-2550-000-000		208,607.31
To accrue compensated absences related to non-admin fire.					
7	ACCOUNTS RECEIVABLE	4204	2000-1230-000-000	347,015.90	
7	Deferred Inflow		2000-2600-000-000		347,015.90
To record capital improvement monies received in FY21 that were applicable to FY20.					
Totals				1,832,799.25	1,832,799.25

September 21, 2021

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

This representation letter is provided in connection with your audit(s) of the financial statements of City of Vestavia Hills, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2020, and the respective changes in financial position and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 21, 2021, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 21, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements (including GASB 34 conversion entries) and related notes, the schedule of expenditures of federal awards, the data collection form, and any other non-attest services. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards and data collection form.
- 29) In regards to the nonattest services (including GASB 34 conversion entries) performed by you, we have –
- i) Assumed all management responsibilities.
 - ii) Designated Melvin Turner and George Sawaya, who have suitable skill, knowledge, or experience to over the services.
 - iii) Evaluated the adequacy and results of the services performed.
 - iv) Accepted responsibility for the results of the services.
- 30) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) Tax abatement agreements have been properly disclose in the notes to the financial statements, including the names of governments including the gross amount and specific taxes abated and additional commitments.
- 44) We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 45) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 46) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) With respect to the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balances – other governmental funds:
 - a) We acknowledge our responsibility for presenting the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balances – other governmental funds in accordance with accounting principles generally accepted in the United States of America, and we believe the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balances – other governmental funds, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balances – other governmental funds have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balances – other governmental funds is not presented with the audited financial statements, we will make the audited financial statements

readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

50) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the

objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- I) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- y) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- z) Uniform Guidance audits were not required for the fiscal years ended September 30, 2018 and September 30, 2019.

Signature: _____

Signature: _____

Title: _____

Title: _____

ORDINANCE NUMBER 3040

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE AND DELIVER THE ALABAMA ASSOCIATION OF FIRE CHIEFS MUTUAL AID CONSORTIUM AGREEMENT

WHEREAS, under the provisions of *Ala. Code* §11-43-140 et seq. a governing body of a city or town may enter into agreements to provide aid beyond their corporate limits or police jurisdictions, and

WHEREAS, under the provisions of *Ala. Code* §11-89-1 et seq. a board of a fire district may enter into agreements as may be necessary to accomplish the purpose of the fire district, and

WHEREAS, Mayor and City Council of the City of Vestavia Hills, Alabama recognize that Alabama faces a wide range of both natural and man-made emergencies requiring fire and emergency response to provide for the safety of our citizens, and

WHEREAS, in times of significant events and incidents, individual fire and emergency response capabilities may become overwhelmed and may not be adequate to effectively minimize the loss of life, severity of injury, and property damage, and

WHEREAS, the Mayor and City Council recognize that in times of significant emergency, resources, equipment, and trained personnel from across Alabama may be required to best mitigate the emergency, and

WHEREAS, the Alabama Association of Fire Chiefs has developed a Mutual Aid Consortium to provide for the coordination of sharing available resources across jurisdictions in times of need, and

WHEREAS, the Mayor and City Council recognize and agree that it is in the best interest of the citizens served by the Vestavia Hills Fire Department, and the mutual interest of the citizens of Alabama to enter into agreements whereby fire departments will provide fire and emergency support and assistance in the event of significant events or incidents;

**NOW, THEREFORE, BE IT ORDAINED BY MAYOR AND CITY COUNCIL OF
THE CITY OF VESTAVIA HILLS, ALABAMA, as follows:**

1. That the City of Vestavia Hills elects to enter into agreement with the Alabama Association of Fire Chiefs Mutual Aid Consortium Agreement; and
2. A copy of said agreement is marked as Exhibit A, attached to and incorporated into this Ordinance Number 3040 as if written fully therein; and

3. Following execution of this agreement, a copy shall be submitted to the Office of the City Clerk to be retained for public record; and
4. This Ordinance Number 3040 is effective immediately upon adoption and approval and publishing/posting pursuant to Alabama law.

DONE , ORDERED, ADOPTED and APPROVED this the 27th day of September, 2021.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

ALABAMA ASSOCIATION OF FIRE CHIEFS MUTUAL AID CONSORTIUM AGREEMENT

I. PURPOSE

This Agreement is intended to provide an understanding between and among public fire protection agencies of Alabama in the provision and reception of resources, equipment, and personnel for response to natural or man-made disasters, acts of war or unrest, or other emergencies requiring outside assistance.

II. AUTHORITIES

Pursuant to §11-43-140 et seq. of the Code of Alabama, 1975, the governing body of a city or town may enter into agreements to provide aid beyond their corporate limits.

Pursuant to §11-89-1 et seq. of the Code of Alabama, 1975, the board of a recognized fire district may enter into agreements as may be necessary to accomplish the purpose of the fire district, including providing and receiving aid.

III. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings, except as otherwise expressly provided or unless the context otherwise requires:

- a. "Board" means board of directors of a fire protection district, or corporate or tribal organization providing public fire protection, as defined and applicable according to the Code of Alabama, 1975, or applicable Federal law.
- b. "Emergency requiring outside assistance" means an event or incident that in the subjective opinion of the local fire chief or other Authority Having Jurisdiction [AHJ] exceeds the capabilities or resources locally available.
- c. "Fire Chief" means the appointed and recognized Chief of the fire department based upon the subjective procedures of the local governing body or board, or his or her expressed designee.
- d. "Fire Department" means any fire department, fire district, or emergency response provider recognized by the Alabama Fire College

and Personnel Standards Commission, or recognized by the Alabama Forestry Commission. This includes any emergency public safety response organization associated with federally recognized Indian tribes located within the State.

- e. "Governing Body" means a county, city, or town council, mayor, or commission as defined and applicable according to the Code of Alabama, 1975.
- f. "Mutual Aid Member" means any fire department whose governing body or board has ratified this agreement.

IV. SCOPE

This Alabama Association of Fire Chiefs [AAFC] Mutual Aid Consortium [MAC] Agreement includes all Alabama fire departments who have ratified this agreement pursuant to Section VII of this document.

V. LIMITATIONS

Ratification of this Agreement in no way creates, expresses, or implies a duty or responsibility that a fire department must provide aid upon request.

VI. AGREEMENT

The AAFC President will appoint a MAC Chairperson from the AAFC membership. Each regional division of the AAFC will appoint 1 member meeting the qualifications set forth by the AAFC President, to serve as a MAC Director.

The MAC Directors will develop and maintain the AAFC Mutual Aid Rules and Procedures [Rules and Procedures] for presentation to the AAFC Board of Directors as needed. The Rules and Procedures will set forth the process of requesting aid, reporting and documenting available assets and personnel, and other processes as may be necessary for effective mutual aid preparation and deployment. The Rules and Procedures will be approved by the AAFC Board of Directors and promulgated to all Mutual Aid Members.

Mutual Aid Member departments agree to provide reports on available assets and resources on an annual basis as provided by the Rules and Procedures.

Mutual Aid Member departments agree that the Fire Chief of the jurisdiction requesting assistance shall be the sole judge of determining when an event or incident meets the parameters of an emergency requiring outside assistance, the level and amount of assistance needed, if any, and from whom the assistance is requested.

Mutual Aid Member departments agree that the Fire Chief of the jurisdiction receiving a request for assistance has the responsibility of determining, pursuant to the policy and circumstances of his/her jurisdiction at that time, the level and amount of assistance that can be provided to the requesting jurisdiction.

Mutual Aid Member departments agree that the Fire Chief receiving a request for assistance shall promptly notify the Fire Chief requesting assistance what, if any, resources are available for assistance.

Mutual Aid Member departments agree that a recognized Incident Command System shall be used on any event or incident where mutual aid is being provided.

Mutual Aid Member departments agree that during mutual aid operations, any resources or personnel providing aid from an outside jurisdiction will be under the direction and command of the Fire Chief requesting aid.

Mutual Aid Member departments agree that resources, including equipment and personnel, in transit to or from a mutual aid operation but not under the direction and control of the Fire Chief receiving aid, are under the direction and control of the Fire Chief providing aid.

Mutual Aid Member departments agree to indemnify and hold harmless any other party to this Agreement from any liability, losses, and damages except to the extent that the indemnified party is determined, absent this agreement, to have legal liability and responsibility for such liability, losses, or damages. For purposes of this paragraph, the term "losses or damages" includes, but is not limited to, any and all costs associated with a legal defense including investigation, attorney fees, and other reasonable expenses in connection with any claim or lawsuit.

Mutual Aid Member departments agree to provide for the payment of compensation, medical, or death benefits of its employees who sustain injury or death while providing aid to a jurisdiction other than that of his/her employer in the same manner and on the same terms as if the injury or death occurred in his/her regular course of employment.

Mutual Aid Member departments agree that any costs incurred, including, but not limited to, compensation, insurance, or otherwise associated with the providing of mutual aid resources, equipment, or personnel, are the responsibility of the fire department providing the resources, equipment, or personnel and are not subject to reimbursement under this Agreement, unless otherwise provided by the lawful authority of the federal, state, or local government.

Participation in this Agreement and providing aid to or requesting aid from a Mutual Aid Member shall be done for a public and governmental purpose and no term or provision of this Agreement is intended or shall be construed to waive immunity granted the parties by the Code of Alabama, 1975, or any other rule of law or provision, statute, ordinance, or regulation having the force and effect of law.

If any provision or term of this Agreement, or the application of the Agreement to any party or entity, is found to be invalid or otherwise unenforceable, the remainder of this Agreement, or the application of the Agreement to remaining parties or entities, shall not be affected thereby.

VII. RATIFICATION

This Agreement shall become binding and effective when it shall have been approved by resolution or ordinance of the Governing Body or Board overseeing a Fire Department and a signed copy of such resolution or ordinance has been transmitted to the AAFC. An example resolution is provided in Appendix I.

This Agreement may be terminated at any time by providing 30-day written notice to the AAFC from the Governing Body or Board.

CITY OF VESTAVIA HILLS

ATTEST:

Mayor

Rebecca Leavings, City Clerk

City Manager

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

January 29, 2021

By Hand Delivery

Fire Chief Marvin D. Green
Vestavia Hills Fire Department
Vestavia Hills Municipal Center
1032 Montgomery Highway
Vestavia Hills, Alabama 35216

In Re: Proposed Resolution to Enter Into
Alabama Association of Fire Chiefs Mutual Aid Consortium Agreement

Dear Chief Green:

Recently, you sent to me via electronic mail a document entitled “Resolution to Enter Into Alabama Association of Fire Chiefs Mutual Aid Consortium Agreement” with a request that I review it and provide you with my written legal opinion. The purpose of this letter is to comply with your request.

I. LEGAL AUTHORITY

Alabama law at Title 11-43-141, *Code of Alabama, 1975*, authorizes municipal firemen to assist in emergencies beyond the corporate city limits. Title 11-43-142, *Code of Alabama, 1975*, authorizes the City Council to enter into contracts requiring its fire department to render aid in cases of fires occurring beyond the corporate city limits.

II. CITY ORDINANCES

A. On December 7, 1981, the City Council of the City of Vestavia Hills enacted Ordinance Number 598 establishing a standard charge of \$500.00 for any fire call outside the City limits of the City of Vestavia Hills—unless it is in mutual aid from another fire department.

B. Ordinance Number 2280, amending Ordinance Number 598, was approved and adopted on November 23, 2009 increasing the charge to \$2,000.00 for the initial (first) two hours or any portion thereof, then \$550.00 per hour for any additional hour or portion thereof.

Ordinance Number 2280 set forth two exceptions as follows:

“2. Exceptions:

A. Pursuant to Title 11-43-141, et seq., Code of Alabama, 1975, the call is to assist another fire department, emergency management agency or public safety agency through mutual aid or automatic aid agreement;

B. Pursuant to Title 11-43-142, et seq., Code of Alabama, 1975, a contract is in place with the property owner to provide such services.”

III. ALABAMA LAW

I considered the following Alabama legal authorities prior to preparing this legal opinion.

A. FIRE DEPARTMENTS:

1. Title 11-43-140, *Code of Alabama, 1975*, provides as follows:

“§11-43-140. Authorized—Delegation of control and management. Cities and towns may maintain and operate a volunteer or paid fire department and may do any and all things necessary to secure efficient service. The council may delegate to commissioners by ordinance the power to control and manage such fire department under such rules and regulations as the commissioners or the council may prescribe.”

2. Title 11-43-141, *Code of Alabama, 1975*, reads as follows:

“§11-43-141. Operation beyond corporate limits; generally. Whenever the necessity arises during any emergency resulting from fire or other public disaster, the firemen of any city or town may, together with all necessary equipment, lawfully go or be sent beyond the corporate limits and police jurisdiction of such city or town to any point within the State of Alabama to assist in meeting such emergency.

In such event the acts performed for such purpose by such firemen and the expenditures made for such purpose by such city or town shall be deemed conclusively to be for a public and governmental purpose and all of the immunities from liability enjoyed by a city or town when acting through its firemen for a public or governmental purpose within its corporate limits and police jurisdiction shall be enjoyed by it to the same extent when such city or town is so acting under this section or under other lawful authority beyond its corporate limits and police jurisdiction.

January 29, 2021

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The firemen of any city or town when acting under this section or under other lawful authority beyond the corporate limits and police jurisdiction of such city or town shall have all of the immunities from liability and exemptions from laws, ordinances, and regulations and shall have all of the pension, relief, disability, workmen's compensation and other benefits, enjoyed by them while performing their respective duties within the corporate limits and police jurisdiction of such city or town."

3. Title 11-43-142, *Code of Alabama, 1975*, provides as follows:

"§11-43-142. Operation beyond corporate limits; contracts. The governing body of any city or town may, in its discretion, authorize or require the fire department thereof to render aid in cases of fire occurring beyond their corporate limits and police jurisdiction, and may prescribe the conditions on which such aid may be rendered and may enter into a contract or contracts with other cities or towns, with counties or county boards, manufacturing or industrial concerns, or residential or business areas for rendering aid in fire protection in such places on such terms as may be agreed upon by such governing body and the governing body of such city or town, county or county boards, or the management of such manufacturing or industrial concerns or the residents of such residential or business areas, and when the fire department of any city or town is operating under such permission or contract or contracts on any call beyond the corporate limits and police jurisdiction of the city or town, it shall be deemed to be operating in a governmental capacity and subject only to such liability for injuries as it would be if it were operating within the corporate limits and police jurisdiction of such city or town."

B. COMMON SERVICE CONTRACTS BY COUNTIES AND MUNICIPALITIES: Title 11-102-1, *Code of Alabama, 1975*, authorizes counties and municipalities to enter into a written contract with any one or more such counties or municipalities for the joint exercise of any power or service. Requirements of such contracts are:

1. the contract must be in writing.
2. the term of the contract must not exceed three (3) years.
3. the contract may be renewed from time to time.
4. the contract must specify the purpose of the contract.
5. the contract must specify the method of termination of the contract.
6. the contract must specify the manner of financing.
7. the governing body of the county (by resolution) and the municipality (by ordinance) must approve the contract.
8. the contract shall not be for levying taxes, zoning or for the collection, transportation, storage or disposal of solid waste.

C. LIABILITY OF MUNICIPALITY AND ITS EMPLOYEES:

1. When Municipality Liable: Title 11-47-190, *Code of Alabama, 1975*, provides in pertinent part as follows:

“No city or town shall be liable for damages for injury done to or wrong suffered by any person or corporation, unless such injury or wrong was done or suffered through the neglect, carelessness, or unskillfulness of some agent, officer, or employee of the municipality engaged in work therefor and while acting in the line of his or her duty,”

2. Damages:

(a) Municipality: Title 11-47-190, *Code of Alabama, 1975*, sets a cap limiting the damages recoverable against a municipality arising out of claims based upon negligence and reads in pertinent part as follows:

“However, no recovery may be had under any judgment or combination of judgments, whether direct or by way of indemnity under Section 11-47-24, or otherwise, arising out of a single occurrence, against a municipality, and/or any officer or officers, or employee or employees, or agents thereof, in excess of a total of \$100,000 per injured person up to a maximum of \$300,000 per single occurrence, the limits set out in the provisions of Section 11-93-2 notwithstanding.”

(b) Municipal Employees: The Supreme Court of Alabama decided the case of *Morrow v. Caldwell*, 153 So.3d 764 (Ala.2014) and held that “Because the plain language of §11-47-190 does not limit the recovery on a claim against a municipal employee in his or her individual capacity, the \$100,000 statutory cap on recovery set forth in §11-47-190 would not apply to municipal employees.”

D. IMMUNITY:

1. Fires; Attempts to Protect Property: Title 6-5-335, *Code of Alabama, 1975*, provides as follows:

“When any member of any organized rescue squad or volunteer nonprofit fire department, gratuitously and in good faith, enters any building, house, or structure which is burning or endangered by fire and makes efforts to preserve and protect said

property and any other property contained therein or located on the premises thereof, such members shall not be liable for any civil damages for such entering or as result of any acts or omissions in rendering such efforts; nor shall such members be liable for any civil damages in rendering such efforts for their acts or omissions causing injuries to fellow volunteers or to owners of said property; provided, however, that this section shall not apply to civil damages for wanton misconduct."

2. The Volunteer Service Act: Title 6-5-336, *Code of Alabama, 1975*, is known as "The Volunteer Service Act" and provides in pertinent parts as follows:

"(4) VOLUNTEER. A person performing services for a nonprofit organization, a nonprofit corporation, a hospital, or a governmental entity without compensation, other than reimbursement for actual expenses incurred. The term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.

d) Any volunteer shall be immune from civil liability in any action on the basis of any act or omission of a volunteer resulting in damage or injury if:

(1) The volunteer was acting in good faith and within the scope of such volunteer's official functions and duties for a nonprofit organization, a nonprofit corporation, hospital, or a governmental entity (*which includes municipalities*); and

(2) The damage or injury was not caused by willful or wanton misconduct by such volunteer."

3. Fire Protection Districts: Title 11-89-15, *Code of Alabama, 1975*, reads as follows:

"The furnishing of fire protection service by a district (public corporation) is hereby declared to be a governmental function.

The district shall not be liable for any tort, whether negligent or willful, committed by any director, agent, servant or employee of the district in the furnishing of fire protection service or in the

construction, maintenance, or operation of any fire protection facility.”

4. Supreme Court of Alabama: Volunteer firefighters, who serve without compensation, are immune from liability for negligence under The Volunteer Service Act (Title 6-5-336, *Code of Alabama, 1975*) and the City could not be vicariously liable for firefighter's alleged negligence. *Ex Parte Labbe*, 156 So.3d 368 (2014) and *Hollis v. City of Brighton*, 885 So.2d 135 (2004).

The Court of Civil Appeals of Alabama reached the same decision in the case of *Junkins v. Glencoe Volunteer Fire Department*, 685 So.2d 769 (Ala.Civ.App.1996).

E. STATE-AGENCY (DISCRETIONARY FUNCTION) IMMUNITY”

1. Immunity for Employee:

(a) **Ex Parte Cranman, 792 So.2d 392 (2000):** In a plurality decision in *Ex parte Cranman*, 792 So.2d 392 (Ala.2000), the Supreme Court of Alabama “restated the rule governing State-agent immunity,” 792 So.2d at 405. The Court later adopted the “new test suggested in *Cranman*” in *Ex parte Butts*, 775 So.2d 173, 177-78 (Ala.2000). The *Cranman* test is as follows:

"A State agent *shall* be immune from civil liability in his or her personal capacity when the conduct made the basis of the claim against the agent is based upon the agent's

(1) formulating plans, policies, or designs; or

(2) exercising his or her judgment in the administration of a department or agency of government, including, but not limited to, examples such as:

(a) making administrative adjudications;

(b) allocating resources;

(c) negotiating contracts;

(d) hiring, firing, transferring, assigning, or supervising personnel; or

(3) discharging duties imposed on a department or agency by statute, rule, or regulation, insofar as the statute, rule, or regulation prescribes the manner for performing the duties and the State agent performs the duties in that manner (*emphasis added*); or

(4) exercising judgment in the enforcement of the criminal laws of the State, including, but not limited to, law enforcement officers' arresting or attempting to arrest persons; or

(5) exercising judgment in the discharge of duties imposed by statute, rule, or regulation in releasing prisoners, counseling or releasing persons of unsound mind, or educating students.

Notwithstanding anything to the contrary in the foregoing statement of the rule, a State agent **shall not be immune from civil liability in his or her personal capacity** (*emphasis added*):

(1) when the Constitution or laws of the United States, or the Constitution of this State, or laws, rules, or regulations of this State enacted or promulgated for the purpose of regulating the activities of a governmental agency require otherwise; or

(2) when the State agent acts willfully, maliciously, fraudulently, in bad faith, beyond his or her authority, or under a mistaken interpretation of the law."

(b) **Suttles v. Roy, 75 So.3d 90, 94 (Ala.2010)**: In *Suttles v. Roy*, 75 So.3d 90, 94 (Ala.2010), this Court stated:

"[P]eace officers are afforded immunity by Ala.Code 1975, §6-5-338(a), and the test for State-agent immunity set forth in *Ex parte Cranman*, 792 So.2d 392 (Ala.2000), as modified in *Hollis v. City of Brighton*, 950 So.2d 300 (Ala.2006) (incorporating the peace-officer-immunity standard provided in §6-5-338(a) into the State-agent-immunity analysis found in *Cranman*). See *Ex parte Kennedy*, 992 So.2d 1276 (Ala.2008), and *City of Birmingham v. Brown*, 969 So.2d 910, 916 (Ala.2007) ('**Immunity applies to employees of municipalities in the same manner that immunity applies to employees of the State**')." (*emphasis added*)

2. If a Municipal Employee Is Immune From Liability Then The Municipality Is Also Immune From Liability: The Supreme Court held in the case of *City of Birmingham v. Brown*, 969 So.2d 910 (2007) that to establish liability on the part of the City under Title 11-47-190, *Code of Alabama, 1975*, the plaintiff must prove that some agent, employee or officer of the City had acted negligently, unskillfully or carelessly.

Under principles of vicarious liability, where a municipal employee enjoys immunity, then in such event the municipality likewise is immune as to claims based upon employee's conduct. *City of Bayou La Batre v. Robinson*, 785 So.2d 1128 (2000).

F. DEFENSE OF EMPLOYEES SUED FOR DAMAGES AND INDEMNITY FROM JUDGMENT: Title 11-47-24(a), *Code of Alabama, 1975*, provides as follows:

“(a) Whenever any employee of a municipal corporation of the State of Alabama shall be sued for damages arising out of the performance of his official duties, and **while operating a motor vehicle or equipment engaged in the course of his employment** (*emphasis added*), such government agency shall be authorized and required **to provide defense counsel for such employees** in such suit and **to indemnify him from any judgment rendered against him in such suit** (*emphasis added*). In no event shall a municipal corporation of the state be required to provide defense and indemnity for employees who may be sued for damages arising out of actions which were either intentional or willful or wanton.”

The Supreme Court of Alabama decided the case of *City of Montgomery, et al v. Collins, et al*, 355 So.2d 1111, in 1978 and held that “Appropriation of funds by city to defend city police officers charged with perjury arose within the scope of proper corporate interest and the funds were employed for the benefit of the city; thus, it was not a grant of public money ‘in aid of, or to any individual’ within meaning of constitutional restriction. Const.1901, §94.”

G. LIABILITY INSURANCE FOR MUNICIPAL EMPLOYEES: Title 11-47-24(b), *Code of Alabama, 1975*, reads as follows:

“(b) All municipal corporations of the State of Alabama are hereby authorized to contract at governmental expense for policies of liability insurance to protect employees in the course of their employment.”

H. INDEMNITY AND HOLD HARMLESS AGREEMENTS: Over the years, I have written numerous legal opinions that Alabama law prohibits a municipality from spending public funds for the purpose of indemnifying third parties and holding them harmless from claims of damages arising out of claims of negligence. My opinion has not changed and I continue to base that opinion upon the following Alabama legal authorities:

1. Municipalities in Alabama Cannot Spend Public Money for Private Purposes:

(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) Supreme Court of Alabama: 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 opinion that the payment of indebtedness owed by a third party is not a public purpose.

I. INDEMNITY PROVISIONS IN SECTION VI: I recommend that the indemnity language set forth in Section VI of the Resolution remain in the document. My recommendation is based upon the following Alabama legal authorities:

1. Defense and Indemnity of Firefighters Sued for Damages: A firefighter employed by the City of Vestavia Hills (“City”) is working for the City whether he is answering a fire call emergency within or outside the corporate City limits. Title 11-47-24(a), *Code of Alabama, 1975*, (see Section F on page 8 of this opinion) mandates that the City provide a legal defense and to indemnify that firefighter/employee from any judgment.

2. State-Agent Immunity: If a City firefighter makes a showing that a plaintiff's claims arise from a function that would entitle the City firefighter to immunity, the burden then shifts to the plaintiff to show that one of the exceptions to state-agent immunity recognized in *Ex parte Cranman*, 792 So.2d 392, is applicable, i.e. (1) when the Constitution or laws of the United States, or the state constitution, or state laws, rules or regulations enacted or

promulgated for the purpose of regulating the activities of a governmental agency require otherwise, or (2) when the state agent acts willfully, maliciously, fraudulently, in bad faith, beyond his or her authority, or under a mistaken interpretation of the law. (See Section E(1) on pages 6 and 7 of this legal opinion).

3. Municipal Immunity: If the City firefighter has state-agent (discretionary function) immunity, then in such event the municipality also has such immunity. (See Section E(2) on page of this legal opinion.)

The Resolution reads in Section VI in pertinent part as follows:

“Mutual Aid Member departments agree to indemnify and hold harmless any other party to this Agreement from any liability, losses and damages except to the extent that the indemnified party is determined, absent this agreement, to have legal liability and responsibility for such liability, losses, or damages. For purposes of this paragraph, the term ‘losses or damages’ includes, but is not limited to, any and all costs associated with a legal defense including investigation, attorney fees, and other reasonable expenses in connection with any claim or lawsuit.”

4. Definition of Discretionary Function: The Supreme Court of Alabama defined the term “discretionary function” in the case of *Borders v. City of Huntsville*, 875 So.2d 1168 (2003) as, “A discretionary function, which gives rise to police officer’s immunity from tort liability, is broadly defined as an act as to which there is no hard and fast rule as to the course of conduct that one must or must not take and an act requiring exercise in judgment and choice and involving what is just and proper under the circumstances.”

5. Example: Suppose that the Vestavia Hills Fire Department goes beyond the City limits to assist the City of Hoover Fire Department extinguish a fire in Hoover. Both municipalities owe a legal duty to provide their own employees with a legal defense and indemnity pursuant to the requirements of Title 11-47-24, *Code of Alabama, 1975*. All firemen of both cities have state-agent (discretionary function) immunity in performing their duties unless they commit a violation of constitutional law or act in a willful manner.

J. MUNICIPALITIES MAY ENTER INTO CONTRACTS:

1. The City Council shall have the management and control of the finances and all of the property, real and personal, belonging to the City (Title 11-43-56, *Code of Alabama, 1975*).

2. The City Council is the legislative branch of the municipal government (Title 11-43-43, *Code of Alabama, 1975*).

3. Municipalities may enter into contracts (Title 11-40-1, *Code of Alabama, 1975.*)
4. The contract must be in writing (Title 11-40-1, *Code of Alabama, 1975*).
5. The execution and delivery of the contract shall have first been approved by the City Council (*Town of Boligee v. Greene County Water and Sewer Authority*, 77 So.3d 1166 (2011)).
6. The Mayor must sign the contract (Title 11-43-83, *Code of Alabama, 1975*).
7. The City Manager must sign the contract (Title 11-43-21(7), *Code of Alabama, 1975*).
8. City Employees Do Not Have the Legal Authority to Bind the City to Legal Obligations:

(a) **City Engineer:** In 1953, the Supreme Court of Alabama decided the case of *Tuxedo Homes, Inc. v. Green, et al Commissioners of City of Birmingham*, 258 Ala. 494, 63 So.2d 812 (1953), and held that the City Engineer of Birmingham has no power to accept dedication of streets, alleys and other public places shown on city subdivision map or plat and thus bind the city to maintain such streets, etc.

(b) **City Attorney:** In 2002, the Supreme Court decided the case of *Brannan & Guy, PV v. City of Montgomery*, 828 So.2d 914, and held that the City Attorney did not have apparent authority to bind the City to a unilateral contract. The court wrote in the opinion:

“This Court has stated that ‘[r]atification by the alleged principal cannot be found where there is no evidence that he or she had any knowledge of the act purportedly ratified.’ *Watson v. Auto-Owners Ins. Co.*, 599 So.2d 1133, 1136 (Ala.1992) (citing *Street v. Sinclair*, 71 Ala. 110, 116 (1881); *Moman v. Gregerson’s Foods, Inc.*, 570 So.2d 1215, 1216 (Ala.1990)). Nothing in the record supports the defendants’ argument that the City had knowledge of McCollum’s purported acceptance of Guy’s asserted hourly rate.”

(c) **Mayor:** On June 3, 2011, the Supreme Court of Alabama decided the case of *Town of Boligee v. Greene County Water and Sewer Authority*, 77 So.3d 1166 (2011) and held that absent authorization from the town council, the mayor did not have the authority to enter into and execute a contract on behalf of the town. While the Court recognized that the mayor is authorized to enter into and to execute contracts, it determined that the authority cannot be exercised without the direction and authorization of the council.

(d) City Manager: Title 11-43-21(7), *Code of Alabama, 1975*, provides that a city manager has certain authority and reads as follows:

“(7) To make and execute all lawful contracts on behalf of the municipality as to matters within his jurisdiction; provided, that no contract, purchase or obligation involving more than \$100.00 shall be binding until after approval by the governing body.”

The Supreme Court of Alabama decided the case of *Altmayer v. City of Daphne*, 613 So.2d 366, in 1993 and held that the City Manager’s negotiated agreement to purchase property for \$3,000,000.00 could not bind the city absent approval by the city council. The Court also held that the city was immune from tort liability for City Manager’s alleged willful and reckless misrepresentation and promissory fraud in negotiations to purchase property.

IV. SUMMARY

A. Alabama law at Title 11-43-141, *Code of Alabama, 1975*, authorizes municipal firemen to assist in emergencies beyond the corporate city limits (*Section I on page 1*).

B. City Ordinance Number 2280 enacted on November 23, 2009 allows the Vestavia Hills Fire Department to assist another fire department, emergency management agency or public safety agency through mutual aid or automatic aid agreement (*Section II-B on pages 1 and 2*).

C. Alabama law at Title 11-102-1, *Code of Alabama, 1975*, authorizes the City of Vestavia Hills to enter into written contracts with counties or other municipalities for emergency aid services (*Section II-B on page 3*).

D. Alabama law at Title 11-47-190, *Code of Alabama, 1975*, provides that municipalities may be liable for payment of damages if an injury was done or suffered through the neglect, carelessness or unskillfulness of some employee working while acting in the line of his or her duty (*Section III-C(1) on page 4*).

E. Alabama law at Title 11-47-190, *Code of Alabama, 1975*, caps the damages recoverable against a municipality arising out of claims based upon negligence at \$100,000.00 per injured person up to a maximum of \$300,000.00 per single occurrence (*Section III-C(2)(a) on page 4*).

F. The statutory cap on recoverable damages applicable to a municipality does not apply to municipal employees (*Section III-C(2)(b) on page 4*).

G. Volunteer firefighters performing services for a nonprofit corporation without compensation have immunity from liability (*Section III-D(1),(2),(3) and (4) on pages 4, 5 and 6*).

H. Individuals employed by the Vestavia Hills City of Vestavia Hills as firefighters have state-agency immunity while performing their firefighting duties unless they commit a constitutional violation or act willfully, maliciously, fraudulently or in bad faith beyond his or her authority (*Section III-E on pages 6 and 7*).

I. Alabama law provides that if a municipal employee is immune from liability, then in such event the City of Vestavia Hills is also immune from liability (*Section III-E(2) on page 8*).

J. Alabama law at Title 11-47-24(a), *Code of Alabama, 1975*, provides that the City of Vestavia Hills shall provide a legal defense to its employees who are sued for damages arising out of the performance of his or her official duties while operating a motor vehicle or equipment (*Section III-F on page 8*).

K. Alabama law at Title 11-47-24(a), *Code of Alabama, 1975*, also requires the City of Vestavia Hills to indemnify firefighters from any judgment rendered against the firefighter unless the employee's actions were either intentional, willful or wanton (*Section III-F on page 8*).

L. Municipalities in Alabama have the legal authority to purchase policies of liability insurance to protect employees in the course of their employment (*Section III-G on page 8*).

M. Alabama law in Section 94 of the *Constitution of Alabama* and decisions rendered by the Alabama Supreme Court prohibit municipalities from spending public funds for anything but public purposes. Therefore, agreements providing for the expenditure of public funds for the purpose of indemnifying third parties and holding them harmless from claims of damages arising out of claims of negligence are not permitted under Alabama law (*Section III-H on page 9*).

N. Municipalities in Alabama have the legal authority to execute and deliver contracts provided said contracts are first approved by official action of the City Council (*Section III-J on page 10*).

O. Alabama law at Title 11-43-142, *Code of Alabama, 1975*, allows cities to enter into contracts to render aid in cases of fire occurring beyond the corporate limits (*Section III-A(3) on page 3*).

P. City employees and officers do not have the legal authority to bind the City to a contract that has not been approved by the City Council (*Section III-J(8) on page 11*).

V. CONCLUSION

From a legal standpoint, I approve the Resolution as written provided it is designated as an ordinance as required by Title 11-102-1, et seq., *Code of Alabama, 1975*. The tragedies and resulting damages from a tornado in the City of Fultondale on January 26, 2021 clearly illustrate the great importance of municipal fire departments assisting another fire department, emergency management agency or public safety agency through mutual aid or automatic aid agreement in such disasters.

In order for the proposed Resolution (ordinance) to be effective, it should be approved by the Vestavia Hills City Council at a public meeting after furnishing the required legal notice.

I hope that the legal authorities cited in this legal opinion will assist you as you communicate with representatives of other fire departments, emergency management and public safety agencies in the State of Alabama.

Please call me if you would like to discuss this matter.

Sincerely,



Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

cc: City Manager Jeffrey D. Downes (by hand)
City Clerk Rebecca Leavings (by hand)

RESOLUTION NUMBER 5350

A RESOLUTION AUTHORIZING THE CITY MANAGER TO MAKE APPLICATION THROUGH THE FY 2022 RECREATIONAL TRAILS PROGRAM FOR IMPROVEMENTS TO ALTADENA VALLEY PARK

WHEREAS, The Alabama Department Economic and Community Affairs (“ADECA”) is soliciting applications for the Recreational Trails Program (“RTP”) for FY 2022 Funding Cycle, which would provide 80% support of eligible projects up to a maximum of \$200,000 in funding provided; and

WHEREAS, the citizens express support for improvements such as trails, passive recreation, and low-impact development; and

WHEREAS, the master plan being currently developed for Altadena Valley Park anticipates above described improvements; and

WHEREAS, trails, trailheads, and supporting amenities are eligible for funding through the Recreational Trails Program, a summary of which is marked as “Exhibit A”, which is attached to and incorporated into this Resolution Number 5350 as if written fully therein; and

WHEREAS, if the proposed application is awarded by ADECA, a 20% local match is required as well costs of design, preliminary engineering, and any construction engineering and inspection that is not covered by the grant funding;

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

1. The Mayor and City Council express their support for the proposed application for the project described in the Exhibit A as well as the Executive Summary marked as “Exhibit B,” attached to and incorporated into this Resolution Number 5350 as though written fully therein; and
2. The Mayor and City Council will commit the required match for acceptance of the award; and
3. The City Manager is hereby authorized to submit the grant application to ADECA; and
4. The City Manager is hereby authorized to take all actions necessary for preparation of the grant and for meeting the requirements of the application; and
5. This Resolution Number 5350 shall become effective immediately upon adoption and

approval.

DONE, ORDERED, ADOPTED and APPROVED this the 27th day of September, 2021.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

Alabama Department of Economic and Community Affairs

Recreational Trails Program FY 2022 Funding Cycle

Program Summary

The Recreational Trails Program (RTP) was created in 1998 to assist in acquiring, developing, and/or improving trail and trail-related resources.

Program Information

Estimated Funds Available for RTP	Approximately \$1,600,000.00
Maximum Grant-Non-motorized (varies by trail type and activity)	\$200,000.00 - \$400,000.00
Maximum Grant-Motorized	\$524,937.00
Federal Share	80%
Allowable Matching Source	Cash, In-kind, and/or Donations
FY 2022 Application Due Date	12 Noon, Tuesday, October 12, 2021
Project Selection	Competitive

Funding Cycle

RTP applications will be accepted until **12:00 Noon, Tuesday, October 12, 2021**. The applications will be reviewed, rated, and ranked by Alabama Department of Economic and Community Affairs' (ADECA) Recreation and Conservation Programs staff and members of the Alabama Recreational Trails Advisory Board.

Eligible Applicants

All applicants must be currently registered in SAM.gov with a unique Data Universal Numbering System (DUNS) number. Applications from project sponsors not meeting this criterion will be deemed ineligible and will not be reviewed. Eligible applicants include:

- Local Governments
- State Agencies
- Federal Agencies

Maximum Grant Size

The maximum grant amount is **\$200,000.00** for non-motorized, single-use trail projects; **\$400,000.00** for non-motorized, diverse-use trail projects; **\$524,937.00** for motorized, diverse-use trail projects; and **\$87,489.00** for educational projects which promote safety and environmental protection.

Matching Requirement

The Federal share for the RTP is up to **80%** of the total eligible project costs up to the grant ceiling. The non-Federal share (at least **20%**) may come from state, local, or private sources.

Permissible Uses

Applications may be submitted for one or more of the following activities:

- The development of urban trail linkages near homes and workplaces (this category includes trail linkages to schools, parks, and existing trails)
- Maintenance and restoration of existing recreational trails
- The development of trailside and trailhead facilities. This includes trail components or associated trail facilities and may include, but are not limited to, the following: 1) Drainage, 2) Crossings, 3) Stabilization, 4) Parking, 5) Signage, 6) Controls, 7) Shelters, and 8) Water, Sanitary, and Access Facilities
- The provision of features which facilitate the access and use of trails by persons with disabilities
- The acquisition of easements for trails, or for corridors identified in a state trail plan
- The acquisition of fee simple title to property from a willing seller for trail development
- The construction of new trails on state, county, municipal, or private lands, where a recreational need for such construction is shown
- Only as otherwise permissible, and where necessary and required by a State Comprehensive Outdoor Recreation Plan (SCORP), construction of new trails crossing Federal lands, where such construction is approved by the administering agency of the state and the Federal agency or agencies charged with management of all impacted lands, with the approval contingent upon the Federal agency complying with all applicable laws
- The assessment of trail conditions for accessibility and maintenance
- The operation of educational programs to promote safety and environmental protection as those objectives relate to the use of recreational trails

Types of Trail Projects

At least thirty percent of Alabama's RTP funds must be used for motorized trail projects, at least 30 percent for non-motorized trail projects, and at least 40 percent for diverse-use trail projects. Diverse-use motorized projects (such as ATV and motorcycle use) or diverse-use non-motorized projects (such as pedestrian and equestrian use) may satisfy two of these categories at the same time. The state encourages applicants to consider projects that benefit both motorized and non-motorized users, such as common trailhead facilities, when feasible.

- **Non-Motorized For A Single Use**

A project primarily intended to benefit only one mode of non-motorized recreational trail use, such as pedestrian only, or equestrian only. Projects serving various pedestrian uses (such as walking, hiking, skating, wheelchair use, running, bird watching, nature interpretation, backpacking, etc.) constitute a single use for the purposes of this category. This category also includes trailhead and trailside improvements for non-motorized, single use trails (such as lighting).

- **Non-Motorized For Diverse-Use**

A project primarily intended to benefit more than one mode of non-motorized recreational trail use, such as walking, skating, and bicycling; pedestrian and equestrian use; equestrian and bicycle use, etc.

- **Motorized For Diverse-Use**

A project primarily intended to benefit more than one mode of motorized recreational use, such as, motorcycle and ATV use; ATV and 4x4 OHV (truck) use; etc. A project may be classified in this category if the project also benefits some non-motorized uses (it is not necessary to exclude non-motorized uses), but the primary intent must be for the benefit of motorized use.

- **Educational Projects**

Development and dissemination of publications and operation of educational programs to promote safety and environmental protection.

Typical education projects may include:

- Development and operation of trail safety education programs
- Development and operation of trail-related environmental education programs
- Development and delivery of training on trail accessibility and sustainability
- Production of trail-related educational materials, including information displays, in print, video, audio, interactive computer displays, etc.
- Development and delivery of training that promotes safety or environmental protection related to recreational trails. This includes training related to trail design, construction, maintenance, operation, and assessment, because each of these steps can relate directly to safety and environmental protection. Note: this does not include training related to club or organizational development or grant-writing skills.
- Development or support of publications related to trail design, construction, maintenance, operation, and assessment, because these steps relate to safety and environmental protection

The RTP and the Federal Highway Administration should be acknowledged on training and education materials, programs, publications, etc. developed with RTP funds.

NOTE: Some materials may only be partially educational. For example, the development/printing of a trail system map generally is not considered an educational

project. However, if one side of the map is dedicated to trail safety and environmental protection education, then educational funds may participate in half of the development/printing cost.

Important note: Interested parties must consult with ADECA's Recreation and Conservation Programs staff prior to submitting an application under this category.

Applicants are encouraged to enter into contracts and cooperative agreements with qualified youth conservation or service corps for the performance of construction and maintenance of recreational trails and to submit innovative project proposals to make environmental improvements to existing trail facilities.

Technical assistance prior to application preparation is *strongly recommended*.

Only one application may be submitted per entity during the funding cycle

Thresholds

Prospective applicants are not eligible to apply if the entity:

- has an open Land and Water Conservation Fund (LWCF) or RTP grant as of October 12, 2021.
- has unresolved compliance issues from a previous LWCF or RTP grant.
- did not respond in writing to a LWCF or RTP inspection report which contained deficiencies and the entity has not obtained approval of a Corrective Action Plan for previous compliance issues.

For more information, please contact:

LaToya Edwards, Recreation and Conservation Programs Specialist
334-242-5382
[latoya.edwards @adeca.alabama.gov](mailto:latoya.edwards@adeca.alabama.gov)

William Robbins, Recreation and Conservation Programs Specialist
334-242-5612
william.robbins@adeca.alabama.gov



Executive Summary

Altadena Valley Park Improvements– Phase I FY2022 Recreational Trails Program Proposal

Altadena Valley Park has been determined to retain its natural character to be enhanced with minimal, low-impact development improvements. A master plan for the park is currently being prepared, and it will include elements of trail connectivity with improved parking, planned access to the Cahaba River, and addition of trail amenities. These improvements are consistent with eligible activities under the Recreational Trails Program (RTP) which is a Federal Highway Administration (FHWA) program administered by the Alabama Department of Economic and Community Affairs (ADECA).

As of the time of this application, the master planning process for Altadena Valley Park is in the information gathering stage. It may be anticipated that development of the park will take place in phases, and so this proposal is fashioned as Phase I.

- \$300,000 total project (Phase I) budget, which would require an estimated \$100,000 from the City.
- Federal RTP funding requested is the maximum allowed for a non-motorized single-use trail, with federal share being 80% of eligible costs (design, engineering, and construction oversight limited to 10% of construction cost) up to the limit of \$200,000.
- Proposal includes construction of trails, trail head, Cahaba River access, improved parking, and trail amenities.



ALTADENA – TCU PROPOSED PLAN



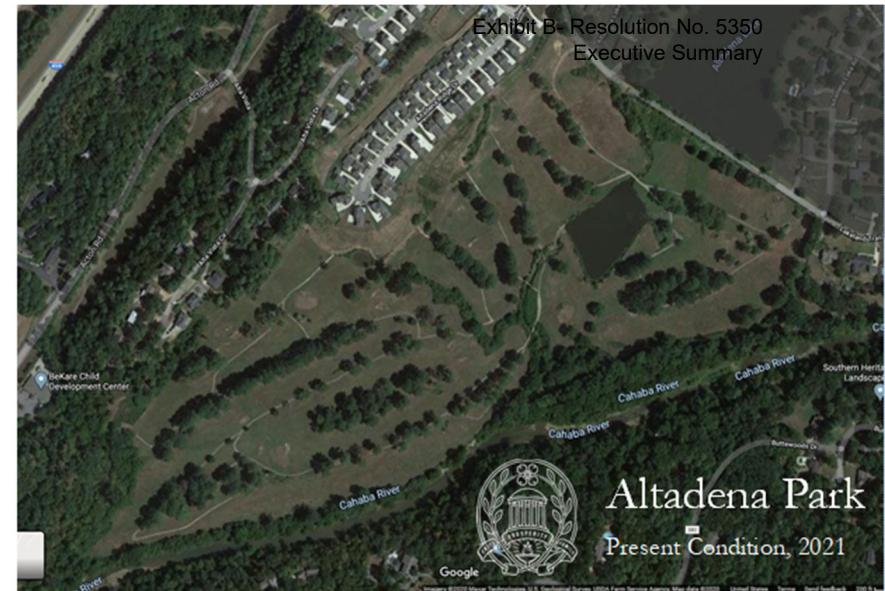
20 DECEMBER 2017

2017 TCU proposed plan for improvements included a path to a boat launch, gravel parking, and a dog park. These have not been developed.

Altadena Valley Park has remained undeveloped since the former Altadena Valley Country Club property was donated to the City in 2014. Much of the property is protected for recreational use under Section 601 (f)(3) of the LWCF Act (54 U.S.C. §). In 2021, additional property was donated to the City so that the park acreage is now 80 +/- . In 2017 potential for building a western entrance was explored, but it was ruled out. Public sentiment, particularly of those living closest to the park, is that it is desirable to keep the area natural. A master plan for Altadena Valley Park is being prepared which will retain its natural character to be enhanced with minimal, low-impact development including elements of trail connectivity, with improved parking, planned access to the Cahaba River, and addition of trail amenities.

<u>RTP Supported Items</u>		<u>Project Items Not Supported by RTP</u>
Trail- northwest connector, ~1015 lf	\$106,000	Design
Trail - canoe launch path, ~1010 lf	\$97,000	<i>pro bono, Renta L/A</i>
Signage and lighting	\$3,000	Construction design \$20,000
Trail head amenities	\$25,000	Preliminary Engineering \$24,000
Other features TBD	\$25,000	
	<hr/> \$256,000	<hr/> \$44,000
PROJECT TOTAL	\$300,000	<i>RTP provides 80% of funding for eligible items, but limits to 10% of construction cost for design, engineering and construction oversight. Contingency allowances are built into line items.</i>
RTP Share	\$200,000	
Local Match	\$100,000	

The budget shown above is a draft for the City's proposal for the FY2022 Recreational Trails Program. The total request the City intends to make in its proposal is for the maximum amount of funds, \$200,000. While there may be minor modifications to the draft budget if the master planning process produces new information timely to the application, the budget anticipates trail connectivity, improved parking, planned access to the Cahaba River, and addition of trail amenities. A line for yet to be determined feature (s) has been included in this draft as it is the City's intent to maximize the RTP funding opportunity.



Proposed improvements in the RTP funding application include a trail connector along the north-western section of the park, a canoe path around the lake and following the ravine, and expanded parking near to the existing parking area.

Terrain and other issues prevent use of other locations in the site for these purposes; apparently more proximal and direct locations have been found to be infeasible.



RESOLUTION NUMBER 5349

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AND DELIVER AN AGREEMENT GRANTING CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS, AN APPURTEnant EASEMENT FOR INGRESS AND EGRESS, AND INSTALLATION AND OPERATION AND MAINTENANCE OF UTILITIES ON THAT SITE

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

1. The City Manager is hereby authorized to sign an agreement with Cellco Partnership d/b/a Verizon Wiress, to grant an easement, right and privilege as described in said Exhibit A, attached to and incorporated into this Resolution Number 5349 as if written fully therein; and
2. Resolution Number 5349 shall become effective immediately upon adoption and approval.

ADOPTED and APPROVED this the //th day of /////, 2021.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CITY OF VESTAVIA HILLS
DEPARTMENT OF PUBLIC SERVICES
OFFICE OF CITY ENGINEER
INTER-DEPARTMENT MEMO

September 2, 2021

To: Rebecca Leavings, City Clerk

Cc: Brian Davis, Director of Public Services
Christopher Brady, City Engineer

From: Lori Beth Kearley, Assistant City Engineer

RE: Consent of Easement to Cellco Partnership d/b/a Verizon Wireless, Fire Station No. 1

I have reviewed the request for a 10' wide fiber easement to be established across a portion of City-owned property at Fire Station No. 1, 509 Montgomery Highway, to allow Cellco Partnership d/b/a Verizon Wireless to install new fiber optic facilities across the property.

I recommend City approval subject to the following conditions:

- Final construction documents to be submitted for permitting are based upon current survey information to ensure no structural encroachments within the easement.
- A pre-construction meeting with City staff is held prior to any work commencing.

Please let me know if you have any questions or need additional documentation.

Grantee Site Name: Pumphouse

Upon Recording, Return to:

Mary S. Palmer
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
1400 Wells Fargo Tower
420 20th Street North
Birmingham, AL 35203

Source of Title:

Deed Book 5266 Page 431
Deed Book 6935 Page 412
Map Book 241, Page 82
Jefferson County, AL

Parcel 28 00 19 3 012 001.001

EASEMENT

For and in consideration of the sum of ONE AND NO/100 Dollars (\$1.00) and other valuable consideration in hand paid, the receipt of which is hereby acknowledged.

CITY OF VESTAVIA HILLS, A MUNICIPAL CORPORATION (Grantor)
1032 Montgomery Hwy
Vestavia Hills, AL 35216

does hereby grant unto

CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS (Grantee)
One Verizon Way
Mail Stop 4AW100
Basking Ridge, New Jersey 07920

owners of a tract of land described as follows: Part of Section 30, Township 18 South, Range 2 West as described in Deed Book 6935 on Page 412 and Deed Book 5266 on Page 431 and further described as "Lot 2, Resurvey of Lots 4, 8, 9, 10, 11, & 12, Fourth Addition to Beacon Hill" as recorded in Map Book 241, Page 82 in the Office of the Judge of Probate, Jefferson County, Alabama Records, its successors, assigns, lessees and tenants forever, the rights and easements described in this Agreement to further Grantee's access to, and use of, the Parcel for the purposes described in this Agreement, in, under and across the following part of the aforesaid land.

Grantee leases from Crown Castle, a portion of, and has acquired leasehold and easements rights in and to, the portions of the real property in Jefferson County, Alabama (the "Leased Property") for the purposes of, among others, accessing and operating a communications facility and utilities.

Grantor owns the real property to the Leased Property and **Grantor** has agreed to convey to **Grantee** additional rights and easements.

WHEREAS, **Grantor** hereby grants to, and for the benefit of, **Grantee**, its successors and assigns, a perpetual non-exclusive appurtenant easement over, under and across the Grantor Property, as described in **Exhibit A** attached hereto and incorporated herein, for ingress and egress, seven (7) days a week twenty-four (24) hours a day, on foot or motor vehicle, including trucks to and from the Leased Premises to construct, maintain and operate the Facility, and for the installation, operation and maintenance of utilities serving the Facility (the "Easement"). This Agreement

Grantee Site Name: Pumphouse

shall commence on the first day of the month after Grantee begins installation of Grantee's communication's equipment ("Commencement Date").

This Agreement and the Easement are covenants running with the land, burdens on the Easement Parcel, and benefits to **Grantee** and all others entitled to use the Easement under the terms of this Agreement. **Grantee** and all others entitled to use the Easement will have peaceful and quiet possession, use, and enjoyment of the Easement, without any disturbance of their possession, use, and enjoyment.

Grantor warrants and will defend the title to said easement during its existence with the **Grantee** for its use and benefit against all parties whatsoever.

Grantee accepts this easement with the understanding and on the condition, that whenever it shall make any excavations in the above-described property the **Grantee** will properly backfill all excavations and shall restore the ground as nearly as practicable to its former condition.

NOTICES. All notices under this Agreement must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

Grantor: City of Vestavia Hills
 1032 Montgomery Hwy
 Vestavia Hills, AL 35216

Grantee: Cellco Partnership d/b/a Verizon Wireless
 180 Washington Valley Road
 Bedminster, New Jersey 07921
 Attention: Network Real Estate

Entire Agreement. This Agreement constitutes the entire agreement and understanding between Grantor and Grantee. Any amendments to this Agreement must be in writing and executed by Grantor and Grantee.

Severability. If any provision of this Agreement is invalid or unenforceable with respect to any Party, the remainder of this Agreement, or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Due Authorization. If either Party hereto is a corporation, partnership or other legal entity, the individual who executes this Agreement on behalf of that Party represents and warrants to the other Party that he or she is duly authorized to do so.

Binding Agreement. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the Parties.

****SIGNATURES APPEAR ON FOLLOWING PAGE****

Grantee Site Name: Pumphouse

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

GRANTOR:

CITY OF VESTAVIA HILLS

By: _____

Printed Name: _____

Its: _____

Date: _____

Signed, Sealed and Delivered
In the Presence of:

Witness

Notary Public, State of _____
My Commission expires: _____
(Notarial Seal)

GRANTEE:

**CELLCO PARTNERSHIP
d/b/a VERIZON WIRELESS**

By: _____

Printed Name: _____

Its: _____

Date: _____

Signed, Sealed and Delivered
In the Presence of:

Witness

Notary Public, State of _____
My Commission expires: _____
(Notarial Seal)

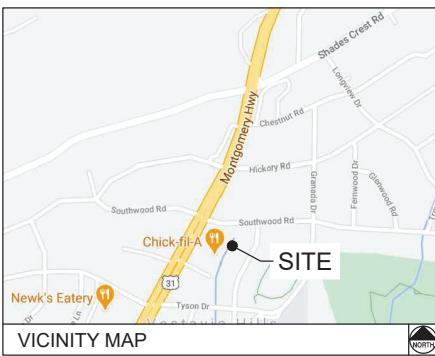
Grantee Site Name: Pumphouse

Exhibit A

(See Attached Construction Drawings)



10300 OLD ALABAMA ROAD CONNECTOR ALPHARETTA, GA 30022



FROM ALPHARETTA OFFICE: HEAD NORTH 384 FT; TURN RIGHT TOWARD OLD ALABAMA RD CON 82 FT; TURN LEFT AT THE 1ST CROSS STREET ONTO OLD ALABAMA RD CON 0.4 MI; TURN LEFT onto MANSELL RD 1.3 MI; USE THE LEFT 2 LANES TO TURN LEFT ONTO THE US-19 S/GA-400 S RAMP 374 FT; KEEP RIGHT AND MERGE ONTO GA-400 S US-19 S 0.4 MI; MERGE ONTO GA-400 S/US-19 S 3.9 MI; KEEP LEFT TO CONTINUE ON US-19 S 4.9 MI; TAKE EXIT 4B TO MERGE ONTO I-285 W TOWARD CHATTANOOGA/BIRMINGHAM 16.2 MI; TAKE EXIT 10B FOR I-20 W TOWARD TOM MURPHY FWY/BIRMINGHAM 0.5 MI; MERGE ONTO I-20 W/TOM MURPHY FWY 127 MI; USE THE RIGHT 2 LANES TO TAKE EXIT 136 TO MERGE ONTO I-459 S TOWARD MONTGOMERY/TUSCALOOSA 0.4 MI; USE THE RIGHT LANE TO TAKE EXIT 19 TO MERGE ONTO US-280 W TOWARD MTN BROOK 0.5 MI; MERGE ONTO US-280 W 20 MI; USE THE 2ND FROM THE LEFT LANE TO TURN LEFT ONTO ROCKY RIDGE RD 354 FT; TURN RIGHT ONTO SHADES CREST RD 2.0 MI; TURN LEFT ONTO US-31 S 0.4 MI; MAKE A U-TURN AND THE DESTINATION WILL BE ON THE RIGHT 0.2 MI

DRIVING DIRECTIONS

MUNICIPALITY: JEFFERSON

STATE: ALABAMA

SCOPE OF WORK:

GC WILL BURY EMPTY ONE (1) 2" CONDUIT FROM PROPOSED VERIZON EQUIPMENT TO EDGE OF PUBLIC RIGHT OF WAY. CONDUIT WILL BE INSTALLED IN PROPOSED 10' WIDE FIBER EASEMENT AND REQUIRE A NEW PENETRATION INTO PROPOSED VERIZON WIRELESS EQUIPMENT.

FLOOD INFO

SITE IS LOCATED WITHIN FEMA FLOOD MAP AREA 01073C0558H DATED 09/03/2010 WITHIN FLOOD ZONE X.

PROJECT SUMMARY

DEVELOPER
VERIZON WIRELESS
10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GA 30022
PHONE: (678) 277-3580
ATTN: SHANNON WHITESIDE

TOWER OWNER
CROWN CASTLE
8000 AVALON BLVD
ALPHARETTA, GA 30009
SITE NAME: VESTAVIA CITY HALL
SITE #: 874936

FIBER PROVIDER
ONEFIBER

CONSULTANT
KIMLEY-HORN AND ASSOCIATES, INC.
11720 AMBER PARK DRIVE, SUITE 600
ALPHARETTA, GEORGIA 30009
PHONE: (678) 274-5032
ATTN.: DAVID COUSINS, P.E.

CONTACTS

SHEET NO.	SHEET TITLE
T1	COVER SHEET
T2	SITE INFORMATION
N1	GENERAL NOTES
C1	PARCEL PLAN
C2	SITE PLAN
C3	COMPOUND SITE PLAN
C4	DETAILS
C5	DETAILS
C6	PRIMARY FIBER PATH SITE PHOTOS
	SHEET INDEX

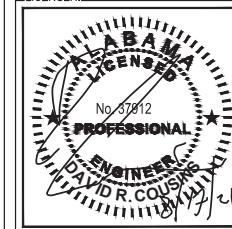
verizon
10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

PROJECT INFORMATION:
SITE NAME: PUMPHOUSE
SITE No.: 299517
FUZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFERSON COUNTY

PLANS PREPARED BY:
Kimley»Horn
11720 AMBER PARK DRIVE, SUITE 600
ALPHARETTA, GA 30009
PHONE: 770-619-4280
WWW.KMLEY-HORN.COM

REV: ____ DATE: ____ ISSUED FOR: ____ BY: ____
7
6
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4
3
2
1
0 08/16/21 CONSTRUCTION DRC
A 01/14/21 PRELIMINARY DRC

LICENSER: ____



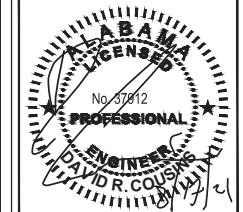
KHA PROJECT NUMBER:
01898592

DRAWN BY: _____ CHECKED BY: _____
KAB WCE

SHEET TITLE: COVER SHEET

SHEET NUMBER: T1

FIBER UPGRADE SCOPE OF WORK SUMMARY	
SITE INFORMATION	
SITE NAME: PUMPHOUSE	DATE OF WALK: 1/5/2021
SITE TYPE: MONOPOLE	HUB OR CELL: CELL
EXTERIOR INFORMATION	
PRIMARY	DIVERSITY
LAT: N 33° 27' 02.40"	LAT: N/A
LONG: W 86° 47' 17.00"	LONG: N/A
PENETRATION WALL: N/A	PENETRATION WALL: N/A
PENETRATION TYPE: N/A	PENETRATION TYPE: N/A
CONDUIT LENGTH: 210'	CONDUIT LENGTH: N/A
BORING REQUIRED: NO	BORING REQUIRED: N/A
CUT /PATCH PAVEMENT: NO	CUT /PATCH PAVEMENT: N/A
PATH NOTES: INSTALL ONE (1) 2" CONDUIT WITHIN PATH SHOWN.	
EXTERIOR PICTURES	
MMHH LOCATION: YES	COMPOUND: YES
CONDUIT PATH: YES	SHELTER ENTRY POINT: N/A
INTERIOR INFORMATION	
FIBER DUCT LENGTH: N/A	SHELTER MANF: N/A
NUMBER OF RU'S OPEN: N/A	TYPE OF DC DISTR BOARD: N/A
FUSES REQUIRED 24V: N/A	POWER TYPE AVAILABLE: N/A
FUSES REQUIRED -48V: N/A	IS -48V POWER REQUIRED: N/A
SIZE OF DC PANEL 24V: N/A	FUSE PANEL SIZE 24V: N/A
SIZE OF DC PANEL -48V: N/A	FUSE PANEL SIZE -48V: N/A
INTERIOR PICTURES	
INTERIOR ENTRY: N/A	FIBER DUCT PATH: N/A
FUSE PANEL RACK: N/A	POWER CIRCUIT PATH: N/A
AUX RACK: N/A	DC DISTR BOARD: N/A
AUX RACK OPEN SPACE: N/A	FUSE PANEL RACK: N/A
SHELTER PLATE: N/A	GMT FUSE PORT: N/A
GENERATOR	
GENERATOR ON SITE: YES	FUEL TYPE: DIESEL
LOCATION: OUTSIDE	GENERATOR OWNER: VERIZON WIRELESS

verizon 10300 OLD ALABAMA ROAD CONNECTOR ALPHARETTA, GEORGIA 30022			
PROJECT INFORMATION:			
SITE NAME: PUMPHOUSE SITE No.: 209517 FUZE PROJECT #: 15642119 511 MONTGOMERY HIGHWAY BIRMINGHAM, AL 35216 JEFFERSON COUNTY			
PLANS PREPARED BY:			
Kimley»Horn 11720 AMBER PARK DRIVE, SUITE 600 ALPHARETTA, GA 30009 PHONE: 770-619-4280 WWW.KIMLEY-HORN.COM			
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A	01/14/21	PRELIMINARY	DRC
LICENSER: _____			
 <p>No. 57812 PROFESSIONAL ENGINEER DAVID R. COUSINS, PE JULY 14, 2014</p>			
KHA PROJECT NUMBER: 018985952			
DRAWN BY: _____ CHECKED BY: _____			
KAB WCE			
SHEET TITLE: SITE INFORMATION			
SHEET NUMBER: T2			

1.00 GENERAL NOTES

- 1.01 ALL MATERIALS AND WORKMANSHIP SHALL CONFORM TO THE DRAWINGS AND SPECIFICATIONS. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITION OF THE STATE, LOCAL AND NATIONAL CODES, ORDINANCES AND OR REGULATIONS APPLICABLE TO THIS PROJECT.
 - 1.02 THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING THE WORK OF ALL TRADES AND SHALL CHECK ALL DIMENSIONS. ALL DISCREPANCIES SHALL BE CALLED TO THE ATTENTION OF THE PROJECT MANAGER AND/OR ENGINEER AND BE RESOLVED BEFORE PROCEEDING WITH WORK. WHERE THERE IS A CONFLICT BETWEEN DRAWING AND VERIZON SPECIFICATIONS, THE VERIZON PROJECT ENGINEER SHOULD BE CONTACTED FOR CLARIFICATION.
 - 1.03 ALL INFORMATION SHOWN ON THE DRAWINGS RELATIVE TO EXISTING CONDITIONS IS GIVEN AS THE BEST PRESENT KNOWLEDGE, BUT WITHOUT GUARANTEE OF ACCURACY. WHERE ACTUAL CONDITIONS CONFLICT WITH THE DRAWINGS, THEY SHALL BE REPORTED TO THE PROJECT MANAGER AND/OR ENGINEER SO THAT PROPER REVISIONS MAY BE MADE. MODIFICATION OF DETAILS OF CONSTRUCTION SHALL NOT BE MADE WITHOUT WRITTEN APPROVAL OF THE PROJECT MANAGER AND/OR ENGINEER.
 - 1.04 CONTRACTOR SHALL REVIEW AND BE FAMILIAR WITH SITE CONDITIONS AS SHOWN ON THE ATTACHED SITE PLAN AND/OR SURVEY DRAWINGS.
 - 1.05 ALL FINISHED GRADES SHALL SLOPE MINIMUM 1/4 IN./FT. AWAY FROM EQUIPMENT IN ALL DIRECTIONS. CONTRACTOR SHALL SLOPE SWALES AS REQUIRED ALONG EXISTING TERRAIN TO DRAIN AWAY FROM COMPOUND AND ACCESS DRIVE.
 - 1.06 THE CONTRACTOR SHALL PROVIDE ADEQUATE EXCAVATION SLOPING, SHORING, BRACING, AND GUYS IN ACCORDANCE WITH ALL NATIONAL, STATE, AND LOCAL SAFETY ORDINANCES.
 - 1.07 UPON COMPLETION OF CONSTRUCTION, CONTRACTOR IS RESPONSIBLE FOR REPAIRING ANY DAMAGE CAUSED BY CONSTRUCTION ACTIVITIES. CONTRACTOR TO ENSURE ALL FINISHED SURFACES REMAIN INTACT IN THE FINAL CONDITION AFTER THE INSTALLATION OF PROPOSED CONDUIT. IN THE EVENT ANY PAVED SURFACES ARE DAMAGED, CONTRACTOR TO REPAIR/REPLACE IN COMPLIANCE WITH JURISDICTIONAL STANDARDS.
 - 1.08 THE CONTRACTOR IS HEREBY NOTIFIED THAT PRIOR TO COMMENCING CONSTRUCTION, HE IS RESPONSIBLE FOR CONTACTING THE UTILITY COMPANIES INVOLVED AND SHALL REQUEST A VERIFICATION AT THE CONSTRUCTION SITE OF THE LOCATIONS OF THEIR UNDERGROUND UTILITIES AND WHERE THEY MAY POSSIBLY CONFLICT WITH THE PLACEMENT OF IMPROVEMENTS AS SHOWN ON THESE PLANS. THE CONTRACTOR OR ANY SUBCONTRACTOR FOR THIS CONTRACT WILL BE REQUIRED TO NOTIFY "ALABAMA 811" 48 HOURS IN ADVANCE OF PERFORMING ANY WORK BY CALLING THE TOLL FREE NUMBER (205) 731-3249 (OR 811). ANY UTILITIES DAMAGED BY CONSTRUCTION ACTIVITIES SHALL BE REPAIRED BY THE CONTRACTOR, AT NO EXPENSE TO THE OWNER.
 - 1.09 CONTRACTOR TO PROVIDE DUMPSTER AND PORTABLE TOILET FACILITY DURING CONSTRUCTION.

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10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

PROJECT INFORMATION:

SITE NAME:

PUMPHOUSE
577-11-2020

SITE No.: 299517
FUZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFFERSON COUNTY

PLANS PREPARED BY: _____



11720 AMBER PARK DRIVE, SUITE 600
ALPHARETTA, GA 30009
PHONE: 770-619-4280
WWW.KINLEY.COM

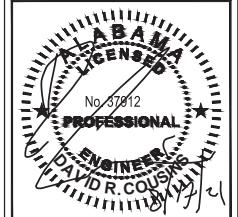
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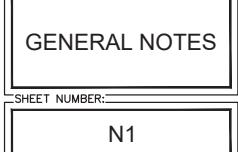
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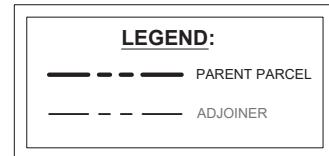
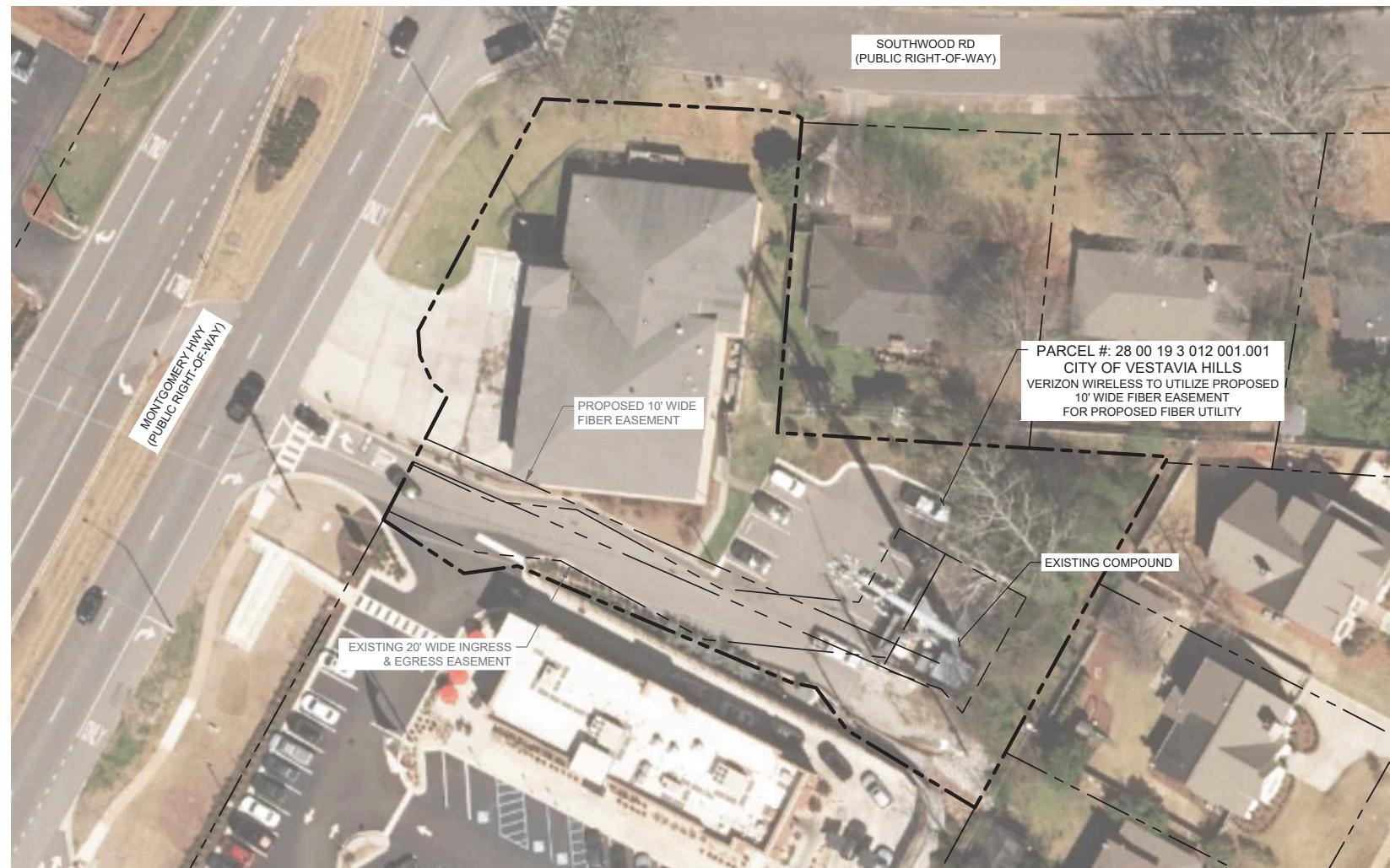
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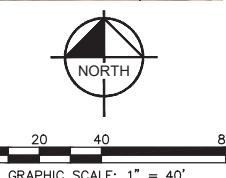
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**NOTE:**

INFORMATION SHOWN ABOVE WAS REPRODUCED FROM JEFFERSON COUNTY GIS APPLICATION INFORMATION AND IS PROVIDED HERE FOR ILLUSTRATIVE PURPOSES ONLY.

1
C1 **PARCEL PLAN**
SCALE: 1" = 40'



verizon
10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

PROJECT INFORMATION:
SITE NAME: PUMPHOUSE
SITE No.: 209517
FUZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFFERSON COUNTY

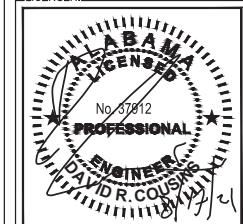
PLANS PREPARED BY:

Kimley»Horn
11720 AMBER PARK DRIVE, SUITE 600
ALPHARETTA, GA 30009
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LICENSER: _____



KHA PROJECT NUMBER: 018985952

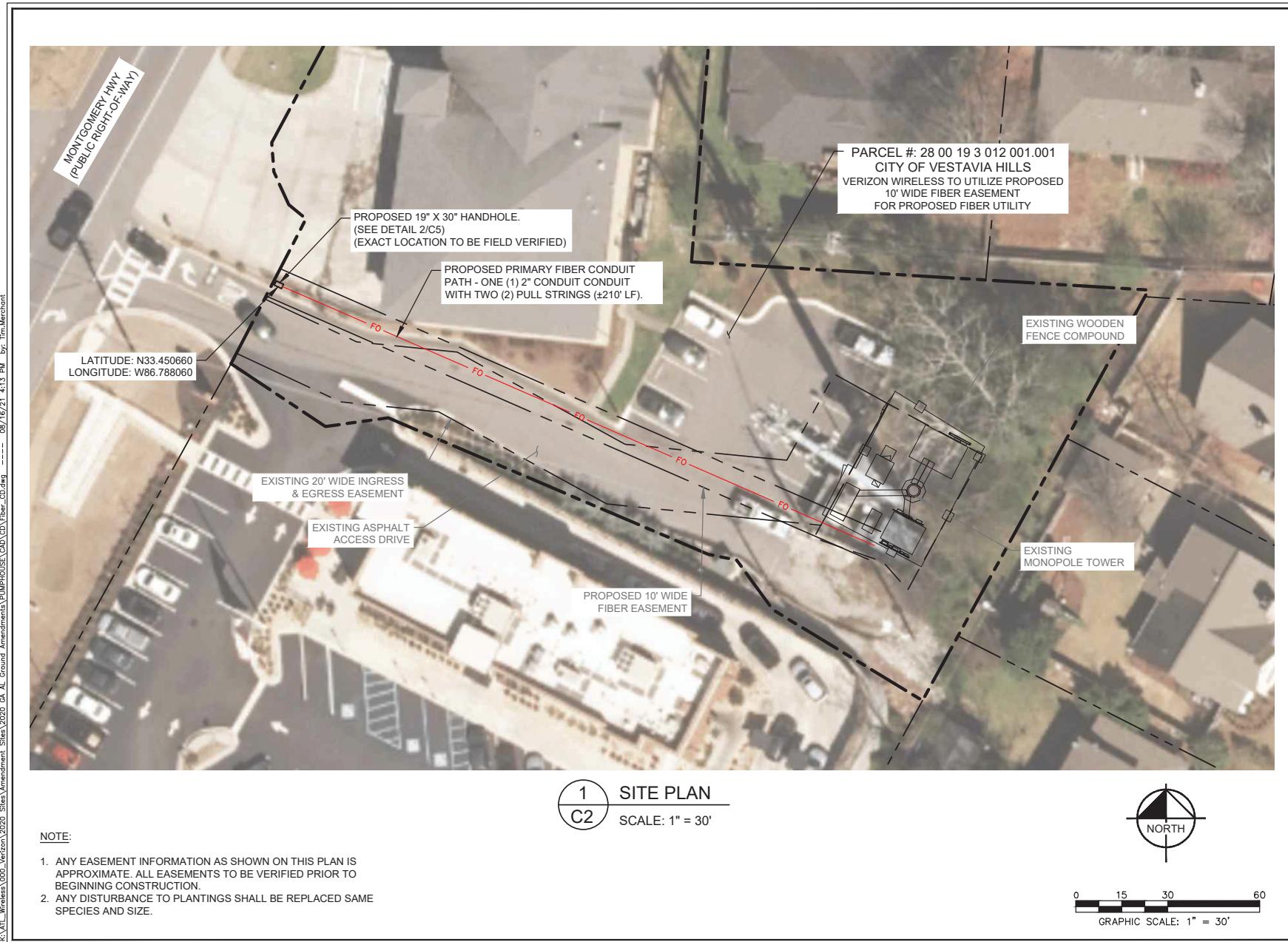
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KAB WCE

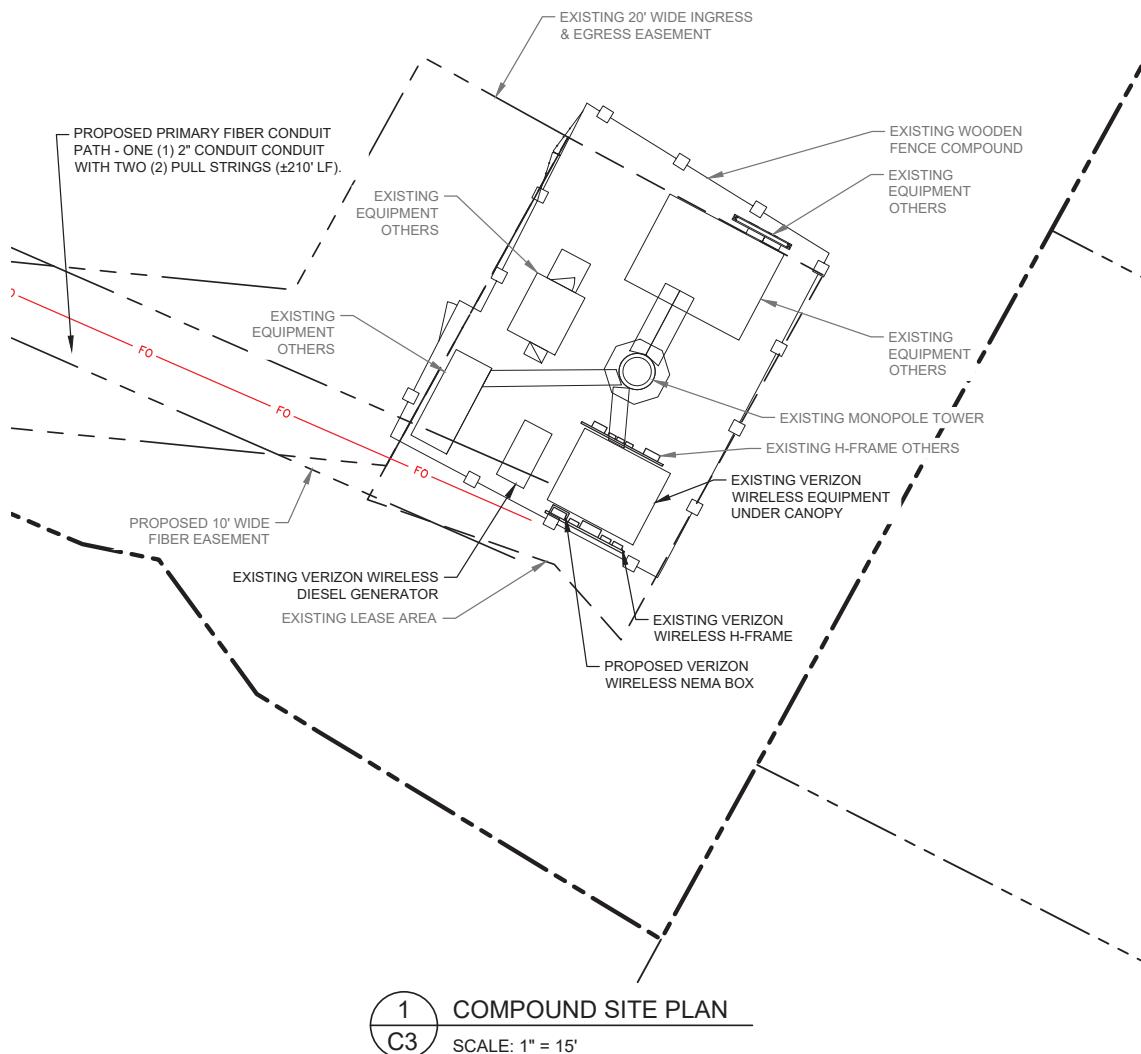
SHEET TITLE: **PARCEL PLAN**

SHEET NUMBER: _____

C1



verizon 10300 OLD ALABAMA ROAD CONNECTOR ALPHARETTA, GEORGIA 30022			
PROJECT INFORMATION:			
SITE NAME: PUMPHOUSE SITE No.: 209517 FUZE PROJECT #: 15642119 511 MONTGOMERY HIGHWAY BIRMINGHAM, AL 35216 JEFFERSON COUNTY			
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LICENSER:			
<p>No. 57812 PROFESSIONAL ENGINEER DAVID R. COUSINEAU PE</p>			
KHA PROJECT NUMBER: 018985952			
DRAWN BY: _____ CHECKED BY: _____			
KAB WCE			
SHEET TITLE: SITE PLAN			
SHEET NUMBER: C2			



NOTE:

1. ANY EASEMENT INFORMATION AS SHOWN ON THIS PLAN IS APPROXIMATE. ALL EASEMENTS TO BE VERIFIED PRIOR TO BEGINNING CONSTRUCTION.
 2. ANY DISTURBANCE TO PLANTINGS SHALL BE REPLACED SAME SPECIES AND SIZE.

COMPOUND SITE PLAN

SCALE: 1" = 15'



A horizontal graphic scale with tick marks at 0, 7.5, 15, and 30. Below the scale, the text "GRAPHIC SCALE: 1" = 15'" is printed.

SITE NOTES

1. A PROPOSED 19"X30" PRIMARY HAND HOLE SHALL BE INSTALLED AT MEET POINT AS SHOWN ON THE SITE PLAN.
 2. THE PRIMARY FIBER RUN SHALL BE $\pm 210"$ FROM THE R/W TO THE 18"X18"X12" NEMA 3R BOX ATTACHED TO THE EXISTING VERIZON H-FRAME.
 3. MULE TAPE PULL STRING SHALL BE INSTALLED IN ALL CONDUIT.
 4. CONTRACTOR SHALL PROVIDE PERMIT IF NEEDED AND IS RESPONSIBLE FOR LOCATING AND PROTECTING ALL EXISTING UTILITIES.
 5. PROVIDE TRAFFIC RATED 19"X30" TELCO HAND HOLE AT SPACING NO MORE THAN 400' OR AFTER THREE (3) 90° BENDS.

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10300 OLD ALABAMA ROAD CONNECTOR
ALUMINA, OKLAHOMA 74006

10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

SITE NAME:
PUMPHOUSE
SITE No.: 299517
UZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFFERSON COUNTY

PLANS PREPARED BY: _____

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KHA PROJECT NUMBER: _____

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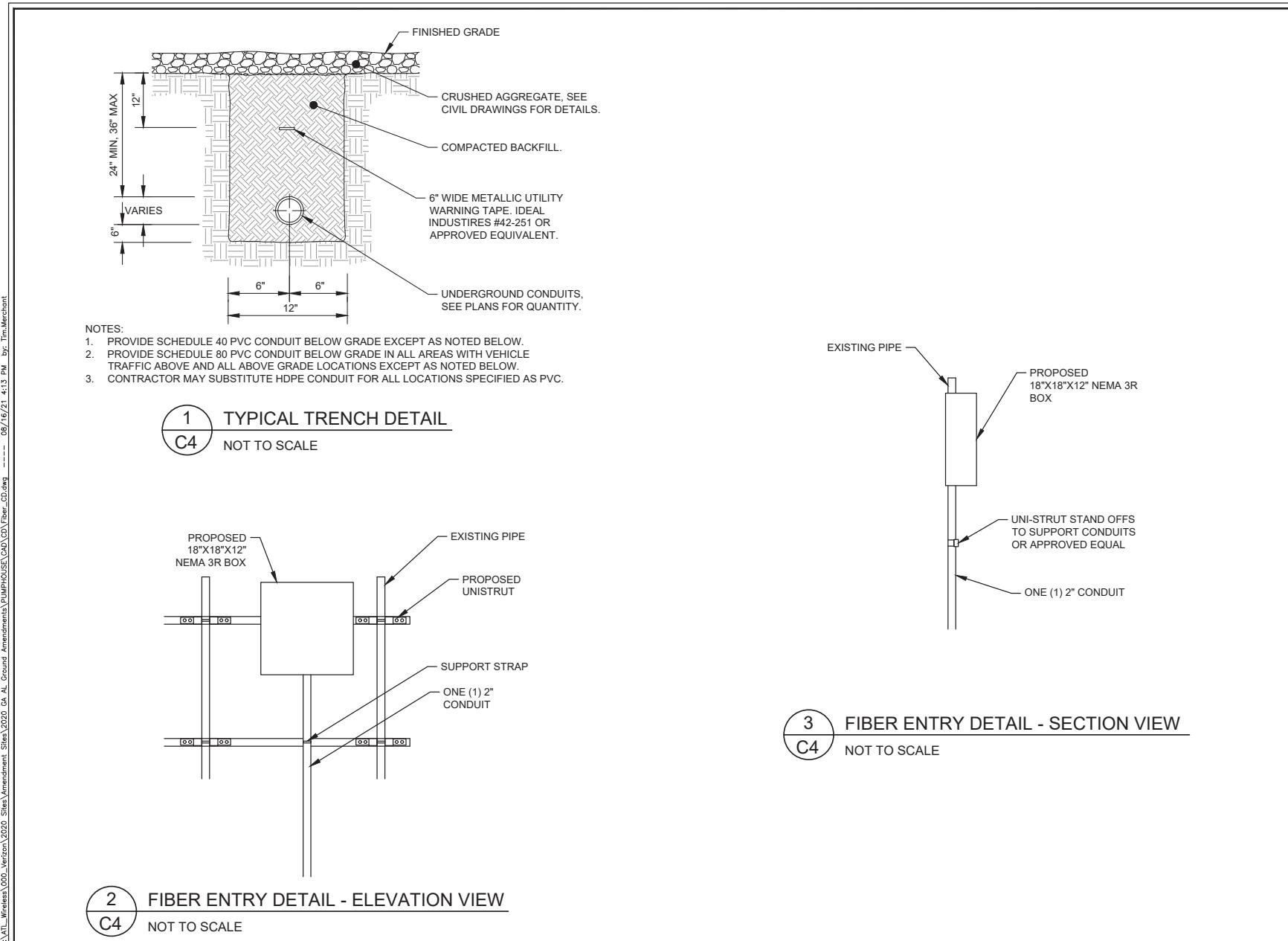
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COMPOUND SITE PLAN

ANSWER

C3



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10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

PROJECT INFORMATION:
SITE NAME: PUMPHOUSE
SITE No.: 209517
FUZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFFERSON COUNTY

PLANS PREPARED BY:
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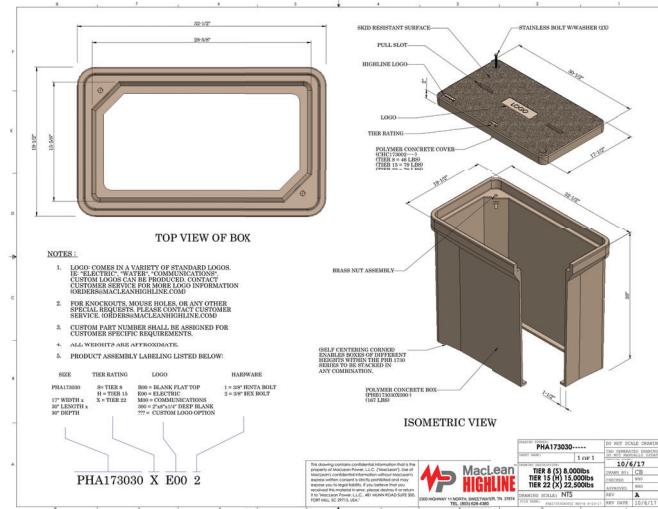
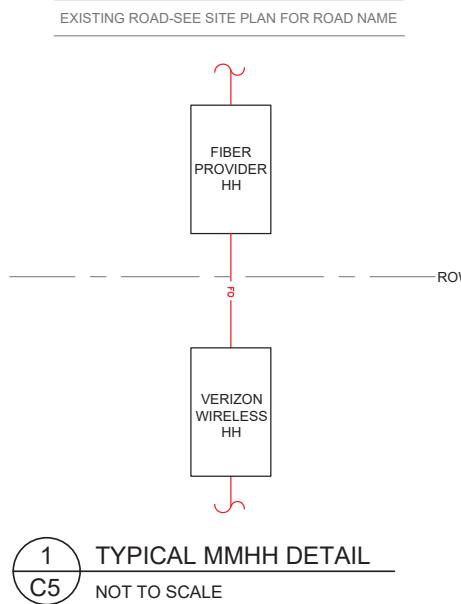
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KHA PROJECT NUMBER:
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SHEET TITLE:
DETAILS

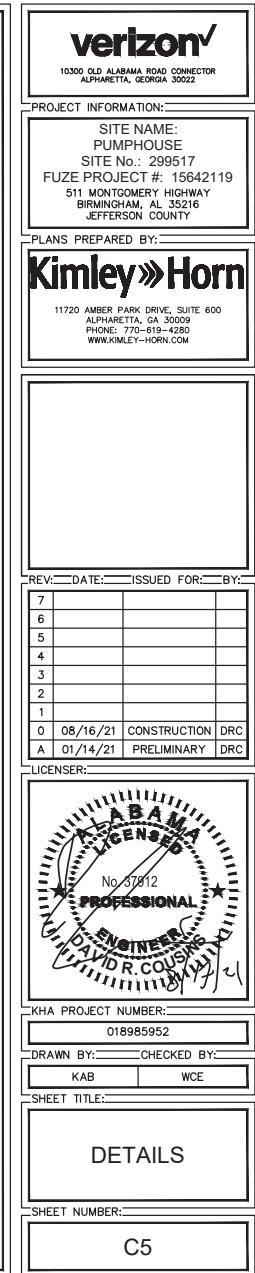
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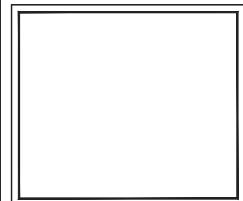




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10300 OLD ALABAMA ROAD CONNECTOR
ALPHARETTA, GEORGIA 30022

PROJECT INFORMATION:
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SITE No.: 209517
FUZE PROJECT #: 15642119
511 MONTGOMERY HIGHWAY
BIRMINGHAM, AL 35216
JEFFERSON COUNTY

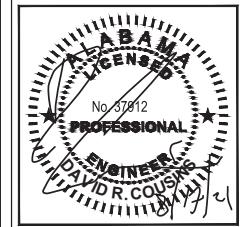
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KHA PROJECT NUMBER: 018985952

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SHEET TITLE: PRIMARY FIBER PATH SITE PHOTOS

SHEET NUMBER: _____

C6