



**Vestavia Hills
City Council Agenda
March 24, 2025
6:00 PM**

1. Call to Order
2. Roll Call
3. Invocation - Sam Williamson, Vestavia Hills Chaplain
4. Pledge Of Allegiance
5. Approval Of The Agenda
6. Announcements, Candidates and Guest Recognition
7. City Manager's Report
8. Councilors' Reports
9. Financial Reports - Zachary Clifton, Deputy Finance Director
10. Approval Of Minutes - February 24 & 25, 2025 Strategic Work Session, February 24, 2025 regular meeting minutes and March 10, 2025 regular meeting minutes

Old Business (Public Hearing)

11. Public Hearing - Resolution Number 5552 - Vacation - A Resolution to vacate a portion of easement located to the rear of 3301 Willis Drive; Lot 8, Resurvey of Lots 5, 6 and 7, Jonas Schab Co. Survey as recorded in Map Book 116 Page 10; Tyler Moore, Owner
12. Public Hearing - Resolution Number 5555 - A Resolution Authorizing a FY 25 Supplemental Appropriation to Fund 11 (Court) to Accommodate the Unanticipated Expense Associated with a Temporary Need Employee
13. Public Hearing - Ordinance Number 3265 - Rezoning - A portion of 4751 Cahaba River Road; A portion of Common Area A, River Grand Subdivision; Rezone from Vestavia Hills R-6 to Vestavia Hills B-2 to be combined with the adjacent commercial lot for expanded parking area; Beau Bevis, owner; Alex Patillo, representing
14. Public Hearing - Ordinance Number 3266 - An Ordinance Granting a Franchise Agreement to Lumos Fiber and Authorizing the Mayor and City Manager to Execute Any and All Documents Associated with the Franchise
15. Public Hearing - Resolution Number 5553 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP

- Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)
- 16. Public Hearing - Resolution Number 5554 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP - Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)

New Business

- 17. Resolution Number 5556 - Declaring Certain Personal Property As Surplus And Directing The City Manager To Sell And/Or Dispose Of Said Property
- 18. Resolution Number 5557 - A Resolution Accepting The Financial Audit For FY2024

New Business Requesting Unanimous Consent (Public Hearing)

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

- 19. Public Hearing - Ordinance Number 3269 - An Ordinance Authorizing the Mayor and City Manager to Execute Easement Documents Associated with the Future Installation of Gateway Signage at Montgomery Highway and Interstate 65 and expressing grateful appreciation to Steve Issis, Sr., and FAM Properties LLC for said easement dedication
- 20. Public Hearing - Ordinance Number 3270 - An Ordinance authorizing the Mayor and City Manager to execute a Joint Use Agreement with the City of Mountain Brook for a fire training facility
- 21. Citizens Comments
- 22. Time Of Adjournment

PUBLIC HEARING PROCEDURES

The following procedures shall be followed for every public hearing of the City Council:

- All comments shall be limited to **3 minutes**. A countdown clock will be provided on the video screens.
- Do not duplicate comments made by previous speakers. For example, if traffic is mentioned as an issue, do not readdress that issue.
- All comments shall be directed to the Mayor and/or presiding officer. Do not address the audience or the applicant.
- Each speaker shall identify himself, including full name and address.

SPECIAL NOTICE CONCERNING CITY COUNCIL MEETINGS

If you prefer not to attend a City Council meeting or work session in person, you may participate remotely:

- **Videoconference:** To participate by videoconference, you may access the meeting via Zoom at <https://us02web.zoom.us/j/5539517181>. When the Zoom.us window opens in your browser, click "Allow" to be placed in a virtual "waiting room." The host will open the meeting and allow all participants to join the meeting 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 "video" 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. Some useful Zoom functions include: microphone Mute/Unmute; Start/Stop Video; and View Participants – opens a pop-out screen that includes the "Raise Hand" icon that you may use to raise a virtual hand.
- **Teleconference:** To participate by telephone, dial 312.626.6799 and enter the meeting ID: 5539517181. All participants will be automatically muted upon entrance to the meeting. If you wish to speak during time(s) identified for public input, unmute yourself by pressing *6 on your keypad. 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.

Meetings may be recorded. By participating in the meeting, you are consenting to be recorded.

"Zoom-bombing." Zoom-bombing is a cyber-crime and is punishable by law. In the event of an attendee intruding into any City of Vestavia Hills Zoom meeting, the online broadcast will be terminated immediately. Council and/or board members may be readmitted but online attendees will not. Although Zoom-bombing is not a frequent occurrence, those wishing to make public comment should attend the meeting in person.

1.) Reconciled Cash Balance

The overall reconciled cash balance for the month of February was \$63,249,899 which is comprised of the following funds:

General Funds	\$ 54,001,592
Restricted Funds	\$ 9,245,227
Petty Cash	<u>\$ 3,080</u>
Total	<u>\$ 63,249,899</u>

2.) The "Financial Overview" for the month and YTD through February is as follows:

Monthly Revenues	\$ 6,254,761	YTD Revenues	\$ 44,807,631
Monthly Expenses	<u>\$ 4,876,978</u>	YTD Expenses	<u>\$ 31,878,023</u>
Monthly Fund Balance	<u>\$1,377,783</u>	YTD Fund Balance	<u>\$12,929,608</u>

3.) Comparative Fund Balances:

	<u>YTD</u>	<u>Variance</u>
Actual - 2024-2025	\$12,929,608	
Budget - 2024-2025	\$10,079,815	\$ 2,849,794
Last Year - 2023-2024	\$13,849,674	\$ (920,066)

Note:

The "Actual Fund Balance" is \$2,849,794 greater than the "Budgeted Fund Balance" and \$920,066 less than "Last Year Fund Balance".

Summary
Financial Report
February 2024-2025

MTD						YTD			Variance	
		Actual		Budget	Last Year	Actual	Budget	Last Year	Act vs. Bdgt	Act vs LY
REVENUES		6,254,761		5,001,963	5,949,099	44,807,631	42,509,095	44,850,374	2,298,536	(42,743)
EXPENSES		4,876,978		5,058,984	4,953,235	31,878,023	32,429,280	31,000,700	551,258	(877,323)
FUND BALANCE		1,377,783		(57,021)	995,865	12,929,608	10,079,815	13,849,674	2,849,794	(920,066)
Advalorem - Real		230,687		365,247	248,928	21,082,606	20,935,228	20,744,008	147,378	338,598
Sales Tax		2,389,416		2,285,147	2,397,923	12,680,610	11,691,635	11,818,961	988,975	861,648
Utility Franchise Fees		0		152,174	0	2,691,952	2,613,312	2,613,543	78,640	78,408
Business License		2,505,030		1,368,213	1,550,928	3,385,984	3,221,520	3,119,994	164,464	265,990
Advalorem - Personal		178,533		162,126	170,589	980,382	891,737	969,708	88,645	10,673
October thru February 2025 (5 months)						2024-2025				
		Actual		Budget Total	Outstanding Bal	% Received	% Outstanding	Verification		
Advalorem - Real		21,082,606		21,245,666	(163,060)	99.23%	0.77%	100.00%		
Sales Taxes		12,680,610		28,094,201	(15,413,591)	45.14%	54.86%	100.00%		
Utility Franchise Fees		2,691,952		2,613,571	78,381	103.00%	-3.00%	100.00%		
Business License		3,385,984		4,374,434	(988,450)	77.40%	22.60%	100.00%		
Advalorem - Personal		980,382		2,319,009	(1,338,627)	42.28%	57.72%	100.00%		
FEBRUARY		MTD			MTD					
					Variance	Last Year	Act vs LY			
Advalorem - Real		230,687		365,247	(134,560)	248,928	(18,241)			
Sales Taxes		2,389,416		2,285,147	104,269	2,397,923	(8,507)			
Utility Franchise Fees		0		152,174	(152,174)	0	0			
Business License		2,505,030		1,368,213	1,136,817	1,550,928	954,102			
Advalorem - Personal		178,533		162,126	16,407	170,589	7,944			

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**CITY OF VESTAVIA HILLS
MONTHLY CASH REPORT
"RECONCILED BALANCES"**

General Funds	Banking Institutions	APR	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
General / Operational Funds	Region Bank	4.03%	20,516,193.77	18,608,623.16	15,387,719.81	14,436,292.53	12,801,155.18	9,516,369.01	4,077,735.30	2,844,714.72	1,979,485.71	4,380,644.42	4,836,106.35	24,990,834.56	22,171,177.13
Enhanced Cash Strategy	Region Bank	4.31%	10,121,913.63	10,160,280.52	10,166,247.60	10,223,363.54	10,270,541.52	10,351,509.61	10,418,980.96	10,489,627.78	8,367,221.84	8,499,882.97	8,529,641.86	8,563,732.21	8,607,005.14
Payroll Fund	Region Bank	0.25%	0.00	308.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,133.01	24,133.01	24,133.01	24,133.01
Emergency Reserve Fund	PNC Bank	4.25%	18,278,166.12	18,358,801.14	20,590,395.90	20,551,408.03	20,661,720.70	20,855,623.62	20,947,224.55	21,071,036.31	21,070,949.87	21,107,572.98	21,230,188.91	21,316,814.11	21,379,333.55
Court & Corrections Fund	Region Bank	0.25%	117,012.38	281,008.88	140,557.86	89,815.80	113,043.20	132,868.20	114,716.50	112,200.50	137,869.94	98,792.61	91,015.93	143,258.43	101,119.49
American Rescue Plan (COVID-19)	SouthPoint	4.40%	2,773,046.62	2,783,428.13	2,793,511.80	2,803,969.87	2,814,127.93	2,824,663.25	1,773,884.08	1,779,878.81	1,785,177.23	1,790,165.28	1,710,094.74	1,714,675.61	1,718,823.73
Total - Balance			\$51,806,332.52	\$50,192,450.74	\$49,078,432.97	\$48,104,849.77	\$46,660,588.53	\$43,681,033.69	\$37,332,541.39	\$36,297,458.12	\$33,340,704.59	\$35,901,191.27	\$36,421,180.80	\$56,753,447.93	\$54,001,592.05
Restricted Funds															
Court Cash Bonds	Regions Bank	0.25%	138,606.00	133,766.00	129,371.00	119,416.00	113,621.00	111,646.00	104,646.00	101,421.00	99,551.00	94,182.00	89,272.00	91,082.00	91,652.00
Contractors' Bonds & CDs on Hand	City Clerk's Office	n/a	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42	4,187,938.42
Contractors' Cash Bonds	SouthPoint	0.25%	675,347.73	647,538.10	659,736.91	630,929.54	601,364.94	609,197.10	585,375.54	594,199.62	593,428.25	573,252.03	578,678.21	582,010.47	575,674.35
Confiscated Funds	SouthPoint	1.25%	58,999.32	59,061.79	59,122.30	59,184.90	59,245.54	59,308.27	59,371.06	59,431.89	59,494.81	59,555.77	61,848.74	69,629.47	69,696.24
2013 GOW - QEBIC Sinking Fund	Bank of New York	2.35%	1,911,964.89	1,911,964.89	1,911,964.89	1,911,964.89	1,911,964.89	1,911,964.89	1,911,964.89	2,127,191.68	2,127,191.68	2,127,191.68	2,127,191.68	2,127,191.68	2,127,191.68
Library Campaign Fund/Donations	Pinnacle	earnings offset fees	0.00	309.20	303.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lease Escrow Funds	Truist & Robertson		707,755.76	708,848.82	709,908.37	654,497.10	655,560.15	656,660.45	657,763.60	3,967,756.36	3,968,666.45	3,151,303.96	3,152,045.67	2,490,839.60	2,193,074.50
Total Balance			\$7,680,612.12	\$7,649,427.22	\$7,658,345.09	\$7,563,930.85	\$7,529,694.94	\$7,536,715.13	\$7,507,059.51	\$11,037,938.97	\$11,036,270.61	\$10,193,423.86	\$10,196,974.72	\$9,548,691.64	\$9,245,227.19
Cash on Hand															
Petty Cash - City Depts.			880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00	880.00
Petty Cash - Courts/Jail			600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Petty Cash - Library			600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Petty Cash - Vehicle Tags			1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total - Petty Cash			\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00	\$3,080.00
Grand Total - All Funds			\$59,490,024.64	\$57,844,957.96	\$56,739,858.06	\$55,671,860.62	\$54,193,363.47	\$51,220,828.82	\$44,842,680.90	\$47,338,477.09	\$44,380,055.20	\$46,097,695.13	\$46,621,235.52	\$66,305,219.57	\$63,249,899.24
Petty Cash Itemization															
City Clerk Dept.	none														
Court Dept.	\$600.00														
Finance Dept. & Vehicle Tags	\$1,050.00 Tags & City Depts														
Fire Dept.	\$100.00 City Depts														
Inspection Dept.	\$30.00 City Depts														
Library	\$600.00														
Mayor's Office	\$200.00 City Depts														
Parks & Leisure Services	\$300.00 City Depts														
Police Dept.	\$200.00 City Depts														
Public Services	none														
Total	\$3,080.00														

FINANCIAL SUMMARY REPORT
"FEBRUARY 2024-2025"

1	MONTH OF FEBRUARY 2025							YEAR-TO- DATE THROUGH FEBRUARY 2025						
	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2024-2025	2024-2025	2023-2024	Actual to Budget		Actual to Last Year		2024-2025	2024-2025	2023-2024	Actual to Budget		Actual to Last Year	
	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage	Actual	Budget	Actual	Amount	Percentage	Amount	Percentage
REVENUE SUMMARY														
STATE REVENUE	54,854	17,437	17,025	37,417	214.58%	37,829	222.19%	121,193	77,774	88,213	43,419	55.83%	32,979	37.39%
COUNTY REVENUE	432,281	550,146	436,344	(117,865)	-21.42%	(4,062)	-0.93%	22,180,472	21,944,698	21,825,650	235,774	1.07%	354,822	1.63%
CITY REVENUE	5,706,042	4,382,299	5,432,703	1,323,743	30.21%	273,339	5.03%	22,001,211	20,115,443	22,496,032	1,885,768	9.37%	(494,821)	-2.20%
PARK & RECREATION	61,583	52,081	63,028	9,502	18.24%	(1,444)	-2.29%	504,756	371,180	440,479	133,576	35.99%	64,277	14.59%
TOTAL REVENUE	6,254,761	5,001,963	5,949,099	1,252,798		305,661		44,807,631	42,509,095	44,850,374	2,298,536		(42,743)	
EXPENDITURE SUMMARY														
NON DEPARTMENTAL	917,606	1,035,180	1,138,260	117,574	11.36%	220,653	19.39%	11,784,036	12,033,463	12,450,111	249,427	2.07%	666,075	5.35%
CITY COUNCIL	7,677	10,725	14,070	3,048	28.42%	6,393	45.44%	38,702	49,601	44,442	10,899	21.97%	5,739	12.91%
MAYOR & ADMINISTRATION	205,676	206,881	163,719	1,205	0.58%	(41,957)	-25.63%	1,050,916	1,211,686	929,412	160,770	13.27%	(121,504)	-13.07%
CITY CLERK	44,596	45,747	41,384	1,151	2.52%	(3,213)	-7.76%	255,972	255,860	231,001	(112)	-0.04%	(24,971)	-10.81%
MUNICIPAL COMPLEX	71,544	31,324	26,134	(40,220)	-128.40%	(45,410)	-173.76%	207,037	198,502	174,019	(8,535)	-4.30%	(33,018)	-18.97%
INFORMATION SERVICES	56,189	63,911	56,413	7,722	12.08%	224	0.40%	295,268	351,348	299,725	56,080	15.96%	4,457	1.49%
POLICE	1,242,496	1,264,215	1,166,590	21,719	1.72%	(75,905)	-6.51%	6,197,929	6,413,863	5,660,042	215,934	3.37%	(537,887)	-9.50%
FIRE	1,125,429	1,178,770	1,150,164	53,341	4.53%	24,735	2.15%	5,811,664	5,927,868	5,472,405	116,204	1.96%	(339,259)	-6.20%
INSPECTION	77,265	72,111	68,722	(5,154)	-7.15%	(8,543)	-12.43%	384,061	371,044	349,324	(13,017)	-3.51%	(34,737)	-9.94%
PUBLIC SERVICES	469,153	461,027	469,162	(8,126)	-1.76%	10	-12.43%	2,370,639	2,357,436	2,269,825	(13,203)	-0.56%	(100,814)	-4.44%
PUBLIC LIBRARY	241,704	268,371	243,507	26,667	9.94%	1,803	0.74%	1,262,294	1,365,599	1,182,902	103,305	7.56%	(79,392)	-6.71%
PARKS & LEISURE SERVICES	417,643	420,722	415,110	3,079	0.73%	(2,533)	-0.61%	2,219,505	1,893,010	1,937,492	(326,495)	-17.25%	(282,013)	-14.56%
TOTAL EXPENDITURES	4,876,978	5,058,984	4,953,235	182,007		76,257		31,878,023	32,429,280	31,000,700	551,258		(877,323)	
SURPLUS / (DEFICIT)	1,377,783	(57,021)	995,865	1,434,804		381,918		12,929,608	10,079,815	13,849,674	2,849,794		(920,066)	



**Vestavia Hills
City Council Minutes
February 24, 2025
7:30 AM**

Introduction and 2024 Review of Results

The City Council of Vestavia Hills met in special strategic work session on this date at 7:30 AM, following publication and posting pursuant to Alabama law. A number of staff and members of the general public also attended virtually, via Zoom.com, following publication pursuant to Alabama law. The Mayor called the meeting to order and the City Clerk called the roll with the following:

MEMBERS PRESENT: Mayor Ashley Curry, Mayor Pro-Tem Rusty Weaver*, City Councilor Kimberly Cook, City Councilor Paul Head, City Councilor George Pierce

MEMBERS ABSENT:

OTHER OFFICIALS PRESENT: Jeff Downes, City Manager; Cinnamon McCulley, Asst. City Manager; Rebecca Leavings, City Clerk; Shane Ware, Police Chief; Michael Keller, Police Captain; Joel Gaston, Police Captain; Jared Freeman, Police Lt.; Melvin Turner, Finance Director; Zachary Clifton, Asst. Finance Director; Lori Beth Kearley, Public Services Director; Christopher Brady, City Engineer; Ethan Fisher, City Engineer; Jamie Lee, Director, Parks and Leisure Services; Sandi Wilson, Superintendent, Parks and Leisure Services; Taneisha Tucker, Director of Library in the Forest; Daniel Tackett, Asst. Librarian; Marvin Green, Fire Chief; Ryan Farrell, Asst. Fire Chief; Umang Patel, Court Director; Keith Blanton, Building Safety Director; Dillon Watts, Building Inspector; James Parsons, HR Director; Darrin Estes, IT Director

**arrived at 10:30 AM.*

1. Breakfast & Recognition of Employee Milestones

The Mayor called the strategic work session to order at 7:30 AM. Mr. Downes welcomed everyone to the meeting and explained the reasons for these strategic sessions and the benefits to Vestavia Hills because the Council members all participate in these sessions.

Mr. Downes recognized employees of the City with 25 and 30 years of service. He explained that so many cities in this area work very hard to recruit and retain employees. He recognized the employees of the year as selected by the Rotary for 2024. Mr. Downes then recognized the eight employees with 25 years of service: Steve Evans, VHPD; Scott Ferrell,

VHFD; Christopher Mareno, VHFD; Roger Mauldin, VHFD; Chip Owings, VHPD; Suzanne Remenschneider, VHPD; Shane Ware, VPHD; Donald Whitworth, VHFD. The City Council and Assistant City Manager Cinnamon McCulley presented the awards to each employee.

Mr. Downes then recognized employees with 30 years of service: Greg Wallace, Library in the Forest and Barry Bartlett, Vestavia Hills Public Services;

2. Introduction of Planning Agenda and Theme - Jeff Downes

Mr. Downes gave an overview of what would be reviewed during this session. He reminded everyone that these sessions are for information sharing; these are not budget meetings. We will be reviewing last year's priorities and setting new ones for the upcoming year with a focus on innovation.

Mr. Downes showed a PlacerAI graph which showed the areas of growth in and around Vestavia Hills. All growth is to the east along the I-459/Acton Road corridor and Liberty Park.

3. Review of 2024 Strategic Plan and Accomplishments - Cinnamon McCulley

Mrs. McCulley presented the department's accomplishments and metrics. She showed the priorities as established over the last two years by the City Council and showed how many were accomplished or nearly accomplished. She explained each priority.

4. Review of Departmental Metrics and Trends - Cinnamon McCulley

5. VH Connect Activity Review and Conclusions - Jeff Downes

Mr. Downes presented the activity of the Vestavia Hills Connect app indicating this is the first full year of data. As of 12/31/2024, there were 4,687 households registered out of 14,116 households with 5,400+ full/partial registrations. He stated that 28% of residents use the app, 36% use a computer, 1% use the "Let's Chat" app, and 35% in person/calling. Ninety percent of those using the system are reporting either trash or bulk debris pickup or misses. Over 14,928 requests entered in the system last year showed 90% closed within 10 days.

6. 2025 Citizen Survey Results and Trends - Jeff Downes

Mr. Downes presented the Community Survey that is sent to a sampling of citizens every three years. He presented the performance ratings and showed where economic data can be found on the website.

7. In-Meeting Poll of All Attendees as to 2024 Accomplishments - Jeff Downes & Cinnamon McCulley

2025 Priority Items for Detailed Review and Discussion (Pt 1)

8. SHAC (Pine Ridge) Site Planning and Opportunities - Design Team

- **Police East Side Operations - Chief Shane Ware**
- **Eastside Satellite Library - Taneisha Tucker**
- **Parks and Leisure Services Uses and Demands - Jamie Lee**
- **Maintenance Facility Relocation and Enhancement - Lori Beth Kearley & Jamie Lee**

Mr. Downes stated the following facility presentations pertain to the recently reclaimed SHAC mine area, known as Pine Ridge. Chief Ware presented the proposed police east side operations center proposal; Taneisha Tucker presented the east side satellite library proposal; Lori Beth Kearley and Jamie Lee presented the maintenance facility relocation and ballfield enhancements.

Chris Eckroate from Caprine Engineering and consultants from SMC Architects showed conceptual designs and estimated costs for each facility.

Mr. Downes stated the total cost of these facilities will be more than the City Hall complex; however, there are innovative ways to fund these projects, including private fundraising, use of mine reclamation grant monies, and uncommitted funds in the capital and Community Spaces funds. He will look to the Council to establish priorities and make these decisions.

Critical Incident and Crisis Communications: Exercise - Chief Marvin Green

The Council recessed to take part in a crisis management exercise, to experience a mock crisis and understand the role of communications at such a time.

2025 Priority Items and Detailed Review and Discussions (Pt 2)

Highway 31 Economic Development, City Manager Downes, Public Services Director Kearley

- ROW Gateway Improvement Project
- Redevelopment of Former Days Inn Property

Human Resources, Human Resources Director James Randall

- Goals and Accomplishments

Finance, Zach Clifton

- What is an ACFR?
- How to Utilize Online Financial Tools

Courts, Court Director Umang Patel

- Non-Threatening Use of Artificial Intelligence: Policy and Leadership to Ensure Innovation

Fire Department, Chief Marvin Green

- Eastside Response Models
- Performance Enhancements/Training Accomplishments -

Police Department, Chief Shane Ware

- New and Evolving Crime Fighting Tools
- Shooting Range Progress

Engineering Updates, City Engineer Ethan Fisher

- Cartegraph Asset Management System

Economic Development, Asst. City Manager Cinnamon McCulley

- Progress and Opportunities in Vestavia Hills Trade Areas

Mr. Downes explained the proposed gateway improvements include the utilization of some of the Issis property and ALDOT right-of-way. Mr. Issis has tentatively agreed to three easement agreements as the planned use is beneficial to both the City and the Issis property.

Rick Nail, TTL Inc., and Duane Pritchett, Environmental Design Studio, presented designs for the southern gateway. Ethan Fisher showed the civil drawings and explained the drainage improvements.

Tom Walker, Village Creek Development, explained progress on the redevelopment of the old Days Inn site and companion areas. They are in negotiations with a 120-room hospitality use that will include about 8,000 SF of restaurant. They are in the process of hiring a development manager and developing the pro forma.

Other topics were presented and discussed as listed.

At 4:00 PM, there being no further business, the Mayor recessed the meeting until 7:30 AM, February 25, 2025.

**CITY COUNCIL
STRATEGIC WORK SESSION
FEBRUARY 25, 2025**

The City Council of Vestavia Hills reconvened its work session on this date at 7:30 AM, following publication and posting pursuant to Alabama law. A number of staff and members of the general public also attended virtually, via Zoom.com, following publication pursuant to Alabama law. The Mayor called the meeting to order and the City Clerk called the roll with the following:

Roll call was as follows:

MEMBERS PRESENT: Mayor Ashley Curry, Mayor Pro-Tem Rusty Weaver, City Councilor Kimberly Cook, City Councilor Paul Head, City Councilor George Pierce

MEMBERS ABSENT: None.

OTHER OFFICIALS PRESENT: Jeff Downes, City Manager; Patrick H. Boone, City Attorney; Cinnamon McCulley, Asst. City Manager; Rebecca Leavings, City Clerk; Shane Ware, Police Chief; Melvin Turner, Finance Director; Zachary Clifton, Asst. Finance Director; Lori Beth Kearley, Public Services Director; Christopher Brady, City Engineer; Jamie Lee, Director of Parks and Leisure Services; Taneisha Tucker, Library Director; Marvin Green, Fire Chief; Umang Patel, Court Director; Keith Blanton, Building Safety Director

2025 Priority Items for Detailed Review and Discussion

10. Review of On-going infrastructure Projects

Lori Beth Kearley, Public Services Director, reviewed ongoing infrastructure projects in the city, including Rocky Ridge Road right-turn lane at Dolly Ridge; the APPLE STUDY to replace a bridge on Brookwood Green; various sidewalk projects; Highway 31 Pedestrian Bridge; Cahaba Heights Gateway; Massey Road Improvements; access management improvements at Highway 31/Columbiana Road; Blue Lake/Sicard Hollow round-a-bout; various drainage projects; residential paving.

11. Fibert Optic Franchise Management

Mr. Downes explained installation of fiber and devices for small cell technology are governed by franchise agreements. He explained that City staff have been working to revise these agreements to require removal of old, unused infrastructure and update terms to the city's advantage. Two of these revised franchise agreements will come before Council soon.

12. Recreational Opportunities including Sand Volleyball and Aquatic Complex Enhancements

Mr. Lee proposed building sand volleyball courts at one of four locations: Wald Park (grand lawn); SHAC near pickle ball courts; Cahaba Heights ballpark; and Altadena Valley Park. He proposed adding a pool heater at the Aquatics Complex.

Coach Hardee, VHHS Volleyball coach, addressed the Council regarding the need for this type of sport and how far Vestavia Hills residents are traveling to get to play this type of volleyball.

Mr. Head echoed the need and discussed the options.

Mrs. Cook stated she was not in favor of using part of the Grand Lawn of Wald Park for sand volleyball. Passive park space and a place for the community to gather for large events was an intentional part of the design for Wald Park and she would not like to see sand volleyball courts take the place of that. The park is already a very programmed space, and there is a need for space for people to just relax with their families and hang out. Perhaps the Liberty Park Athletic complex or SHAC would be a more advantageous location. She wants to see the Grand Lawn space preserved.

Mr. Lee discussed the prospect of heating the pool to allow more use throughout the year and possibly opening it up to groups such as Birmingham Swim League.

Discussion ensued about keeping control of the hours and use of the facility for citizens, primarily, and that private investment might threaten that control; that Spire has indicated they will install the gas lines to help to heat the pool; and that VHHS hosts swim meets that are after Labor Day and at least 500 people attend.

13. Construction Updates

Keith Blanton, Building Safety Director, gave a presentation to advise the Council on the status of construction and renovations occurring in the City.

14. Upgrades for Council Chamber Technology

Darrin Estes, IT Director, described the proposed audio/visual technology upgrades proposed for the Chamber, the progress and status of a new generator for the city, cyber security and storage capacity for patrol unit videos.

15. Training on Use of Digital Document Retrieval

Rebecca Leavings, City Clerk, showed the public portal for permanent records and how to retrieve them.

External Opportunities

16. Legislative Risks and Opportunities

Mayor Curry led a discussion on legislation that is being considered this year in Montgomery. Mr. Downes explained the impact of a proposed bill limiting time for permit issuance by the City's building department. Chief Ware and Asst. Chief Farrell explained bills that affect the fire and police departments.

17. Elected Official Training Legislation

Ms. Leavings presented last year's legislation that requires elected official training.

18. Long Range Planning with Vestavia Hills City Schools

Dr. Todd Freeman updated the Council on work that the school system is doing. The three priorities for their strategic plan are: 1) elite educators; 2) excellence in academic support programs; and 3) safe and vibrant facilities. Some of the biggest concerns are heating and cooling each facility. They have funding for some current projects, but they are looking for ways to fund upcoming needs.

19. Fundraising for Veteran's Memorial at the AVP - Parks and Recreation Foundation

Leigh Belcher and Katherine Gorham, Parks and Recreation Foundation, updated the Council on fundraising for the Altadena Valley Park Veteran's Memorial. The Foundation has set a goal to raise \$100,000 through sponsors and a brick campaign.

20. 75th Anniversary of the City of Vestavia Hills - Mayor Ashley Curry

Mayor Curry discussed the 75th Anniversary of the incorporation of Vestavia Hills. He stated he would like to see a big event celebration to be held at the Civic Center with participants from all groups. He would like to see revitalization of the Historical Society, which is currently comprised of four individuals, with the chairperson having served over 25 years. He suggested history should be preserved for the Cahaba Heights and Liberty Park communities also.

Executive Session

21. Executive Session - Review of On-going Legal Matters

The Mayor requested a motion to go into Executive Session to discuss ongoing and/or expected litigation. The Executive Session is expected to last an estimated ten minutes. He opened the floor for a motion. Mr. Boone confirmed that the Council could go into executive session for such a purpose.

MOTION: Go into Executive Session to discuss ongoing or potential litigation for an expected ten minutes, with the work session to reconvene afterwards.

Motion By: Kimberly Cook. Seconded By: Rusty Weaver.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

At 11:30 AM the Council exited the Chamber and moved into Executive Session. At 11:40 AM the Council re-entered the Chamber and the Mayor called the meeting/work session back to order.

Council Priority Discussion and Ranking

22. Review of Current Financial Condition - Melvin Turner, Finance Director

Mr. Turner reviewed the financial condition of the City for FY24. Revenues exceeded budget by over \$6 million. He detailed the sources of revenues with an increase in each except for sales taxes. Mr. Downes emphasized the City is well above the targeted number of reserve operating days, which allows conversation on how to best utilize some of those funds to meet needs according to Council priorities.

23. Open Discussion on Items of Most Interest

Last year's strategies and priorities were revisited and discussed. Top two priorities at Pine Ridge were the police facility and the remote library location. Mr. Downes proposed exploring cost, needs, and timing for design and construction.

The Mayor and Council opened discussion with City Manager about the information obtained in this meeting in order to begin to determine priorities for the upcoming year.

Mrs. Cook discussed the priority of relocating the maintenance facility at Liberty Park so the maintenance driveway, used by parents for school carpool, could be redesigned for safer access both for parents and city employees. It is important to have sufficient public safety service for the new Bray development, which has been and will be the source of a lot of new revenue. With the new development, comes a responsibility to provide adequate infrastructure and public safety.

Discussion ensued on re-turfing the fields at Liberty Park.

24. Discuss High Level Strategic Plan Amendments

25. Prioritize 2025 Actions and Plans Using In-Meeting Poll

The City Manager conducted an online survey of the Council to find out which areas, collectively, were the highest priority, and showed the results to audience and Council. These will also be made available to the public on the Strategic Planning webpage, along with presentations made to the Council on special projects and initiatives.

There being no further business, Mrs. Cook made a motion to adjourn. The Mayor adjourned the meeting at 2:07 PM.

Ashley C. Curry, Mayor

ATTESTED BY:

Rebecca Leavings, City Clerk



**Vestavia Hills
City Council Minutes
February 24, 2025
6:00 PM**

1. Call to Order

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

2. Roll Call

Roll call was as follows:

MEMBERS PRESENT: Mayor Ashley Curry, Mayor Pro-Tem Rusty Weaver, City Councilor Kimberly Cook, City Councilor Paul Head, City Councilor George Pierce

MEMBERS ABSENT: None.

OTHER OFFICIALS PRESENT: Jeff Downes, City Manager; Patrick H. Boone, City Attorney; Cinnamon McCulley, Asst. City Manager; Rebecca Leavings, City Clerk; Shane Ware, Police Chief; Melvin Turner, Finance Director; Zachary Clifton, Asst. Finance Director; Lori Beth Kearley, Public Works Director; Marvin Green*, Fire Chief

**attended via Zoom.*

3. Invocation - Butch Williams, Vestavia Hills Chaplain

4. Pledge Of Allegiance

5. Approval Of The Agenda

The Mayor opened the floor for a motion to approve the agenda as amended.

MOTION: Approve the agenda as presented. Motion By: Rusty Weaver. Seconded By: Kimberly Cook.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.
No: None. Abstain: None. Motion passed.

6. Announcements, Candidates and Guest Recognition

- Mrs. Cook welcomed two Boy Scouts, Liam Williamson, Troop 76, and Kevin Reed, attending via zoom, Troop 4, both troops located in Vestavia Hills.
- Mr. Pierce welcomed Keri Bates and Clabe Dobbs from the Vestavia Hills Chamber of Commerce. Keri Bates is the current president of the Vestavia Hills Chamber of Commerce Board and Clabe Dobbs is immediate past-president of the Board.
- Mr. Weaver announced Vestavia Hills High School will be reopened tomorrow morning after being closed several days due to a sewer line repair.

7. City Manager's Report

- None.

8. Councilors' Reports

- Mr. Pierce attended The Vestavia Hills Chamber of Commerce Board meeting. Viva Vestavia was a huge success and proceeds supported two \$2,500 scholarships. This year's Dogwood prayer breakfast will be held in the Vestavia Hills Civic Center Ballroom for the first time.
- Mayor Curry stated the keynote speakers, this year, will be Gary and Carol Godfrey along with Kerry and Tonja Goode.

9. Financial Reports - Zachary Clifton, Deputy Finance Director

Mr. Clifton presented the financial reports for the month ending December 2024, finalizing the first quarter of FY25. He read and explained the balances.

10. Approval Of Minutes - February 10, 2025 regular meeting minutes

The Mayor announced that the minutes of the February 10, 2025, meeting are being presented for approval. He opened the floor for a motion.

MOTION: Approve the minutes of the regular meeting of February 10, 2025 as amended. Motion By: Kimberly Cook. Seconded By: Rusty Weaver.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.
No: None. Abstain: None. Motion passed.

Old Business (Public Hearing)

11. Public Hearing - Ordinance Number 3263 - Rezoning - 4564 Pine Tree Circle; Lot 32, Topfield Subdivision; Rezone from Vestavia Hills R-1 to Vestavia Hills O-1 for construction of an office building; Andrew Noto, owner

MOTION: Approve Ordinance Number 3263 as presented. Motion by: Rusty Weaver. Seconded by: George Pierce.

Mr. Weaver stated that this request came before the Planning and Zoning Commission last month. The request is for the construction of a new office building. The Commission recommended approval based upon the site plans presented. This area is an area of transition from residential to commercial.

Mr. Noto, the owner, was present with regard to the request.

The Mayor opened the floor for a public hearing. There being no one present to address the Council on this issue, the Mayor closed the public hearing and called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

12. Public Hearing - Ordinance Number 3264 - An Ordinance Authorizing The Mayor And City Manager To Execute And Deliver An Agreement With Rivertree Systems, Inc. For Auditing Services For The City Of Vestavia Hills

MOTION: Approve Ordinance Number 3264 as presented. Motion by: Rusty Weaver. Seconded by: George Pierce.

Mr. Downes explained that this is an extension of an existing contract for revenue audit services. Mr. Clifton stated that they audit businesses outside the city limits.

The Mayor opened the floor for a public hearing. There being no one present to address the Council on this issue, the Mayor closed the public hearing and called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

New Business

13. Resolution Number 5549 - A Resolution declaring certain personal property as surplus and authorizing the City Manager to sell/dispose of said property

MOTION: Approve Resolution Number 5549 as presented. Motion by: Rusty Weaver. Seconded by: Kimberly Cook.

Mr. Downes stated the city is getting rid of six vehicles that are at the height of their resale value.

Mr. Pierce asked about the sale of big-engine police vehicles because of the power that they contain. Chief Ware stated that the sale of the vehicles has never posed a problem.

There being no further discussion, the Mayor called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul

Head, George Pierce.

No: None. Abstain: None. Motion passed.

14. Resolution Number 5550 - A Resolution reappointing and appointing members to Design Review Board

MOTION: Approve Resolution Number 5550 as presented. Motion by: George Pierce. Seconded by: Kimberly Cook.

The Mayor passed the gavel to Mr. Weaver.

The Mayor recommends the reappointment of Mae Coshatt to the Design Review Board and the new appointment of Philip Kennedy to replace Robert Thompson when he retires in one year. He explained that, previously, these appointments were expiring at the same time, but separating them by one year provides for alternating year appointments.

Mr. Pierce stated he met Mr. Kennedy and was very impressed; he highly recommends the appointment.

There being no further discussion, the Mayor called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

New Business Requesting Unanimous Consent (Public Hearing)

- None

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

15. Citizens Comments

- None

16. Time Of Adjournment

There being no further business, Mrs. Cook made a motion to adjourn. The Mayor adjourned the meeting at 6:16 PM.

Ashley C. Curry, Mayor

ATTESTED BY:

Rebecca Leavings, City Clerk



**Vestavia Hills
City Council Minutes
March 10, 2025
6:00 PM**

1. Call to Order

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

2. Roll Call

Roll call was as follows:

MEMBERS PRESENT: Mayor Ashley Curry, Mayor Pro-Tem Rusty Weaver, City Councilor Kimberly Cook, City Councilor Paul Head, City Councilor George Pierce

MEMBERS ABSENT: None.

OTHER OFFICIALS PRESENT: Jeff Downes, City Manager; Patrick H. Boone, City Attorney; Cinnamon McCulley, Asst. City Manager; Rebecca Leavings, City Clerk; Shane Ware, Police Chief; Melvin Turner, Finance Director; Zachary Clifton, Asst. Finance Director; Lori Beth Kearley, Public Works Director; Marvin Green, Fire Chief; Umang Patel, Court Director*
**participated via Zoom*

3. Invocation - Huey Davis, Vestavia Hills Chaplain

4. Pledge Of Allegiance

5. Approval Of The Agenda

The Mayor opened the floor for a motion to approve the agenda as presented.

MOTION: Approve the agenda as presented. Motion By: Rusty Weaver. Seconded By: George Pierce.

There was no discussion.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul

Head, George Pierce.

No: None. Abstain: None. Motion passed.

6. Announcements, Candidates and Guest Recognition

- Mrs. Cook announced an upcoming vacancy on the City Board of Education. Applications will be received on the City's website through the online services portal. Deadline for application is Monday, April 14, 2025, at 5 PM. Personal interviews will begin April 23, continuing to April 25 if needed. The interviews will be scheduled as applications are received. Applicants are encouraged to submit reference letters and resumes through the portal or by emailing the City Clerk leavings@vhal.org.
- Mr. Pierce welcomed Roger Steuer and Bob Barker who were in attendance representing the Chamber of Commerce.
- Mr. Weaver announced that the Planning and Zoning Commission will meet in regular session, on Thursday, at 6 PM.
- Mr. Head announced that the Parks and Recreation Board will meet on Thursday morning, 7:30 AM, at the Civic Center.

7. Proclamation for March 9-15, 2025 as Multiple Sclerosis Awareness Week

The Mayor presented a Proclamation designating March 9-15, 2025, as "Multiple Sclerosis Awareness Week." Mr. Downes read the Proclamation aloud and the Mayor presented it to Rebecca Habermann, Market President (Alabama-Louisiana-Mississippi) National MS Society.

Ms. Habermann thanked the Mayor and Council for this proclamation on behalf of the millions of individuals who experience this dreaded disease and its symptoms. This helps with awareness, as knowledge is power.

8. City Manager's Report

- Mr. Downes thanked the Mayor and Council for their time dedicated to the City's strategic plan days. He stated that the meeting summary has been posted on the City's website. City staff will begin gathering information help the Council decide on next steps.

9. Councilors' Reports

- Mrs. Cook invited all of the Council to Coffee with a Board Member, to be held April 3. Board members will be present to talk with prospective applicants and share what it is like to serve as a school board member.
- Mr. Pierce will be attending the Chamber luncheon, tomorrow, at Vestavia Country Club.
- Mr. Pierce discussed a safety concern. This morning, he was at the Publix on Rocky Ridge Road. He saw two young boys weaving through the parking lot on motorized scooters. They were reckless and driving through the parking lot and onto the roads. He was afraid that one of these young men would be hit by a vehicle. He saw another one today on his road. He asked parents throughout the City to watch out for their kids on these scooters for their own safety.
- Mayor Curry announced that this is the 75th anniversary of the City, and we will be celebrating the milestone sometime this fall, at the Civic Center.

10. Financial Reports - Zachary Clifton, Deputy Finance Director

Zachary Clifton, Asst. Finance Director, presented the financial reports for the month ending January 2025. He read and explained the balances.

Mr. Pierce commented on the sales tax collections. Mrs. Cook asked if there were any worries regarding deficits compared to last year. Mr. Clifton explained that the difference is due to a difference in the timing of revenue receipts and expenses. Mr. Turner stated that new construction generated more revenue last year than this year.

11. Approval Of Minutes - February 10, 2025 regular meeting minutes

The Mayor announced that the minutes of the February 10, 2025, are being presented for approval. He opened the floor for a motion.

MOTION: Approve the minutes of February 10, 2025, minutes as presented.

Motion By: Kimberly Cook. Seconded By: Rusty Weaver.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

Old Business (Public Hearing)

New Business

12. Resolution Number 5551 - A Resolution appointing a voting delegate for the Alabama League of Municipalities Annual Business Meeting on May 15, 2025

Mayor Curry passed gavel to the Mayor Pro-Tem.

Mayor Curry stated that he is offering to be the Council's voting delegate at the League's convention to be held in Huntsville. This Resolution is to appoint him at the Council's representative. The Mayor Pro-Tem opened the floor for a motion.

MOTION: Approve Resolution Number 5551 as presented. Motion by: Kimberly Cook. Seconded by: George Pierce.

There being no further discussion, the Mayor Pro-Tem called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

The Council Pro-Tem passed the gavel back to the Mayor.

13. Ordinance Number 3267 - An Ordinance authorizing the Jefferson County Tax Assessor/Tax Collector to assess and collect municipal ad valorem taxes pursuant to Alabama law

MOTION: Approve Ordinance Number 3267 as presented. Motion by: George Pierce. Seconded by: Kimberly Cook.

Mayor Curry stated that this Ordinance is done annually to appoint the Jefferson County Tax Assessor/Collector to assess and collect the City's ad valorem taxes for properties located in Jefferson County. There being no further discussion, he called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed.

14. Ordinance Number 3268 - An Ordinance authorizing the Shelby County Tax Assessor/Tax Collector to assess and collect municipal ad valorem taxes pursuant to Alabama law

MOTION: Approve Ordinance Number 3268 as presented. Motion by: Kimberly Cook. Seconded by: George Pierce.

Mayor Curry stated that this Ordinance is done annually to appoint the Shelby County Tax Assessor/Collector to assess and collect the City's ad valorem taxes in for those properties located in Shelby County. There being no further discussion, he called for the question.

VOTE: Roll call vote as follows: Yes: Ashley Curry, Rusty Weaver, Kimberly Cook, Paul Head, George Pierce.

No: None. Abstain: None. Motion passed

New Business Requesting Unanimous Consent (Public Hearing)

The Mayor passed the gavel to the Mayor Pro-Tem.

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

- 15. Public Hearing - Resolution Number 5552 - Vacation - A Resolution to vacate a portion of easement located to the rear of 3301 Willis Drive; Lot 8, Resurvey of Lots 5, 6 and 7, Jonas Schab Co. Survey as recorded in Map Book 116 Page 10; Tyler Moore, Owner**
- 16. Public Hearing - Resolution Number 5555 - A Resolution Authorizing a FY 25 Supplemental Appropriation to Fund 11 (Court) to Accommodate the Unanticipated Expense Associated with a Temporary Need Employee**
- 17. Public Hearing - Ordinance Number 3265 - Rezoning - A portion of 4751 Cahaba River Road; A portion of Common Area A, River Grand Subdivision; Rezone from Vestavia Hills R-6 to Vestavia Hills B-2 to be combined with the adjacent commercial lot for expanded parking area; Beau Bevis, owner; Alex Patillo, representing**
- 18. Public Hearing - Ordinance Number 3266 - An Ordinance Granting a Franchise Agreement to Lumos Fiber and Authorizing the Mayor and City Manager to Execute Any and All Documents Associated with the Franchise**

19. Public Hearing - Resolution Number 5553 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP - Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)

20. Public Hearing - Resolution Number 5554 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP - Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)

21. Citizens Comments

- Mr. Pierce stated that Lumos had sent letters to residents of the Crossgate neighborhood. He wanted to emphasize that this company has not been approved a franchise or a permit yet, and it's unknown why they moved forward.

22. Time Of Adjournment

There being no further business, Mrs. Cook made a motion to adjourn. The Mayor adjourned the meeting at 6:26 PM.

Ashley C. Curry, Mayor

ATTESTED BY:

Rebecca Leavings, City Clerk



**CITY OF VESTAVIA HILLS
CITY CLERK
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Rebecca Leavings, City Clerk

Cc: Ethan Fisher, City Engineer
Lori Beth Kearley, Public Services Director

RE: Public Hearing - Resolution Number 5552 - Vacation - A Resolution to vacate a portion of easement located to the rear of 3301 Willis Drive; Lot 8, Resurvey of Lots 5, 6 and 7, Jonas Schab Co. Survey as recorded in Map Book 116 Page 10; Tyler Moore, Owner

Background:

A large 20' easement is noted on resurvey. Owner wishes to vacation most of said easement for reserve field lines for septic tank. Releases were obtained from all utilities, Jefferson County Sewer and the City Engineer.

Recommendation:

Engineering finds no reason not to vacate.

Fiscal Impact:

na

Attachments:

1. Resolution 5552
2. petition

RESOLUTION NUMBER 5552

**A RESOLUTION APPROVING AND ASSENTING TO A
DECLARATION OF VACATION**

WITNESSETH THESE RECITALS

WHEREAS, a Declaration signed by the owners of all the lands abutting the following described sanitary sewer easement situated in the City of Vestavia Hills, Jefferson County, Alabama, vacating said portion of easement, has been duly presented to the City Council of the City of Vestavia Hills, Alabama, for assent and approval of said governing body; and

WHEREAS, a copy of said Declaration with map attached is marked as “Exhibit A”, attached hereto and incorporated into this Resolution by reference as though set out fully herein; and

WHEREAS, the above-referenced portion of easement is commonly referred to as “portion of easement” and is more particularly described as follows:

A legal description of a part of an easement to be vacated in Lot 8 of A Resurvey of Lots 5, 6 & 7 Jonas Schwab Company Survey, as Recorded in Map Book 116 on Page 10 in the Office of the Judge of Probate, Jefferson County, Alabama, being the South 15 feet of an existing 20-foot easement and more particularly described as follows;

Commence at the Southwest corner of said Lot 8 being a common of Lot 7 and Lot 8; thence run Northwesterly along the common line of said Lots 7 and 8 for a distance of 121.75 feet an iron pin found at the Northwest corner of said Lot 8; thence turn an angle to the right of 180° 00' 00" and run Southeasterly along said common line for a distance of 5.03 feet to the Point of Beginning of said easement vacation; thence continue Southeasterly along said common line for a distance of 15.08 feet to a point; thence turn an angle to the left of 83° 55' 54" and run Easterly 20 feet from and parallel to the North line of said Lot 8 for a distance of 167.62 feet a point on the Southeast Line of said Lot 8; thence turn an angle to the left of 44° 59' 37" and run Northeasterly for a distance of 21.22 feet a point; thence turn an angle to the left of 135° 00' 23" and run West 5 feet from and parallel to the North line of said Lot 8 for a distance of 184.22 feet to the Point of Beginning. Said Part of a 20-foot easement containing 2638.8 Sq. Ft., more or less

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF VESTAVIA HILLS, ALABAMA**, that the vacation of the hereinabove

described portion of easement is assented to and approved and the same is hereby vacated pursuant to the provision of Section 23-4-20 of the Code of Alabama, 1975.

RESOLVED, DONE AND ORDERED, on this the 24th day of March, 2025.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION

I, the undersigned qualified Clerk of the City of Vestavia Hills, Alabama, do hereby certify that the above and foregoing is a true copy of a Resolution lawfully passed and adopted by the City Council of the City named therein, at a regular meeting of such Council held on the 24th day of March, 2025, and that such Resolution is of record in the Minute Book of the City at page _____ thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this the _____ day of _____, 2025.

Rebecca Leavings
City Clerk



City of Vestavia Hills
CITY CLERK/PLANNING AND ZONING DEPARTMENT
1032 Montgomery Highway
Vestavia Hills, AL 35216



DECLARATION OF VACATION OF EASEMENT

**STATE OF ALABAMA
JEFFERSON COUNTY**

We, the undersigned, constituting all of the owners of all property abutting portion of easement as same appears on the Plat of Lot 8 of a Resurvey of Lots 5, 6, & 6 Jonas Schwab Co. Survey, which Plat is recorded in Plat Book 116, at Page 10, in the Probate Office of Jefferson County, Alabama, do hereby declare that each of said Plats embraced within the boundaries of said portion of easement as the same appears of record on the Plat to be vacated, and said portion of easement is hereby declared vacated. The undersigned do hereby respectfully represent and warrant as follows:

1. This Declaration of Vacation of portion of easement is prepared, executed, delivered and recorded to and in accordance with the provisions of Section 23-4-20 and Section 35-2-54, Code of Alabama, 1975.
2. It is in the best public interest that portion of easement be closed and vacated.
3. Such vacation will not deprive other property owners of a convenient and reasonable means of ingress and egress to their property.
4. Said portion of easement is situated in the City of Vestavia Hills, Jefferson County, Alabama, and appears at 3301 Willis Drive. A copy of the map reflecting the location of portion of easement is attached hereto and incorporated into this Declaration of Vacation as a part hereof.
5. The street address and legal descriptions of all property abutting portion of easement and the names and addresses of the owner of said abutting properties are as follows:

A. Owner's Name: Tyler Moore

Street Address/Legal Description: 3301 Willis Drive; Lot 8, Resurvey of Lots 5, 6 and 7, Jonas Schwab Co. Survey MB 116 PG 10

B.

C. Owner's Name:

Street Address/Legal Description: ;

6. All of the undersigned do hereby declare portion of easement to be vacated and respectfully request the assent of the City Council of the City of Vestavia Hills, Alabama, to said vacation of portion of easement.

SIGNATURES ATTACHED.

**OWNER'S SIGNATURE AFFIDAVIT
VACATION OF EASEMENT PETITION**

IN WITNESS THEREOF, the undersigned have hereunto set my hand and seal on this the 5 day of February, 2025.

SIGNATURE OF ABUTTING PROPERTY OWNER:

Signed: J. Tyler Moore (notary below)

Printed name of signer: J. Tyler Moore

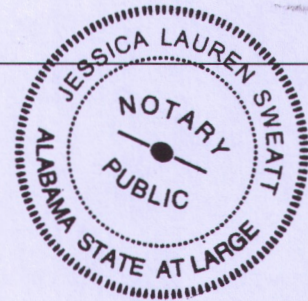
**STATE OF ALABAMA
JEFFERSON COUNTY**

GENERAL ACKNOWLEDGMENT

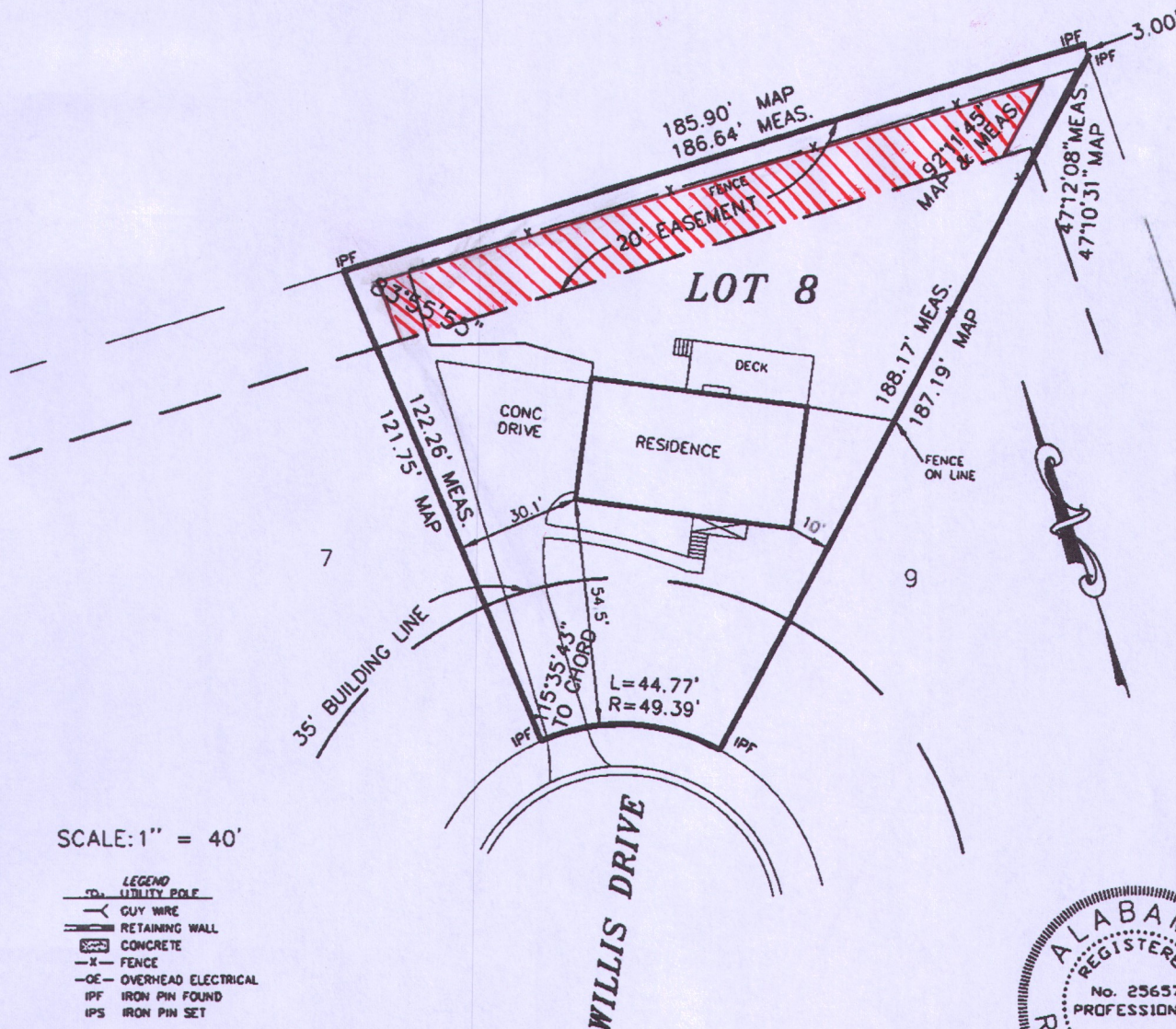
I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that J. Tyler Moore and _____, whose names are signed to the foregoing Declaration of Vacation, and who are known to me, acknowledged before me on this day that being informed of the contents of the instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 5 day of February, 2025.

Jessica Lauren Sweatt
Notary Public



VEAS Number: _____ (administrative use only).

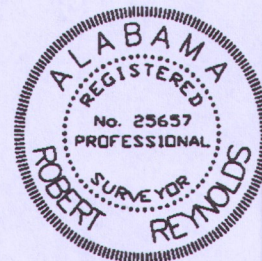


SCALE: 1" = 40'

LEGEND
 TD. UTILITY POLE
 GUY WIRE
 RETAINING WALL
 CONCRETE
 X FENCE
 OE OVERHEAD ELECTRICAL
 IPF IRON PIN FOUND
 IPS IRON PIN SET

STATE OF ALABAMA
 JEFFERSON COUNTY

"CLOSING SURVEY"



I, Robert Reynolds, a Registered Surveyor, do here by state that this is a true and correct plat or map of Lot 8, Block ---, of
 A RESURVEY OF LOTS 5, 6 & 7 JONAS SCHWAB CO. SURVEY ---, as recorded in Map
 Book 116, Page 10 in the Office of the Judge Of Probate in
Jefferson County, Alabama. All parts of this survey and drawing have been
 completed in accordance with the current requirements of the Standards of
 Practice of Surveying in the State of Alabama to the best of my knowledge,
 information and belief. The improvements on said premises are as shown.
 There are no visible encroachments on over or across said lands except as
 shown. According to my survey this the 16 th day
 of March, 2017.

NOTE: This survey is not transferable to any additional institutions or
 subsequent owners.

Purchaser: Moore
 Address: 3301 Willis Drive

Robert Reynolds
 Reg. No. 25657

B111/41

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

February 27, 2025

To: Rebecca Leavings, City Clerk

CC: Lori Beth Kearley, Director of Public Services

From: Ethan Fisher, City Engineer

RE: Vacation of Easement

I have reviewed the request for vacation of this easement. The applicant has provided all of the required documentation from the utility providers and there is not drainage infrastructure that the city is aware of.

I hereby provide favorable recommendation for approval for vacation of this easement as outlined in the submitted documents.

Please let me know if questions,

Sincerely,

Ethan Fisher, PE
City Engineer

2 Industrial Park Drive | Pelham, AL 35124



APC Doc #72299001-001

March 27, 2024

Tyler Moore
3301 Willis Drive
Vestavia Hills, AL 35243

RE: Proposed vacation of the 20-foot wide easement shown on the survey (attached) of the subject property address above and more particularly described as follows: Lot 8, according to the Resurvey of Lots 5, 6 and 7, as recorded in Map Book 16, Page 10, in the Probate Office of Jefferson County, Alabama. Said property lies in the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 14, Township 18 South, Range 2 West, City of Vestavia Hills, Alabama in Jefferson County, Alabama.

Mr. Moore,

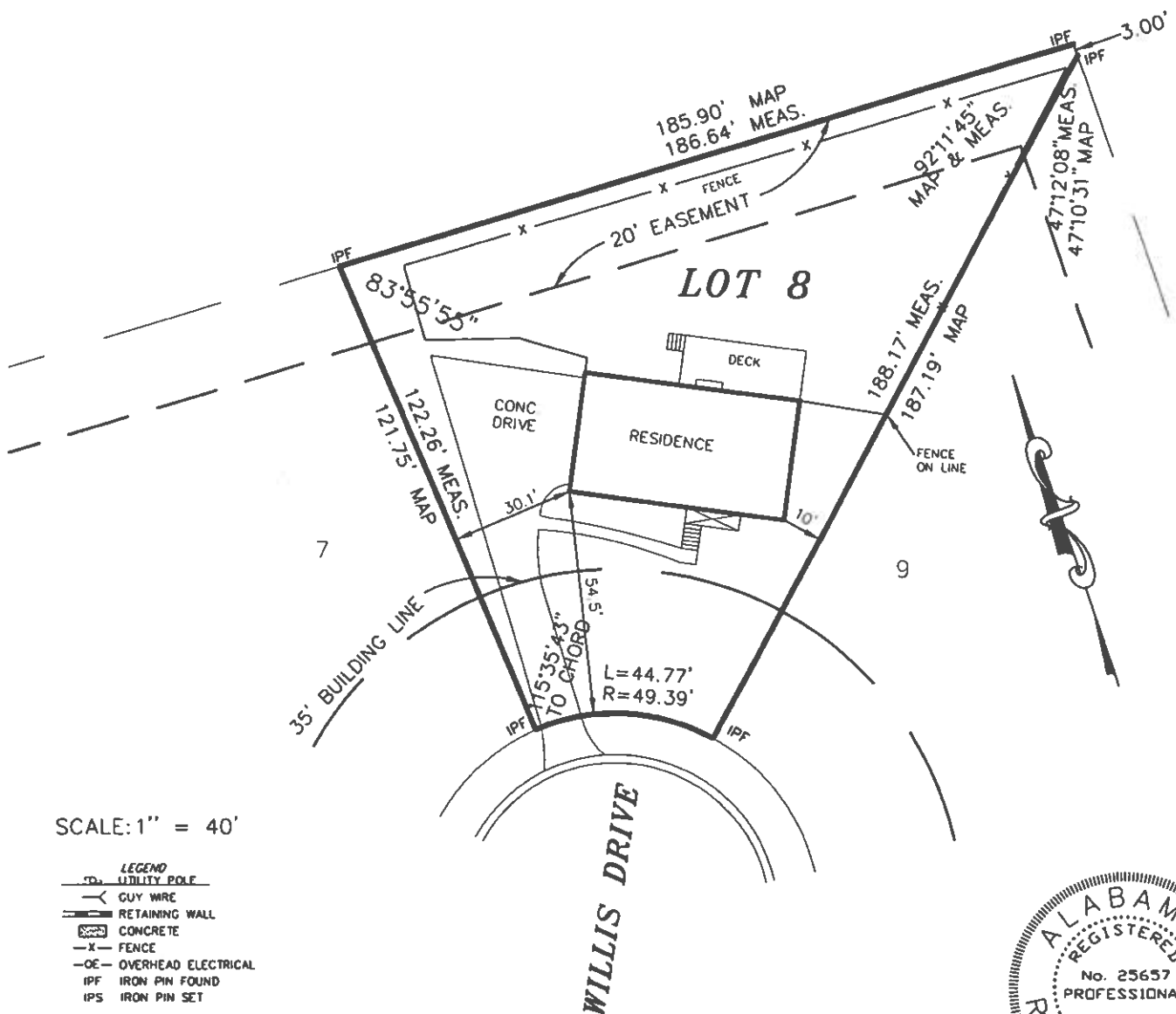
Alabama Power Company presently has no facilities (and makes no claim of any being there) and has no objection to the vacation of above said easement as shown on the Survey mentioned above (and attached).

However, should the need arise in the future for any power line to be installed on the property described above, Alabama Power Company will acquire the necessary rights of way from the owner of record on that date.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dean Fritz", with a stylized flourish at the end.

Dean Fritz
Real Estate Specialist
Corporate Real Estate
Alabama Power Company
205-226-1754

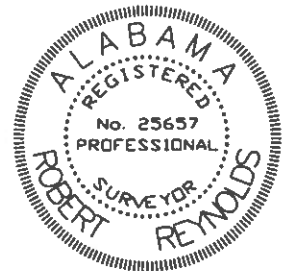


SCALE: 1" = 40'

LEGEND
 TO- UTILITY POLE
 GUY WIRE
 RETAINING WALL
 CONCRETE
 FENCE
 OE- OVERHEAD ELECTRICAL
 IPF IRON PIN FOUND
 IPS IRON PIN SET

STATE OF ALABAMA
 JEFFERSON COUNTY

"CLOSING SURVEY"



I, Robert Reynolds, a Registered Surveyor, do here by state that this is a true and correct plat or map of Lot 8, Block 8, of A RESURVEY OF LOTS 5, 6 & 7 JONAS SCHWAB CO. SURVEY, as recorded in Map Book 116, Page 10 in the Office of the Judge Of Probate in Jefferson County, Alabama. All parts of this survey and drawing have been completed in accordance with the current requirements of the Standards of Practice of Surveying in the State of Alabama to the best of my knowledge, information and belief. The improvements on said premises are as shown. There are no visible encroachments on over or across said lands except as shown. According to my survey this the 16 th day of March, 2017.

NOTE: This survey is not transferable to any additional institutions or subsequent owners.

Purchaser: Moore
 Address: 3301 Willis Drive

Robert Reynolds
 Reg. No. 25657

B111/41



January 17, 2024

Tyler Moore
3301 Willis Dr
Vestavia Hills AL

Re: utility easement

BellSouth Telecommunications, LLC d/b/a AT&T Alabama has no objections to your request of, vacating existing Easement, at the north side of your property located at 3301 Willis Drive Vestavia Alabama, T18S-R2W. This is a rear lot Easement. At&t has no facilities located within this utility Easement.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Cockrum", with a long horizontal line extending to the right.

Nick Cockrum
810 Kentucky Ave Paducah KY 42003
AT&T East Wireline PMO
SR Specialist-OSP Design Engineer
270-977-1811
nc1003@att.com



September 30, 2024

#618

Tyler Moore
3301 Willis Drive
Vestavia, Alabama 35243

To whom it may concern:

You may present this letter to interested parties as evidence that The Water Works Board of the City of Birmingham has no existing facilities within that portion of a utility easement proposing to be vacated within Lot 8 Resurvey of lots 5-7 Jonas Schwab Co Survey 116/10 as recorded in Probate Court of Jefferson County Alabama, situated in the NW¼ of the SW ¼ of Section 14, Township 18 South, Range 2 West, located in the City of Vestavia Hills, Alabama. Therefore, the Water Board has no objection to the vacation of said easement.

Should you have questions or need additional information, please feel free to contact Ms. Antris Betts, at (205) 244-4262; or you may reach Ms. Betts via email at antris.betts@bwwb.org.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Douglass W. Stockham, IV'.

Douglass W. Stockham, IV
Manager - System Development

AB/sj
D.P. J-410-4
Gradient: SMI



Spire Alabama Inc.
2101 Sixth Avenue North
Birmingham, AL 35203

October 28th, 2024

Tyler Moore
3301 Willis Drive
Vestavia, AL 35243

Re: City of Vestavia

Vacation: 3301 Willis Drive Easement

Tyler Moore,

In response to your email dated 09-19-2024 relative to the above referenced vacation of utility easement.

Please be advised that Spire Alabama Inc. ("Spire") has no facilities located within the area which is requested to be vacated.

Sincerely,

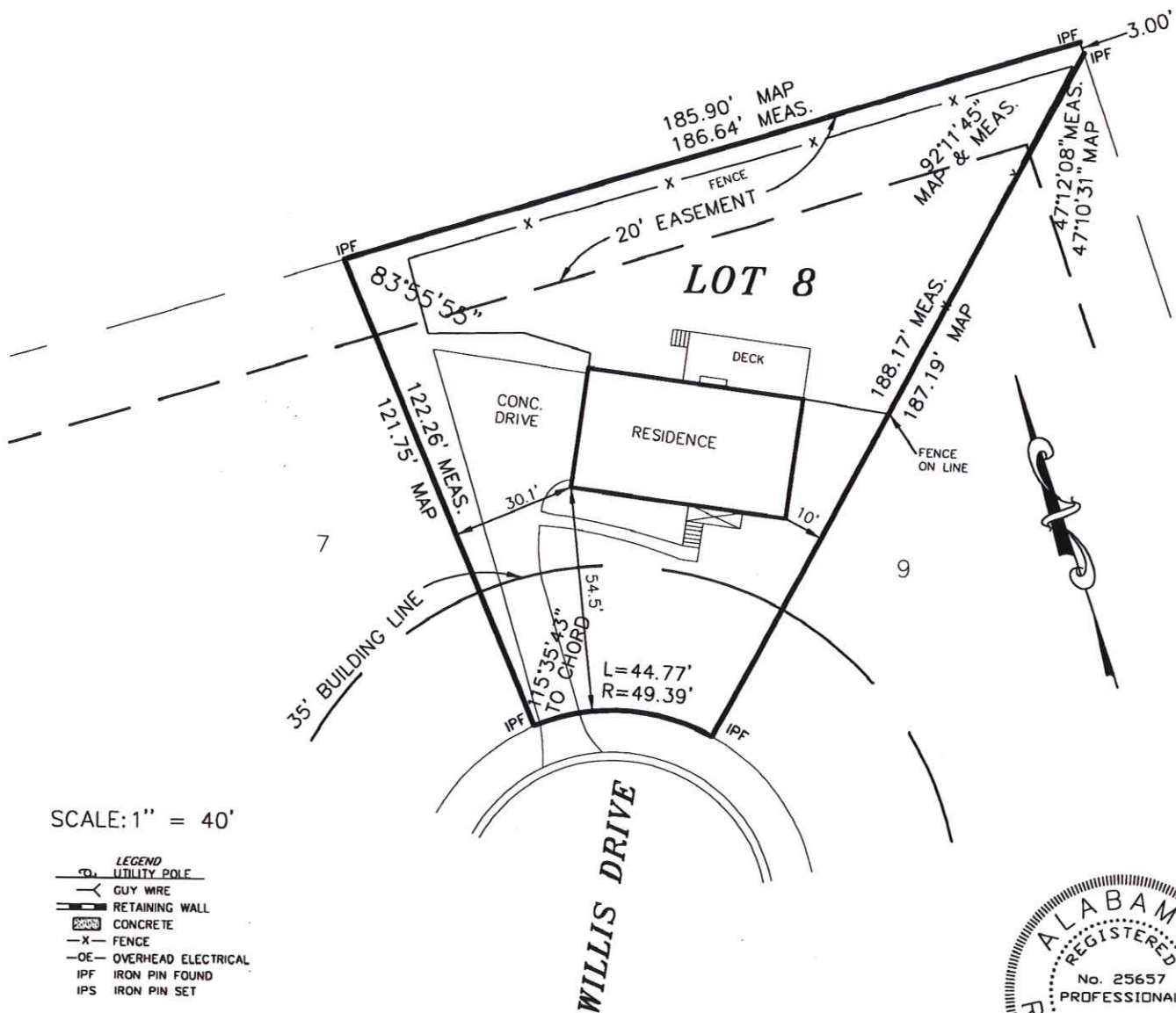

Alex Sammet (Oct 28, 2024 15:24 CDT)

Alex Sammet
Manager of Right of Way & Land Management
Spire Alabama Inc.

TJF: DRC
cc: Tyler Moore

Engineering Approval: EP

Systems Planning Approval: WM



SCALE: 1" = 40'

LEGEND
 —○— UTILITY POLE
 —X— GUY WIRE
 —X— RETAINING WALL
 —X— CONCRETE
 —X— FENCE
 —OE— OVERHEAD ELECTRICAL
 IPF IRON PIN FOUND
 IPS IRON PIN SET

STATE OF ALABAMA
 JEFFERSON COUNTY

"CLOSING SURVEY"



I, Robert Reynolds, a Registered Surveyor, do here by state that this is a true and correct plat or map of Lot 8, Block —, of A RESURVEY OF LOTS 5, 6 & 7 JONAS SCHWAB CO. SURVEY, as recorded in Map Book 116, Page 10 in the Office of the Judge Of Probate in Jefferson County, Alabama. All parts of this survey and drawing have been completed in accordance with the current requirements of the Standards of Practice of Surveying in the State of Alabama to the best of my knowledge, information and belief. The improvements on said premises are as shown. There are no visible encroachments on over or across said lands except as shown. According to my survey this the 16 th day of March, 2017.

NOTE: This survey is not transferable to any additional institutions or subsequent owners.

Purchaser: Moore

Address: 3301 Willis Drive

Robert Reynolds
 Reg. No. 25657

B111/41

Vacate To Be Signed

Final Audit Report

2024-10-28

Created:	2024-10-28
By:	Dorman Chapman (dorman.chapman@spireenergy.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZQgc7x0oW2TykeeLT1mdrNmV5OwHEbeJ

"Vacate To Be Signed" History

-  Document created by Dorman Chapman (dorman.chapman@spireenergy.com)
2024-10-28 - 7:32:58 PM GMT - IP address: 162.212.120.130
-  Document emailed to Ethan Peters (ethan.peters@spireenergy.com) for approval
2024-10-28 - 7:33:57 PM GMT
-  Email viewed by Ethan Peters (ethan.peters@spireenergy.com)
2024-10-28 - 7:37:57 PM GMT - IP address: 104.47.51.126
-  Document approved by Ethan Peters (ethan.peters@spireenergy.com)
Approval Date: 2024-10-28 - 7:40:23 PM GMT - Time Source: server- IP address: 162.212.120.130
-  Document emailed to Wes Morrisette (wes.morrisette@spireenergy.com) for approval
2024-10-28 - 7:40:26 PM GMT
-  Email viewed by Wes Morrisette (wes.morrisette@spireenergy.com)
2024-10-28 - 8:11:12 PM GMT - IP address: 104.47.57.126
-  Document approved by Wes Morrisette (wes.morrisette@spireenergy.com)
Approval Date: 2024-10-28 - 8:15:40 PM GMT - Time Source: server- IP address: 63.246.12.132
-  Document emailed to Alex Sammet (alex.sammet@spireenergy.com) for signature
2024-10-28 - 8:15:42 PM GMT
-  Email viewed by Alex Sammet (alex.sammet@spireenergy.com)
2024-10-28 - 8:21:04 PM GMT - IP address: 104.47.57.126
-  Document e-signed by Alex Sammet (alex.sammet@spireenergy.com)
Signature Date: 2024-10-28 - 8:24:01 PM GMT - Time Source: server- IP address: 75.243.26.199
-  Agreement completed.
2024-10-28 - 8:24:01 PM GMT



Adobe Acrobat Sign

JEFFERSON COUNTY COMMISSION



JAMES A. "JIMMIE" STEPHENS – PRESIDENT
LASHUNDA SCALES
SHEILA TYSON
Mike Bolin
T. JOE KNIGHT

CAL MARKERT
CHIEF EXECUTIVE OFFICER

DAVID DENARD
Director of Environmental Services Department
SUITE A300
716 Richard Arrington Jr. Blvd. N
Birmingham, Alabama 35203
Telephone (205) 325-5496
Fax (205) 325-5981

MEMORANDUM

TO: Tyler Moore

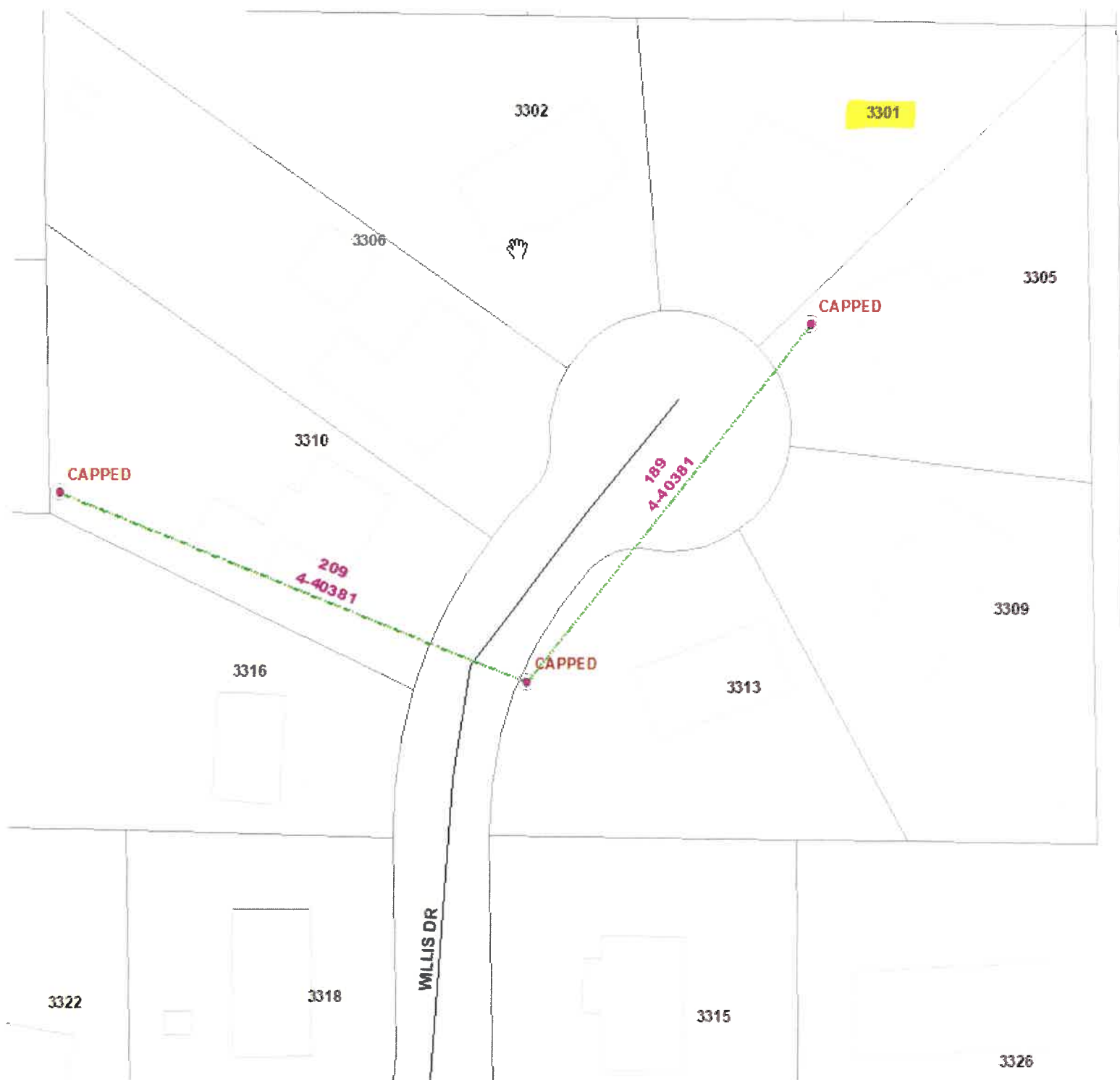
FROM: Emily Kemp, Chief Civil Engineer 
Environmental Services Department

DATE: April 26, 2024

RE: Proposed Vacation of Public Utility Easement, City of Vestavia Hills
3301 Willis Drive, Vestavia Hills
Lot 8 - Resurvey of Lots 5 thru 7, Jonas Schwab Co Survey;
Map Book 116, Page 10; NW ¼ -SW ¼- 14-18S-2W; PID 28-00-14-3-025.008

This memo responds to a public utility easement vacation request received for the above referenced property. (said easement is highlighted yellow on attached drawing) It appears, to the best of our knowledge, that no County maintained sanitary sewer exists within this public utility easement. Based on the aforementioned, we have no objection to the vacation of said public easement insofar as sanitary sewers are concerned. This memorandum should not be construed that this department warrants the accuracy of information provided to us by others.

cc: Hubert Chapman, Senior Land Acquisition Agent
Ben Pate, ESD Plans Examiner
File





**CITY OF VESTAVIA HILLS
OFFICE OF THE CITY MANAGER
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Mayor and Council

From: Jeff Downes, City Manager

Cc: Umang Patel, Court Director

RE: Public Hearing - Resolution Number 5555 - A Resolution
Authorizing a FY 25 Supplemental Appropriation to Fund 11 (Court)
to Accommodate the Unanticipated Expense Associated with a
Temporary Need Employee

Background:

The City of Vestavia Hills employs four employees who serve as magistrates and are instrumental to the effective operation of the Municipal Court. Its Director has been notified that, in addition to the anticipated maternity leave of one magistrate, a second magistrate will require an extended leave period for a personal health condition during a concurrent time frame. The 50% reduction in the workforce requires a short-term resolution. The Personnel Board of Jefferson County allows the appointment of a Temporary Need Employee under these circumstances. Given the relatively small budget of the Municipal Court, a supplemental City Council appropriation is required to fund the Temporary Need Employee.

Recommendation:

It is recommended that the City Council approve this one-time supplement to the FY 2025 Fund 11 budget not to exceed \$19,000 to cover the cost of a temporary hire during the term of the absences.

Fiscal Impact:

Attachments:

1. Resolution 5555
2. Part Time Request Memo Mun Ct 3-4-25

RESOLUTION NUMBER 5555

A RESOLUTION FOR A BUDGET APPROPRIATION FOR A TEMPORARY EMPLOYEE FOR THE VESTAVIA HILLS MUNICIPAL COURT

WHEREAS, the Court Director, in anticipation of a possible employee shortage due to unforeseen circumstances, has determined a need for a temporary employee at an expense estimated at \$19,000; and

WHEREAS, a memorandum was sent to the City Manager explaining the need and the expected expense, a copy of which is marked as Exhibit A, attached to and incorporated into this Resolution Number 5555; and

WHEREAS, the City Manager is in support of said temporary employee; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to authorize the Courts to retain a temporary employee as described.

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

1. The Court Director is hereby authorized to retain a temporary employee for the courts as described in the attachment; and
2. Said expense for the temporary employee shall not exceed \$19,000 and will be expensed to Fund 11, Municipal Court; and
3. This Resolution Number 5555 shall become effective immediately upon adoption and approval.

DONE, ORDERED, ADOPTED and APPROVED this the 24th day of March, 2025.

Ashley Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk



VESTAVIA HILLS MUNICIPAL COURT

MEMORANDUM

TO: Mr. Downes
FROM: Umang Patel
DATE: March 4, 2025
RE: Part-Time Position

I am requesting approval to hire a part-time employee to help address impending staffing shortages within our department. One of our current employees will be taking time off for the upcoming birth of her child, and another employee is dealing with medical issues that are expected to result in extended leave. With two of the four magistrates' staff out for an extended period, the increased workload and overtime would significantly strain the department, leaving us unable to accommodate any additional leave requests.

This request would require a "Temporary Need Appointment" pursuant to Jefferson County Personnel Board rules and approval. The requested part time position would be classified as a "Magistrate" at a rate of \$23.53 an hour and would require a supplemental appropriation of \$19,000 for the remainder of FY2025. The anticipated start date would be 4/1/25 until such time employees return to full-time capabilities.

Thank you,

Umang Patel

Umang Patel
Court Director



**CITY OF VESTAVIA HILLS
CITY CLERK
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Rebecca Leavings, City Clerk

Cc:

RE: Public Hearing - Ordinance Number 3265 - Rezoning - A portion of 4751 Cahaba River Road; A portion of Common Area A, River Grand Subdivision; Rezone from Vestavia Hills R-6 to Vestavia Hills B-2 to be combined with the adjacent commercial lot for expanded parking area; Beau Bevis, owner; Alex Patillo, representing

Background:

The property was rezoned and originally platted as a part of a large common area for River Grand, but the developers never deeded it to the HOA. The property is being purchased by owners of the adjacent office building and the request is to rezone to incorporate it into the parking area for the office building for additional parking.

Recommendation:

P&Z recommendation to approve rezoning with the condition the properties be combined into a single platted lot.

Fiscal Impact:

na

Attachments:

1. Ordinance 3265

ORDINANCE NUMBER 3265

**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 R-6 TO VESTAVIA HILLS
B-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 Vestavia Hills R-6 (zero lot line residential district) to Vestavia Hills B-2 (general business district):

A portion of 4751 Cahaba River Road
A portion of Common Area A of River Grand
Beau Bevis, Owner(s)

More particularly described as follows:

Part of Lot "A" Common Area, River Grand, Map Book 214, Page 46, also being part of that land conveyed to Macon Land Company, LLC in LR 200620, Page 27406 as recorded in the Office of the Judge of Probate, Jefferson County, Alabama being more particularly described as follows: Beginning at the most Westerly corner of said Lot "A", River Grand, said point also being on the Northeast right-of-way line of the Cahaba River Road, run in a Southeasterly direction along the Southwest line of said Lot "A" and along the Northeast right-of-way line of Cahaba River Road for a distance of 156.40 feet to a point; thence left 133°06'55" in a Northwesterly direction for a distance of 91.16 feet to a point on the North line of said Lot "A" , said point also being the Southeast corner of Lot 25, Topfield Subdivision, Map Book 42, Page 72 as recorded in the Office of the Judge of Probate, Jefferson County, Alabama; thence left 82°09'07" in a Westerly direction along the North line of said Lot "A" and along the South line of said Topfield Subdivision for a distance of 115.25 feet to the Point of Beginning. Containing 5204 square feet or 0.119 acres, more or less.

BE IT FURTHER ORDAINED, said rezoning is conditioned upon the approval and recordation of a plat to incorporate this property into the adjacent commercial building lot, Lot 25, Topfield Subdivision.

APPROVED and ADOPTED this the 24th of March, 2025.

Ashley C. Curry
Mayor

ATTESTED BY:

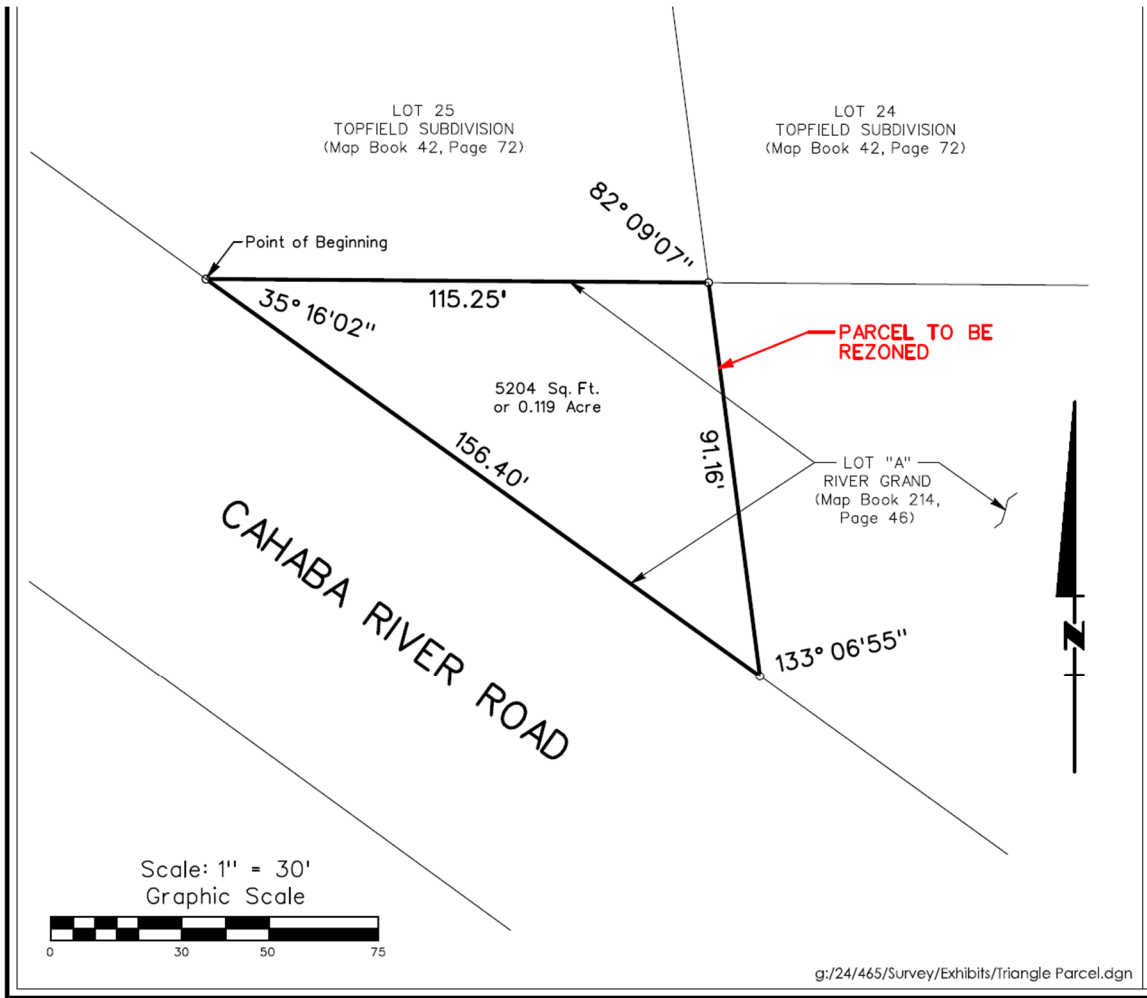
Rebecca Leavings
City Clerk

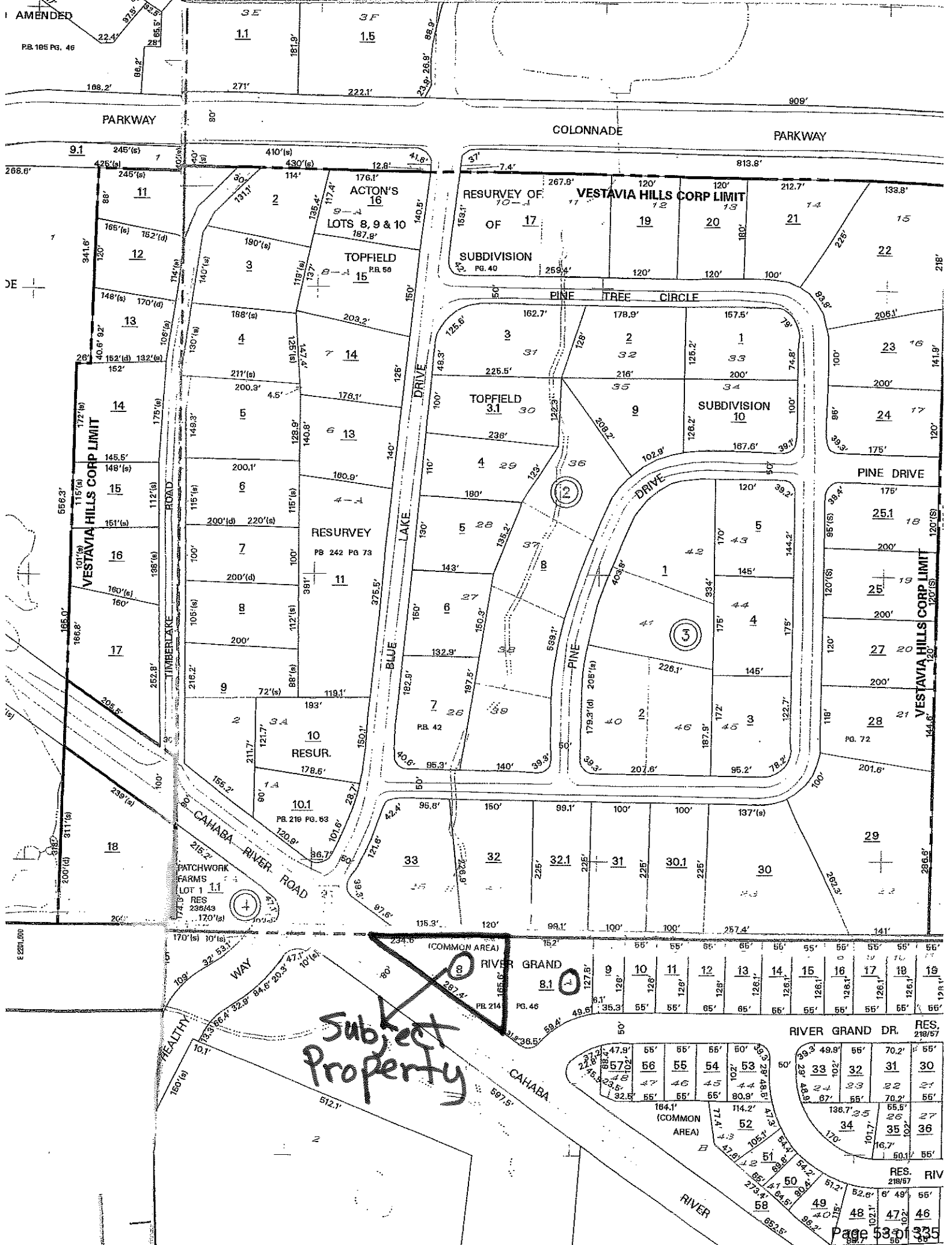
CERTIFICATION:

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 Number 3265 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 24th day of March, 2025 as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, Vestavia Hills Civic Center and Vestavia Hills New Merkel House this the _____ day of _____, 2025.

Rebecca Leavings
City Clerk





AMENDED
PB. 165 PG. 46

PARKWAY

COLONNADE

PARKWAY

RESURVEY OF
OF 17
SUBDIVISION
PG. 40

VESTAVIA HILLS CORP LIMIT

PG. 40

PINE TREE CIRCLE

TOPFIELD
3.1

SUBDIVISION
10

VESTAVIA HILLS CORP LIMIT

RESURVEY
PB 242 PG 73

RESUR.
10.1
PB 219 PG. 53

PATCHWORK
FARMS
LOT 1 1.1
RES
236/43
179' (al)

CAHABA RIVER ROAD

HEALTHY WAY

Subject Property

RIVER GRAND

RIVER GRAND DR.

RES.
218/57

RES.
218/57

RIV



City of Vestavia Hills

Planning and Zoning Commission Review and Recommendation



Case Number: RZ-25-1

Owner Name: Beau Bevis

Owner Address: 4274 Cahaba Heights Court Suite 200,
Birmingham, AL 35243

Representative:

Rep. Address: 1001 22nd St S Bham AL 35205

Project Address: 4751 Cahaba River Road

Part of Lot "A" Common Area, River Grand, Map Book 214, Page 46, also being part of that land conveyed to Macon Land Company, LLC in LR 200620, Page 27406 as recorded in the Office of the Judge of Probate, Jefferson County, Alabama being more particularly described as follows:

Legal Description: Beginning at the most Westerly corner of said Lot "A", River Grand, said point also being on the Northeast right-of-way line of the Cahaba River Road, run in a Southeasterly direction along the Southwest line of said Lot "A" and along the Northeast right-of-way line of Cahaba River Road for a distance of 156.40 feet to a point; thence left 133°06'55" in a Northwesterly direction for a distance of 91.16 feet to a point on the North line of said Lot "A", said point also being the Southeast corner of Lot 25, Topfield Subdivision, Map Book 42, Page 72 as recorded in the Office of the Judge of Probate, Jefferson County, Alabama; thence left 82°09'07" in a Westerly direction along the North line of said Lot "A" and along the South line of said Topfield Subdivision for a distance of 115.25 feet to the Point of Beginning. Containing 5204 square feet or 0.119 acres, more or less.

Parcel ID Number: 28 00 34 1 001 008.000

Current Zoning: R-6

Requested Zoning: B-2

Intended Purpose: Parking Lot

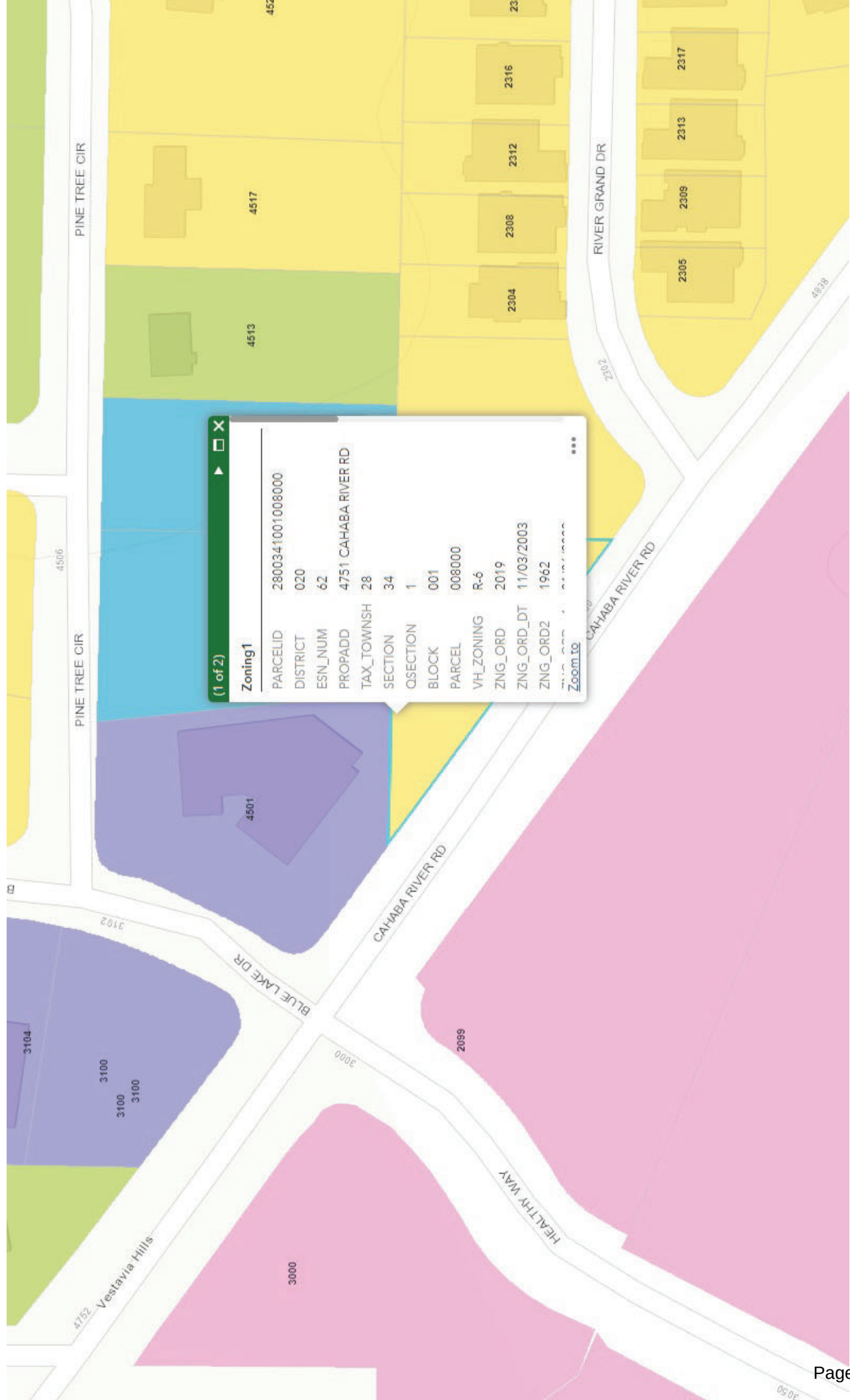
MOTION Mr. Romeo made a motion to recommend Rezoning for 4751 Cahaba River Rd. from Vestavia Hills R-6 to Vestavia Hills B-2 conditioned on both lots being combined into one. Second was by Mr. Honeycutt. Motion was carried on a roll call; vote as follows:

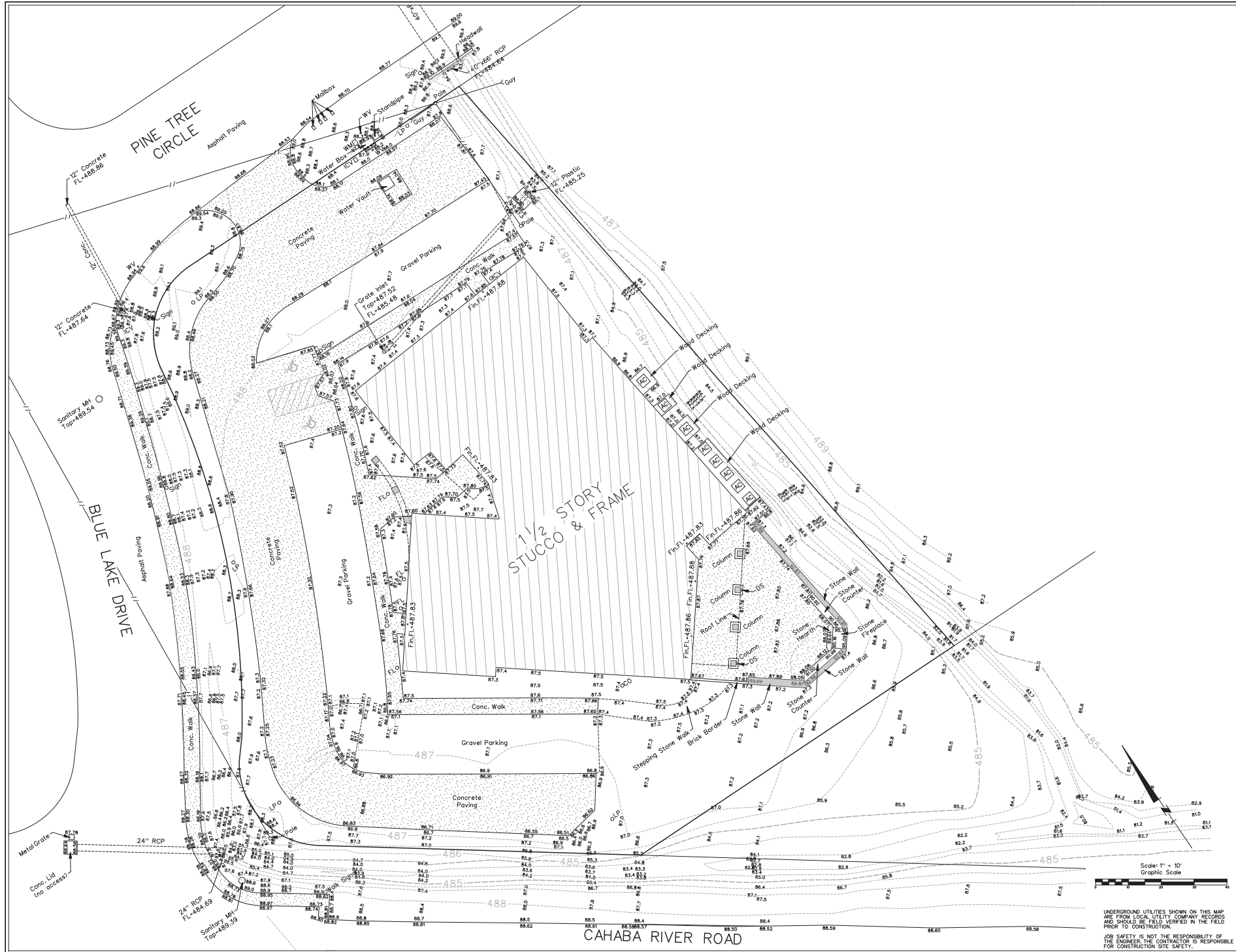
P&Z Recommendation: Mr. Farrell – yes Mr. Romeo – yes
Mr. Honeycutt – yes Mr. Maloof – yes
Mr. Blakenburg – yes Mr. Sykes – yes
Mr. Vercher – yes
Motion carried.

Date of P&Z Meeting: February 13, 2025

Authorized by:

Vestavia Hills Planning and Zoning Commission,
Michael Vercher, Chair







SCHDEL
BIRMINGHAM
HUNTSVILLE
TUSCALOOSA

**4501 PINE TREE CIRCLE
DRAINAGE IMPROVEMENTS
VESTAVIA HILLS, ALABAMA**

**EXISTING
CONDITION
MAP**

DRAWN BY: C.B.L.
CHECKED BY: W.J.L. & F.P.
FILE NAME: 24465-1P1

C1

UNDERGROUND UTILITIES SHOWN ON THIS MAP ARE FROM LOCAL UTILITY COMPANY RECORDS AND SHOULD BE FIELD VERIFIED IN THE FIELD PRIOR TO CONSTRUCTION.

JOB SAFETY IS NOT THE RESPONSIBILITY OF THE ENGINEER. THE CONTRACTOR IS RESPONSIBLE FOR CONSTRUCTION SITE SAFETY.



**CITY OF VESTAVIA HILLS
OFFICE OF THE CITY MANAGER
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Mayor and City Council

From: Jeff Downes, City Manager

Cc:

RE: Public Hearing - Ordinance Number 3266 - An Ordinance Granting a Franchise Agreement to Lumos Fiber and Authorizing the Mayor and City Manager to Execute Any and All Documents Associated with the Franchise

Background:

Lumos Fiber requests a franchise that will allow them to install direct to the home fiber optic infrastructure within the City's rights-of-ways subject to certain terms and conditions.

Recommendation:

Upon consultation with City Attorney Pat Boone and other City staff, I recommend approval of the franchise agreement as it is consistent with our most recent franchise agreements. It supports the City's goals and principles listed below:

- Indemnity Issues in Favor of the City
- Bond Terms to Provide Recourse if Needed
- Appropriate Relocation Requirements

- Appropriate Restoration Requirements
- Appropriate Tree Trimming Regulations
- Removal of Obsolete Infrastructure
- Provision of Dark Fiber
- Consistent Terms on Definition of Gross Revenue

Fiscal Impact:

The City will receive 5% of gross revenues generated by Lumos as a result of the fiber usage.

Attachments:

1. Ordinance 3266
2. PH Boone Letter to City Manager January 22 2025

ORDINANCE NUMBER 3266

AN ORDINANCE GRANTING A FRANCHISE AGREEMENT WITH LUMOS FIBER OF ALABAMA, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT, by and between the **CITY OF VESTAVIA HILLS, ALABAMA**, a municipal corporation (hereinafter referred to as the “City”), and **LUMOS FIBER OF ALABAMA, LLC**, an Alabama limited liability company, whose address is **4100 Mendenhall Oaks Parkway, Suite 300, High Point, NC 27265** (hereinafter referred to as the “Franchisee”).

WHEREAS, the City has and reserves the right to exercise control over the highways, streets, alleys and public places and to require City’s consent prior to using such highways, streets, alleys and public places; and

WHEREAS, State law confers to the City certain rights and requirements for franchises and permission to use the public ways of City; and

WHEREAS the Franchisee has requested from the City a franchise to use the streets and public ways of the City to construct, maintain and operate a Telecommunications System (as defined in Section 1 (b) to provide the Services (as defined in Section 1(b); and

WHEREAS the City and the Franchisee have negotiated this Franchise Agreement which is mutually agreeable to both parties.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound thereby, the City and the Franchisee enter into this Franchise Agreement and agree as follows:

SECTION 1. GRANT OF NON-EXCLUSIVE FRANCHISE.

(a) A non-exclusive franchise is hereby granted to the Franchisee to construct, maintain and operate in, over, under, across and through the public rights-of-way of the City, a Telecommunications System to provide the Services within the City and any future additions thereto. The grant of this non-exclusive franchise is for the use by the Franchisee for the purpose of providing the Services, including dark fiber, within the City as a "competitive access provider" which directly connects customers within the City with other businesses, local area networks, a local exchange carrier and interexchange carriers and for such other telecommunications-related services, including, but not limited to local exchange and enhanced services, as may be authorized by the Alabama Public Service Commission ("PSC") or federal law, but excluding Cable Services over a Cable System (as both terms are defined in the Cable Communications Policy Act of 1984, as amended (47 USC §521 *et seq.*) (the "Cable Act"). The Franchisee shall not operate a Cable System or provide Cable Services in

the City without first having obtained a separate cable franchise or video services agreement from the City. The Franchisee shall not provide services directly regulated by the PSC unless authorized by the PSC to do so. The Franchisee is permitted to operate a "Telecommunications System," defined as Franchisee's Facilities (as defined in Section 1(d)) within the City consisting of a set of fiber optic cables and associated signal generation, reception and control equipment or other communications equipment and facilities used to provide the Services to subscribers in the City.

(b) As used herein, the term "Telecommunications Service" has the meaning given to it by the Communications Act of 1934, as amended (47 U.S.C. § 153) (the "Communications Act"), but excludes Other Services. The term "Other Services" means "information services," as defined in the Communications Act, as well as other communications services but excluding Cable Service lawfully provided by the Franchisee in addition to and separate from Telecommunications Services, including, without limitation, private network services, broadband services, Internet access services, voice mail, call waiting, call forwarding, conference calling, voice-over-Internet-protocol, dark fiber and distance learning services. The term "Services" means, collectively, Telecommunications Services and Other Services. The Services do not include Cable Services. The Franchisee shall not operate a Cable System or provide Cable Service within the City without first having obtained a separate cable franchise or video services agreement from the City.

(c) This franchise shall continue in full force and effect for an initial term of twenty (20) years (the "Initial Term") beginning on the Effective Date (as defined in Section 31), and the Initial Term of this Franchise Agreement shall be renewed automatically for successive terms of twenty (20) years (the "Renewal Term" and collectively with the Initial Term, the "Term"), on the same terms and conditions set forth herein, provided that statutory authority shall exist for the City to renew this franchise. New terms and conditions may be required by either party for the Renewal Term if the telecommunications and broadband technology and rights-of-way laws change after the Effective Date of this franchise ordinance and such change substantially affects service types, availability, character of service, system technology, franchise fees or the regulatory environment. New terms, provisions, or conditions may also be negotiated by either party for the Renewal Term which are applicable generally to other franchisees for similar services or applicable generally to the industry to clarify the intent of this franchise, which may arise from any unforeseen circumstances or interpretations of this franchise, and/or which are based on the history of performance of the Franchisee. The parties agree to notify the other party as soon as practicable but in no event later than ninety (90) days prior to the renewal date to negotiate new terms and conditions in good faith. Nothing in this Section is intended to expand or contract any rights that the Franchisee may have as a matter of state or federal law to obtain a franchise from City. Any further renewals shall be in accordance with applicable laws.

(d) When used herein, the term "Facilities" shall mean all or any part of a network of fiber optic cables and all related property, including but not limited to, fiber optic wires, wires, telecommunications, amplifiers, electronics, transmission and reception equipment, supporting

hardware, conduit, carrier pipe, fiber optic cables, poles, handholes, manholes, repeaters, power sources, and other attachments and appurtenances necessary for the Franchisee's Telecommunications System and located within the City's rights of way. For the purposes of this Franchise Agreement, the term Facilities excludes "microcell" facilities, "small cell facilities," "macro cell" facilities, and other similar wireless facilities, including towers and new base stations and other similar facilities used for the provision of "personal wireless services" as such terms are defined in the Communications Act and in the City's Small Cell Ordinance, as amended.

SECTION 2. GENERAL TERMS. The Franchisee, for the Term of this franchise and for the purposes hereinabove expressed, shall have the privilege to construct, operate and maintain Facilities and to make any and all necessary excavations therefor, in, over, under, across and through all or any of the portions of the streets, alleys, avenues or public ways of the City, and to utilize, with permission of the affected utility companies, their facilities within public rights-of-way for the purpose of installing and operating a Telecommunications System within the City, to be exercised in such manner only, however, as to offer the least interference with the public use of said streets, alleys, avenues and public ways; and the Franchisee shall be subject to and shall comply with all laws and ordinances of the City and shall be further subject to and shall comply with all rules, regulations and other restrictions of the City set forth herein. The granting of this franchise shall not prohibit the City from granting other non-exclusive franchises or otherwise allowing or making other uses of the City's rights-of-way. The granting of this franchise shall in no way interfere with or hinder the use by the City of the rights-of-way for any purpose.

SECTION 3. SCOPE OF FRANCHISE. The franchise hereby granted shall extend to and include all portions of streets, alleys, avenues and other public ways that conform to the General Terms set forth in Section 2, above, as may be necessary to carry out the purpose of this franchise.

SECTION 4. INDEMNIFICATION. (a) The Franchisee hereby agrees to indemnify, defend and hold harmless the City, its Mayor and Council, City Manager, appointed boards and commissions, officials, officers, employees (collectively, the City's Representatives") and insurance carriers, individually and collectively, from all losses, damages, claims, suits, judgments, demands, expenses, subrogation, attorney's fees, costs or actions of any kind and nature (collectively, "Losses") resulting from the Franchisee's or its agent's or contractor's installation, operation, repair or maintenance of the Telecommunications System or provision of the Service within the City. Without limiting the foregoing, it is agreed that the Franchisee shall indemnify, defend and hold harmless the City, its Mayor and Council, City Manager, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively, from all Losses resulting from personal injury to any person (including bodily injury and death), including employees of the Franchisee or of any contractor or subcontractor employed by the Franchisee, or damages to any property, arising out of the acts or omissions of the Franchisee, its contractors, subcontractors, officers, agents and

employees while exercising any of the rights or privileges granted by this franchise. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of indemnity in this Section. The terms and provisions of this Section are intended to be for the benefit of the City and the Franchisee and are not intended to be for the benefit of any third party. Notwithstanding the foregoing, the Franchisee shall not be obligated to indemnify the City, its Representative and insurance carriers, individually and collectively, for Losses resulting solely from the negligent or willful misconduct of the City or its Representatives.

(b) The City shall provide the Franchisee with prompt written notice of any claims for which the City or the aforementioned parties seeks indemnification from the Franchisee. The City shall afford the Franchisee the opportunity to participate in and control any compromise, settlement or other resolution or disposition of any such claim or proceeding, and the City will cooperate with reasonable requests of the Franchisee in connection with any such compromise, settlement or resolution or other disposition of such claim or proceeding subject to this Section.

SECTION 5. CITY TAKING PART IN LITIGATION. The Franchisee shall promptly notify the City of any litigation which would affect this franchise. To the extent allowed by applicable law, the City shall have the right to take part, by intervention or otherwise at its option and at its sole cost, in any suit, action, or proceeding instituted by or against the Franchisee in which any judgment, decree, or order can be rendered affecting the rights, powers or duties of the Franchisee to do or not to do anything which, by its franchise, it is obligated or may be required to do or not to do or affecting, such as by foreclosure or lien, the Franchisee's title to any facility. The Franchisee shall not object to the City's exercise of such right.

SECTION 6. BOND. Franchisee shall obtain and maintain, or cause to be obtained and maintained, during the entire term of the franchise and any extensions and renewals thereof, at its cost and expense, and file with the City Clerk a corporate surety bond in the amount of Fifty Thousand Dollars (\$50,000), both to guarantee the timely construction and full activation of the Franchisee's Telecommunications System and to secure the faithful performance of the Franchisee of all its obligations provided under the franchise. Failure to timely obtain, file, assign and/or maintain said bond at all times at the required amount shall constitute a substantial violation of this Franchise Agreement.

The performance bond shall provide that:

(1) There shall be recoverable by the City, jointly and severally from the principal and surety any and all fines and penalties due to the City and any and all damages, losses, costs, and expenses suffered, incurred by or resulting from failure of the Franchisee to: faithfully comply with the provisions of the franchise; comply with all applicable orders, permits and directives of any City agency or body having jurisdiction over its acts or defaults; pay any claims, liens or taxes due to the City which arises from or by reason of the construction, operation, maintenance or repair of the Telecommunications System.

- (2) The total amount of the bond shall be forfeited in favor of the City in the event:
 - (a) The Franchisee abandons its Telecommunications System at any time during the Term of the franchise or extension thereof or ceases operation of the Telecommunications System for a period in excess of six (6) months not due to an Event of Force Majeure (as defined in Section 13(a)); and/or
 - (b) The Franchisee assigns the franchise without the express written consent of the City, if such consent is required by the terms of this franchise, which consent shall not be unreasonably withheld.

The performance bond required herein shall be in a form satisfactory to the City Attorney. The surety bond shall at all times be maintained at the amount and levels as required in this Section and shall be a continuing obligation for the duration of the Bond Period. If the bond is drawn-down for any reason, the bond shall be renewed to the amounts required by the City.

The City shall notify the Franchisee in writing and allow the Franchisee thirty (30) days to cure, unless such time to cure is extended by the City Attorney, before calling the surety bond.

SECTION 7. INSURANCE REQUIREMENTS. On the Effective Date of this Franchise Agreement, Franchisee shall file with the City a certificate of insurance and thereafter continually maintain in full force and effect at all times for the full Term of the franchise, at the expense of Franchisee, a commercial general liability insurance policy, including coverage for explosion, collapse and underground, written by a company authorized to do business in the State of Alabama with a rating of at least A or higher, including the City as an additional insured as its interest may appear, protecting the City against liability for claims of bodily injury and property damage occasioned by the installation, removal, maintenance or operation of the Telecommunications System by the Franchisee in the following amounts:

- (1) Five Million Dollars (\$5,000,000) combined single limit per occurrence for bodily injury and for real property damage.
- (2) Five Million Dollars (\$5,000,000) general aggregate.

The policy must be on an "occurrence" basis.

The Franchisee shall also file with the City Clerk a certificate of insurance for a commercial automobile liability insurance policy written by a company authorized to do business in the State of Alabama with a Best Rating of at least A or higher, covering all owned, non-owned, hired and leased vehicles operated by Franchisee, with a combined single limit of

One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.

The Franchisee shall also maintain, and by its acceptance of any franchise granted hereunder, specifically agrees that it will continually maintain throughout the Term of the franchise, workers compensation coverage in compliance with the statutory requirements of the State of Alabama and employers' liability with a limit of One Million Dollars (\$1,000,000) each accident/disease/policy limit.

The Franchisee shall maintain, during the course of this Agreement, Commercial Umbrella or Excess Liability Insurance to provide excess coverage above the Commercial Liability, Commercial Automobile Liability and the Employer's Liability coverage of Worker's Compensation with Excess/Umbrella Limits of \$5,000,000 per Occurrence and \$5,000,000 per Aggregate. The policy must be on an "occurrence" basis.

The commercial general liability and commercial automobile liability insurance and the Commercial Umbrella or Excess Liability insurance policy required pursuant to this Section shall include the City and its Mayor, members of the City Council, City Manager, officers, employees, board members and elected officials as additional insureds as their interests may appear under this Franchise Agreement and shall be kept in full force and effect by the Franchisee during the Term of the franchise and until after the removal or abandonment of all poles, wires, cables, underground conduits, manholes and any other conductors and fixtures installed by the Franchisee incident to the maintenance and operation of the Telecommunications System; provided however, that any fiber optic cable and associated conduits, manholes, poles, wires, cables and other facilities which are provided to the City as part of this Franchise Agreement shall not be removed without the written consent of the City. Failure to obtain and maintain continuously the required insurance shall constitute a substantial violation of this Franchise Agreement. Upon receipt of notice from its insurer(s), Franchisee shall use commercially reasonable efforts to provide the City thirty (30) days' prior written notice of cancellation of any coverage required herein and shall promptly obtain replacement coverage as required by this Franchise Agreement.

The Franchisee agrees that should any of its Facilities installed pursuant to this franchise be damaged or destroyed or the network be disrupted or damaged by the City, its agents, employees, contractors or subcontractors, the Franchisee shall repair or replace such facilities at its own expense or with the proceeds of the insurance it maintains and shall waive any right, claim or action for damages or other available remedies which it may have against the City, its agents, employees, contractors or subcontractors. The foregoing sentence shall not extend to intentional, willful, negligent or malicious damage to the Franchisee's Facilities by City employees. The City will endeavor to use its best efforts to avoid damage to the Franchisee's Facilities, provided that the Franchisee participates in Alabama's 811 program.

During construction or maintenance, if the Franchisee or its employees damage or break any lines, cables, ducts, conduit or other facilities located in the City's rights-of-way, notice shall be given promptly to the affected third party and to the City.

SECTION 8. ASSIGNMENT. The Franchisee's interest in this Franchise Agreement shall not be sold, transferred, assigned or otherwise encumbered or disposed of, either by forced or voluntary sale or otherwise, without the prior written consent of the City Council, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, however no consent shall be required (i) to transfer or assign this Franchise Agreement to any entity that controls, is controlled by, or is under common control with the Franchisee (with "control" meaning ownership of a majority interest or the actual working control and day to day management of Franchisee), (ii) for a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title or interest in Franchisee, in the Agreement, or in the Telecommunications System in order to secure indebtedness, provided, however, that any lender or creditor in such transaction must obtain the City's consent and approval as provided in this Section for any assignment of rights granted by this Franchise Agreement following such lender or creditor's exercise of any rights against the Franchisee upon the Franchisee's default, and (iii) a transfer of this Franchise Agreement in connection with the assignment, transfer or conveyance carried out as a part of a merger, restructuring or sale or transfer of all or substantially all of the assets of the Franchisee. The Franchisee will provide written notice to the City of any of the foregoing transfers for which the City's consent is not required.

(a) Except as set forth above, the rights granted by this Agreement or any interest therein shall not be assigned or transferred to any other unrelated entity without the express written consent of the City. A written copy of any such proposed assignment for which the City's consent is requested must be filed by the Franchisee with the City. The City reserves the right to be reimbursed by the Franchisee for reasonable costs incurred by it in reviewing the request for the City's consent to such assignment or transfer. Any required consent is to be evidenced by an ordinance of the City Council that fully recites the terms and conditions, if any, upon which consent is given. No assignment or transfer of the Franchise Agreement, as allowed hereunder, shall be effective unless and until the vendee or assignee has filed in the office of the City Clerk an instrument, duly executed, reciting the fact of such assignment or transfer, accepting the terms of this Franchise Agreement and agreeing to perform all the conditions thereof, and the City has approved said transfer in writing, which approval shall not be unreasonably withheld. The City shall take action on such request for approval of transfer within sixty (60) days of filing of all information required by this Section. This Section shall not apply in connection with execution of secured financing agreements made by the Franchisee or other transfers for which consent is not required as set forth above. In making a determination of whether to allow an assignment to an unrelated entity for which the City's consent is required, the City may consider any factors that the City deems necessary to make a determination concerning assignment of the Franchise Agreement, including, but not limited to, the following factors:

- (1) Experience of the proposed assignee or transferee (including conducting an investigation of proposed assignee's or transferee's service record in other communities);
- (2) Qualifications of the proposed assignee or transferee;

- (3) Legal integrity of the proposed assignee or transferee;
- (4) Financial ability and stability of the proposed assignee or transferee;
- (5) If requested by the City, submittals from the proposed assignee or transferee, regarding changes, if any, it intends to make in the operation and maintenance of the Telecommunications System;
- (6) The corporate connection, if any, between the Franchisee, and proposed assignee or transferee and/or between the Franchisee and any holder of a like franchise within the City;
- (7) Any other aspect of the proposed assignee's or transferee's background which could affect the health, safety, and welfare of the citizenry of the City as it relates to the operation of the Telecommunications System; or
- (8) Effect of the proposed action on competition.

A copy of the completed sales or transfer agreement, or a functionally equivalent instrument between the Franchisee and proposed assignee or transferee, shall be provided on a confidential basis to the City Attorney for review, so that the City may review the assumption of obligations of the Franchisee by the assignee with respect to the Telecommunications System. After receipt of the request for approval of a proposed transfer or assignment, the City may, as it deems necessary or appropriate, schedule a public hearing before the City Council on the request. Further, the City Council may review the Franchisee's performance under the terms and conditions of this Franchise Agreement. The Franchisee shall provide reasonably requested assistance to the City Council in connection with any such inquiry and, if requested by the City, shall use its best efforts to secure the cooperation and assistance of persons involved in said action. Should the Franchisee sell, assign, transfer, convey or otherwise dispose of any of its rights or interests under this Franchise Agreement or attempt to do so in violation of the requirements of this Section to obtain prior written consent, the City may revoke this Franchise Agreement for default and the purported sale, transfer, assignment or conveyance shall be null and void.

(b) The Franchisee shall notify any potential lessee of the necessity of obtaining a separate franchise from the City.

(c) A complete description of the ownership and control of the Franchisee as of the Effective Date in Exhibit 1 attached hereto.

SECTION 9. LOCATION AND CONSTRUCTION OF FACILITIES.

(a) Except as provided in Section 11, Facilities maintained or installed by the

Franchisee within the City shall be so located and constructed as not to:

- (1) Interfere with usual travel (automotive and/or pedestrian) within the public rights-of-way;
- (2) Interfere with the rights or reasonable convenience of property owners who adjoin such public rights-of-way;
- (3) Interfere with access to or use of any water or fire hydrant;
- (4) Obscure the vision of or interfere with the installation of any traffic control device or traffic or information sign or signal;
- (5) Interfere with sight distance established by any ordinance or law;
- (6) Obscure the light from any street light;
- (7) Cross any water or sewer line except at a ninety degree (90°) angle, except in accordance with a specific permit for such crossing issued by the City;
- (8) Damage irrigation, landscaping or trees owned or maintained by the City;
- (9) Damage any communications lines owned or maintained by the City.

(b) Placement of Facilities in the paved sidewalk area is prohibited unless authorized by the City.

(c) The City shall have authority to require the Franchisee to remove or relocate any Facility located in violation of this Section at the Franchisee's sole expense. Such relocation or removal shall be completed within ninety (90) days of written notice from the City for temporary removals or relocations. In the event that ninety (90) days is not sufficient, the Franchisee may in writing request an additional thirty (30) days to accomplish the relocation. The notice shall prescribe the area where the Facility is located and any other special conditions deemed necessary by the City. The City shall have authority to require the Franchisee to remove or relocate any Facility located in violation of this Section at the Franchisee's sole expense. Such relocation or removal shall be completed within one hundred and eighty (180) days of written notice from the City for permanent removals or relocations. In the event that one hundred and eighty (180) days is not sufficient, the Franchisee may in writing request an additional thirty (30) days to accomplish the relocation.

(d) Map of Network. Upon request, the Franchisee shall provide the City with its fiber optics location data in digital files in AutoCAD or other industry standard reasonable formats described in Exhibit 2 hereto that are acceptable to the parties. The City shall provide necessary data to serve as the base for the fiber optics location data. Specific data layers that make up the base shall be defined in discussions with the Franchisee. The fiber optics location data shall be returned to the City on the medium and in the format agreed to by the parties.

(e) After construction of new network facilities or extensions of existing network facilities, as a separate requirement, the Franchisee shall develop as built drawings and maps in AutoCAD or other industry standard reasonable formats, as agreed by the parties, and be provided to the City in that format within ninety (90) days of completing construction of the network. A Professional Engineer seal or "P.E. stamp" shall not be required for such drawings.

(f) The Franchisee is under no obligation to build its Facilities to cover the entire City, or to serve any specific persons within the City. The decision of whether to construct its Facilities or what Services to provide is solely within the discretion of the Franchisee.

**SECTION 10. WORK IN PUBLIC RIGHT-OF-WAY: RESTORATION OF
DAMAGED AREAS.**

(a) Whenever the Franchisee excavates or does other work in the public right-of-way, such excavation or other work shall be done in compliance with the laws and regulations of the City in effect at the time of such excavation or other work.

(b) Prior to the erection or installation by the Franchisee of any poles, underground conduits, or fixtures for use in connection with the installation, construction, maintenance or operation of the Telecommunications System, the Franchisee shall obtain any required permits in accordance with City code. If poles are erected by the Franchisee, the City requests that it be granted access privileges to those poles for the City's use.

(c) The Franchisee shall not excavate or do other work in any public right-of-way unless the Franchisee has applied for and received a written permit entitled "Utility Land Disturbance Permit" from the City, or its designee, granting permission for such excavation or other work. The permit shall describe the area where the excavation and/or work is expected to be completed, the method of construction and the contractor performing the work and any other conditions. If directional boring, trenching or other excavation is the method of construction, detailed plans shall be submitted describing how the work will be performed so as not to damage other lines and conduit located in the right-of-way. If the installation utilizes facilities of another entity, the Franchisee shall provide written authorization for use of such facilities prior to a permit being issued. If the excavation or other work requires closure of a street lane or sidewalk, the Franchisee shall, five (5) working days prior to such closure, submit a Traffic Control Plan to the City for approval. In emergencies involving service outages, the Franchisee shall proceed with all necessary operations without first obtaining the permit, but shall obtain the required permit at its earliest opportunity.

(d) The Franchisee shall not open, disturb or encumber, at any one time, any more public rights-of-way than may, in the opinion of the City, be necessary to enable the Franchisee to economically install or repair its Facilities; nor shall the Franchisee permit any public right-of-way to remain open, disturbed or encumbered for a longer period of time than shall, in the opinion of the City, be necessary.

(e) Immediately upon completion of repairs or installation of any Facility, the

Franchisee shall refill and compact any trench or excavation to the standards required by the City and the State of Alabama Department of Transportation's "Standard Specifications of Roads and Structures." Promptly, and in no less than ten (10) business days after the completion of repair or installation, unless otherwise approved by the City, the Franchisee shall restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material or other materials or structure damaged in the course of its work to City standards at the Franchisee's sole expense. In the event excavation or disturbance of special sidewalk pavement areas is necessary, the Franchisee shall restore those areas to their preexisting conditions which restoration shall meet City standards. Failures within an area which has been disturbed, excavated or encumbered by the Franchisee which are discovered within six (6) months of the restoration or replacement specified herein, shall be the responsibility of the Franchisee pursuant to this provision.

(f) If Franchisee fails, neglects or refuses to refill any trench or excavation or to restore or replace any pavement, sidewalk, curb, gutter, grass, landscaping material, or other material or structure or to repair failed materials as specified herein, the City may do all or any part of the work that remains undone at the cost or expense of the Franchisee. Failure of the Franchisee to reimburse the City within thirty (30) days' of the City's presentation of a bill for the reasonable and verifiable costs incurred by the City shall result in denial of any permit request made by the Franchisee until payment is made. City may, at its option, recover such amount from the performance bond required herein.

(g) In any case where a public right-of-way is being excavated, disturbed or encumbered by the Franchisee, the Franchisee shall take all precautions required by law, in particular, the Manual on Uniform Traffic Control Devices, or otherwise necessary or proper for the protection of the public and shall maintain adequate warning signs, barricades, signals, and other devices necessary or proper to give notice and warning to the public of the existence of actual conditions present. Nothing in this Section shall alter or waive any rights enjoyed by the Franchisee or any other party under Alabama's underground damage prevention law (Ala. Code, Title 37, Section 37-15-1, -11).

(h) Any construction project authorized by a specific permit shall be completed within one year from the date that any necessary permits are issued, provided that the City may allow reasonable extension due to weather or Acts of God, or other reasonable circumstances that in the sole discretion of the City justifies an extension of the project target completion date.

SECTION 11. USE OF STREETS.

(a) All installations shall be underground in those areas of the City where public utilities providing telephone and electric service are underground at the time of installation, unless otherwise agreed by the City. In areas where either telephone or electric utility facilities are above ground at the time of installation, the Franchisee may install its Facilities above ground, provided that, at such time as those telephone or electric utility facilities are required to be placed underground by the City, the Franchisee shall likewise place its Facilities underground without additional cost to the City, unless otherwise agreed by the City. Where not otherwise required to be placed underground by this Franchise Agreement, the Franchisee's

Telecommunications System shall be located underground at the request of the adjacent property owner, provided that the excess cost over the aerial location shall be borne by the adjacent property owner making the request. All new cable passing under the roadway shall be installed in conduit no less than eighteen (18) inches from the top of the conduit to the surface of the ground, private property and utilities. Franchisee's Telecommunications System and Facilities, including poles, lines, equipment and all appurtenances, shall be located, erected and maintained so that such Facilities shall:

- (1) Not endanger or interfere with the health, safety or lives of persons;
- (2) Not interfere with any improvements the City, County or State may deem proper to make;
- (3) Not interfere with the free and proper use of public streets, alleys, bridges, easements or other public ways, places or property, except to the minimum extent possible during actual construction or repair;
- (4) Not interfere with the rights and reasonable convenience of private property owners, except to the minimum extent possible during actual construction or repair; or
- (5) Not obstruct, hinder or interfere with any gas, electric, traffic control, water or telephone facilities or other utilities located within the City.

(b) Work within Right-of-Way. The closing of any part of a publicly maintained street or right-of-way must be approved by the City Engineer, and may be prohibited during peak travel hours, 7-9 A.M. and 4-6 P.M., Monday through Friday. During repairs or improvements, traffic on streets must be maintained. Where full closing of the street is required, the request for approval must be submitted to the City Engineer at least 10 business days in advance. The notice requirement in this Section may be superseded by the terms and conditions of a subsequent ordinance(s) enacted by the City. All closings are to be protected with signage in accordance with the Manual on Uniform Traffic Control Devices (MUTCD).

(c) Removal of City Property. No City property is to be removed from the right-of-way, including signage on utility poles, without proper permission from the City.

SECTION 12. ACQUISITION OF RIGHT-OF-WAY. In acquiring or widening public rights-of-way, the City shall determine the minimum right-of-way necessary to accommodate paved streets, pedestrian walkways, landscaping, traffic signals, drainage, water and sewer lines and other governmental facilities.

SECTION 13. RELOCATION OF FACILITIES.

Wherever a public right-of-way or other public property is being constructed, paved (whether or not such paving is part of a more extensive improvement project), resurfaced, relocated or otherwise altered or improved (including, but not limited to, the installation of sidewalk, curb, gutter, drainage facilities, water mains, or sewer mains, traffic signals or trees), the Franchisee shall, within ninety (90) days (or such longer period of time as mutually agreed by

the parties) after written notice from the City and at no cost (direct or indirect) to the City, remove or relocate any of the Franchisee's facility located within such public right-of-way or public property or perform such work as the City deems necessary for the extension of new facilities. If the Franchisee believes it will be unable to complete the relocation within such ninety (90) day period, the Franchisee shall explain the reasons for its inability in detail, and the City and the Franchisee shall attempt to agree on an alternate schedule, subject, however, to the City's right make a final determination as to such schedule in its reasonable discretion. Nothing in this franchise is intended to eliminate or waive any right the Franchisee may have to reimbursement from a third party under applicable law or the terms of any public funding grant for a project.

Notwithstanding the foregoing, Franchisee shall act promptly and in good faith to remove or relocate its facilities as described in the previous paragraph in the event that exigent circumstances (e.g., flooded roadway) prevent the City from providing Franchisee with ninety (90) days' advance notice of the need for removal or relocation.

Failure of the Franchisee to remove or relocate the Facility to a location approved and permitted by the City within ninety (90) days of the City's written notice (unless otherwise agreed by parties) shall entitle the City to recover liquidated damages from the Franchisee except to the extent said failure is for reasons beyond the Franchisee's control. Any delays in the performance of any obligation of the Franchisee under this Franchise Agreement shall be excused to the extent that such delays are caused by an Event of Force Majeure not within the control of the Franchisee, and any time periods required for performance shall be extended for the period of the Event of Force Majeure. An "Event of Force Majeure" is defined as an act of God, fire, earthquake, hurricane, flood, riot, civil commotion, terrorist act, terrorist threat, storm, washout, wind, lightning, landslide, explosion, epidemic, pandemic, national emergency, natural disaster, inability to obtain materials or supplies, accident to machinery or equipment, any law, ordinance, rule, regulation, or order of any public or military authority stemming from the existence of economic or energy controls, hostilities or war, or any other cause or occurrence outside the reasonable control of the Franchisee and which by the exercise of due diligence could not be reasonably prevented or overcome. The liquidated damages assessed to the Franchisee, if any, shall be the same as liquidated damages specified in the City's contract with the prime contractor (either as executed at the time of the City's removal or relocation request or which will be executed prior to any construction for the project which requires the relocation or extension of new facilities). If work which requires removal or relocation of Franchisee's facilities is being constructed by a developer, who has submitted a plan which indicates said work will be dedicated to the City, and there is no City contract with a prime to establish the amount of liquidated damages, then the liquidated damages for Franchisee's failure to remove or relocate a facility shall be Two Hundred Fifty Dollars (\$250) per diem. If the Franchisee believes it will be unable to complete the relocation within ninety (90) days from receipt of written notice from the City, Franchisee shall explain the reasons for its inability in detail and City and Franchisee shall attempt to agree on an alternate schedule, subject, however, to the City's right make a final determination as to such schedule and subject to the City's right to liquidated damages. Absent an Event of Force Majeure, the Franchisee shall be responsible to the City under the terms of this Franchise Agreement only for the amount of liquidated damages caused by its own failure to remove or relocate the Facility to a location approved by the City within a timeline provided for herein.

The City may collect any such liquidated damages owed by the Franchisee either through the draw-down of the security required in Section 6, or through other means allowed by law. Unless the delay is excused by the City, the City may immediately request payment of any liquidated damages due to the City by the Franchisee.

SECTION 14. TRIMMING OF TREES AND SHRUBBERY. The Franchisee shall reasonably compensate the City for any damages, in such amounts as determined by the City, caused by trimming, cutting or removing trees or shrubbery, or shall, at its own expense, replace all trees or shrubs damaged as a result of any construction, installation, repair or maintenance of the System undertaken by the Franchisee to the satisfaction of the City.

SECTION 15. CONSTRUCTION STAFFING. During the franchise Term, the Franchisee shall have sufficient full-time supervisors on staff solely to supervise construction plans and the construction practices of its subcontractors. The Franchisee shall provide the means for immediate notification and communication by the City with the supervisor in the field by means of a pager, cellular phone or other similar means of communication during all phases of construction. All construction work or any other work performed by the Franchisee, its employees, agents, its duly licensed contractors and sub-contractors shall be in compliance with the plans and specifications approved by the City, and shall be subject to all applicable ordinances, rules and regulations, including licensing and permitting, as well as any licensing and permitting fees charged to all persons and businesses for construction and street opening.

SECTION 16. FRANCHISE NOT A JOINT VENTURE. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in the manner which would indicate any such relationship with the other.

SECTION 17. FRANCHISEE FEE; CONDITIONS.

(a) As consideration for this franchise, the Franchisee shall pay to the City an amount equal to five percent (5%) of the Gross Revenue (as defined in Section 17(f)) from sales of local Telecommunications Services to Subscribers located within the City, collected by the Franchisee.

(b) In consideration of the agreement of the Franchisee to make such franchise fee payments, the City agrees that no additional business license fee shall be imposed upon or required of the Franchisee by the City during the Term of this franchise. This provision shall not exempt the property of the Franchisee from lawful ad valorem taxes and local improvement district assessments. This provision shall also not exempt the Franchisee from conditions, exactions, fees and charges, which are generally applicable during the Franchisee's real property development or use as required by the City's ordinances.

(c) Commencing the month following the month in which the Effective Date of this franchise occurs, the franchise fee shall be paid quarterly on the 20th day of April, July, October

and January; such franchise fee shall be paid for Gross Revenues received by the Franchisee for the preceding quarter. The Franchisee shall furnish to the City with each payment of franchise fees required by this Section a written statement, showing the amount of Gross Revenue collected by the Franchisee within the City for the period covered by the payment. Such statement will be accorded confidential treatment to the extent permitted by law. Upon receipt of such payment the City shall issue a receipt to the Franchisee. Nothing herein shall preclude the Franchisee and the City from agreeing to a revised payment schedule.

(d) On or before the first (1st) day of February of each succeeding year, the Franchisee shall submit to the City, a statement of the franchise fee actually due to the City based upon the actual gross revenue for the previous calendar year, together with a check for any amount due from the Franchisee or a statement for any amount due from the City. Such statement will be accorded confidential treatment to the extent permitted by law.

(e) Acceptance by the City of any payment due under this Section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City. Payment by the Franchisee of any amounts due under this Section shall not be deemed to be a waiver by the Franchisee of any breach of this Agreement by the City occurring prior thereto.

(f) As used in this Section, "Gross Revenue" shall mean all revenues (exclusive of sales tax) collected by the Franchisee from the operation of the Telecommunications System to provide local Telecommunications Services pursuant to this franchise to subscribers within the corporate limits of the City, including, but not limited to: All revenues from installation service charges directly related to the provision of local Telecommunications Services to subscribers in the City over the Telecommunications System,

- (1) All revenues from connection or disconnection fees directly related to the provision of local Telecommunications Services to subscribers in the City over the Telecommunications System
- (2) All revenues from penalties or charges to customers for checks returned from banks, net of bank costs paid, and penalties, interest or charges for late payment directly related to the provision of local Telecommunications Services to subscribers in the City over the Telecommunications System,
- (3) All revenues from equipment sold or rented to customer upon customer premises directly related to the provision of local Telecommunications Services to subscribers in the City over the Telecommunications System,
- (4) All revenues from authorized rental of conduit space located within the corporate limits of the City,

- (5) All recoveries of bad debts previously written off and revenues from the sale or assignment of bad debts directly related to the provision of local Telecommunications Services to subscribers in the City over the Telecommunications System. Unrecovered bad debts charged off after diligent, unsuccessful efforts to collect are excludable from Gross Revenue, and
- (6) The value of any free local Telecommunications Services provided by the Franchisee except (i) any discounted or free services required under this Franchise Agreement; (ii) local Telecommunications Services provided as a credit against non-recurring charges imposed on the Franchisee's customers by a local exchange carrier for converting circuits to the Franchisee.

Notwithstanding the foregoing, Gross Revenue *does not include*: (i) Any tax of general applicability imposed upon the Franchisee; (ii) any regulatory fees or surcharges collected from customers as well as amounts reflecting cost-recovery of regulatory fees and surcharges; (iii) those revenues that the Franchisee receives from another telecommunications service provider and upon which the other telecommunications service provider has paid or will pay a franchise fee to the City; (iv) pass through revenues which are in turn paid to a local exchange carrier for interconnection for long distance service; and (v) revenues that the Franchisee receives from its corporate parent, subsidiary, or affiliate.

(g) Payment of franchise fees under this Section shall in no way limit or inhibit any of the privileges or rights of the City, whether under this franchise or otherwise. Nothing in this Section 17 is intended to alter, amend, modify or expand the taxes and fees that may lawfully be assessed on the Franchisee's business activities under this franchise under applicable law. Except as provided elsewhere in this Franchise Agreement, all payments made by the Franchisee to the City pursuant to this franchise shall be made to the Chief Financial Officer. Nothing in this Franchise Agreement shall be construed to prevent the Franchisee from passing through some or all of the franchise fee to its customers.

(h) Any transactions which have the effect of circumventing payment of required franchise fees and/or evasion of payment of franchise fees by non-collection or non-reporting of Gross Receipts, bartering, or any other means which evade the actual collection of revenues for business pursued by the Franchisee are prohibited and may constitute a default of this Franchise Agreement.

(i) If as a result of such audit or any other review, the City determines that the Franchisee has underpaid its franchise fees by ten percent (10%) or more for any twelve (12) month period, then in addition to making full payment of the relevant obligation, the Franchisee shall reimburse the City for all of the reasonable and verifiable costs associated with the audit or review, including all reasonable out-of-pocket costs for attorneys, accountants and other consultants. The City may collect the costs associated with such audit or review

either through the draw-down of the security required in Section 6, or through other means as allowed by law.

If as a result of such audit or other review, the City determines that the Franchisee has underpaid its franchise fees for any twelve (12) month period, then the Franchisee shall pay interest on such underpayment at the rate of ten percent (10%) interest or prime plus two percent (2%), whichever is greater. The underpayment and interest thereon may be collected by the City through the drawdown of the security required in Section 6, or through other means as allowed by law.

SECTION 18. ADDITIONAL BENEFIT TO THE CITY. In addition to any franchise fee collected pursuant to Section 17 of this Agreement, the Franchisee shall provide fiber and facilities to the City's governmental and institutional facilities as follows; provided however that: (i) the City must, within sixty (60) days of the Effective Date, notify Franchisee in writing of the specific locations where it would request fiber and facilities so that Franchisee can include that information in its pre-construction engineering work, and (ii) the City waives any right to make further requests after that deadline unless Franchisee in the future notifies the City that it is reengineering portions of its deployment in the City:

(a) Within ninety (90) days after the City's written request for the same, Franchisee shall provide to the City without recurring rental, use or maintenance charges (collectively, "Recurring Charges") solely for its noncommercial telecommunications purposes, two (2) dark fiber pairs (four (4) fibers) in all City rights-of-way where Franchisee deploys at least 288 fiber strands ("backbone network"), whether underground or aerial (the "City Fibers") in up to a maximum of 10 miles of Franchisee's network (i.e., a total of 40 fiber miles). The City may divide the dark fiber pairs within the backbone network as it determines to best serve the City's facilities, but each division must include at least two (2) fibers. Franchisee shall not be entitled to offset against Gross Revenues the amount of any Recurring Charges associated with the provision of the City Fibers as set forth herein, but Franchisee shall be entitled to offset against Gross Revenues non-recurring installation and non-recurring maintenance costs associated with the City Fibers.

(b) Franchisee shall create a maximum of six (6) splice points at the request of the City among existing Franchisee access points. The City shall have its own handhole for such splice points, so the City's use of and connection to the City Fibers is separate and apart from Franchisee's Telecommunications System. The City shall reimburse Franchisee for Franchisee's costs for any splice points requested by the City beyond six (6). Franchisee shall perform all splicing of City lateral cables to the City Fibers. The City shall provide Franchisee with at least ninety (90) days' prior written notice of the need to splice to the City Fibers.

(c) Franchisee agrees that the cost of any routine maintenance of the City Fibers shall be borne by Franchisee, and Franchisee shall perform such routine maintenance on the maintenance schedule for Franchisee's Telecommunications System. To arrange for non-routine maintenance, the City will provide at least sixty (60) days' prior written notice to

Franchisee that such maintenance is required and will pay or reimburse Franchisee for the cost thereof. Notwithstanding the foregoing, however, the City shall pay only actual incremental labor costs to Franchisee to repair the City's share of dark fibers within any cable that is damaged as the result of any natural disaster or casualty other than normal wear and tear. Nothing in this subsection (c) shall supersede the provisions of this Agreement relating to the relocation of equipment at Franchisee's expense in the event of a City project.

(d) Franchisee acknowledges that the City has the right to connect its own equipment to the City Fibers to be provided hereunder for internal non-commercial municipal purposes, and to make full use at no Recurring Charges to the City of the fibers to be dedicated to the use of the City hereunder.

(e) The City recognizes that Franchisee's agreements, if any, to occupy rights-of-way or for pole attachments may be subject to the control of third parties who may require Franchisee to relocate its cable. In the event of such required relocation by Franchisee that impacts the City Fibers, Franchisee shall provide notice thereof to the City as soon as reasonably possible. Franchisee shall provide replacement dark fibers to the City in any Franchisee replacement cable as soon as reasonably possible.

(f) Franchisee acknowledges and agrees that in connection with the assignment or transfer of Franchisee's interests under this Franchise Agreement, any assignee shall be bound by all of the provisions of this Section 18, including without limitation, the requirement to provide the City Fibers at no Recurring Charges to the City.

SECTION 19. REPORTS AND INVESTIGATIONS.

(a) The Franchisee shall keep the City fully informed as to all matters in connection with or affecting the construction, reconstruction, removal, maintenance, operation and repair of Franchisee's Telecommunications System in the City in the context of the permitting process.

(b) The City may, at any time, make inquiries pertaining to the Franchisee's operation of its Telecommunications System within the City. The Franchisee shall respond to such inquiries on a timely basis.

SECTION 20. RESERVATION OF RIGHTS. It is hereby reserved to the Franchisee every right and privilege available to the Franchisee under applicable law, and the Franchisee by its execution of this Franchise Agreement, shall not be deemed in any way to waive, relinquish, release or abrogate any of its lawful rights and privileges. Nothing in this Franchise Agreement is intended to alter, amend, modify or expand the taxes and/or fees that may lawfully be assessed on the Franchisee's business activities under this franchise pursuant to applicable law.

SECTION 21. FORFEITURE AND TERMINATION.

(a) In addition to all other rights and powers of the City, the City reserves the right to forfeit and terminate this franchise and all rights and privileges of the Franchisee in the event of a material or substantial breach of its terms and conditions including, but not limited to, the following:

- (1) The appointment of a receiver or trustee in bankruptcy to take over and conduct the business of the Franchisee;
- (2) A failure to provide insurance, bonds, certificates of deposit or letters of credit as required herein;
- (3) Permitting the use of its Telecommunications System or Facilities in any manner that would avoid the need for a franchise with the City for the business of another person; or
- (4) A failure to operate the Telecommunications System for a period of six (6) months not due to an Event of Force Majeure.

(b) The Franchisee shall not be excused by mere economic hardship, nor by nonfeasance or malfeasance of its directors, officers, agents, subcontractors or employees. The foregoing notwithstanding, Franchisee may in its sole discretion terminate this Franchise Agreement upon one hundred and eighty (180) days' written notice to the City.

(c) The City shall notify the Franchisee in writing of any breach specifying the nature of the breach. The Franchisee shall have thirty (30) days after the date of such notice to come back into compliance (as set forth in Section 34), unless such cure period is extended in writing by the City Attorney. Should the Franchisee fail or refuse to comply with the notice given by the City, the City may consider the franchise in default and pursue remedies as it determines. If the remedy elected by the City is to forfeit and terminate this franchise, the Franchisee may request an appeal of such decision to the Council of the City which appeal must be filed in writing with the City Clerk no later than thirty (30) days after the date of written notice of forfeiture and termination to the Franchisee. The City Council shall set a public hearing on such appeal within thirty days after notice of appeal is received. Nothing herein shall be construed as a waiver or forfeiture of any right or remedy that either party may have concerning or arising out of this Franchise Agreement, including the right to seek judicial redress for any breach or violation of the terms of this Franchise Agreement.

(d) The Franchisee reserves the right to forfeit and terminate this Franchise Agreement and all rights and privileges to the City hereunder for any reason. If the Franchisee exercises that right, it shall be required to: (i) submit payment of Gross Revenues until such time that the facilities are removed or abandoned, (ii) otherwise cease providing Services, and (iii) abandon or remove its Facilities from the rights of way at its sole cost and expense.

SECTION 22. REMEDIES AND PENALTIES NOT EXCLUSIVE.

(a) All remedies and penalties under this franchise are cumulative and not exclusive, and the recovery or enforcement by one available remedy or imposition of any penalty is not a bar to recovery or enforcement by any other such remedy or imposition of any other penalty. The City reserves the right to enforce the penalty provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Franchisee or the City by or pursuant to this Franchise Agreement. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Franchisee or the City by or pursuant to this Franchise Agreement shall not be a waiver of any other or subsequent or future breach of the same or any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

(b) For any period of performance or cure under this Agreement, the time period within which the Franchisee is to perform or cure, as the case may be, shall be extended, without liability to the Franchisee, for at least as long as the Franchisee's ability to perform or cure is delayed for reasons beyond the Franchisee's control provided that the Franchisee shall employ all commercially reasonable efforts to eliminate or mitigate the impact of said reasons and to thereafter reasonably accelerate, where feasible, its performance or cure.

(c) Prior to taking any adverse action against the Franchisee or this franchise, the City shall provide the Franchisee with such notice and due process, including a reasonable period of time to cure, as is required by applicable law, but in all cases no less than reasonable notice and opportunity to cure.

SECTION 23. CONTINUING OBLIGATION. In the event the Franchisee continues to operate all or any part of the Telecommunications System after the Term of this Franchise Agreement expires or is terminated, and before any renewal of the franchise by the City, then the Franchisee shall continue to comply with all applicable provisions of this franchise throughout the period of such continued operation, provided that any such continued operation shall in no way be construed as a renewal or other extension of this franchise.

SECTION 24. LIMITATION ON PRIVILEGES. All rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the rights-of-way and other public ways of the City are not to operate in any way so as to be an enhancement of the Franchise's properties or values or to be an asset or item of ownership in any appraisal thereof.

SECTION 25. CONFIDENTIALITY. To the fullest extent permissible under applicable law, the City shall protect from disclosure any confidential, proprietary information, including maps, submitted to or made available by the Franchisee to the City under this Franchise Agreement, provided that the Franchisee notifies the City of, and clearly labels, the information which the Franchisee deems to be confidential, proprietary information as such. Such confidential, proprietary information shall include, but not be limited to, any customer names and lists, financial information, technical information or maps regarding placement of

equipment with the exception of any map(s) attached to the Franchise Agreement, or other information clearly identified as "Confidential" pertaining to Services provided to its customers. Confidential, proprietary information disclosed by the Franchisee to the City shall be regarded as confidential and proprietary as to third parties. If the City receives a request to disclose such information, the City shall notify the Franchisee of such request and allow the Franchisee a reasonable opportunity to defend its information from disclosure. City further agrees to notify Franchisee of any data breach affecting the confidential information of Franchisee, or any loss of such confidential information from any other cause, within seventy-two (72) hours of the discovery of such breach or loss.

SECTION 26. CAPTIONS. The captions given to various provisions of this Franchise Agreement are for purposes of convenience only and are to have no impact upon the interpretation of any such provisions.

SECTION 27. ENTIRE AGREEMENT. This Franchise Agreement, with its exhibits, comprises the entire agreement between the City and the Franchisee for purposes of this franchise and supersedes any prior agreements or understandings between the parties with respect to the subject matter hereof.

SECTION 28. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES.

The Franchisee shall, at all times during the Term of its franchise, be subject to the present ordinances, resolutions, rules, regulations, and laws of the City and of the State of Alabama, and to the provisions of any further ordinance, resolution, rule, regulation, or law of the City or of the State of Alabama, so far as they may be applicable.

SECTION 29. ALABAMA LAW GOVERNS. In any controversy or dispute under this franchise, the laws and jurisdiction of the State of Alabama shall apply to the extent such law has not been superseded or preempted.

SECTION 30. NOTICE. Any notice required or permitted under this Franchise Agreement shall be deemed given if sent by registered or certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight courier, in either case, and addressed as follows:

To the City:

Vestavia Hills City Clerk
Vestavia Hills Municipal Center
1032 Montgomery Highway
Vestavia Hills, AL 35216

With copies sent to both of the following email addresses:

City Manager
Jeffrey D. Downes
jdownes@vhal.org

To the Franchisee:

Lumos Fiber of Alabama, LLC
Attn: Ronny Poston, VP - OSP
4100 Mendenhall Oaks Parkway, Suite
300, High Point, NC 27265

With copies to (except for invoices):

AJ Brown
Chief Legal Officer & General Counsel
4100 Mendenhall Oaks Parkway, Suite 300,
High Point, NC 27265
aj.brown@lumosfiber.com

City Clerk
Rebecca Leavings
rleavings@vhal.org

or such other address as may be designated in the future in writing by either party.

SECTION 31. EFFECTIVE DATE AND PUBLICATION. After the execution hereof, this franchise shall be published once in a daily newspaper published in the City of Vestavia Hills at the Franchisee's expense, and shall not take effect until such publication or thirty (30) days after the Ordinance authorizing this franchise, whichever is later (the later date being, the "Effective Date").

SECTION 32. MODIFICATION. This Franchise Agreement, including all documents specifically incorporated herein, cannot be changed orally but only by an agreement in writing properly executed by the parties.

SECTION 33. SEVERABILITY. Should any part, term or provision of this Franchise Agreement be held invalid or unenforceable by any court of competent jurisdiction, such part, term, or provision shall be deemed a separate, distinct and independent provision and such holding shall not invalidate or render unenforceable any other provision of this franchise.

SECTION 34. RIGHT TO NOTICE AND CURE. Other provisions herein to the contrary notwithstanding, prior to exercising its right to terminate or revoke this Franchise Agreement as provided herein, the City shall first give written notice to the Franchisee setting out the circumstance or basis on which the City has the right to terminate or revoke this Franchise Agreement, and the Franchisee shall have a period of thirty (30) days after the receipt of the notice within which to cure, correct, or resolve the circumstance or basis, and if the Franchisee is successful in the cure, correction, or resolution thereof, then the City shall not exercise its right to terminate or revoke this Franchise Agreement. If the Franchisee has commenced the cure, correction or resolution within thirty (30) days after its receipt of notice, but additional time is necessary to the completion thereof, then Franchisee shall have an additional thirty (30) days or such additional time upon which the parties can agree, not to be unreasonably withheld by either party, to accomplish the cure, correction, or resolution.

(signatures on the following page)

IN WITNESS WHEREOF, the parties have executed this franchise as of the dates set forth below.

CITY OF VESTAVIA HILLS, ALABAMA, a
Municipal corporation

By: _____
Printed Name: _____
Its: Presiding Officer
Date: _____

By: _____
Printed Name: Jeffrey D. Downes
Its: City Manager
Date: _____

ATTESTED BY:

Rebecca Leavings
City Clerk

LUMOS FIBER OF ALABAMA, LLC, a
corporation

By: _____
Printed Name: _____
Its: _____
Date: _____

Exhibit 1

Complete Description of the Ownership and Control of the Franchisee as of the Effective Date.

Lumos Fiber of Alabama, LLC, is wholly owned by Gridiron Fiber License, LLC, which is wholly owned by Gridiron Fiber LLC, which is wholly owned by Gridiron Fiber HoldCo, which is wholly owned by EQT.

Exhibit 2

Plans shall be submitted either digitally or by paper in a PDF Adobe format or half size drawings (11" X 17") as requested.

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 22, 2025

By Electronic Mail

City Manager Jeffrey D. Downes
Vestavia Hills Municipal Center
P. O. Box 660854
Vestavia Hills, Alabama 35266-0854

In Re: Lumos Fiber of Alabama, LLC

Dear Mr. Downes:

My thoughts following the conference between our two Teams and receipt and consideration of the subsequent revised Agreement are set forth below.

CHRONOLOGY OF NEGOTIATIONS WITH LUMOS

<u>DATE</u>	<u>ACTION</u>
December 9, 2024	Andrew Stevenson of Lumos Fiber of Alabama, LLC sent you a proposed Franchise Agreement by and between the City of Vestavia Hills, Alabama ("City") and Lumos Fiber of Alabama, LLC ("Franchisee") for your consideration for approval. It appears that Andrew Stevenson edited a copy of the Franchise Agreement by and between the City and Telepak Networks, Inc. and Teklinks, Inc. both doing business as C Spire Business. All changes for additions and deletions are delineated in red ink on the proposal.
December 13, 2024	I wrote a legal opinion and, in essence, advised that the Franchise Agreement with Lumos should be consistent with other similar Franchise Agreements on the grounds of equal protection and due process.

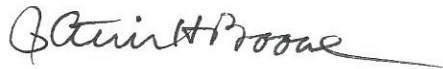
<u>DATE</u>	<u>ACTION</u>
January 15, 2025	Our Team conferenced (about an hour) with the Lumos Team via zoom and reviewed the proposal, section-by-section. Lumos stated that a ten-year term rather than 20 years "was not a dealbreaker."
January 16, 2025	Lumos Team submitted a revised proposal. 20-year term consistent with Ordinance Number 2884 adopted on November 13, 2019. Ordinance 2884 granted a Franchise Agreement to Level3 Communications for a term of 20 years.
January 17, 2025	I reviewed the revised proposal.

The latest version reflects that Lumos agreed to:

1. Our position regarding indemnity/hold harmless;
2. Providing a bond for the contract term;
3. Restoration work will comply with City requirements; and
4. Provide services to the City.

It appears that the City and Lumos are very close to an agreement. What do you want me to do, if anything?

Sincerely,



Patrick H. Boone
Attorney for Vestavia Hills

PHB:gp



**CITY OF VESTAVIA HILLS
OFFICE OF THE CITY MANAGER
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Mayor and City Council

From: Jeff Downes, City Manager

Cc:

RE: Public Hearing - Resolution Number 5553 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP - Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)

Background:

The City Council of the City of Vestavia Hills previously approved economic incentives to Altera AIP, Vestavia LLC that will facilitate the construction of Picklr, an indoor pickleball complex. As the project reaches completion of its construction, the ownership group has requested that the incentives be allocated to two entities rather than one entity. The two entities are Altera AIP, Vestavia, LLC and AIP, LLC. Outside of the incentive split between the two entities, no other terms of the agreement are amended.

Recommendation:

The City's attorney, Heyward Hosch, has drafted the revised agreement.

Fiscal Impact:

There are no financial impacts from the proposed change.

Attachments:

1. Resolution 5553
2. Hosch Email re Division of Incentives 3-4-25
3. Affidavit Publication 03-24-2025(201899683.1)

STATE OF ALABAMA
JEFFERSON COUNTY

CERTIFICATE OF CITY CLERK

_____, 2025

I, the undersigned, do hereby certify that: (1) I am the duly elected, qualified and acting Clerk of the City of Vestavia Hills, Alabama (the "City"), (2) as City Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf, (3) the attached and following pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the City Council of the City duly held on March 24, 2025, the original of which is on file and of record in the minute book of the City Council in my custody, (4) the resolution set forth in such excerpts is a complete, verbatim and compared copy of such resolution as introduced and adopted by the City Council on such date, and (5) said resolution is in full force and effect and has not been repealed, amended or changed

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the City of Vestavia Hills, Alabama, and have affixed the official seal of the City, on the above date.

City Clerk of the City of Vestavia Hills,
Alabama

SEAL

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF VESTAVIA HILLS, ALABAMA**

**Economic Development Agreement
for
Altera AIP-Vestavia, LLC**

The City Council of the City of Vestavia Hills, Alabama met in regular public session at City Hall in the City of Vestavia Hills, Alabama, at 6:00 p.m. on March 24, 2025.

The meeting was called to order by the Mayor, and the roll was called with the following results:

Present: Ashley Curry, Mayor
Rusty Weaver, Mayor Pro-Tempore
Kimberly Cook
Paul Head
George Pierce

Absent:

* * *

The Mayor stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the Mayor stated that the following resolution was first introduced in writing and read by the City Council during the regular meeting of the City Council on Monday, March 10, 2025, whereupon such resolution was introduced by the Mayor and read a second time, as follows:

RESOLUTION NO. 5553

A RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT BY THE CITY OF VESTAVIA HILLS, ALABAMA AND ALTERA AIP-VESTAVIA, LLC

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

ARTICLE 1

Definitions

For purposes hereof:

Agreement means the Economic Development Agreement by the City and the Beneficiary attached to this Resolution as Exhibit B.

Amendment No. 772 means Section 94.01 of the Constitution of Alabama of 2022, as initially ratified, and amended, as Amendment No. 772 to the Constitution of Alabama of 1901, as amended.

Beneficiary means Altera AIP-Vestavia, LLC.

Bond Counsel means Maynard Nexsen PC.

City means the City of Vestavia Hills, Alabama.

Council means the governing body of the City.

Public Notice means the notice attached to this Resolution as Exhibit A.

Subject Real Property has the meaning set forth in the Agreement.

ARTICLE 2

Representations

The Council, upon evidence duly presented to and considered by it, has found and determined, and does hereby find, determine and declare as follows:

- (a) The delivery and performance of the Agreement by the City will provide for the economic growth and economic development of the City in furtherance of the public interest thereof.
- (b) The expenditure of public funds for the purposes specified in the Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.
- (c) The City caused the Public Notice to be published on March ____, 2025 in *The Alabama Messenger*, which newspaper is in circulation in the City.
- (d) The aggregate indebtedness of the City (including without limitation the Total City Commitment under the Agreement) which will be outstanding under, and chargeable against the limitation upon indebtedness prescribed by, Amendment No. 772 on the Effective Date of the Agreement will not exceed fifty percent (50%) of the assessed valuation of the taxable property of the City as assessed for state taxation for the tax year ending September 30, 2024.
- (e) As determined in the exercise by the City of its general police power, it is necessary, wise and in the best interest of the health, morals, comfort and welfare of the community and the City to provide for the use of the Subject Real Property in accordance with the terms of the Agreement.

ARTICLE 3

Authorizations and Ratifications

(a) The Council approves and authorizes the terms and provisions of, the representations and warranties of the City set forth in, and the obligations and transactions to be undertaken by the City pursuant to, the Agreement, with such changes thereto (by addition or deletion) which (i) do not (individually or in the aggregate) create any additional obligation, or extend or increase any stated obligation, of the City under the Agreement and (ii) the officers of the City conclusively approve by execution and delivery of the Agreement as provided by this Resolution.

(b) The Council authorizes and directs the Mayor, City Manager, Finance Director, and City Clerk of the City to:

- (i) execute under seal, register, and attest the Agreement;
- (ii) execute, deliver, file and record such certificates, documents and notices with respect to such matters of fact as Bond Counsel determines to be necessary in connection with the Agreement;
- (iii) deliver the Agreement when advised by Bond Counsel; and
- (iv) effect the performance of the Agreement.

(c) The Council ratifies and confirms all prior action taken, and all certificates, documents, proceedings and public notices delivered or published, by or on behalf of the City in furtherance of the purposes of this Resolution, the Agreement, and the transactions herein authorized.

ARTICLE 4

Effect of Resolution

The Council authorizes this Resolution to take effect immediately and repeals any provision of any resolution, order, ordinance, or proceeding of the City to the extent of any conflict or inconsistency thereof with the provisions of this Resolution.

EXHIBIT A

Legal Notice

LEGAL NOTICE

LEGAL NOTICE OF PROPOSED ECONOMIC DEVELOPMENT ACTION AND RELATED PUBLIC EXPENDITURES BY THE CITY OF VESTAVIA HILLS, ALABAMA

Notice is hereby given that the City Council (the "Council") of the City of Vestavia Hills, Alabama (the "City") will meet in public session at 6:00 p.m. on March 24, 2025 at City Hall in the City of Vestavia Hills, Alabama for the purpose of considering the transaction of business that may properly come before the Council, such business to include, but not be limited to, the authorization by the Council, pursuant to Section 94.01 of the Constitution of Alabama of 2022, of (a) a resolution (the "Altera Resolution") approving an Economic Development Agreement by the City and Altera AIP-Vestavia, LLC ("Altera"), pursuant to which Agreement the City will provide economic incentive payments to Altera, in consideration of the public benefits to accrue to the City from the establishment and operation by Altera of commercial development facilities in the City, in an initial grant of \$300,000, and (b) a resolution (the "AIP Resolution") approving an Economic Development Agreement by the City and AIP Vestavia, LLC ("AIP") pursuant to which Agreement the City will provide economic incentive payments to AIP, in consideration of the public benefits to accrue to the City from the establishment and operation by AIP of commercial development facilities in the City, (i) annually in arrears for a period of ten years amounts equal to 50% of net non-educational ad valorem tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$200,000, and (ii) quarterly in arrears for a period of ten years amounts equal to 50% of net sales tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$1,200,000. The City seeks to achieve, by undertaking its obligations pursuant to the Agreement, the Altera Resolution and the AIP Resolution to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City. The business entities to whom or for whose benefit the City proposes to lend its credit or grant public funds or thing of value are Altera and AIP. All interested persons may examine and review the Altera Resolution and the AIP Resolution, which shall have attached thereto the complete and correct form of the respective agreements, and make copies thereof at personal expense, and obtain further information as to the matters addressed in this notice, before and after the meeting referenced herein, at the office of the City Manager during the published business hours thereof.

Exhibit B

Economic Development Agreement

The Beneficiary of this Agreement may transfer (in whole and not in part) this Agreement only in compliance with the provisions of this Agreement, applicable federal and state securities law, and subject to all defenses and rights of the City at law or in equity.

This Agreement has not been registered under the Securities Act of 1933, as amended, in reliance upon applicable exemptions.

**ECONOMIC DEVELOPMENT AGREEMENT
(Altera AIP-Vestavia, LLC)**

Effective Date: _____, 2025

CITY OF VESTAVIA HILLS, ALABAMA

and

ALTERA AIP-VESTAVIA, LLC

This Agreement was prepared by Heyward C. Hosch and Ann W. Todd of Maynard Nexsen PC.

**ECONOMIC DEVELOPMENT AGREEMENT
(ALTERA AIP-VESTAVIA, LLC)**

This Agreement is made and delivered on the Effective Date by:

Beneficiary: Altera AIP-Vestavia, LLC and successors and assigns thereof

City: City of Vestavia Hills, Alabama

ARTICLE 1

Consideration and Purpose of Agreement; Amendment No. 772

Section 1.01 Consideration and Purpose

The City and the Beneficiary have delivered this Agreement pursuant to the within Amendment No. 772 to provide for the payment by the City to the Beneficiary of the within City Incentive Contribution in consideration of the establishment and operation of the within Development and the public benefits of increased local employment opportunities and public revenues to accrue therefrom.

Section 1.02 Issuance of Agreement Pursuant to Amendment No. 772

The City certifies, declares and recites that this Agreement, and the obligations and undertakings of the City herein, are issued and undertaken under the authority of the within Amendment No. 772 for the provision of funds to be used in furtherance of the power and authority authorized thereunder.

ARTICLE 2

Definitions and Construction of Agreement

Section 2.01 Definitions

For purposes of this Agreement:

Alabama Constitution means the Constitution of Alabama of 2022.

Amendment No. 772 means Section 94.01 of the Constitution of Alabama of 2022, as initially ratified, and amended, as Amendment No. 772 to the Constitution of Alabama of 1901, as amended.

City Incentive Contribution means a contribution in the amount of \$300,000 to be made by the City pursuant to Section 4.01.

Date of Commencement means the date on which a Pickleball Facility shall open to the public.

Development means the commercial, entertainment, and retail facilities to be established on the Subject Real Property.

Effective Date means _____, 2025.

Existing Operator means collectively:

- (a) each Person identified on Appendix II and each Successor thereof; and
- (b) each Relocated Operator and each Successor thereof.

Governmental Authority means (i) the United States of America, (ii) the State and any political subdivision (within the meaning of 26 CFR Section 1.103-1) thereof other than the City, and (iii) any agency, board, bureau, commission, court, department, division, instrumentality, or tribunal, or any other organization of competent jurisdiction, established by the United States of America or the State.

Person means any natural person, corporation, general or limited partnership, joint venture, limited liability company, limited liability partnership association, trust, unincorporated organization, or Governmental Authority.

Pickleball Facility means a facility located within the Development for the sport of pickleball.

Pledge means the creation of a security interest, in accordance with Article 9A of Title 7 of the Code of Alabama 1975, in and to the City Incentive Contribution by the Beneficiary for the benefit of a creditor thereof.

Prohibited Use means any activity, conduct, business or trade operation, or other use, which the City determines, (a) contravenes the economic development purposes for which the City is undertaking its obligations and duties hereunder in accordance with its power and authority under Amendment No. 772 for the provision of public funds, or (b) in the exercise of the general police power thereof, is in violation of the zoning ordinances of the City, constitutes a private or public nuisance, or is otherwise injurious to the health, morals, comfort or welfare of the community and the City, including without limitation any such activity which involves any of the following: (i) the distribution, provision, or sale of narcotics and related apparatus or paraphernalia, (ii) the distribution, provision or sale, of tangible personal property by bargain, discount, fire-sale, liquidation, pawn or flea-market, surplus, or thrift operations, (iii) the provision of amusement, entertainment, services, or tangible personal property, of a prurient or salacious nature, (iv) the provision of practices related to the occult and the supernatural, (v) the provision of body-piercing, tattoo, and similar services, and (vi) the provision of services relating to the voluntary termination of human life.

Relocated Operator means any Person who:

(a) on the Effective Date holds a business license or permit from the City for the conduct or operation of any trade, business, vocation, occupation or profession which is located within the City and without the Development, and

(b) after the Effective Date (i) ceases business operations at any location or locations within the City and without the Development and (ii) establishes business operations within the Development in the same line or type of business as that ceased;

provided, however, if the City determines that any Person who would otherwise be a "Relocated Operator" would cease business operations in the City entirely without re-location into the Development the City may determine to that such Person shall not be treated as a "Relocated Operator" for purposes of this Agreement.

State means the State of Alabama.

Subject Real Property means the real property located at 1031 Montgomery Highway in the City and described on Appendix I.

Successor shall mean any Person who succeeds to the rights, titles and interests of an Existing Operator or Relocated Operator, whether by consolidation, merger, acquisition (consensual or by legal process) of a controlling interest in assets, reorganization, reincorporation or conversion to another form of business entity.

Transfer means any assignment, conveyance, sale, or transfer by the Beneficiary of the interests and obligations thereof created and undertaken pursuant to this Agreement as provided in Section 6.01.

Transferee means any Person who shall acquire the interests of the Beneficiary in and to, and succeed to the agreements and obligations of the Beneficiary set forth in, this Agreement as provided in Section 6.01.

Section 2.02 Construction of Agreement

For purposes of this Agreement:

- (a) the terms “agree”, “shall”, and “will” when used in this Agreement with respect to the observance or performance of any agreement, duty or requirement to take, or forbear from taking, any action by the City or the Beneficiary means that such agreement, duty or requirement is imperative and enforceable by available remedies at law or in equity against the Person charged therewith;
- (b) all references in this Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this Agreement as originally executed;
- (c) the terms “in this Agreement,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, term or provision;
- (d) the Article and Section headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

ARTICLE 3

Representations

Section 3.01 The City

(a) The City delivers this Agreement on the Effective Date pursuant to the authorization hereof by proceedings duly had and taken by the governing body thereof under the authority of Amendment No. 772 and the applicable laws of the State, and having found and determined precedent thereto: (i) no approval of, or filing with, any Governmental Authority is required for the validity, or performance by the City, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the City would have a material and adverse effect upon the validity, or performance by the City, of this Agreement; and (iii) the delivery and performance of this Agreement by the City will not cause or result in a default or violation under any contractual agreement, or order or ruling of any Governmental Authority, binding upon, or in effect with respect to, the City.

(b) The City recites, certifies and declares that all acts, conditions and things required by the Alabama Constitution and laws of the State to happen, exist and be performed precedent to the authorization, execution and delivery of the Agreement, have happened, do exist and have been performed in due time, form and manner as so required by law and that the amount of the City Incentive Contribution, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Alabama Constitution and laws of the State.

(c) The City has determined, in the exercise of its general police power, that it is necessary, wise and in the best interest of the health, morals, comfort and welfare of the community and the City to provide for the use of the Subject Real Property in accordance with the terms of this Agreement.

Section 3.02 The Beneficiary

The Beneficiary delivers this Agreement on the Effective Date pursuant to due authorization thereof in compliance with the applicable laws of the state of organization of the Beneficiary and having found and determined precedent thereto: (i) the Beneficiary has made all filings and notices, and obtained all approvals or consents of, any Governmental Authority required for the business operations of the Beneficiary in the State and the validity, and performance by the Beneficiary, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the Beneficiary would have a material and adverse effect upon the validity, or performance by the Beneficiary of, this Agreement; and (iii) the delivery and performance of this Agreement by the Beneficiary will not cause or result in a default or violation under any contractual agreement or order or ruling of any Governmental Authority binding upon, or in effect with respect to, the Beneficiary.

ARTICLE 4

Payment of City Incentive Contribution

Section 4.01 Payment of City Incentive Contribution

The City authorizes, directs and orders the Finance Director of the City to pay to, or at the written direction of, the Beneficiary, within 60 days of the Date of Commencement, the City Incentive Contribution in lawful currency of the United States of America immediately available.

Section 4.02 Payment of the Sales Tax Incentive Amount

(a) The City authorizes, directs and orders the Finance Director of the City to determine the amount of, and to pay to, or at the written direction of, the Beneficiary on each Sales Tax Incentive Payment Date (or the next succeeding business day) which occurs prior to, or on, the Sales Tax Incentive Termination Date, upon presentation to the Finance Director of the Sales Tax Incentive Payment Certificate, in lawful currency of the United States of America immediately available and without interest, the Sales Tax Incentive Amount determined to be due and payable on such date.

(b) The City and the Beneficiary agree that obligation of the City for the payment of any amount of the Sales Tax Incentive Amount on any Sales Tax Incentive Payment Date (i) is contingent and effective only upon receipt of a positive amount of sales tax proceeds from the levy of the Applicable City Sales Tax in the Development for the then immediately preceding Calendar Quarter, (ii) will not exceed the Maximum Sales Tax Incentive Amount, and (iii) is subject to (A) all prior charges upon, and pledges of, the proceeds of the Applicable City Sales Tax, (B) the prior payment, to the extent necessary and provided by the laws of the State, from the Sales Tax Incentive Amount of the reasonable and necessary governmental expenses of operating the City; and (C) the prior payment of the general obligation indebtedness of the City.

Section 4.03 Payment of the Property Tax Incentive Amount

(a) The City authorizes, directs and orders the Finance Director of the City to determine the amount of, and to pay to, or at the written direction of, the Beneficiary on each Property Tax Incentive Payment Date (or the next succeeding business day) which occurs prior to, or on, the Property Tax Incentive Termination Date, upon presentation to the Finance Director of the Property Tax Incentive Payment Certificate, in lawful currency of the United States of America immediately available and without interest, the Property Tax Incentive Amount determined to be due and payable on such date.

(b) The City and the Beneficiary agree that obligation of the City for the payment of any amount of the Property Tax Incentive Amount on any Property Tax Incentive Payment Date (i) is contingent and effective only upon receipt of a positive amount of property tax proceeds from the levy of the Applicable City Property Taxes in the Development for the then immediately preceding Property Tax Year, (ii) will not exceed the Maximum Property Tax Incentive Amount, and (iii) is subject to (A) all prior charges upon, and pledges of, the proceeds of the Applicable City Property Taxes, (B) the prior payment, to the extent necessary and provided by the laws of the State, from the Property Tax Incentive Amount of the reasonable and necessary governmental expenses of operating the City; and (C) the prior payment of the general obligation indebtedness of the City.

ARTICLE 5

Agreements and Obligations of Beneficiary

Section 5.01 Indemnity of City

The Beneficiary covenants and agrees, in consideration of the receipt of the City Incentive Contribution :

- (a) to defend, protect, indemnify, and hold harmless the City, its agents, employees, and members of its governing body, from and against all claims or demands, including actions or proceedings brought thereon, and all costs, expenses, and liabilities of any kind relating thereto, including reasonable attorneys' fees and cost of suit, arising out of or resulting from any of the following, provided, however, that the foregoing indemnity will not extend to the negligent misconduct of the City, its agents, employees, and members of its governing body: (i) any construction activity performed by Beneficiary, or anyone claiming by through, or under Beneficiary; and (ii) any loss of life, personal injury, or damage to property arising from or in relation to the entry upon, construction, use, operation or occupancy of the Project, including, without limitation, tenants, customers and invitees of the Project or Beneficiary; and
- (b) the agreements and covenants in this Section shall survive the termination of this Agreement with respect to events or occurrences happening prior to or upon the termination of this Agreement and shall remain in full force and effect until commencement of an action with respect to any thereof shall be prohibited by law.

Section 5.02 Special Agreement: Use of the Subject Real Property

The Beneficiary covenants and agrees, in consideration of the use of the City Incentive Contribution for the benefit of the Project, and pursuant to the authority of the City under Amendment No. 772 and the general police power of the City:

- (a) that the Beneficiary will not, and will not allow or suffer any Person to, use the Subject Real Property (or any part thereof) for any Prohibited Use; and
- (b) the agreements and covenants in this Article shall survive the termination of this Agreement and shall remain in full force and effect thereafter.

Section 5.03 No Recourse to Officers, Councilors, Employees of City

The City and the Beneficiary agree that no covenant or agreement contained in this Agreement will operate, or be construed, as a covenant or agreement of any officer, agent, employee, or member of the governing body, of the City in the individual capacity thereof and none of such persons shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the delivery of this Agreement.

ARTICLE 6

Transfer of this Agreement

Section 6.01 Transfer

(a) The City and the Beneficiary agree that the Beneficiary may Transfer this Agreement in accordance with its judgement and only:

- (1) in whole and not in part; and
- (2) in compliance by the Beneficiary with applicable federal and state securities laws; and
- (3) delivery to the City of (i) a written request for approval of the Transfer of this Agreement to a designated Transferee and (ii) this Agreement and (iii) payment, or an agreement acceptable to the City for payment, of the expenses (if any) of the City to be incurred in connection with the requested Transfer; and
- (4) the prior consent of the City thereto expressed by resolution of the governing body thereof as provided in Section 6.01(b).

(b) The City shall, upon receipt of a request for Transfer, in sole the discretion of the governing body of the City, adopt a resolution which shall:

- (1) consent to the Transfer of this Agreement;
- (2) evidence, and provide for, compliance with Amendment No. 772 with respect to the Transferee as Beneficiary; and
- (3) authorize the revision of this Agreement to set forth therein the name and address of the Transferee, as Beneficiary; the Maximum Property Tax Incentive Amount less all payments of Property Tax Incentive Payments theretofore made by the City; and the Maximum Sales Tax Incentive Amount less all payments of Sales Tax Incentive Payments theretofore made by the City.

(c) Upon execution by the Transferee of this Agreement as revised, and delivery thereof to the City, the Transferee shall have all interests and obligations of the Beneficiary under such Agreement.

Section 6.02 Pledge

The City and the Beneficiary agree that the Beneficiary may, in its judgement Pledge the interests thereof in and to the City Incentive Contribution to a creditor of the Beneficiary upon written notice thereof to the City Manager.

Section 6.03 Special Agreements

The City and the Beneficiary agree and covenant:

- (a) each Transferee who acquires, or succeeds to, the interest of the Beneficiary under this Agreement shall be subject to all defenses and rights of the City at law or in equity then applicable in the premises and to all payments of the City Incentive Contribution theretofore made by the City; and
- (b) this Agreement does not constitute a “negotiable instrument” within the meaning, or for the purpose of, Article 3 of the Alabama Uniform Commercial Code; and
- (c) a transferee of this Agreement will not have the rights and remedies of a “holder in due course” provided by, Article 3 of the Alabama Uniform Commercial Code; and
- (d) this Agreement does not constitute a “financial asset” or a “security” within the meaning or for the purpose of, Article 8 of the Alabama Uniform Commercial Code; and
- (e) a transferee of this Agreement will not have the rights or remedies of a “purchaser” or “bona fide purchaser” provided by Article 8 of the Alabama Uniform Commercial Code.

ARTICLE 7

Remedies

The City and the Beneficiary shall have and may exercise all rights and remedies available at law or in equity under the laws of the State for the conservation, enforcement and protection of the respective rights and interests thereof under this Agreement to the extent the exercise thereof does not violate any applicable provision of law in the premises.

ARTICLE 8

Amendment

The City and the Beneficiary agree the definitions, provisions and terms of this Agreement may be amended only by written agreement duly authorized, executed and delivered by the City and the Beneficiary.

ARTICLE 9

Term and Termination of Agreement

The City and the Beneficiary agree that this Agreement, and all agreements, obligations and undertakings herein, will become effective on the Effective Date and will continue in full force and effect thereafter until and including the first to occur of either of the following dates, whereupon this Agreement and all such agreements, obligations and undertakings will forthwith terminate and be discharged, without recourse, the date on which the City shall have paid to the Beneficiary an aggregate amount equal to the City Incentive Contribution.

ARTICLE 10

Provisions of General Application

The City, the Beneficiary and the Registered Owner (each a “party”) covenant and agree as follows:

- (a) **Governing Law:** This Agreement is governed by, and will construed in accordance with, the laws of the State of Alabama without regard to principles of conflict of laws.
- (b) **Binding Effect:** This Agreement is enforceable by, and binding upon, the respective successors and assigns of each party.
- (c) **Counterparts:** This Agreement may be executed in several counterparts each of which shall constitute the same agreement.
- (d) **Enforceability:** If any provision herein shall be unenforceable, the remaining provisions hereof will not be affected thereby and will remain in full force and effect.
- (e) **Notices; Delivery:** Any notice given hereunder must be delivered as provided on Appendix V.
- (f) **No Jury Trial:** Each party (i) irrevocably waives, to the extent permitted by law, any right to trial by jury in any action or proceeding under, or related to, this Agreement and (ii) agrees that no Person has represented (by expression or implication) that a party hereto would not seek to enforce such waiver in the event of litigation.
- (g) **No Joint Venture:** This Agreement does not operate, and cannot be construed, to create a joint venture or partnership by or among the parties.
- (h) **No Other Beneficiaries:** This Agreement is solely for the benefit of the parties and the successors and assigns thereof, and any stated third-party Registered Owner, and no other Person has or may enforce any benefit, interest or rights under or by virtue of this Agreement.
- (i) **Final and Full Contract:** This Agreement constitutes the final and full contractual agreement of the parties and replaces and supersedes all prior or other agreements (written or oral) relating to the subject matter hereof.

EXECUTION AND REGISTRATION BY CITY

IN WITNESS WHEREOF, the City has caused this Agreement to be executed under seal and attested in the name of the City on the Effective Date by officers thereof duly authorized thereunto.

CITY OF VESTAVIA HILLS, ALABAMA

By _____
Mayor

By _____
City Manager

S E A L

ATTEST: _____
City Clerk

EXECUTION BY BENEFICIARY

IN WITNESS WHEREOF, the Beneficiary has caused this Agreement to be executed under seal on the Effective Date by an officer or legal representative thereof duly authorized thereunto.

ALTERA AIP-VESTAVIA, LLC

By: _____

Its _____

APPENDIX I

Subject Real Property

APPENDIX II

Existing Operators

NO EXISTING OPERATORS

APPENDIX III

Notices

A. Addresses

1. The City

City of Vestavia Hills, Alabama
1032 Montgomery Hwy
Vestavia Hills, AL 35216
Attn: City Manager

2. The Beneficiary

Altera AIP-Vestavia, LLC

3. The Registered Owner

To the address thereof on the Registration of Ownership and Address

B. Manner of Delivery

1. United States Postal Service

Delivery may be made by United States certified or registered mail, return receipt requested, postage pre-paid.

2. Private Delivery Service

Delivery may be made by a private delivery service which is accepted by the Internal Revenue Service as set forth on [IRS.gov/PDS](https://www.irs.gov/PDS).

3. Electronic Means

Communication by electronic mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords or authentication keys, or another method or system.

The above Resolution was duly passed and adopted this March 24, 2025.

Mayor

SEAL

Attest: _____
City Clerk

After said resolution had been discussed and considered in full by the Council, it was moved by Councilmember _____ and seconded by Councilmember _____ that said resolution be now placed upon its final passage and adopted. The question being put as to the adoption of said motion and the final passage and adoption of said resolution, the roll was called with the following results:

Ayes:

Ashley Curry, Mayor
Rusty Weaver, Mayor Pro-Tempore
Kimberly Cook
Paul Head
George Pierce

Nays:

The Mayor thereupon declared said motion carried and the resolution passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Approval of Minutes:

Each of the undersigned does hereby approve, and waive notice of, the date, time, place and purpose of the meeting of the Vestavia Hills City Council recorded in the above and foregoing minutes thereof and does hereby approve the form and content of the above and foregoing minutes and resolution therein.

Mayor

Member of Council

Member of Council

Member of Council

Member of Council

S E A L

Attest: _____
City Clerk

Jeff Downes

From: Heyward Hosch <hhosch@MaynardNexsen.com>
Sent: Tuesday, March 4, 2025 9:41 AM
To: Rebecca Leavings; Jeff Downes
Subject: [External] Minutes; Resolutions; and Agreements; for Altera / AIP for 03/10 and 03/24
Attachments: Vestavia 2025_ AIP Minutes and Agreement(201811788.1).docx; Vestavia 2025_ Altera-AIP Minutes and Agreement(201811706.1).docx

Jeff and Becky good morning

Attached are the requested documents as approved by me and counsel for Altera / AIP, for 03/10 and 03/24.

Please note the only differences between the attached and the previously approved Altera agreement is the division of the approved incentives between two related entities; the incentives and the terms are unchanged.

Glad to discuss at your convenience.

Please advise of any questions or if anything else is needed.

All the Best

Heyward

Heyward Hosch

Shareholder | Public Finance

P: 205.254.1855 | C: 205.586.6110

hhosch@MaynardNexsen.com | vCard

1901 Sixth Ave N, Suite 1700
Birmingham, AL 35203



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Alabama Messenger

2100 1st Ave. North, Suite 240,
Birmingham, AL 35203 Telephone (205) 252-3672

Maynard Nexsen
1901 Sixth Avenue North, Suite 1700
Birmingham, AL 35203

Invoice # MN-3/8/25
Economic Development Agreement by the City and
Altera AIP-Vestavia, LLC ("Altera")

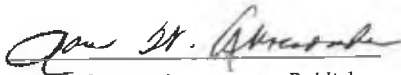
INVOICE / AFFIDAVIT

AFFIDAVIT OF PUBLICATION
STATE OF ALABAMA JEFFERSON COUNTY

Before me, the undersigned authority in and for said County, in said State, personally appeared KAREN W. ABERCROMBIE, who, by me duly sworn, deposes and says that she is the PUBLISHER OF ALABAMA MESSENGER, a Semi-weekly newspaper of GENERAL CIRCULATION, PUBLISHED and PRINTED in Jefferson County, Alabama, and which has been in CONTINUOUS WEEKLY PUBLICATION SINCE 1918, and that there was published in said newspaper in the issues of

Mar. 8, 2025

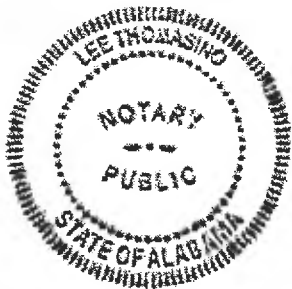
a legal notice, a copy of which is hereto attached.


Karen Abercrombie Publisher

Sworn and subscribed to on this the
18th day of March, 2025


Lee Thomasino Notary Public
My commission expires March 21, 2026

Ad Cost: \$93.75



The sum charged by the Newspaper for said publication is the actual lowest regular price for legal advertising notices as determined by Ala. Code § 6-8-64(a).

There are no agreements between the Newspaper and the officer or attorney charged with the duty of placing the attached legal advertising notices whereby any advantage, gain or profit accrued to said officer or attorney.

LEGAL NOTICE OF PROPOSED
ECONOMIC DEVELOPMENT
ACTION AND RELATED PUBLIC
EXPENDITURES BY THE CITY OF
VESTAVIA HILLS, ALABAMA
Notice is hereby given that the City Council (the "Council") of the City of Vestavia Hills, Alabama (the "City") will meet in public session at 6:00 p.m. on March 24, 2025 at City Hall in the City of Vestavia Hills, Alabama for the purpose of considering the transaction of business that may properly come before the Council, such business to include, but not be limited to, the authorization by the Council, pursuant to Section 94.01 of the Constitution of Alabama of 2022, of (a) a resolution (the "Altera Resolution") approving an Economic Development Agreement by the City and Altera AIP-Vestavia, LLC ("Altera"), pursuant to which Agreement the City will provide economic incentive payments to Altera, in consideration of the public benefits to accrue to the City from the establishment and operation by Altera of commercial development facilities in the City, in an initial grant of \$300,000, and (b) a resolution (the "AIP Resolution") approving an Economic Development Agreement by the City and AIP Vestavia, LLC ("AIP") pursuant to which Agreement the City will provide economic incentive payments to AIP, in consideration of the public benefits to accrue to the City from the establishment and operation by AIP of commercial development facilities in the City, (i) annually in arrears for a period of ten years amounts equal to 50% of net non-educational ad valorem tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$200,000, and (ii) quarterly in arrears for a period of ten years amounts equal to 50% of net sales tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$1,200,000. The City seeks to achieve, by undertaking its obligations pursuant to the Agreement, the Altera Resolution and the AIP Resolution to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City. The business entities to whom or for whose benefit the City proposes to lend its credit or grant public funds or thing of value are Altera and AIP. All interested persons may examine and review the Altera Resolution and the AIP Resolution, which shall have attached thereto the complete and correct form of the respective agreements, and make copies thereof at personal expense, and obtain further information as to the matters addressed in this notice, before and after the meeting referenced herein, at the office of the City Manager during the published business hours thereof.
Ala.Ms.- Mar. 8, 2025



**CITY OF VESTAVIA HILLS
OFFICE OF THE CITY MANAGER
INTER-DEPARTMENT MEMO**

March 24, 2025

To:

From:

Cc:

RE: Public Hearing - Resolution Number 5554 - A Resolution Authorizing the Mayor and City Manager to Execute Any and All Documents that Reallocate Existing Economic Incentives from One Entity - Altera AIP, Vestavia LLC to Two Entities - Altera AIP - Vestavia LLC and AIP Vestavia, LLC (*Resolution Numbers 5553 and 5554 are companion resolutions*)

Background:

Recommendation:

Fiscal Impact:

Attachments:

1. Resolution 5554
2. Hosch Email re Division of Incentives 3-4-25
3. Affidavit Publication 03-24-2025(201899683.1)

STATE OF ALABAMA
JEFFERSON COUNTY

CERTIFICATE OF CITY CLERK

_____, 2025

I, the undersigned, do hereby certify that: (1) I am the duly elected, qualified and acting Clerk of the City of Vestavia Hills, Alabama (the "City"), (2) as City Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf, (3) the attached and following pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the City Council of the City duly held on March 24, 2025, the original of which is on file and of record in the minute book of the City Council in my custody, (4) the resolution set forth in such excerpts is a complete, verbatim and compared copy of such resolution as introduced and adopted by the City Council on such date, and (5) said resolution is in full force and effect and has not been repealed, amended or changed

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk of the City of Vestavia Hills, Alabama, and have affixed the official seal of the City, on the above date.

City Clerk of the City of Vestavia Hills,
Alabama

SEAL

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF VESTAVIA HILLS, ALABAMA**

**Economic Development Agreement
for
AIP VESTAVIA, LLC**

The City Council of the City of Vestavia Hills, Alabama met in regular public session at City Hall in the City of Vestavia Hills, Alabama, at 6:00 p.m. on March 24, 2025.

The meeting was called to order by the Mayor, and the roll was called with the following results:

Present: Ashley Curry, Mayor
Rusty Weaver, Mayor Pro-Tempore
Kimberly Cook
Paul Head
George Pierce

Absent:

* * *

The Mayor stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the Mayor stated that the following resolution was first introduced in writing and read by the City Council during the regular meeting of the City Council on Monday, March 10, 2025, whereupon such resolution was introduced by the Mayor and read a second time, as follows:

RESOLUTION NO. 5554

A RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT BY THE CITY OF VESTAVIA HILLS, ALABAMA AND AIP VESTAVIA, LLC

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

ARTICLE 1

Definitions

For purposes hereof:

Agreement means the Economic Development Agreement by the City and the Beneficiary attached to this Resolution as Exhibit B.

Amendment No. 772 means Section 94.01 of the Constitution of Alabama of 2022, as initially ratified, and amended, as Amendment No. 772 to the Constitution of Alabama of 1901, as amended.

Beneficiary means AIP VESTAVIA, LLC .

Bond Counsel means Maynard Nexsen PC.

City means the City of Vestavia Hills, Alabama.

Council means the governing body of the City.

Public Notice means the notice attached to this Resolution as Exhibit A.

Subject Real Property has the meaning set forth in the Agreement.

ARTICLE 2

Representations

The Council, upon evidence duly presented to and considered by it, has found and determined, and does hereby find, determine and declare as follows:

- (a) The delivery and performance of the Agreement by the City will provide for the economic growth and economic development of the City in furtherance of the public interest thereof.
- (b) The expenditure of public funds for the purposes specified in the Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.
- (c) The City caused the Public Notice to be published on March ____, 2025 in *The Alabama Messenger*, which newspaper is in circulation in the City.
- (d) The aggregate indebtedness of the City (including without limitation the Total City Commitment under the Agreement) which will be outstanding under, and chargeable against the limitation upon indebtedness prescribed by, Amendment No. 772 on the Effective Date of the Agreement will not exceed fifty percent (50%) of the assessed valuation of the taxable property of the City as assessed for state taxation for the tax year ending September 30, 2024.
- (e) As determined in the exercise by the City of its general police power, it is necessary, wise and in the best interest of the health, morals, comfort and welfare of the community and the City to provide for the use of the Subject Real Property in accordance with the terms of the Agreement.

ARTICLE 3

Authorizations and Ratifications

(a) The Council approves and authorizes the terms and provisions of, the representations and warranties of the City set forth in, and the obligations and transactions to be undertaken by the City pursuant to, the Agreement, with such changes thereto (by addition or deletion) which (i) do not (individually or in the aggregate) create any additional obligation, or extend or increase any stated obligation, of the City under the Agreement and (ii) the officers of the City conclusively approve by execution and delivery of the Agreement as provided by this Resolution.

(b) The Council authorizes and directs the Mayor, City Manager, Finance Director, and City Clerk of the City to:

- (i) execute under seal, register, and attest the Agreement;
- (ii) execute, deliver, file and record such certificates, documents and notices with respect to such matters of fact as Bond Counsel determines to be necessary in connection with the Agreement;
- (iii) deliver the Agreement when advised by Bond Counsel; and
- (iv) effect the performance of the Agreement.

(c) The Council ratifies and confirms all prior action taken, and all certificates, documents, proceedings and public notices delivered or published, by or on behalf of the City in furtherance of the purposes of this Resolution, the Agreement, and the transactions herein authorized.

ARTICLE 4

Effect of Resolution

The Council authorizes this Resolution to take effect immediately and repeals any provision of any resolution, order, ordinance, or proceeding of the City to the extent of any conflict or inconsistency thereof with the provisions of this Resolution.

EXHIBIT A

Legal Notice

LEGAL NOTICE

LEGAL NOTICE OF PROPOSED ECONOMIC DEVELOPMENT ACTION AND RELATED PUBLIC EXPENDITURES BY THE CITY OF VESTAVIA HILLS, ALABAMA

Notice is hereby given that the City Council (the "Council") of the City of Vestavia Hills, Alabama (the "City") will meet in public session at 6:00 p.m. on March 24, 2025 at City Hall in the City of Vestavia Hills, Alabama for the purpose of considering the transaction of business that may properly come before the Council, such business to include, but not be limited to, the authorization by the Council, pursuant to Section 94.01 of the Constitution of Alabama of 2022, of (a) a resolution (the "Altera Resolution") approving an Economic Development Agreement by the City and Altera AIP-Vestavia, LLC ("Altera"), pursuant to which Agreement the City will provide economic incentive payments to Altera, in consideration of the public benefits to accrue to the City from the establishment and operation by Altera of commercial development facilities in the City, in an initial grant of \$300,000, and (b) a resolution (the "AIP Resolution") approving an Economic Development Agreement by the City and AIP Vestavia, LLC ("AIP") pursuant to which Agreement the City will provide economic incentive payments to AIP, in consideration of the public benefits to accrue to the City from the establishment and operation by AIP of commercial development facilities in the City, (i) annually in arrears for a period of ten years amounts equal to 50% of net non-educational ad valorem tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$200,000, and (ii) quarterly in arrears for a period of ten years amounts equal to 50% of net sales tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$1,200,000. The City seeks to achieve, by undertaking its obligations pursuant to the Agreement, the Altera Resolution and the AIP Resolution to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City. The business entities to whom or for whose benefit the City proposes to lend its credit or grant public funds or thing of value are Altera and AIP. All interested persons may examine and review the Altera Resolution and the AIP Resolution, which shall have attached thereto the complete and correct form of the respective agreements, and make copies thereof at personal expense, and obtain further information as to the matters addressed in this notice, before and after the meeting referenced herein, at the office of the City Manager during the published business hours thereof.

Exhibit B

Economic Development Agreement

The Beneficiary of this Agreement may transfer (in whole and not in part) this Agreement only in compliance with the provisions of this Agreement, applicable federal and state securities law, and subject to all defenses and rights of the City at law or in equity.

This Agreement has not been registered under the Securities Act of 1933, as amended, in reliance upon applicable exemptions.

**ECONOMIC DEVELOPMENT AGREEMENT
(AIP VESTAVIA, LLC)**

Effective Date: _____, 2025

CITY OF VESTAVIA HILLS, ALABAMA

and

AIP VESTAVIA, LLC

This Agreement was prepared by Heyward C. Hosch and Ann W. Todd of Maynard Nexsen PC.

**ECONOMIC DEVELOPMENT AGREEMENT
(AIP VESTAVIA, LLC)**

This Agreement is made and delivered on the Effective Date by:

Beneficiary: AIP VESTAVIA, LLC and successors and assigns thereof

City: City of Vestavia Hills, Alabama

ARTICLE 1

Consideration and Purpose of Agreement; Amendment No. 772

Section 1.01 Consideration and Purpose

The City and the Beneficiary have delivered this Agreement pursuant to the within Amendment No. 772 to provide for the payment by the City to the Beneficiary of the within City Incentive Amounts in consideration of the establishment and operation of the within Development and the public benefits of increased local employment opportunities and public revenues to accrue therefrom.

Section 1.02 Issuance of Agreement Pursuant to Amendment No. 772

The City certifies, declares and recites that this Agreement, and the obligations and undertakings of the City herein, are issued and undertaken under the authority of the within Amendment No. 772 for the provision of funds to be used in furtherance of the power and authority authorized thereunder.

ARTICLE 2

Definitions and Construction of Agreement

Section 2.01 Definitions

For purposes of this Agreement:

Alabama Constitution means the Constitution of Alabama of 2022.

Amendment No. 772 means Section 94.01 of the Constitution of Alabama of 2022, as initially ratified, and amended, as Amendment No. 772 to the Constitution of Alabama of 1901, as amended.

Applicable City Property Taxes means the ad valorem taxes levied and collected by the City within the corporate limits thereof for general municipal purposes at the combined rate of 20.55 mills.

Applicable City Sales Tax means the privilege license (sales) tax levied by the City pursuant to Section 16-26 of Article III of Chapter 16 of the Code of Ordinances of the City at rates in effect on the Effective Date.

Applicable Sales Tax Percentage means 46.875%, determined as a fraction (i) the numerator of which is 93.75% (being 100% less 6.25% as the required reserve by Section 16-26 of Article III of Chapter 16 of the Code of Ordinances of the City) and (ii) the denominator of which is 2.

Calendar Quarter means each period of three consecutive calendar months ending on March 31, June 30, September 30, and December 31 in each year.

City Incentive Amounts means collectively the Property Tax Incentive Amount and the Sales Tax Incentive Amount.

Date of Commencement means the date on which a Pickleball Facility shall open to the public.

Development means the commercial, entertainment, and retail facilities to be established on the Subject Real Property.

Effective Date means September____, 2025.

Existing Operator means collectively:

- (a) each Person identified on Appendix II and each Successor thereof; and
- (b) each Relocated Operator and each Successor thereof.

Governmental Authority means (i) the United States of America, (ii) the State and any political subdivision (within the meaning of 26 CFR Section 1.103-1) thereof other than the City, and (iii) any agency, board, bureau, commission, court, department, division, instrumentality, or tribunal, or any other organization of competent jurisdiction, established by the United States of America or the State.

Maximum Property Tax Incentive Amount means \$200,000.

Maximum Sales Tax Incentive Amount means \$1,200,000.

Person means any natural person, corporation, general or limited partnership, joint venture, limited liability company, limited liability partnership association, trust, unincorporated organization, or Governmental Authority.

Pickleball Facility means a facility located within the Development for the sport of pickleball.

Pledge means the creation of a security interest, in accordance with Article 9A of Title 7 of the Code of Alabama 1975, in and to the City Incentive Amounts by the Beneficiary for the benefit of a creditor thereof.

Prohibited Use means any activity, conduct, business or trade operation, or other use, which the City determines, (a) contravenes the economic development purposes for which the City is undertaking its obligations and duties hereunder in accordance with its power and authority under Amendment No. 772 for the provision of public funds, or (b) in the exercise of the general police power thereof, is in violation of the zoning ordinances of the City, constitutes a private or public nuisance, or is otherwise injurious to the health, morals, comfort or welfare of the community and the City, including without limitation any such activity which involves any of the following: (i) the distribution, provision, or sale of narcotics and related apparatus or paraphernalia, (ii) the distribution, provision or sale, of tangible personal property by bargain, discount, fire-sale, liquidation, pawn or flea-market, surplus, or thrift operations, (iii) the provision of amusement, entertainment, services, or tangible personal property, of a prurient or salacious nature, (iv) the provision of practices related to the occult and the supernatural, (v) the provision of body-piercing, tattoo, and similar services, and (vi) the provision of services relating to the voluntary termination of human life.

Property Tax Incentive Amount means, on each Property Tax Incentive Payment Date, an amount equal to 50.00% of the amount the City determines to have been actually received by the City as net proceeds of the Applicable City Property Taxes from the Development during the then immediately preceding Property Tax Year.

Property Tax Incentive Payment Certificate means the Certificate attached hereto as Appendix IV.

Property Tax Incentive Payment Date means that date which occurs prior to, or on, the Property Tax Incentive Termination Date and after the later of (i) February 15 in each year or (ii) ten (10) days after the date of receipt by the City of the Property Tax Incentive Payment Certificate for the then immediately preceding Property Tax Year.

Property Tax Incentive Termination Date means the first to occur of:

(a) the Property Tax Incentive Payment Date on which the City shall have paid the Maximum Property Tax Incentive Amount; or

(b) the tenth (10th) consecutive Property Tax Incentive Payment Date, without regard to whether the total payments of the Property Tax Incentive Amounts theretofore paid, and to be paid on such date, by the City shall equal the Maximum Property Tax Incentive Amount.

Property Tax Year means the period beginning on October 1 in each year and ending on September 30 of the next succeeding year.

Relocated Operator means any Person who:

(a) on the Effective Date holds a business license or permit from the City for the conduct or operation of any trade, business, vocation, occupation or profession which is located within the City and without the Development, and

(b) after the Effective Date (i) ceases business operations at any location or locations within the City and without the Development and (ii) establishes business operations within the Development in the same line or type of business as that ceased;

provided, however, if the City determines that any Person who would otherwise be a "Relocated Operator" would cease business operations in the City entirely without re-location into the Development the City may determine to that such Person shall not be treated as a "Relocated Operator" for purposes of this Agreement.

Sales Tax Incentive Amount means, on each Sales Tax Incentive Payment Date, an amount equal to the Applicable Sales Tax Percentage of the amount the City determines to have been actually received by the City as net proceeds of the Applicable City Sales Tax solely from the Development during the then immediately preceding Calendar Quarter less and except the amount of such proceeds received by the City from (i) each Existing Operator in the Development for such Calendar Quarter and (ii) any increase in the rate of the Applicable City Sales Tax made by the City after the Effective Date.

Sales Tax Incentive Payment Certificate means the Certificate attached hereto as Appendix III.

Sales Tax Incentive Payment Date means that date which occurs prior to, or on, the Sales Tax Incentive Termination Date and after the later of (i) the tenth (10th) day of the second month of a Calendar Quarter or (ii) ten (10) days after the date of receipt by the City of the Sales Tax Incentive Payment Certificate for such Calendar Quarter.

Sales Tax Incentive Termination Date means the first to occur of:

- (a) the Sales Tax Incentive Payment Date on which the City shall have paid the Maximum Sales Tax Incentive Amount; or
- (b) the fortieth (40th) consecutive Sales Tax Incentive Payment Date, without regard to whether the total payments of the Sales Tax Incentive Amounts theretofore paid, and to be paid on such date, by the City shall equal the Maximum Sales Tax Incentive Amount.

State means the State of Alabama.

Subject Real Property means the real property located at 1031 Montgomery Highway in the City and described on Appendix I.

Successor shall mean any Person who succeeds to the rights, titles and interests of an Existing Operator or Relocated Operator, whether by consolidation, merger, acquisition (consensual or by legal process) of a controlling interest in assets, reorganization, reincorporation or conversion to another form of business entity.

Total City Commitment means, on any date of determination, collectively an aggregate amount equal to:

- (a) the Maximum Property Tax Incentive Amount, less all amounts which shall have been paid by the City as Property Tax Incentive Amounts prior to such date; and
- (b) the Maximum Sales Tax Incentive Amount, less all amounts which shall have been paid by the City as Sales Tax Incentive Amounts prior to such date.

Transfer means any assignment, conveyance, sale, or transfer by the Beneficiary of the interests and obligations thereof created and undertaken pursuant to this Agreement as provided in Section 6.01.

Transferee means any Person who shall acquire the interests of the Beneficiary in and to, and succeed to the agreements and obligations of the Beneficiary set forth in, this Agreement as provided in Section 6.01.

Section 2.02 Construction of Agreement

For purposes of this Agreement:

(a) the terms “agree”, “shall”, and “will” when used in this Agreement with respect to the observance or performance of any agreement, duty or requirement to take, or forbear from taking, any action by the City or the Beneficiary means that such agreement, duty or requirement is imperative and enforceable by available remedies at law or in equity against the Person charged therewith;

(b) all references in this Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this Agreement as originally executed;

(c) the terms “in this Agreement,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, term or provision;

(d) the Article and Section headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

ARTICLE 3

Representations

Section 3.01 The City

(a) The City delivers this Agreement on the Effective Date pursuant to the authorization hereof by proceedings duly had and taken by the governing body thereof under the authority of Amendment No. 772 and the applicable laws of the State, and having found and determined precedent thereto: (i) no approval of, or filing with, any Governmental Authority is required for the validity, or performance by the City, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the City would have a material and adverse effect upon the validity, or performance by the City, of this Agreement; and (iii) the delivery and performance of this Agreement by the City will not cause or result in a default or violation under any contractual agreement, or order or ruling of any Governmental Authority, binding upon, or in effect with respect to, the City.

(b) The City recites, certifies and declares that all acts, conditions and things required by the Alabama Constitution and laws of the State to happen, exist and be performed precedent to the authorization, execution and delivery of the Agreement, have happened, do exist and have been performed in due time, form and manner as so required by law and that the amount of the Total City Commitment, together with all other indebtedness of the City, are within every debt and other limit prescribed by the Alabama Constitution and laws of the State.

(c) The City has determined, in the exercise of its general police power, that it is necessary, wise and in the best interest of the health, morals, comfort and welfare of the community and the City to provide for the use of the Subject Real Property in accordance with the terms of this Agreement.

Section 3.02 The Beneficiary

The Beneficiary delivers this Agreement on the Effective Date pursuant to due authorization thereof in compliance with the applicable laws of the state of organization of the Beneficiary and having found and determined precedent thereto: (i) the Beneficiary has made all filings and notices, and obtained all approvals or consents of, any Governmental Authority required for the business operations of the Beneficiary in the State and the validity, and performance by the Beneficiary, of this Agreement; (ii) no litigation is pending, or threatened in writing, in which a result adverse to the Beneficiary would have a material and adverse effect upon the validity, or performance by the Beneficiary of, this Agreement; and (iii) the delivery and performance of this Agreement by the Beneficiary will not cause or result in a default or violation under any contractual agreement or order or ruling of any Governmental Authority binding upon, or in effect with respect to, the Beneficiary.

ARTICLE 4

Payment of City Incentive Amounts

Section 4.01 Payment of the Sales Tax Incentive Amount

(a) The City authorizes, directs and orders the Finance Director of the City to determine the amount of, and to pay to, or at the written direction of, the Beneficiary on each Sales Tax Incentive Payment Date (or the next succeeding business day) which occurs prior to, or on, the Sales Tax Incentive Termination Date, upon presentation to the Finance Director of the Sales Tax Incentive Payment Certificate, in lawful currency of the United States of America immediately available and without interest, the Sales Tax Incentive Amount determined to be due and payable on such date.

(b) The City and the Beneficiary agree that obligation of the City for the payment of any amount of the Sales Tax Incentive Amount on any Sales Tax Incentive Payment Date (i) is contingent and effective only upon receipt of a positive amount of sales tax proceeds from the levy of the Applicable City Sales Tax in the Development for the then immediately preceding Calendar Quarter, (ii) will not exceed the Maximum Sales Tax Incentive Amount, and (iii) is subject to (A) all prior charges upon, and pledges of, the proceeds of the Applicable City Sales Tax, (B) the prior payment, to the extent necessary and provided by the laws of the State, from the Sales Tax Incentive Amount of the reasonable and necessary governmental expenses of operating the City; and (C) the prior payment of the general obligation indebtedness of the City.

Section 4.02 Payment of the Property Tax Incentive Amount

(a) The City authorizes, directs and orders the Finance Director of the City to determine the amount of, and to pay to, or at the written direction of, the Beneficiary on each Property Tax Incentive Payment Date (or the next succeeding business day) which occurs prior to, or on, the Property Tax Incentive Termination Date, upon presentation to the Finance Director of the Property Tax Incentive Payment Certificate, in lawful currency of the United States of America immediately available and without interest, the Property Tax Incentive Amount determined to be due and payable on such date.

(b) The City and the Beneficiary agree that obligation of the City for the payment of any amount of the Property Tax Incentive Amount on any Property Tax Incentive Payment Date (i) is contingent and effective only upon receipt of a positive amount of property tax proceeds from the levy of the Applicable City Property Taxes in the Development for the then immediately preceding Property Tax Year, (ii) will not exceed the Maximum Property Tax Incentive Amount, and (iii) is subject to (A) all prior charges upon, and pledges of, the proceeds of the Applicable City Property Taxes, (B) the prior payment, to the extent necessary and provided by the laws of the State, from the Property Tax Incentive Amount of the reasonable and necessary governmental expenses of operating the City; and (C) the prior payment of the general obligation indebtedness of the City.

ARTICLE 5

Agreements and Obligations of Beneficiary

Section 5.01 Indemnity of City

The Beneficiary covenants and agrees, in consideration of the receipt of the City Incentive Amounts:

- (a) to defend, protect, indemnify, and hold harmless the City, its agents, employees, and members of its governing body, from and against all claims or demands, including actions or proceedings brought thereon, and all costs, expenses, and liabilities of any kind relating thereto, including reasonable attorneys' fees and cost of suit, arising out of or resulting from any of the following, provided, however, that the foregoing indemnity will not extend to the negligent misconduct of the City, its agents, employees, and members of its governing body: (i) any construction activity performed by Beneficiary, or anyone claiming by through, or under Beneficiary; and (ii) any loss of life, personal injury, or damage to property arising from or in relation to the entry upon, construction, use, operation or occupancy of the Project, including, without limitation, tenants, customers and invitees of the Project or Beneficiary; and
- (b) the agreements and covenants in this Section shall survive the termination of this Agreement with respect to events or occurrences happening prior to or upon the termination of this Agreement and shall remain in full force and effect until commencement of an action with respect to any thereof shall be prohibited by law.

Section 5.02 Special Agreement: Use of the Subject Real Property

The Beneficiary covenants and agrees, in consideration of the use of the City Incentive Amounts for the benefit of the Project, and pursuant to the authority of the City under Amendment No. 772 and the general police power of the City:

- (a) that the Beneficiary will not, and will not allow or suffer any Person to, use the Subject Real Property (or any part thereof) for any Prohibited Use; and
- (b) the agreements and covenants in this Article shall survive the termination of this Agreement and shall remain in full force and effect thereafter.

Section 5.03 No Recourse to Officers, Councilors, Employees of City

The City and the Beneficiary agree that no covenant or agreement contained in this Agreement will operate, or be construed, as a covenant or agreement of any officer, agent, employee, or member of the governing body, of the City in the individual capacity thereof and none of such persons shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the delivery of this Agreement.

ARTICLE 6

Transfer of this Agreement

Section 6.01 Transfer

(a) The City and the Beneficiary agree that the Beneficiary may Transfer this Agreement in accordance with its judgement and only:

- (1) in whole and not in part; and
- (2) in compliance by the Beneficiary with applicable federal and state securities laws; and
- (3) delivery to the City of (i) a written request for approval of the Transfer of this Agreement to a designated Transferee and (ii) this Agreement and (iii) payment, or an agreement acceptable to the City for payment, of the expenses (if any) of the City to be incurred in connection with the requested Transfer; and
- (4) the prior consent of the City thereto expressed by resolution of the governing body thereof as provided in Section 6.01(b).

(b) The City shall, upon receipt of a request for Transfer, in sole the discretion of the governing body of the City, adopt a resolution which shall:

- (1) consent to the Transfer of this Agreement;
- (2) evidence, and provide for, compliance with Amendment No. 772 with respect to the Transferee as Beneficiary; and
- (3) authorize the revision of this Agreement to set forth therein the name and address of the Transferee, as Beneficiary; the Maximum Property Tax Incentive Amount less all payments of Property Tax Incentive Payments theretofore made by the City; and the Maximum Sales Tax Incentive Amount less all payments of Sales Tax Incentive Payments theretofore made by the City.

(c) Upon execution by the Transferee of this Agreement as revised, and delivery thereof to the City, the Transferee shall have all interests and obligations of the Beneficiary under such Agreement.

Section 6.02 Pledge

The City and the Beneficiary agree that the Beneficiary may, in its judgement Pledge the interests thereof in and to the City Incentive Amounts to a creditor of the Beneficiary upon written notice thereof to the City Manager.

Section 6.03 Special Agreements

The City and the Beneficiary agree and covenant:

- (a) each Transferee who acquires, or succeeds to, the interest of the Beneficiary under this Agreement shall be subject to all defenses and rights of the City at law or in equity then applicable in the premises and to all payments of the City Incentive Amounts theretofore made by the City; and
- (b) this Agreement does not constitute a “negotiable instrument” within the meaning, or for the purpose of, Article 3 of the Alabama Uniform Commercial Code; and
- (c) a transferee of this Agreement will not have the rights and remedies of a “holder in due course” provided by, Article 3 of the Alabama Uniform Commercial Code; and
- (d) this Agreement does not constitute a “financial asset” or a “security” within the meaning or for the purpose of, Article 8 of the Alabama Uniform Commercial Code; and
- (e) a transferee of this Agreement will not have the rights or remedies of a “purchaser” or “bona fide purchaser” provided by Article 8 of the Alabama Uniform Commercial Code.

ARTICLE 7

Remedies

The City and the Beneficiary shall have and may exercise all rights and remedies available at law or in equity under the laws of the State for the conservation, enforcement and protection of the respective rights and interests thereof under this Agreement to the extent the exercise thereof does not violate any applicable provision of law in the premises.

ARTICLE 8

Amendment

The City and the Beneficiary agree the definitions, provisions and terms of this Agreement may be amended only by written agreement duly authorized, executed and delivered by the City and the Beneficiary.

ARTICLE 9

Term and Termination of Agreement

The City and the Beneficiary agree that this Agreement, and all agreements, obligations and undertakings herein, will become effective on the Effective Date and will continue in full force and effect thereafter until and including the first to occur of either of the following dates, whereupon this Agreement and all such agreements, obligations and undertakings will forthwith terminate and be discharged, without recourse:

- (a) the date on which the City shall have paid to the Beneficiary an aggregate amount equal to the Total City Commitment; or
- (b) the occurrence of both:
 - (i) the Property Tax Incentive Termination Date; and
 - (ii) the Sales Tax Incentive Termination Date.

ARTICLE 10

Provisions of General Application

The City, the Beneficiary and the Registered Owner (each a “party”) covenant and agree as follows:

- (a) **Governing Law:** This Agreement is governed by, and will construed in accordance with, the laws of the State of Alabama without regard to principles of conflict of laws.
- (b) **Binding Effect:** This Agreement is enforceable by, and binding upon, the respective successors and assigns of each party.
- (c) **Counterparts:** This Agreement may be executed in several counterparts each of which shall constitute the same agreement.
- (d) **Enforceability:** If any provision herein shall be unenforceable, the remaining provisions hereof will not be affected thereby and will remain in full force and effect.
- (e) **Notices; Delivery:** Any notice given hereunder must be delivered as provided on Appendix V.
- (f) **No Jury Trial:** Each party (i) irrevocably waives, to the extent permitted by law, any right to trial by jury in any action or proceeding under, or related to, this Agreement and (ii) agrees that no Person has represented (by expression or implication) that a party hereto would not seek to enforce such waiver in the event of litigation.
- (g) **No Joint Venture:** This Agreement does not operate, and cannot be construed, to create a joint venture or partnership by or among the parties.
- (h) **No Other Beneficiaries:** This Agreement is solely for the benefit of the parties and the successors and assigns thereof, and any stated third-party Registered Owner, and no other Person has or may enforce any benefit, interest or rights under or by virtue of this Agreement.
- (i) **Final and Full Contract:** This Agreement constitutes the final and full contractual agreement of the parties and replaces and supersedes all prior or other agreements (written or oral) relating to the subject matter hereof.

EXECUTION AND REGISTRATION BY CITY

IN WITNESS WHEREOF, the City has caused this Agreement to be executed under seal and attested in the name of the City on the Effective Date by officers thereof duly authorized thereunto.

CITY OF VESTAVIA HILLS, ALABAMA

By _____
Mayor

By _____
City Manager

S E A L

ATTEST: _____
City Clerk

EXECUTION BY BENEFICIARY

IN WITNESS WHEREOF, the Beneficiary has caused this Agreement to be executed under seal on the Effective Date by an officer or legal representative thereof duly authorized thereunto.

AIP VESTAVIA, LLC

By: _____

Its _____

APPENDIX I

Subject Real Property

APPENDIX II

Existing Operators

NO EXISTING OPERATORS

APPENDIX III

Request for Payment of Sales Tax Incentive Amount

Request for Payment of Sales Tax Incentive Amount

From: _____, as Beneficiary

To: City of Vestavia Hills, Alabama

Date: _____, 20__

Re: **Economic Development Agreement** dated _____, 2025, by City of Vestavia Hills, Alabama and _____

The undersigned represents to the City:

- (1) the undersigned is the Beneficiary under the above Agreement; and
- (2) the undersigned is in full compliance with the agreements and covenants thereof under the Agreement and with all applicable ordinances and regulations of the City applicable thereto; and
- (3) requests payment to the undersigned by the City of the Sales Tax Incentive Amount as determined by the City as provided in the Agreement, for the following Calendar Quarter:

_____ 1, 20__ through _____, 30 / 31, 20__

In Witness Whereof, the undersigned has caused this instrument to be executed in its name, under seal, by an officer thereof duly authorized thereunto.

as Beneficiary

By _____

Its _____

APPENDIX IV

Request for Payment of Property Tax Incentive Amount

Request for Payment of Property Tax Incentive Amount

From: _____, as Beneficiary

To: City of Vestavia Hills, Alabama

Date: _____, 20__

Re: **Economic Development Agreement** dated _____, 2025, by City of Vestavia Hills, Alabama and _____

The undersigned represents to the City:

- (1) the undersigned is the Beneficiary under the above Agreement; and
- (2) the undersigned is in full compliance with the agreements and covenants thereof under the Agreement and with all applicable ordinances and regulations of the City applicable thereto; and
- (3) requests payment to the undersigned by the City of the Property Tax Incentive Amount as determined by the City as provided in the Agreement, for the following Property Tax Year:

October 1, 20__ through September 30, 20__

In Witness Whereof, the undersigned has caused this instrument to be executed in its name, under seal, by an officer thereof duly authorized thereunto.

as Beneficiary

By _____

Its _____

APPENDIX V

Notices

A. Addresses

1. The City

City of Vestavia Hills, Alabama
1032 Montgomery Hwy
Vestavia Hills, AL 35216
Attn: City Manager

2. The Beneficiary

AIP VESTAVIA, LLC

3. The Registered Owner

To the address thereof on the Registration of Ownership and Address

B. Manner of Delivery

1. United States Postal Service

Delivery may be made by United States certified or registered mail, return receipt requested, postage pre-paid.

2. Private Delivery Service

Delivery may be made by a private delivery service which is accepted by the Internal Revenue Service as set forth on [IRS.gov/PDS](https://www.irs.gov/PDS).

3. Electronic Means

Communication by electronic mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords or authentication keys, or another method or system.

The above Resolution was duly passed and adopted this March 24, 2025.

Mayor

SEAL

Attest: _____
City Clerk

After said resolution had been discussed and considered in full by the Council, it was moved by Councilmember _____ and seconded by Councilmember _____ that said resolution be now placed upon its final passage and adopted. The question being put as to the adoption of said motion and the final passage and adoption of said resolution, the roll was called with the following results:

Ayes:

Ashley Curry, Mayor
Rusty Weaver, Mayor Pro-Tempore
Kimberly Cook
Paul Head
George Pierce

Nays:

The Mayor thereupon declared said motion carried and the resolution passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Approval of Minutes:

Each of the undersigned does hereby approve, and waive notice of, the date, time, place and purpose of the meeting of the Vestavia Hills City Council recorded in the above and foregoing minutes thereof and does hereby approve the form and content of the above and foregoing minutes and resolution therein.

Mayor

Member of Council

Member of Council

Member of Council

Member of Council

S E A L

Attest: _____
City Clerk

Jeff Downes

From: Heyward Hosch <hhosch@MaynardNexsen.com>
Sent: Tuesday, March 4, 2025 9:41 AM
To: Rebecca Leavings; Jeff Downes
Subject: [External] Minutes; Resolutions; and Agreements; for Altera / AIP for 03/10 and 03/24
Attachments: Vestavia 2025_ AIP Minutes and Agreement(201811788.1).docx; Vestavia 2025_ Altera-AIP Minutes and Agreement(201811706.1).docx

Jeff and Becky good morning

Attached are the requested documents as approved by me and counsel for Altera / AIP, for 03/10 and 03/24.

Please note the only differences between the attached and the previously approved Altera agreement is the division of the approved incentives between two related entities; the incentives and the terms are unchanged.

Glad to discuss at your convenience.

Please advise of any questions or if anything else is needed.

All the Best

Heyward

Heyward Hosch

Shareholder | Public Finance

P: 205.254.1855 | C: 205.586.6110

hhosch@MaynardNexsen.com | vCard

1901 Sixth Ave N, Suite 1700
Birmingham, AL 35203



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Alabama Messenger

2100 1st Ave. North, Suite 240,
Birmingham, AL 35203 Telephone (205) 252-3672

Maynard Nexsen
1901 Sixth Avenue North, Suite 1700
Birmingham, AL 35203

Invoice # MN-3/8/25
Economic Development Agreement by the City and
Altera AIP-Vestavia, LLC ("Altera")

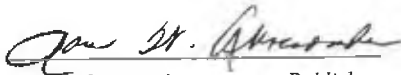
INVOICE / AFFIDAVIT

AFFIDAVIT OF PUBLICATION
STATE OF ALABAMA JEFFERSON COUNTY

Before me, the undersigned authority in and for said County, in said State, personally appeared KAREN W. ABERCROMBIE, who, by me duly sworn, deposes and says that she is the PUBLISHER OF ALABAMA MESSENGER, a Semi-weekly newspaper of GENERAL CIRCULATION, PUBLISHED and PRINTED in Jefferson County, Alabama, and which has been in CONTINUOUS WEEKLY PUBLICATION SINCE 1918, and that there was published in said newspaper in the issues of

Mar. 8, 2025

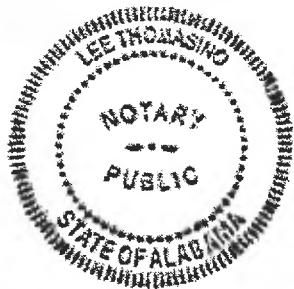
a legal notice, a copy of which is hereto attached.


Karen Abercrombie Publisher

Sworn and subscribed to on this the
18th day of March, 2025


Lee Thomasino Notary Public
My commission expires March 21, 2026

Ad Cost: \$93.75



The sum charged by the Newspaper for said publication is the actual lowest regular price for legal advertising notices as determined by Ala. Code § 6-8-64(a).

There are no agreements between the Newspaper and the officer or attorney charged with the duty of placing the attached legal advertising notices whereby any advantage, gain or profit accrued to said officer or attorney.

LEGAL NOTICE OF PROPOSED
ECONOMIC DEVELOPMENT
ACTION AND RELATED PUBLIC
EXPENDITURES BY THE CITY OF
VESTAVIA HILLS, ALABAMA
Notice is hereby given that the City Council (the "Council") of the City of Vestavia Hills, Alabama (the "City") will meet in public session at 6:00 p.m. on March 24, 2025 at City Hall in the City of Vestavia Hills, Alabama for the purpose of considering the transaction of business that may properly come before the Council, such business to include, but not be limited to, the authorization by the Council, pursuant to Section 94.01 of the Constitution of Alabama of 2022, of (a) a resolution (the "Altera Resolution") approving an Economic Development Agreement by the City and Altera AIP-Vestavia, LLC ("Altera"), pursuant to which Agreement the City will provide economic incentive payments to Altera, in consideration of the public benefits to accrue to the City from the establishment and operation by Altera of commercial development facilities in the City, in an initial grant of \$300,000, and (b) a resolution (the "AIP Resolution") approving an Economic Development Agreement by the City and AIP Vestavia, LLC ("AIP") pursuant to which Agreement the City will provide economic incentive payments to AIP, in consideration of the public benefits to accrue to the City from the establishment and operation by AIP of commercial development facilities in the City, (i) annually in arrears for a period of ten years amounts equal to 50% of net non-educational ad valorem tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$200,000, and (ii) quarterly in arrears for a period of ten years amounts equal to 50% of net sales tax proceeds actually received by the City from such facilities, subject to a maximum total amount of \$1,200,000. The City seeks to achieve, by undertaking its obligations pursuant to the Agreement, the Altera Resolution and the AIP Resolution to promote the local economic and industrial development of the City, to increase employment in the City, and to increase the tax and revenue base of the City. The business entities to whom or for whose benefit the City proposes to lend its credit or grant public funds or thing of value are Altera and AIP. All interested persons may examine and review the Altera Resolution and the AIP Resolution, which shall have attached thereto the complete and correct form of the respective agreements, and make copies thereof at personal expense, and obtain further information as to the matters addressed in this notice, before and after the meeting referenced herein, at the office of the City Manager during the published business hours thereof.
Ala.Ms.- Mar. 8, 2025



**CITY OF VESTAVIA HILLS
CITY CLERK
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Rebecca Leavings, City Clerk

Cc: Robert Wilson, Forensic Services
Daniel Tackett, Asst. Library Director
Taneisha Tucker, Library Director
Michael Swann, Building Maintenance

RE: Resolution Number 5556 - Declaring Certain Personal Property As
Surplus And Directing The City Manager To Sell And/Or Dispose Of
Said Property

Background:

Surplus VHPD vehicles; Public Services equipment and various equipment from Vestavia Hills Library in the Forest (see attached memos)

Recommendation:

N/A

Fiscal Impact:

N/A

Attachments:

1. March Surplus Resolution memos



**CITY OF VESTAVIA HILLS
LIBRARY IN THE FOREST
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Daniel Tackett, Asst. Library Director

Cc: Taneisha Tucker, Library Director

RE: Resolution Number 5552 - Declaring Certain Personal Property As Surplus And Directing The City Manager To Sell And/Or Dispose Of Said Property

Background:

This memo requests that the Vestavia Hills City Council adopt a resolution declaring the following Library technology and furniture as surplus at the March 10, 2025 City Council meeting.

- 1 – Dell Optiplex 380 Computer – 2010
- 2 – Dell Optiplex 3020 Computers – 2015
- 1 – Dell Optiplex 3040 Computer – 2017
- 1 – Dell Optiplex 5070 Computer – 2020
- 6 – Dell Optiplex 7020 Computers – 2014
- 11 – Apple Imac 27inch Computers – 2015
- 2 – Apple 27inch Monitors – 2011
- 2 – LG Computer Monitors – 2010
- 1 – Dell Computer Monitor – 2010
- 1 – Windows Touch Screen PC – 2015

- 1 – Canon Printer – 2015
- 1 – NEC Projector – 2010
- 1 – APC Universal Power Supply – 2010
- 1 – Crestron Control Processor – 2010
- 1 – Crestron Port Module – 2010
- 1 – Extron Digital Media Switch – 2010
- 1 – Allen & Heath 12 Channel Audio Mixer Board – 2010
- 1 – Galaxy Audio Sound Monitor – 2010
- 1 – Presonus Compressor/Limiter/Gate – 2010
- 1 – AVT HDMI Scaler – 2010
- 1 – Whilwind WhirlWind Snake – 2010
- 1 – Shure Wireless Receiver – 2010
- 1 – Lexicon Reverb/Effects Processor – 2010
- 1 – Panisonic CD Player – 2010
- 1 – QSC Active SubWoofer – 2010
- 2 – Bose Mid Range Speaker – 2010
- 2 – Bose High End Speaker Tower – 2010
- 4 – High Top Chairs/Stools – 2010
- 2 – Tall Computer Chairs – 2020
- 6 – Small Children’s Tables – 2010
- 20 – Small Children’s Chairs – 2010

If you have any questions or concerns, please contact me at 205.978.3683.
Thank you.

Recommendation:

N/A

Fiscal Impact:

N/A

Attachments:

None

Good morning,

The following vehicles will be next up on GovDeals. Please verify that we have the titles for the following vehicles? The vehicles highlighted in yellow will need to be switched to a "Salvage Junk Title." Thank you for your help.

The vehicle information is listed below:

- 2020 Ford Explorer VIN: 1FM5K8AB5LGC93593 Miles: 105,708 Regular Title
- 2020 Ford Explorer VIN: 1FM5K8AB3LGC93592 Miles: 89,148 Regular Title
- 2020 Ford Explorer VIN: 1FM5K8AB1LGC93591 Miles: 100,066 Regular Title
- 2020 Ford Explorer VIN: 1FM5K8AB3LGC93589 Miles: 98,829 Regular Title
- 2018 Ford Explorer VIN: 1FM5K8AR3JGA71287 Miles: 102,232 Regular Title
- 2016 Chevrolet Tahoe VIN: 1GNLCDEC3GR129149 Miles: 155,572 Regular Title
- 2014 Chevrolet Tahoe VIN: 1GNLC2E03ER192758 Miles: 124,185 Regular Title
- 2020 Ford Explorer VIN: 1FM5K8AB1MGA42068 Miles: 48,514 Salvage Junk Title
- 2020 Ford Explorer VIN: 1FM5K8ABXMGC01556 Miles: 10,457 Salvage Junk Title
- 2020 Ford Explorer VIN: 1FM5K8AB0MGA42076 Miles: 56,672 Salvage Junk Title

Let me know if you have any questions or need any further information.

Sergeant Randall Jones



**CITY OF VESTAVIA HILLS
PUBLIC SERVICES
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Michael Swann, Building Maintenance

Cc: Rebecca Leavings, City Clerk

RE: Surplus of equipment in the Public Services department

Background:

Massey Ferguson Tractor
Model - 5465
Serial Number - P285023
Asset Number - 0677

CAT Backhoe
Model - 420F IT
PIN (Personal Identification Number) - CAT0420FLJWJ01338
Asset Number - 1317

Recommendation:

Fiscal Impact:



**CITY OF VESTAVIA HILLS
FINANCE DEPARTMENT
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Zach Clifton, Asst. Finance Director

Cc: Melvin Turner, III, Finance Director

RE: Resolution Number 5557 - A Resolution Accepting The Financial Audit For FY2024

Background:

Alabama law mandates that the City accept the financial audit annually and a copy be submitted to the State of Alabama. The audit for FY2024 has been prepared by Carr, Riggs and Ingram and has been submitted to the City. The Finance Director, Deputy Finance Director and City Manager have reviewed the documents and recommended acceptance by the City Council.

Recommendation:

Acceptance is recommended.

Fiscal Impact:

N/A

Attachments:

1. Resolution 5557

2. City of Vestavia ACFR - Final Draft

RESOLUTION NUMBER 5557

**A RESOLUTION ACCEPTING THE 2023-2024 AUDIT
FOR THE CITY OF VESTAVIA HILLS, ALABAMA**

WHEREAS, the audit for the fiscal year 2023-2024 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 2023-2024; and
2. That a copy of the submitted audit be affixed to this resolution marked “Exhibit A.”

ADOPTED and APPROVED this the 10th day of March, 2025.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk



CITY OF VESTAVIA HILLS
VESTAVIA HILLS, ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2024

CITY OF VESTAVIA HILLS, ALABAMA

Annual Comprehensive Financial Report

For the fiscal year ended
September 30, 2024

Submitted by:

Jeffrey Downes, *City Manager*
Cinnamon McCulley, *Assistant City Manager*

PREPARED BY THE CITY OF VESTAVIA HILLS FINANCE DEPARTMENT

Melvin Turner III, *Finance Director / Treasurer*
Zachary Clifton, CPA, *Deputy Finance Director*



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VESTAVIA HILLS



VESTAVIA HILLS

A LIFE ABOVE

ASHLEY C. CURRY
Mayor

MELVIN TURNER III
Finance Director/Treasurer

Letter of Transmittal

March 21, 2025

To the Mayor, Members of Council, and Citizens of the City of Vestavia Hills:

The Annual Comprehensive Financial Report (ACFR) of the City of Vestavia Hills (the City) for the fiscal year ended September 30, 2024, is hereby transmitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City's management. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The State of Alabama requires an annual audit of the City's financial statements by independent certified public accountants, who must conduct the audit in accordance with established standards. An independent firm of certified public accountants, Carr, Riggs, & Ingram, LLC, has audited the City's financial statements in accordance with this requirement. The auditors issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2024. The independent auditor's report is located at the front of the financial section of this report. Also, the City is required by federal law to conduct a "Single Audit," or audit of the City's compliance with the requirements of federal grants it has received. The results of that audit are issued after the statistical section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the report of the independent auditors. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of Vestavia Hills, Alabama has a population nearly 40,000 and is located geographically in Jefferson County along U.S. 31, I-65 and U.S. 280. Incorporated in 1950, the City is a Class 7 municipality of Alabama with a Council-Manager form of government with the Mayor presiding over the Council. The Mayor and Council serve as the legislative branch of the City government. The City Manager is the Chief Executive Officer for the municipal corporation, and he is responsible for the day-to-day operations. The City is in the Birmingham, AL, Metropolitan Area and is served by the Regional Planning Commission of Greater Birmingham.

The City is a suburban community with its own public school system featuring one high school, one freshman campus, two middle schools and five elementary schools. The City is strong financially with consistently favorable credit ratings. Median household incomes are high, and residents demonstrate strong financial support of community programs.

In years past, “Home of the Dogwood Trail” was the City slogan, and the dogwood is still the City flower. In 2014, City leadership espoused the new “A Life Above” motto to describe the quality of life and values of the community. The new official logo includes a flag that bears the inscription “Unity, Prosperity, Family.”

The City provides a full range of services including general administration, police and fire protection, construction and maintenance of streets and infrastructure, building inspections, licenses and permits, recreation and leisure activities, and cultural enrichment. The City evaluated various other entities within the vicinity of the City, which could possibly be subject to inclusion in the financial statements under criteria established to define the reporting entity and its component units. In the Financial Section, Notes to the Financial Statements, Note 1 discusses the reporting entity as well as the City’s related organizations and why they are not included in the City’s financial reporting.

The annual budget serves as the foundation for the City’s financial planning and control. The City Manager is required to submit a budget proposal to the City Council by August 15th of each year for all departments and funds. City Council, after public comment and evaluation, must adopt a balanced budget by the beginning of the fiscal year (October 1st). The budget is prepared by fund and department. Department heads may transfer resources within a department as they see fit. However, additional appropriations and transfers between departments or funds need special approval from the Council.

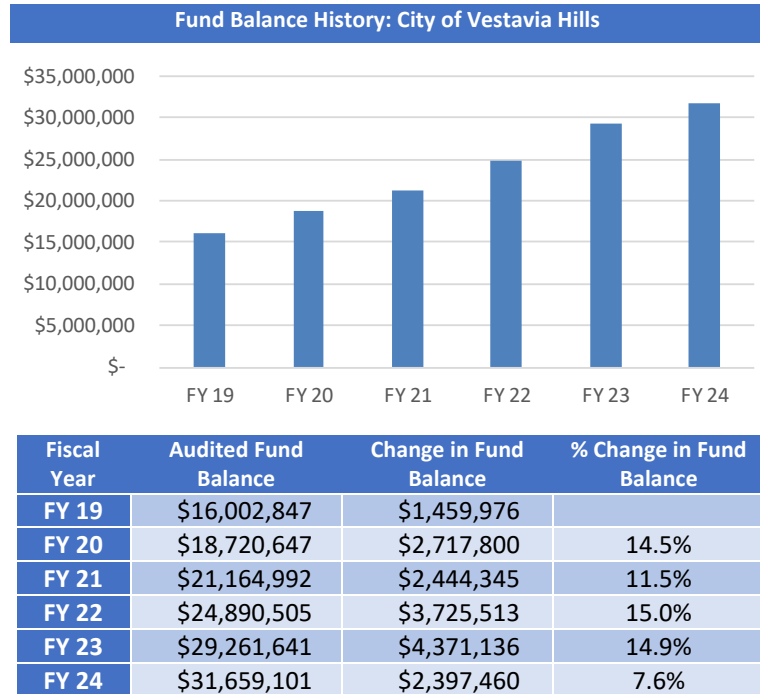
Local Economy

Vestavia Hills is the 12th largest City in Alabama and the 3rd largest City in Jefferson County, Alabama. It is characterized as a “bedroom” community in the Birmingham, AL, Metropolitan Area. As stated in the latest census data, there are 14,116 households within the City limits and the homeownership rate is strong at 75.6% across a 19.96 square mile jurisdiction. The median household income ranks highly among comparable Alabama cities at \$129,171 annually. The Zillow Home Value Index reports an average home value of \$515,180 in Vestavia Hills as of January 2025 which is 2.4% higher than the previous 12 months. This is much higher than most Birmingham area home values. The City of Vestavia Hills has its own public school system operated independently from the City of Vestavia Hills. With very strong educational attainment metrics, it is an educational system in very high demand. Citizen surveys note that it is a primary reason for individuals moving to Vestavia Hills. Similarly, the same surveys represent a strong confidence with residents as to the long-term strength of the City’s local economy.

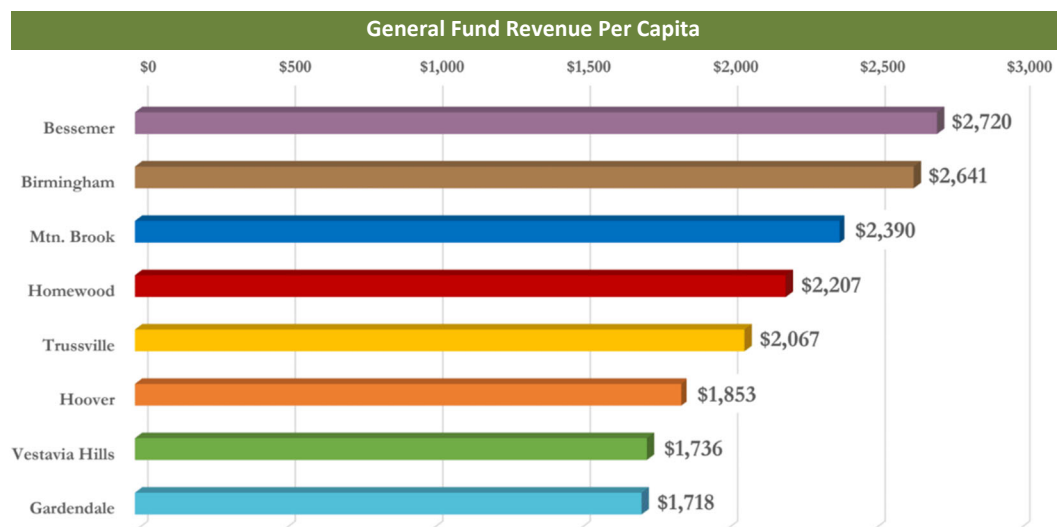
Given the relative lack of industrial real estate and large corporate businesses within its jurisdiction, the City’s local economy receives its strength from strong household incomes and disposable income. A key metric for the City’s economic sustainability rests with growth in residential and non-industrial commercial real estate activity. In FY 24, a total of 135 new construction permits, both residential and commercial, were issued compared with a target of 88 annual new construction permits (based upon annual historical numbers.) New construction begets increased retail demand and home values. It further supports the financial integrity of the Vestavia Hills City government’s finances given a heavy reliance upon ad valorem and sales tax receipts.

Financial Condition

The City of Vestavia Hills continues to be in a strong financial condition. This is reinforced in an objective way through its AAA credit rating as reported by Moody's and Fitch. Utilizing strong financial policies, a conservative budgeting philosophy and a robust economic development strategy, the City has operated consistently generating an operating surplus year-after-year. The economic development strategy includes evaluating large scale private sector capital projects that will produce significant new revenue for the City over the course of 10 to 20 years. If a selected project quantifies a feasibility gap associated with project execution, the City will determine the amount of the financial gap and structure an incentive program that will share new revenues that are limited to the amount of the feasibility gap in terms of dollars and time frame. This strategy has produced significant value over the last 10 years and been a factor in the growth of our operating surplus. This surplus has traditionally been utilized to provide a growth to the City's emergency reserves. A recent snapshot illustrating the growth in the City's general fund balance is provided in the Fund Balance History table.



The City of Vestavia Hills' largest sources of revenue are sales taxes, ad valorem taxes and business license permits. Sales taxes have remained stable over the last three years after experiencing double-digit growth previously. FY 24 revenue growth in ad valorem – real property receipts show a 11.24% amount above budget, and business license permits increased 13.58% above budget for the same time period. All of the City's major revenue sources show stable or increasing trends that bode well for the future. A key factor in the City's success also involves an intentional use of planning in its efforts to be prepared for various service demands and the ability to respond to such demands. The City is proud of its lean operations and ability to be able to provide more services utilizing fewer resources than most jurisdictions within our area. With annual general fund revenue totaling \$1,736 per capita, this fact is reinforced in this graph:



Relevant Financial Policies

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate data are compiled to allow for the presentation of financial statements in conformance with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) that valuation of costs and benefits requires estimates and judgments by management.

Cash Management & Investments It is the policy of the City to invest public funds in a manner that will provide the highest investment return while protecting the City's funds. The priorities for City investments shall be safety, liquidity, and return on investment, applied in that order. All financial institutions holding City deposits are Qualified Public Depositories (QPD) authorized by the Security for Alabama Funds Enhancement (SAFE) program. The SAFE program provides a collateral pool administered by the Alabama State Treasurer.

General Fund Reserves It is the policy of the City to establish and maintain an Emergency Reserve Fund Balance, classified as a "Committed Fund balance" within the City's General Fund. The targeted goal for the Emergency Reserve Fund Balance will be to maintain a balance representing at least 25 percent of prior year actual general fund expenditures (modified accrual basis) plus operating transfers out.

Debt Management The City shall, as a matter of policy, manage its finances so that the amount of direct, general obligation, indebtedness and full faith and credit lease purchase obligations outstanding at any time does not exceed 10% of the assessed property value of real and personal property in the City. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount not greater than 10% of annual General Fund revenues. Such limits do not include debt paid pursuant to funding agreements by the Board of Education. These limitations apply to debt obligations issued with a specific pledge of the City's General Fund, obligations secured by a pledge of the City's full faith and credit, obligations that are secured by available general funds, and which are not self-supporting, or which are paid for from General Fund monies. Also included within this limitation are any other loan agreements entered into directly by the City or secured indirectly by a pledge of the City's General Fund

Long-Term Planning and Major Initiatives

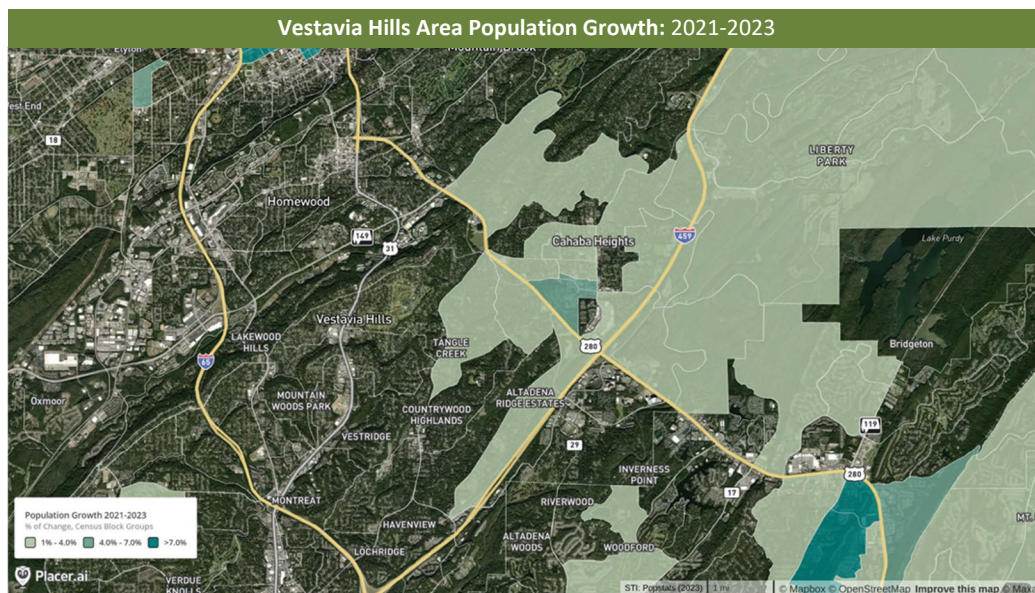
The City's long-range financial plan aligns the strategic goals of the City Council with the financial resources needed to deliver programs and services to meet the needs of the community. A five-year forecast is a planning tool that helps with fiscal management and accountability by showing historical and projected revenue and expenditures, provides an opportunity to engage the community and anticipate and adapt to economic conditions that impact the budgeting process. The City's financial forecast is based on City Council priorities; historical revenue performance; expenditure trends; maintaining competitive salaries and benefits; and following the City's financial policies.

On February 24 and 25, 2025, the Mayor, City Council, and City staff leadership gathered for two days of strategic planning exercises. The effort commenced with recognizing the value of our employees and their long service to our organization and City. It was followed with a fully comprehensive review of our successes and opportunities in calendar year 2024. This rearview focus utilized metrics from past strategic planning efforts, City staff activities generated from resident requests, and the results of a biennial citizen survey that was concluded in January of 2025. Upon conclusion of that review, staff and elected leadership provided a polled impression of the findings. At that point, the strategic planning meetings transitioned

to forward thinking efforts. These meetings utilized three themes to focus the sharing of information and discussion on efforts important to the City's success. These themes included the reality of the City's growth to the east, the need to recognize the power of innovation to an effective organizational culture, and the willingness to dream big by visioning the ideal actions for the future without immediate constraint on resources availability. At the conclusion of the planning process, the Mayor and Council were asked to discuss and prioritize efforts for the next 12 months so as to make staff efforts and funding opportunities the most effective and efficient as possible.

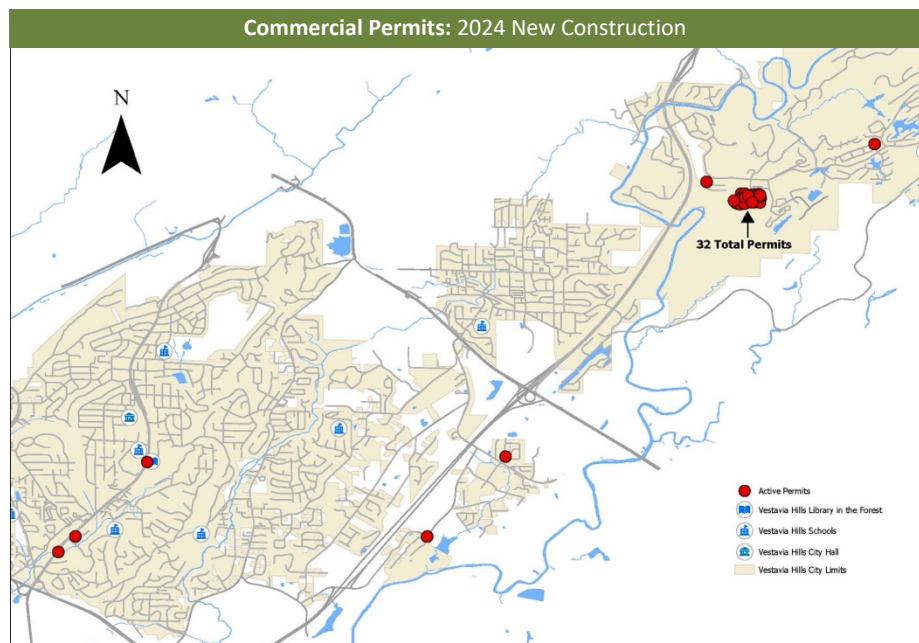
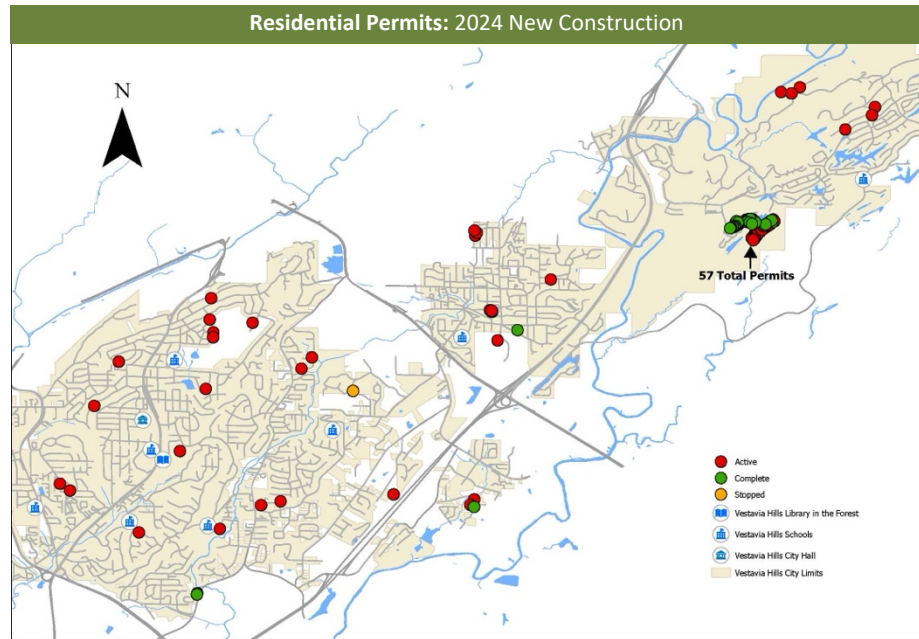
A review of the aforementioned 2024 data indicated many successes during the previous year. Customer service ratings from the biennial citizen survey and post-activity reports were notably strong and trending in a positive manner from previous annual reviews. Resident feedback was complimentary of attention to stormwater infrastructure, safety, education, recreation and library programs and facilities. There was a significant demand to improve the quality of walkability, transportation infrastructure, and sanitation services. The performance of City staff was reported as productive and timely for most categories. At the conclusion of the data review, the attendees strongly supported the fact that the City of Vestavia Hills was headed in the right direction, should support an innovative culture, and focus on long-term strategies to react to the pressures of eastside growth.

An analysis of demographic and migration trends in the geographic region in and around Vestavia Hills support the theory that from 2021 until present the area generally east of Highway 280 has seen population



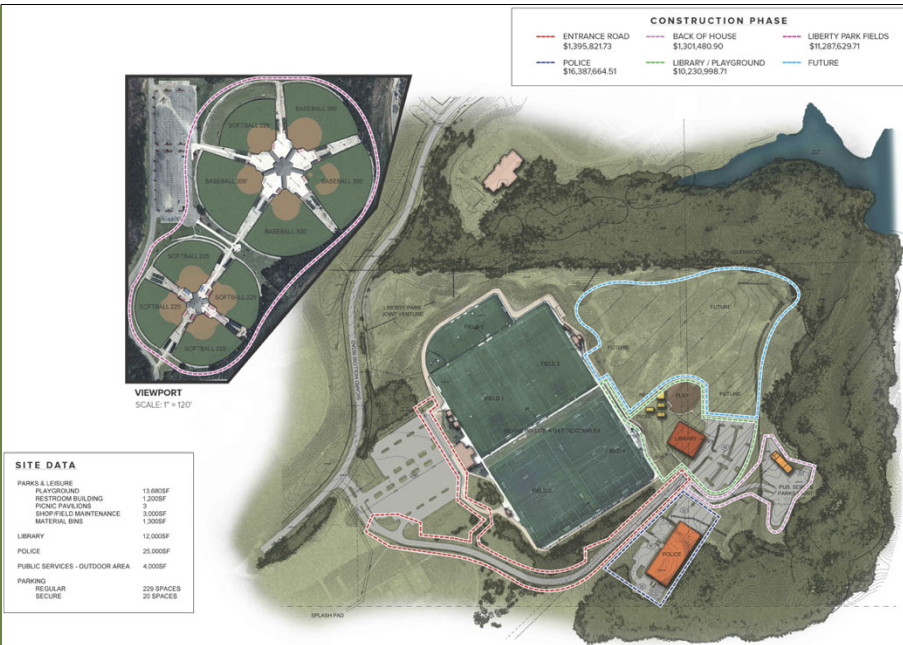
growth while the area west of Highway 280 has seen static or reduced population demographics. This is seen most notably in the image below. It is further reinforced in an analysis of residential and commercial new construction permit activity and illustrated below as well.

These demographic trends served as a backdrop as strategic needs were discussed between staff and elected leadership. The Police Department emphasized the need for a physical presence on the eastside of the City. This would assist in satisfying increased operational demands and provide a much-needed home for training activities. The Fire Department quantified subpar emergency response times in the east based upon a large number of senior healthcare or independent living facilities, the population trends and the unique topographic characteristics of the area. Quality of life amenities have been less than ideal or non-existent in the library service area and provision of diamond shaped athletic fields based upon use metrics. Furthermore, maintenance support functions are challenged by lack of an adequate presence in the area.

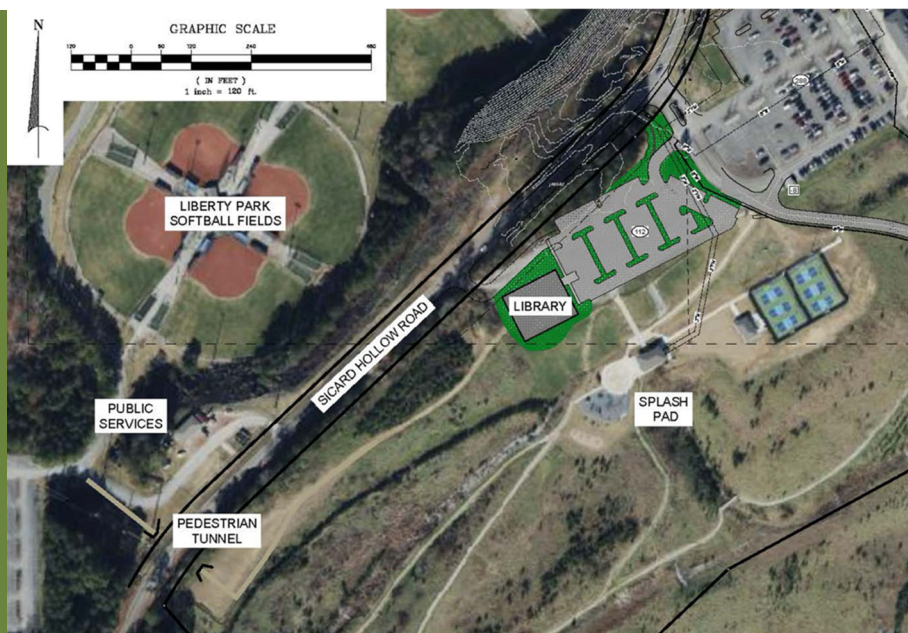


At the conclusion of informational sessions, the Mayor and City Council provided verbal and polled input establishing a priority to address most if not all of the previously expressed facility and service enhancements. Further financial planning and scope evaluations remain as their prioritization potentially becomes an action plan. The site plans and renderings on the following page address potential locations for police, library and maintenance facilities. In addition, Fire Department facility enhancements are being considered for Fire Station 4 (Liberty Park) and playing surface improvements for existing Liberty Park diamonds. Finally, the City Council reaffirmed its high-level strategic principles and the various actions that support its goals. These principles are provided on the following pages as well.

Conceptual
Plan:
Sicard
Hollow
Athletic
Complex



Conceptual
Plan:
Alternative
Library
Site



Proposed
VHFD Station
Enhancements



1. Improve City Aesthetics for Economic Sustainability & Community Perceptions

- Continue Highway 31 right-of-way/gateway beautification
- Continue Cahaba Heights gateway improvements
- Evaluate lighting options for southern temple/gateway area
- Explore lettering options for southern temple structure following master plan guidelines
- Consider enhanced maintenance of southern temple structure

2. Improve City Infrastructure as a Foundational Element for Residents

- Continue use of “First Step Pavement Management Plan”
- Resurface a minimum of 8 centerline miles annually
- Continue implementation of stormwater master plan projects
- Utilize adopted sidewalk master plan and its priority list to guide projects as annual budgeted funds allow

3. Continue Improvements to Community Quality of Life Amenities

- Plan for east side library to be located adjacent to Sicard Hollow Road and accommodate parking demands
- Plan for new east side maintenance facility to be located on reclaimed land at SHAC and demolish existing facility to improve back entrance to Liberty Park ballfields
- Plan for improvements to Liberty Park ballfields
- Evaluate options for pool heater to extend swim season
- Evaluate construction options for sand volleyball courts
- Continue fundraising efforts to construct a Veterans Memorial at Altadena Valley Park
- Develop plans for community actions and activities to celebrate the City’s 75th anniversary
- Assist the long-term viability of the Historical Society’s mission

4. Provide a More Efficient & Effective Provision of City Services

- Evaluate more effective communication strategies to reach various age demographics, especially residents 18-35 years of age
- Embrace a culture of innovation throughout City operations
- Fully implement an asset management system

5. Continue to Prioritize a Safe Community Experience

- Support construction, apparatus enhancements and additional staffing to the fire service to accommodate growth in Liberty Park
- Plan for east side police facility to be located on reclaimed land at SHAC

6. Act as Good Stewards of Taxpayer Resources

- Adhere to established financial policies
- Continue collaboration with and investment in Vestavia Hills City Schools
- Continue trade area economic development strategies
- Produce job site signage to clearly define Vestavia Hills taxpayer projects

7. Provide Consistent Exceptional Customer Service

- Continue delivery of “Service Stars” customer service modules and other training programs

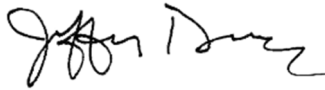
Awards & Acknowledgements

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated August 28, 2023. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

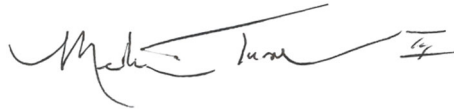
The preparation of the annual comprehensive financial report could not be accomplished without the dedicated services of the Finance Department staff as well as all City Departments who practice fiscal responsibility and assist in collecting and recording financial data in an accurate and timely manner. We would like to express our appreciation to all City staff who assisted and contributed to the preparation of this report.

In closing, the commitment to the achievement of mandated priorities speaks to the progressive leadership and dedication to public service of the Mayor and the City Council. Their support for a policy of financial integrity has been instrumental in the preparation of this report.

Sincerely,



Jeffrey Downes
City Manager



Melvin Turner III
Finance Director/Treasurer

MANAGEMENT TEAM AND ELECTED OFFICIALS

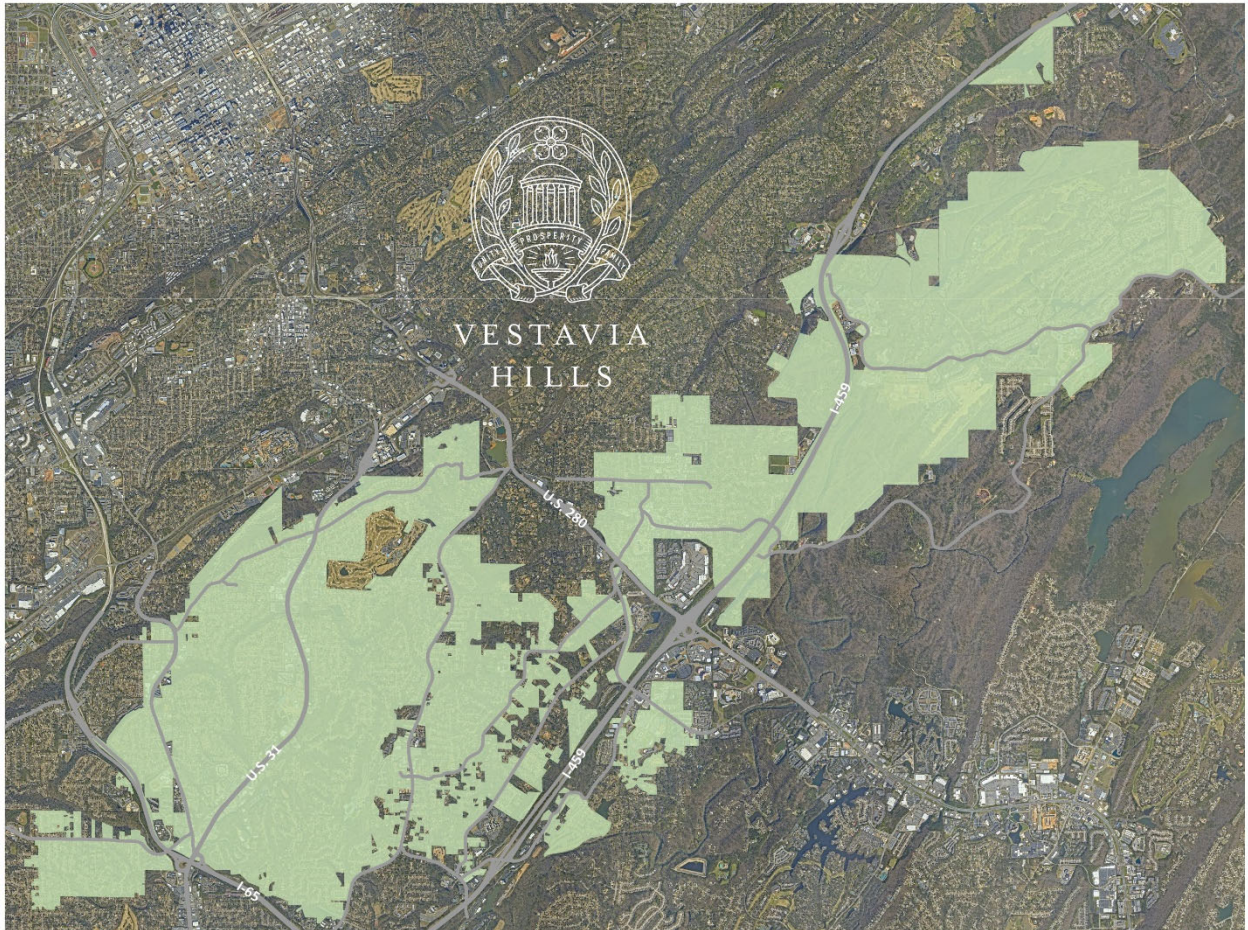
MANAGEMENT TEAM

Jeffrey Downes, *City Manager*
Cinnamon McCulley, *Assistant City Manager*
Patrick Boone, *City Attorney*
Keith Blanton, *Building Safety Director*
Darrin Estes, *Information Technology Director*
Marvin Green, *Fire Chief*
Lori Beth Kearley, *Public Services Director*
Rebecca Leavings, *City Clerk*
Jamie Lee, *Parks and Leisure Services Director*
Umang Patel, *Municipal Court Director*
James Randall, *Human Resources Director*
Taneisha Tucker, *Library Director*
Melvin Turner III, *Finance Director*
Shane Ware, *Police Chief*

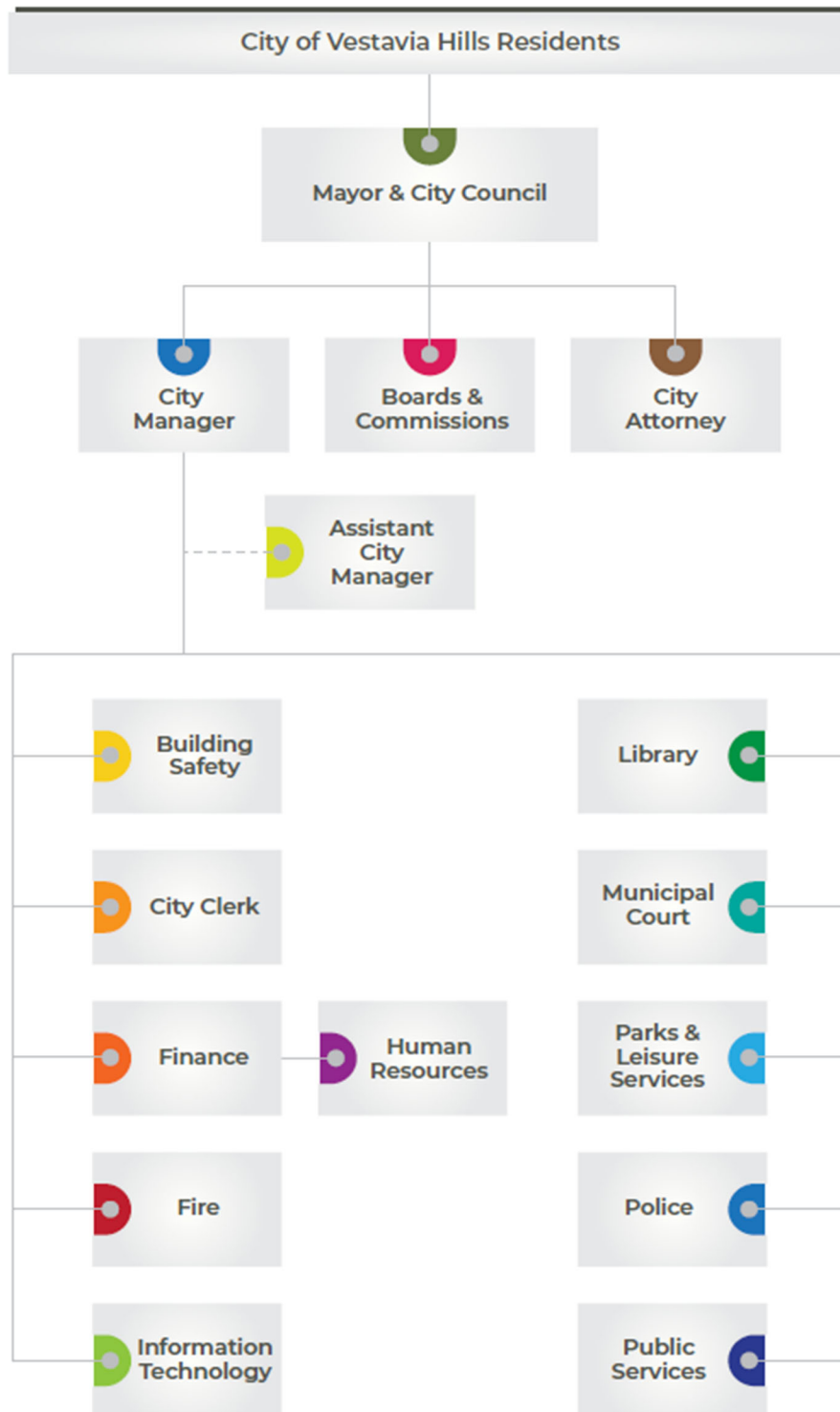
CITY COUNCIL

Ashley Curry, *Mayor*
Rusty Weaver, *Mayor Pro Tempore, Place No. 1*
Kimberly Cook, *Place No. 2*
Paul Head, *Place No. 3*
George Pierce, *Place No. 4*

MAP OF THE CITY OF VESTAVIA HILLS



ORGANIZATION CHART





VESTAVIA HILLS



Carr, Riggs & Ingram, L.L.C.
3700 Colonnade Parkway
Suite 300
Birmingham, AL 35243

205.933.7822
205.933.7944 (fax)
CRLadv.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of September 30, 2024, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 16 through 25) and the pension and OPEB schedules (pages 66 through 68) and notes to required supplementary information (page 69) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 governmental funds financial statements, combining fiduciary funds financial statements, budgetary comparison schedules and schedule of expenditures of federal awards and the notes to the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 governmental funds financial statements, combining fiduciary funds financial statements, budgetary comparison schedules, the schedule of expenditures of federal awards and the notes to the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

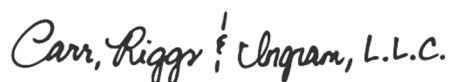
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



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

Birmingham, Alabama
March 21, 2025



VESTAVIA HILLS

Management's Discussion & Analysis

This section of the City of Vestavia Hills' Annual Comprehensive Financial Report (Annual Report) presents City management's discussion and analysis (MD&A) of the City's financial performance during the fiscal year that ended September 30, 2024. Please read this in conjunction with the City's financial statements and the accompanying notes, which follow this section, and the additional information furnished in the letter of transmittal in the introductory section of the Annual Report.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Vestavia Hills exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$147.3 million (net position). Of this amount, the City had \$3.1 million in unrestricted net position, \$2.8 million in restricted net position and \$141.3 million in net investment in capital assets.

- ❖ The primary government experienced a 2.1% increase in net position from \$144.2 million on September 30, 2023 to \$147.3 million on September 30, 2024.
- ❖ At the close of fiscal 2024, the City's governmental funds reported a combined fund balance of \$46.1 million. This was an increase of \$9.0 million (24.3%) from the prior year.
- ❖ At the end of fiscal 2024, total fund balance for the General Fund was \$31.7 million or 45.5% of total General Fund expenditures and other financing uses; total fund balance increased by \$2.4 million (8.2%) from fiscal year 2023. Total ending fund balance in the General Fund comprised 64.6% of total revenues in 2024 and 44.3% in 2023.
- ❖ Unassigned fund balance for the General Fund was \$7.9 million or 14.6% of total General Fund expenditures and other financing uses; this was a decrease of \$1.0 million (10.9%) from fiscal 2023.
- ❖ Sales and use tax, the City's single largest revenue source, totaled \$29.6 million across all funds. This decreased by \$222k (0.7%) during the 2024 fiscal year as compared to the prior fiscal year.
- ❖ Significant changes in revenue in the City's General Fund during 2024 include the following in statement presentation order: licenses and permits increased \$2.2 million (34.1%); charges for services increased \$425k (30.8%); interest revenue increased \$134k (227.6%); and other revenue increased \$956k (45.6%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also contains additional required supplementary information (schedules related to pension liability and funding progress for other postemployment benefits) and other supplemental information (combining financial statements and budgetary and statistical schedules) intended to furnish additional detail to support the basic financial statements. These components are described below:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business and are made up of the following two statements: the statement of net position and the statement of activities. The statements provide information about the City as a whole, presenting both an aggregate current view of the City's finances and a longer-term view of these assets. These are prepared using the economic resources measurement focus and the accrual basis of accounting.

Management's Discussion & Analysis (Continued)

The *statement of net position* presents information on all the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported as net position. This statement combines and consolidates governmental funds, the current financial resources (short-term spendable resources) with the capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the City is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's sales and property tax base and the condition of the City's infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include general government administration, public safety, public works, library, parks and recreation and intergovernmental functions. The intergovernmental functions of the City are those activities whereby the City provides financial resources to other governmental entities.

The City has no business-type activities.

The government-wide financial statements can be found on pages 26-27 of this report.

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 or fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, and provide balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This is known as using the flow of current financial resources measurement focus approach and the modified accrual basis of accounting. These statements provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. This comparison highlights the long-term impact of the government's near-term financing decisions. Both the governmental fund balance

Management's Discussion & Analysis (Continued)

sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Capital Projects – Community Spaces Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 28-33 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources for which the City acts as a trustee or custodian. Resources held in fiduciary funds are not available to support the City's own programs and therefore are not reported in the government-wide financial statements. Related collections and payments are also reported in fiduciary funds. Data from the individual fiduciary funds are combined into a single aggregated presentation. Individual fund data for each of these funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The City's uses notes to 1) present information in greater detail than is possible within the financial statements themselves, 2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and 3) report on certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 36-65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The City presents its progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 66-69.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB. The City also presents additional budgetary comparison schedules. The combining and individual fund schedules can be found on pages 70-85 of this report.

Management's Discussion & Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$147.3 million, at the close of the most recent fiscal year, an increase of \$3.1 million from the previous year.

City of Vestavia Hills Statement of Net Position (in thousands)

	2024	2023
Current and other assets	\$ 54,220	\$ 49,513
Capital assets	238,111	240,825
Total assets	292,331	290,338
Deferred outflows of resources	17,383	20,420
Current liabilities	14,679	17,150
Long-term liabilities	144,679	146,094
Total liabilities	159,358	163,244
Deferred inflows of resources	3,103	3,334
Net position		
Net investment in capital assets	141,302	136,264
Restricted	2,821	2,870
Unrestricted	3,130	5,046
Total Net Position	\$ 147,253	\$ 144,180

By far the largest portion of the City's net position, \$141.3 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2.8 million represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was \$3.1 million.

Management's Discussion & Analysis (Continued)

Analysis of Changes in Net Position

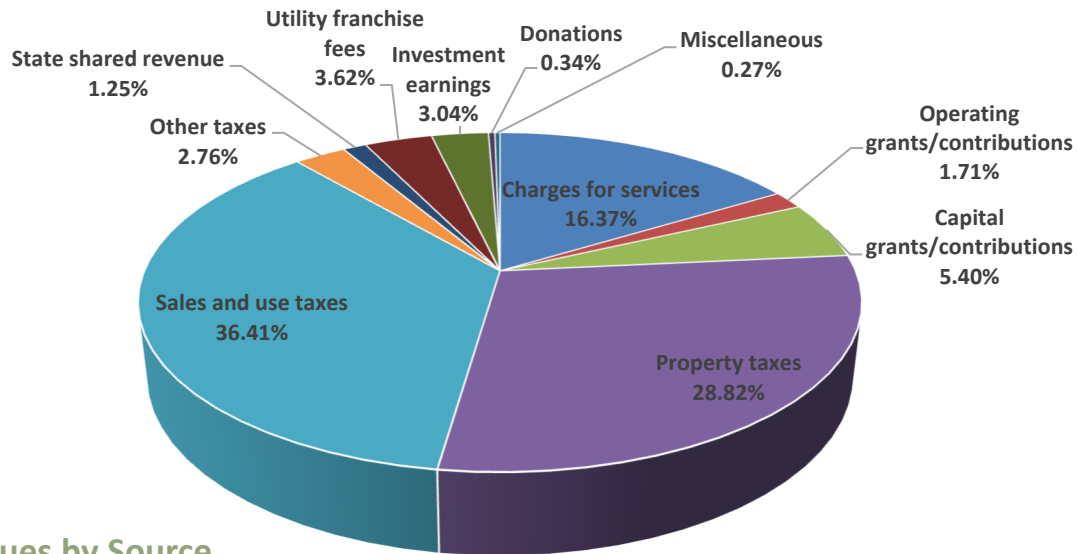
The following table provides a summary of the City's change in net position. Governmental activities net position increased by \$3.1 million. The reasons for the increase are discussed in the governmental activities discussion herein.

City of Vestavia Hills Statement of Activities (in thousands)		
	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 13,297	\$ 10,459
Operating grants/contributions	1,393	6,311
Capital grants/contributions	4,388	675
General revenues		
Taxes	55,247	53,218
State shared revenue	1,015	969
Utility franchise fees	2,938	2,861
Investment earnings	2,473	1,346
Donations	278	24,807
Miscellaneous	222	247
Total revenues	<u>81,251</u>	<u>100,893</u>
Expenses		
General government	14,523	12,318
Public safety	33,028	28,518
Public works/Public services	15,486	14,765
Library	3,797	3,512
Parks and recreation	6,651	5,400
Appropriations to BOE	1,380	280
Interest on long term debt	3,313	3,033
Total expenses	<u>78,178</u>	<u>67,826</u>
Change in net position	3,073	33,067
Net Position, beginning of year	144,180	111,113
Net Position, ending	<u>\$ 147,253</u>	<u>\$ 144,180</u>

Management's Discussion & Analysis (Continued)

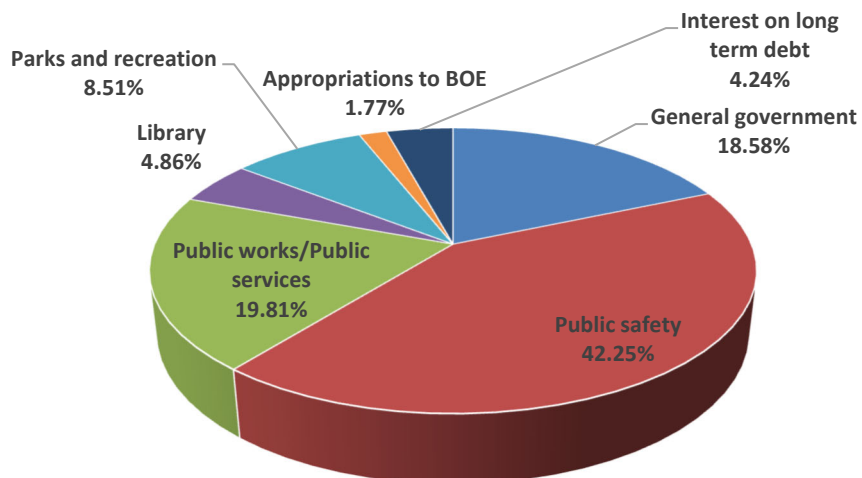
Governmental Activities

The City's revenues, excluding donated infrastructure assets, which do not provide spendable funds, increased \$2.2 million or 2.8%. The increase resulted principally from higher home values causing property taxes to increase \$2.1 million or 9.5%.



Revenues by Source

The City's program expenses increased \$10.4 million or 15.3%. The increase resulted principally from public safety expenses increasing \$4.5 million or 15.8% due to the City's election to increase the public safety pay scale based on a nation-wide study; general government expenses increasing \$2.2 million or 17.9% due to new economic incentives related to the Bray development; and appropriations to the Board of Education increasing \$1.1 million or 392.9% due to a three-year commitment to help fund capital projects.



Governmental Activities Expenses

Management's Discussion & Analysis (Continued)

The following table is a condensed statement taken from the Statement of Activities showing the total cost for providing services for seven 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.

Net Cost of Government-Wide Activities (in thousands)

	Total Cost of Services	Net Cost (Benefit) of Services
General government administration	\$ 14,523	\$ 8,118
Public safety	33,028	30,629
Public works/Public services	15,486	7,229
Library	3,797	3,585
Parks and recreation	6,651	4,846
Appropriations to BOE	1,380	1,380
Interest on long term debt	3,313	3,313
Total	<u>\$ 78,178</u>	<u>\$ 59,100</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental 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.

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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$46.1 million an increase of \$9.0 million or 24.3%. Of the total fund balance, \$3.5 million (7.7%) constitutes the non-spendable fund balance, which includes amounts that are either not in spendable form or legally or contractually required to be maintained intact. In addition, \$6.8 million (14.7%) of fund balance is classified as restricted, meaning that funds can only be used for specific purposes defined by enabling legislation or externally imposed limitations. Amounts that can only be used for specific purposes pursuant to constraints of the government's highest level of decision-making authority are reported as committed fund balance. Committed fund balance represents \$23.4 million (50.6%) of total fund balance. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed are reported as assigned fund balance. Assigned fund balance represents \$4.5 million (9.9%) of total fund balance. The remaining funds that are not classified in any of the other four categories constitute the unassigned fund balance. For the fiscal year ended September 30, 2024, unassigned fund balance represented \$7.9 million (17.1%) of total fund balance.

Management's Discussion & Analysis (Continued)

Total revenues were \$80.9 million, an increase of \$2.1 million or 2.6% from 2023. Property tax revenue increased by \$2.0 million or 9.5%.

Looking at each major governmental fund individually, the fund balance for the General Fund at September 30, 2024 was \$31.7 million, an increase of \$2.4 million from the prior year. This increase in fund balance was primarily attributable to a \$2.0 million increase in property tax. The fund balance at September 30, 2024 for the Capital Projects Fund was \$10.6 million, an increase of \$6.7 million. The increase was primarily attributable to grants awarded for major road projects. The fund balance for the Community Spaces Fund at September 30, 2024 was \$0, a decrease of \$336k. The decrease is attributable to utilizing excess funds for paving projects. The fund balance for the Debt Service Fund at September 30, 2024 was \$2.3 million, a \$287k increase. The increase is attributable to transfers to the Debt Service Fund from the General Fund for the purpose of funding debt service payments not yet due at year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

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 year 2024 budget was adopted August 28, 2023. The comparison of the general fund budget to the actual results is detailed in the "Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual" on page 32. 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 \$6.5 million or 10.0%. Ad valorem real estate and sales taxes were the largest revenue generators, representing \$53.0 million or 81.6% of total budgeted revenues.
- ❖ Actual expenditures exceeded budget by \$2.3 million or 4.4%. The overage resulted principally due to new economic incentive programs increasing general government expenditures \$2.4 million or 24.6%.

Management's Discussion & Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental activities as of September 30, 2024, totaled \$238.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure, sewer plant and equipment. For further information on capital assets see Note 2 in the notes to the financial statements. Major purchases including construction in progress for 2024 consisted of \$3.1 million to construct new recreation facilities and a pedestrian bridge, and \$1.9 million for new police and fire vehicles.

City of Vestavia Hills Capital Assets (in thousands)

	2024	2023
Land	\$ 94,571	\$ 94,571
Construction-in-progress	20,379	36,738
Buildings	22,000	22,787
Right-to-use asset: Building	1,344	1,504
Land improvements	20,275	21,938
Vehicles	7,557	7,924
Recreational facilities	21,930	6,028
Equipment and fixtures	3,727	3,598
Subscriptions	523	253
Books and artwork	36	108
Infrastructure	45,769	45,376
Total	<u>\$ 238,111</u>	<u>\$ 240,825</u>

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

Construction-in-progress	\$ 3,107
Buildings	76
Vehicles	1,854
Equipment and fixtures	786
Subscriptions	438
Infrastructure	67
Total	<u>\$ 6,328</u>

Management's Discussion & Analysis (Continued)

Debt Administration

At fiscal year end, the City had \$101.2 million in outstanding warrants, installment payable and capital leases. Additional long-term liabilities totaled \$52.7 million consisting of the net pension liabilities, OPEB liability, and compensated absences. Overall, long-term debt increased \$124k from the prior year primarily due to an increase in direct equipment and vehicle financing. See Note 2 to the financial statements for additional information.

City of Vestavia Hills Outstanding Debt (in thousands)

	Beginning Balance	Net Change	Ending Balance
Government activities			
Warrant payable	\$ 92,495	\$ (4,791)	\$ 87,704
Financing arrangements	8,510	3,130	11,640
Lease liability	1,513	(136)	1,377
Subscription agreements	232	251	483
Totals	<u>\$ 102,750</u>	<u>\$ (1,546)</u>	<u>\$ 101,204</u>

The City maintains a credit rating of AAA with Fitch Ratings and Moody's Investors Service. The City is one of only two in Alabama to have the highest rating of AAA. Rating agency reports have referenced a "stable outlook" as a contributing factor to the City's strong credit ratings.

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

For the fiscal year ending September 30, 2024, the City has continued to show above average performance in comparison to national and state benchmarks. The increase of online retailing through the State of Alabama's Simplified Sellers Use Tax (SSUT) remains a challenge due to a lower tax rate charged through this program than locally, low unemployment and expansion of local businesses has been able to offset any online retailing challenges in the current environment. When compared to benchmarks such as overall unemployment, tax growth, and home sales, the City continues its' positive trend from the last decade. The City continues its' emphasis on retail, healthcare and residential sectors of the economy through responsible planning and the strategic use of incentive programs.

The City continues to contribute to the Vestavia Hills Board of Education to create an excellent school system that will attract both new residents and economic development. The City continues to place emphasis on encouraging economic development within the City to help fund improvements and government services as well as provide increased quality of life for all residents.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances and to demonstrate accountability for the money it receives from taxpayers, customers, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Melvin Turner III, City of Vestavia Hills Finance Department, 1032 Montgomery Hwy, Vestavia Hills, Alabama 35216, by calling (205) 978-0128, or by sending an email to mturner@vhal.org.



VESTAVIA HILLS

City of Vestavia Hills, Alabama

Statement of Net Position

September 30, 2024	Governmental Activities
Assets	
Cash	\$ 3,777,530
Cash - restricted	5,015,709
Investments	31,560,664
Investment - restricted	2,127,192
Receivables, net of allowance for uncollectibles	5,328,536
Leases receivable	2,866,526
Prepaid expenses	3,543,962
Capital assets	
Non-depreciable	114,949,695
Depreciable, net	121,294,407
Right-to-use lease assets, net	1,344,104
Right-to-use subscription assets, net	522,595
Total assets	292,330,920
Deferred Outflows of Resources	
Deferred charges - debt refunding	1,113,353
Deferred outflows of resources related to pension	15,243,080
Deferred outflows of resources related to OPEB	1,026,064
Total deferred outflows of resources	17,382,497
Liabilities	
Accounts payable	2,319,306
Retainage payable	177,823
Accrued payroll	29,506
Court and performance bonds payable	962,911
Accrued interest payable	466,743
Unearned revenues - grants	1,459,158
Unearned revenues - other	44,796
Other liabilities	
Due within one year	
Warrant obligations and other liabilities	9,218,235
Due in more than one year	
Warrant obligations and other liabilities	95,781,459
Net pension liability	46,776,826
Total OPEB liability	2,120,671
Total liabilities	159,357,434
Deferred Inflows of Resources	
Deferred inflows of resources related to leases	2,752,935
Deferred inflows of resources related to pension	115,259
Deferred inflows of resources related to OPEB	235,189
Total deferred inflows of resources	3,103,383
Net Position	
Net investment in capital assets	141,302,164
Restricted for debt service	2,127,192
Restricted for gas tax funds	693,152
Unrestricted	3,130,092
Total net position	\$ 147,252,600

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

City of Vestavia Hills, Alabama

Statement of Activities

For the year ended September 30, 2024

						Net (Expense)
						Revenue and
						Changes in
						Net Position
						Primary
						Government
						</

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

City of Vestavia Hills, Alabama
Balance Sheet
Governmental Funds

September 30, 2024

	General	Capital Projects	Community Spaces	Debt Service	Nonmajor Funds	Total Governmental Funds
Assets						
Cash	\$ 363,300	\$ 1,887,578	\$ 306,677	\$ 66,125	\$ 1,153,850	\$ 3,777,530
Cash - restricted	988,521	4,027,188	-	-	-	5,015,709
Investments	31,560,664	-	-	-	-	31,560,664
Investments - restricted	-	-	-	2,127,192	-	2,127,192
Accounts receivable, net of allowance for uncollectibles	3,221,277	703,651	-	60,318	1,343,290	5,328,536
Leases receivable	2,866,526	-	-	-	-	2,866,526
Prepaid expenses	415,434	3,128,528	-	-	-	3,543,962
Interfund receivables	208,709	3,027,332	-	-	-	3,236,041
Total assets	39,624,431	12,774,277	306,677	2,253,635	2,497,140	57,456,160
Liabilities						
Accounts payable	1,709,377	404,500	128,854	-	76,575	2,319,306
Retainage payable	-	-	177,823	-	-	177,823
Accrued payroll	29,506	-	-	-	-	29,506
Court and performance bonds payable	962,911	-	-	-	-	962,911
Interfund payables	2,465,805	-	-	-	770,236	3,236,041
Unearned revenues - grants	-	1,459,158	-	-	-	1,459,158
Unearned revenues - other	44,796	-	-	-	-	44,796
Total liabilities	5,212,395	1,863,658	306,677	-	846,811	8,229,541
Deferred Inflows of Resources						
Leases	2,752,935	-	-	-	-	2,752,935
Unavailable revenues	-	350,000	-	-	-	350,000
Total deferred inflows of resources	2,752,935	350,000	-	-	-	3,102,935
Fund Balances						
Nonspendable	415,434	3,128,528	-	-	-	3,543,962
Restricted for:						
Road maintenance	-	-	-	-	693,152	693,152
Capital projects	-	3,967,756	-	-	-	3,967,756
Debt service	-	-	-	2,127,192	-	2,127,192
Committed to:						
Emergency reserve	21,071,036	-	-	-	-	21,071,036
Liberty Park - road maintenance	2,282,708	-	-	-	-	2,282,708
Assigned:						
Capital projects	-	3,464,335	-	-	57,257	3,521,592
Debt service	-	-	-	126,443	-	126,443
Public safety	-	-	-	-	370,851	370,851
Library	-	-	-	-	528,069	528,069
Other	-	-	-	-	1,000	1,000
Unassigned (deficit)	7,889,923	-	-	-	-	7,889,923
Total fund balances	31,659,101	10,560,619	-	2,253,635	1,650,329	46,123,684
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,624,431	\$ 12,774,277	\$ 306,677	\$ 2,253,635	\$ 2,497,140	\$ 57,456,160

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

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

September 30, 2024

Fund balances - total governmental funds	\$	46,123,684
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	\$	322,567,488
Accumulated depreciation and amortization	<u>(84,456,687)</u>	238,110,801
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.		
		17,382,497
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.		
		(350,448)
Deferred inflows of resources related to unavailable revenues		
		350,000
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	(87,704,085)	
Net pension liability	(46,776,826)	
OPEB liability	(2,120,671)	
Compensated absences	(3,796,199)	
Accrued interest payable	(466,743)	
Lease liability	(1,377,469)	
Subscription liability	(482,538)	
Direct - vehicle and equipment financing agreements	<u>(11,639,403)</u>	(154,363,934)
Net position of governmental activities	<u>\$</u>	<u>147,252,600</u>

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

City of Vestavia Hills, Alabama

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

<i>For the year ended September 30, 2024</i>	General	Capital Projects	Community Spaces	Debt Service	Nonmajor Funds	Total Governmental Funds
Revenues						
Taxes	\$ 53,101,287	\$ -	\$ -	\$ -	\$ 2,145,564	\$ 55,246,851
Licenses and permits	8,693,947	-	-	-	66,927	8,760,874
Intergovernmental	-	-	-	-	1,014,593	1,014,593
Charges for services	1,801,985	-	-	-	36,601	1,838,586
Fines and forfeitures	387,533	-	-	-	602,465	989,998
Fees	2,994,267	-	-	-	-	2,994,267
Grants	1,228,710	4,473,138	-	-	34,864	5,736,712
Interest revenues	192,182	466,664	90,367	54,457	56,388	860,058
Library revenues	-	-	-	-	119,182	119,182
Other revenues	3,053,264	181,189	6,900	120,478	3,835	3,365,666
Total revenues	71,453,175	5,120,991	97,267	174,935	4,080,419	80,926,787
Expenditures						
Current						
General government administration	11,909,125	29,643	-	9,025	816,090	12,763,883
Public safety	27,174,897	100,508	-	-	796,929	28,072,334
Public works	6,316,086	957,501	867,485	-	2,821,777	10,962,849
Library	2,873,968	-	-	-	134,173	3,008,141
Parks and recreation	5,065,310	2,926	192,738	-	-	5,260,974
Debt service						
Principal retirement	173,688	2,365,794	396,269	4,470,000	141,602	7,547,353
Interest	5,293	262,749	24,335	2,946,168	6,570	3,245,115
Capital outlay	481,996	4,067,746	1,527,452	-	19,071	6,096,265
Intergovernmental	-	-	-	-	-	-
Appropriation to BOE	-	-	1,380,000	-	-	1,380,000
Total expenditures	54,000,363	7,786,867	4,388,279	7,425,193	4,736,212	78,336,914
Excess of revenues over (under) expenditures	17,452,812	(2,665,876)	(4,291,012)	(7,250,258)	(655,793)	2,589,873
Other Financing Sources (Uses)						
Subscription financing	417,564	-	-	-	6,309	423,873
Operating transfers in	75,000	3,424,639	7,118,934	7,537,580	630,938	18,787,091
Operating transfers out	(15,547,916)	(75,000)	(3,164,175)	-	-	(18,787,091)
Sale of surplus assets	-	109,987	-	-	-	109,987
Proceeds from vehicle and equipment financing arrangements (direct)	-	5,897,269	-	-	-	5,897,269
Total other financing sources (uses)	(15,055,352)	9,356,895	3,954,759	7,537,580	637,247	6,431,129
Net change in fund balances	2,397,460	6,691,019	(336,253)	287,322	(18,546)	9,021,002
Fund balances at beginning of year	29,261,641	3,869,600	336,253	1,966,313	1,668,875	37,102,682
Fund balances at end of year	\$ 31,659,101	\$ 10,560,619	\$ -	\$ 2,253,635	\$ 1,650,329	\$ 46,123,684

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

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

For the year ended September 30, 2024

Net change in fund balances - total governmental funds	\$	9,021,002
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	\$	6,096,265
Less current year depreciation and amortization	<u>(9,023,737)</u>	<u>(2,927,472)</u>
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 effect of donated capital assets		231,867
Repayment of long-term debt principal (including direct - vehicle and equipment financing agreements, leases and subscriptions) are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position.		
		7,547,353
Proceeds from vehicle and equipment financing arrangements (direct) and subscriptions are reported as financing sources in the governmental funds and, thus, contribute to the change in fund balance. These increase liabilities in the statement of net position, but does not affect the statement of activities.		
		(6,321,142)
The net effect of transactions involving the disposal of capital assets is to decrease net position.		
		(18,820)
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	(3,837,100)	
Difference in OPEB expense related to deferred outflows and inflows of resources and net OPEB liability	(152,573)	
Change in compensated absences	(402,991)	
Change in accrued interest payable	(204,271)	
Amortization of bond premiums/discounts and deferred charges, net	136,449	(4,460,486)
Change in net position of governmental activities	\$	<u>3,072,302</u>

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

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

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on the Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ 50,561,031	\$ 53,101,287	\$ 2,540,256
Licenses and permits	6,686,251	8,693,947	2,007,696
Intergovernmental	-	-	-
Charges for services	1,391,500	1,801,985	410,485
Fines and forfeitures	390,000	387,533	(2,467)
Fees	2,926,237	2,994,267	68,030
Grants	1,336,424	1,228,710	(107,714)
Proceeds from sale of assets	15,000	-	(15,000)
Interest revenues	662,762	192,182	(470,580)
Library revenues	-	-	-
Other revenues	974,280	3,053,264	2,078,984
Total revenues	64,943,485	71,453,175	6,509,690
Expenditures			
General government administration			
City Wide	5,900,775	8,209,587	(2,308,812)
City Council	89,393	78,540	10,853
Mayor and administration	2,117,606	2,291,507	(173,901)
City Clerk	600,157	593,426	6,731
Municipal complex	395,674	418,774	(23,100)
Information services	904,086	882,684	21,402
Total	10,007,691	12,474,518	(2,466,827)
Public safety			
Dispatch	-	-	-
Police	14,375,875	13,914,964	460,911
Fire	13,352,154	13,326,008	26,146
Total	27,728,029	27,240,972	487,057
Public works			
Public services	5,627,945	5,472,326	155,619
Building safety	873,443	843,760	29,683
Total	6,501,388	6,316,086	185,302
Court and Corrections	-	-	-
Library	3,014,519	2,876,736	137,783
Parks and recreation	4,467,350	5,092,051	(624,701)
Total expenditures	51,718,977	54,000,363	(2,281,386)
Excess of revenues over expenditures	13,224,508	17,452,812	4,228,304
Other Financing Sources (Uses)			
Subscription financing	-	417,564	417,564
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	75,000	75,000	-
Operating transfers out	(14,699,508)	(15,547,916)	(848,408)
Total other financing sources (uses)	(14,624,508)	(15,055,352)	(430,844)
Net change in fund balance	(1,400,000)	2,397,460	3,797,460
Fund balances at beginning of year	23,843,727	29,261,641	5,417,914
Fund balances at end of year	\$ 22,443,727	\$ 31,659,101	\$ 9,215,374

(Continued)

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

City of Vestavia Hills, Alabama
Statement of Revenues, Expenditures and Changes
in Fund Balances – Budget to Actual – General Fund (Continued)

	Expenditures - Actual on Budgetary Basis	Perspective Differences	Total Expenditures - Actual GAAP
General government administration			
City Wide	\$ 8,209,587.0	\$ (554,583.0)	
City Council	78,540	-	
Mayor and administration	2,291,507	-	
City Clerk	593,426	(10,810)	
Municipal complex	418,774	-	
Information services	882,684	-	
Total	12,474,518	(565,393)	\$ 11,909,125
Public safety			
Dispatch	-	-	
Police	13,914,964	(10,758)	
Fire	13,326,008	(55,317)	
Total	27,240,972	(66,075)	27,174,897
Public works			
Public services	5,472,326	-	
Building safety	843,760	-	
Total	6,316,086	-	6,316,086
Court and Corrections			
Library	2,876,736	(2,768)	2,873,968
Parks and recreation	5,092,051	(26,741)	5,065,310
Debt service			
Principal retirement	-	173,688	173,688
Interest	-	5,293	5,293
Capital outlay	-	481,996	481,996
Total expenditures	\$ 54,000,363	\$ -	\$ 54,000,363

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

City of Vestavia Hills, Alabama
Statement of Fiduciary Net Position

<i>September 30, 2024</i>	Total Custodial Funds
Assets	
Cash and cash equivalents	\$ 962,345
Total assets	\$ 962,345
Liabilities	
Due to other governments	\$ 962,345
Total liabilities	962,345
Net Position	
Restricted	-
Total net position	-
Total liabilities and net position	\$ 962,345

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

City of Vestavia Hills, Alabama
Statement of Changes in Fiduciary Net Position

	Total Custodial Funds
<i>For the year ended September 30, 2024</i>	
Additions	
Advalorem taxes for other governments	\$ 32,677,070
Total additions	32,677,070
Deductions	
Advalorem taxes to other governments	32,677,070
Total deductions	32,677,070
Net increase (deficiency) in fiduciary net position	-
Net position at beginning of year	-
Net position at end of year	\$ -

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

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Vestavia Hills, Alabama (the City) was incorporated on November 8, 1950.

Reporting Entity

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 real property advalorem taxes from the Jefferson and Shelby County Tax Collectors 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 Board. The City also remits personal advalorem property taxes to the Board. During the year ended September 30, 2024, the total advalorem taxes remitted to the Board amounted to approximately \$31,239,040 and \$728,726 was due the Board of Education at September 30, 2024. Because of the custodial nature of these transactions that pass through the City from Jefferson and Shelby Counties to the Board, the City accounts for this activity in a fiduciary fund in accordance with GASB Statement No. 84.

The City also appropriates a portion of sales taxes collected within the City to the Board. During the year ended September 30, 2024, the total sales taxes appropriated to the Board were \$531,030 and \$47,588 was due to the Board as of September 30, 2024.

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. At September 30, 2024, the City was six years into the ten-year agreement.

During the year ended September 30, 2024, the City and the Board entered into a funding agreement whereby the City has agreed to use excess Community Spaces funds to provide supplemental funding to the Board for certain capital improvements to shared facilities. The City Manager is authorized to provide \$3.5 million in funds over three years in the following increments: July 1, 2024 \$1.1 million, July 1, 2025 \$1.2 million, July 1, 2026 \$1.2 million.

Government-wide and Fund 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). Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The custodial funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates the City's governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The effect of interfund activity has been eliminated from the government-wide financial statements.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of governmental fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Capital Projects Fund is used to account for the acquisition and construction of the City's major capital assets.

The Community Spaces Fund is a capital projects fund used for acquisition and construction of capital assets, funding related debt service and other related purposes.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. (The City has voluntarily chosen to present the Debt Service Fund as a Major Fund.)

Additionally, the City reports the following non-major fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The City has two Custodial Fiduciary Funds:

- The City sells vehicle tags on behalf of Jefferson County, Alabama. The personal property advalorem taxes collected by the City related to the vehicle tag sales are remitted to other governments. The City accounts for the temporary custodianship of the personal property advalorem tax funds in a fiduciary fund.
- Through various state and local statutes, the Vestavia Hills Board of Education (BOE) is entitled to a share of the real and personal property advalorem taxes collected by Jefferson and Shelby Counties, Alabama. Because of the tax payment/remittance mechanisms used by the Counties, these property taxes are remitted to the City and subsequently disbursed to the BOE from the City. The City collection and disbursement method related to these advalorem taxes causes the City to hold assets of the BOE and remit collections to the BOE. This activity is reflected in a custodial fiduciary fund activity of the City.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Fund, Community Spaces Fund, Debt Service Funds and Nonmajor Special Revenue Funds except that debt service and capital outlay expenditures are included within each department's budget instead of the separate character classification.

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 department level.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

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.

Investments

Investments for the City are reported at cost plus accrued interest or fair market value as appropriate.

Receivables and Payables

In the government-wide financial 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 sixty days since they would be considered both measurable and available.

Lease receivables – The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Unearned revenues – Unearned revenue represents amounts received before eligibility requirements are met.

Interfund Transactions

During the course of normal operations, the City incurs numerous transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reported as operating transfers except in instances where the transfer represents the reimbursement to a fund for expenditures incurred for the benefit of another fund. Remaining fund balances in discontinued funds and non-recurring, non-routine transfers are accounted for as residual equity transfers.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Interfund Transactions (Continued)

Details of current interfund receivables and payables are as follows:

Payable from	Payable to	Amount
General Fund	Capital Projects Fund	\$2,465,805
Nonmajor Funds	General Fund	\$208,709
Nonmajor Funds	Capital Projects Fund	\$561,527

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

The interfund receivable balances to the Capital Projects Fund represent temporary loans related to the City's pooled cash accounts.

Interfund receivables and payables and transfers between funds within governmental activities are eliminated in the statement of net position and the statement of activities.

Transfers for the fiscal year ended September 30, 2024 consisted of the following:

Transfer to	Transfer From			Total
	General Fund	Capital Projects Fund	Community Spaces Fund	
Nonmajor Funds	\$ 630,938	\$ -	\$ -	\$ 630,938
Capital Projects Fund	3,424,639	-	-	3,424,639
Community Spaces Fund	7,118,934	-	-	7,118,934
Debt Service Fund	4,373,405	-	3,164,175	7,537,580
General Fund	-	75,000	-	75,000
Total	\$ 15,547,916	\$ 75,000	\$ 3,164,175	\$ 18,787,091

The purpose of the transfer from the General Fund to the Nonmajor Funds is for the operations of Seven Cent Gas Tax, E-911, Municipal Court, and Vehicle Tags.

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

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

The purpose of the transfer from the General Fund and Community Spaces Fund to the Debt Service Fund is to pay debt service obligations.

The purpose of the transfer from the Capital Projects Fund and Nonmajor Funds to the General Fund is to reimburse expenditures paid for by the General Fund.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position and fund financial statements 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.

Warrant and Direct – Vehicle and Equipment Financing Arrangements Debt Service Accounts – Includes certain proceeds from issuance of warrants, as well as certain resources set aside for the repayment of warrants or direct – vehicle and equipment financing arrangements.

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital 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 Position. 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, 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.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The City has three (3) items that qualify for reporting as deferred outflows of resources, the deferred amount on debt refunding, deferred outflows related to pension, and deferred outflows related to OPEB which are reported in the government-wide statement of net position. The deferred amount on debt refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pension and OPEB are an aggregate of items related to pension and OPEB as calculated in accordance with GASB Codification (GASBC) Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria and P50: Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pension and OPEB will be recognized as either pension/OPEB expense or a reduction in the associated liability in future reporting years.

In addition to liabilities, the statement of financial 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 has four (4) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pension and OPEB are an aggregate of items related to pension and OPEB as calculated in accordance with GASBC Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria and P50: Postemployment Benefits Other Than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pension and OPEB will be recognized as a reduction to pension/OPEB expense in future reporting years. The deferred inflows related to leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the State of Alabama for capital improvements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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.

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.

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, building or equipment, for a period of time in excess of twelve months are reported as a right-to-use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. Right-to-use lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

Subscriptions

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Pensions

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 due and payable in accordance with the terms of the Plan. Expenses 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 Annual Comprehensive Financial Report.

Other Postemployment Benefits (OPEB)

Other Postemployment Benefits (OPEB) cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note 5), 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.

Categories and Classification of Net Position and Fund Balance

Government-wide Financial Statements

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

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 liabilities that are attributable to the acquisition, construction, or improvement of those assets.

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.

Unrestricted – All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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.

Fund Financial 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.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)

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 the Finance Director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

The City has restricted fund balance in the Capital Projects Fund of \$3,967,756 which represents unspent loan proceeds of direct vehicle and equipment financing arrangements. \$2,127,192 of restricted fund balance of the Debt Service funds represents amounts in a bond sinking fund held in trust for the purposes of debt service. In the Nonmajor funds, the City has \$693,152 of restricted fund balance which represents gas tax proceeds that are restricted for road maintenance.

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 \$21,071,036 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 Liberty Park Home Owner’s Association donated funds to the City, which were originally set aside for repairs and maintenance of the roads in Liberty Park. The acceptance of those roads, by the City, stated that these funds would be committed for those purposes. The City Council has currently committed \$2,282,708 of General Fund balance for this purpose.

The City has assigned \$957,177 of the Nonmajor Funds balance for use as follows: \$370,851 for E-911, \$528,069 for the Library, \$1,000 for Vehicle Tags and \$57,257 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.

Revenues and Expenditures

Program revenues – Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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
	Intergovernmental

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

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

All ad valorem real property taxes levied by municipalities in Jefferson County, Alabama and Shelby County, Alabama are assessed by the Jefferson and Shelby County Tax Assessors and collected by the Jefferson and Shelby County Tax Collectors. The Jefferson and Shelby County Tax Assessors attach taxes as enforceable liens on property as of October 1 and taxes become due October 1 through December 31. Property taxes not paid by January 1 are considered delinquent. Personal property taxes are also collected by the Jefferson and Shelby County Tax Collectors and are due throughout the year. After collecting property taxes, the Jefferson and Shelby County Tax Collectors remit the City's portion by check on a monthly basis. Taxes collected by the Jefferson and Shelby County Tax Collectors 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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 21, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Economic Dependency

The City receives a significant portion of their revenue from property taxes and sales and use taxes. Property tax revenue was \$23,416,184 or 28.94% of total revenue in fiscal year 2024. Sales and use tax revenue was \$29,585,548 or 36.56% of total revenue in fiscal year 2024.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There was no significant impact from the implementation of this statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to better meet the information needs of financial statement users by providing disclosures related to certain concentrations or constraints in order to allow users of financial statements to understand the nature of the circumstances the government's vulnerability to risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No 104, *Disclosure of Certain Capital Assets*, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2024, all of the City's bank deposits were either covered by federal depository insurance or secured by collateral through the Security for Alabama Funds Enhancement Program (SAFE Program). Under the SAFE program all public deposits are protected through a collateral pool administered by the Alabama State Treasurer's office.

Public deposits include the funds of any covered public entity or covered public official placed on deposit in a qualified depository, including time and demand deposit accounts and certificates of deposit but excluding bonds, notes, money market mutual funds, repurchase agreements and similar investment instruments. Covered public entities include the state and its political subdivisions, including school boards. In the past, the bank pledged collateral directly to each public entity. Under SAFE, which is mandatory, each qualified public depository (QPD) is required to hold collateral for all of its public deposits on a pooled basis in a custody account (SAFE Custody Account) established for the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer, who would use the SAFE pool collateral or other means to reimburse the loss. The SAFE program is classified as a category 1 credit risk.

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:

	Net Carrying Amount	Bank Balance
All funds: Cash (excluding fiduciary funds)	\$ 3,777,530	\$ 4,884,898
Fiduciary fund - Board of Education tax fund	728,726	728,726
Fiduciary fund - vehicle tag tax fund	233,619	233,619
Total	\$ 4,739,875	\$ 5,847,243

Custodial Credit Risk – For deposits, 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, 2024, 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.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy states that deposit type securities shall be collateralized through the SAFE Program for any amount exceeding FDIC coverage. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent. The collateral for any repurchase agreements will, at all times, be no less than 102% of the value of the repurchase agreement. The City's investments in certificates of deposits and the guaranteed investment contract are held by the City's custodial counterparties in the name of the City.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy restricts all investments of funds to be used for current operations to those with maturities of one year or less and Capital Projects, Emergency Reserve and Special Revenue Fund(s) investments to those with maturities of two years or less. Cash and investment maturities as of September 30, 2024, were as follows:

Maturity	Portion of Respective Portfolio
Less than one year	67%
1-2 years	33%
Total	100%

Credit Risk – The City's investment will conform to the Code of Alabama Section 11-81-21 (other than externally managed investments held in trust required under sinking fund debt agreements). The City's investments are also be made with judgment and appropriate care under circumstances prevailing and with the prudence, discretion, and intelligence appropriate for the management of public funds. Investments shall not be made for speculation, but will consider the probable safety of their principal as well as the probable income to be derived. The City diversifies its investments by security type and institution. However, the City will limit at least 90% of its investment portfolio (including cash and equivalents) to U.S. Treasury securities, authorized pools, FDIC insured funds and SAFE Program qualified public depository investments. The remaining 10% could be invested in other allowed investments in accordance with the Code of Alabama Section 11-81-21, but with no more than 50% of that amount to be in a single security type or with a single financial institution.

Concentration risk- GASB Section 150: *Investments* requires disclosures of investments in any one issuer that represents five percent or more of total investments. The City's restricted investments held in bond sinking fund described below represent approximately six percent of total investments. These investments are fully collateralized by the issuer.

Included in the carrying amount above are restricted assets totaling \$5,015,709, which includes deposits related to the following: \$101,421 court appearance bonds, \$3,967,756 lease escrow, \$59,432 police confiscations, and \$887,100 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.

The City's restricted investment held in a bond sinking fund trust of \$2,127,192 was collateralized by a financial institution in an amount exceeding 104% of the value. The City deposits cash funds annually into a bond sinking fund trust which is separately managed by a financial institution. This trust and the related investment management is a required part of the City's Series 2013 general obligation Qualified Energy Conservation Bond indenture. This investment is exempted from the City's normal investment portfolio policy since it is required under a separate debt agreement.

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2024

	Fair Value	Maturities (in years)			Level
		Less than 1	1 - 5	More than 5	
Investments by fair value level					
U.S. Treasury Securities	\$ 31,158,205	\$ 20,314,992	\$ 10,843,213	\$ -	L1
Guaranteed Investment Contract (restricted - held in bond sinking fund trust)	2,127,192	2,127,192	-	-	L3
Total investments measured by fair value level	\$ 33,285,397	\$ 22,442,184	\$ 10,843,213	\$ -	
Investments measured at the net asset value (NAV)					
Money market treasury funds	402,459				
Total investments	\$ 33,687,856				

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable

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

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total
Sales taxes	\$ 2,006,271	\$ -	\$ -	\$ -	\$ 2,006,271
Property taxes	581,922	-	-	-	581,922
Road & bridge taxes	-	-	-	1,144,208	1,144,208
Other taxes	131,645	-	-	-	131,645
Franchise fees	76,793	-	-	-	76,793
Transport receivable, net	318,902	-	-	-	318,902
Intergovernmental	-	-	-	199,082	199,082
Grant receivables	-	703,651	-	-	703,651
Other receivables	105,744	-	60,318	-	166,062
Total	\$ 3,221,277	\$ 703,651	\$ 60,318	\$ 1,343,290	\$ 5,328,536

Leases Receivable

On October 1, 2021, City of Vestavia Hills, Alabama entered into a 283 month lease as Lessor for the use of Tillman Tower Lease. An initial lease receivable was recorded in the amount of \$682,060. As of September 30, 2024, the value of the lease receivable is \$615,660. The lessee is required to make monthly fixed payments of \$1,400. Additionally, there are monthly other reasonably certain payments of \$500. The lease has an interest rate of 0.00%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2024 was \$595,296, and City of Vestavia Hills, Alabama recognized lease revenue of \$28,921 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

On October 1, 2021, City of Vestavia Hills, Alabama entered into a 40 month lease as Lessor for the use of AT&T Tower Lease. An initial lease receivable was recorded in the amount of \$5,856. As of September 30, 2024, the value of the lease receivable is \$584. The lessee is required to make monthly fixed payments of \$146. The lease has an interest rate of 0.00%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2024 was \$584, and City of Vestavia Hills, Alabama recognized lease revenue of \$1,757 during the fiscal year.

On October 1, 2021, City of Vestavia Hills, Alabama entered into a 230 month lease as Lessor for the use of CC Holding 825375. An initial lease receivable was recorded in the amount of \$343,226. As of September 30, 2024, the value of the lease receivable is \$297,713. The lessee is required to make monthly fixed payments of \$1,219. The lease has an interest rate of 0.00%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2024 was \$289,505, and City of Vestavia Hills, Alabama recognized lease revenue of \$17,907 during the fiscal year. The lessee has 1 extension option(s), each for 180 months.

On October 1, 2021, City of Vestavia Hills, Alabama entered into a 480 month lease as Lessor for the use of CC Holding 874936. An initial lease receivable was recorded in the amount of \$2,018,722. As of September 30, 2024, the value of the lease receivable is \$1,952,569. The lessee is required to make annual fixed payments of \$19,271. Additionally, there are monthly other reasonably certain payments of \$200. The lease has an interest rate of 0.00%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of September 30, 2024 was \$1,867,550, and City of Vestavia Hills, Alabama recognized lease revenue of \$50,391 during the fiscal year.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Following is a summary of the changes in the City's capital assets for the year ended September 30, 2024:

	Balance at 9/30/2023	Additions	Disposals/ Retirements/ Completed	Reclassifications	Balance at 9/30/2024
Capital Assets Not Being Depreciated					
Land	\$ 94,570,987	\$ -	\$ -	\$ -	\$ 94,570,987
Construction in progress	36,737,906	3,107,167	-	(19,466,365)	20,378,708
Total capital assets not being depreciated	131,308,893	3,107,167	-	(19,466,365)	114,949,695
Capital Assets Being Depreciated/Amortized					
Land improvements	31,213,180	-	-	-	31,213,180
Buildings	32,695,040	76,305	-	140,813	32,912,158
Right-to-use asset: Buildings	1,596,956	-	-	-	1,596,956
Building equipment and fixtures	945,405	66,363	-	-	1,011,768
Vehicles	16,342,926	1,854,068	(976,409)	-	17,220,585
Equipment	8,635,741	222,539	-	-	8,858,280
Computer equipment	2,418,055	275,740	-	-	2,693,795
Recreational equipment	3,391,901	206,884	-	-	3,598,785
Office furniture and fixtures	2,463,971	14,567	-	-	2,478,538
Office equipment	133,715	-	-	-	133,715
Recreational facilities	23,109,107	-	-	16,918,435	40,027,542
Books and artwork	2,360,970	-	-	-	2,360,970
Subscriptions	396,091	437,633	-	-	833,724
Infrastructure	60,203,814	66,866	-	2,407,117	62,677,797
Total capital assets being depreciated/amortized	185,906,872	3,220,965	(976,409)	19,466,365	207,617,793
Less Accumulated Depreciation and Amortization					
Land improvements	9,274,770	1,663,094	-	-	10,937,864
Buildings	9,908,210	1,003,801	-	-	10,912,011
Right-to-use asset: Buildings	93,156	159,696	-	-	252,852
Building equipment and fixtures	314,790	77,371	-	-	392,161
Vehicles	8,418,549	2,202,677	(957,589)	-	9,663,637
Equipment	7,064,657	321,377	-	-	7,386,034
Computer equipment	2,189,593	120,453	-	-	2,310,046
Recreational equipment	2,258,829	121,134	-	-	2,379,963
Office furniture and fixtures	2,429,329	15,921	-	-	2,445,250
Office equipment	133,703	7	-	-	133,710
Recreational facilities	17,081,330	1,016,938	-	-	18,098,268
Books and artwork	2,252,899	72,008	-	-	2,324,907
Subscriptions	142,597	168,532	-	-	311,129
Infrastructure	14,828,127	2,080,728	-	-	16,908,855
Total accumulated depreciation and amortization	76,390,539	9,023,737	(957,589)	-	84,456,687
Total capital assets being depreciated/amortized, net	109,516,333	(5,802,772)	(18,820)	19,466,365	123,161,106
Governmental activities capital assets, net	\$ 240,825,226	\$ (2,695,605)	\$ (18,820)	\$ -	\$ 238,110,801

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

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

Governmental activities	
General government administration	\$ 778,134
Public safety	2,350,389
Public services	4,228,252
Parks and recreation	1,126,824
Library	540,138
Total depreciation and amortization expense	\$ 9,023,737

Warrant Obligations

Outstanding principal of warrant obligations of the City at September 30, 2024 consist of the following:

	Purpose of Issuance	Principal Outstanding
General Obligation Warrants, Qualified Energy Conservation Bonds (QECB) 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 \$2,127,192 held in sinking fund for repayment).	Capital Improvements	\$ 2,117,808
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.	Capital Improvements	535,000
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.	Refunding & Capital Improvements	6,560,000
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.	Refunding & Capital Improvements	49,270,000
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.	Refunding & Capital Improvements	2,395,000
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.	Refunding & Capital Improvements	18,580,000
General Obligation Warrants, Series 2021 was issued in the principal amount of \$5,265,000 in November 2021. 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 2028 and are callable at any time without penalty.	Refunding & Capital Improvements	3,630,000
Total outstanding		83,087,808
Amount held in sinking fund for QECB payment		2,127,192
Total warrants outstanding - principal		\$ 85,215,000

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Warrant Obligations (Continued)

The following schedule shows the debt service requirements at September 30, 2024:

<i>For the years ending September 30,</i>	Debt Service Related to Principal	Debt Service Related to Interest	Total Debt Service
2025	\$ 4,650,000	\$ 2,777,010	\$ 7,427,010
2026	4,840,000	2,591,202	7,431,202
2027	5,020,000	2,409,571	7,429,571
2028	5,190,000	2,237,356	7,427,356
2029	4,880,000	2,084,930	6,964,930
2030-2034	26,835,000	8,401,932	35,236,932
2035-2039	10,145,000	5,686,050	15,831,050
2040-2044	12,165,000	3,669,850	15,834,850
2045-2048	11,490,000	1,171,600	12,661,600
Total	\$ 85,215,000	\$ 31,029,500	\$ 116,244,500

The total interest paid by the City during 2024 relative to the above warrants was \$2,950,518.

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 \$2,127,192 as of September 30, 2024.

As a result of the refunding debts in prior years, the City recorded deferred charges in the government-wide statement of net position. These charges represent the difference between the reacquisition price and the net carrying amounts of the refunded warrants. These costs are being amortized over the average remaining life of the refunded warrants. The unamortized portion of these costs as of September 30, 2024 was \$1,113,353.

Direct Equipment Financing Arrangements

The current portion of the outstanding liability related to these financing arrangements at September 30, 2024 reported in the government-wide financial statements totaled \$3,372,662. The remaining long-term portion of these financing arrangements reported in the government-wide financial statements totaled \$8,266,741 at September 30, 2024.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Direct Equipment Financing Arrangements (Continued)

The following schedule shows the future minimum financing arrangement payments at September 30, 2024:

<i>For the years ending September 30,</i>	Principal	Interest	Total Payment
2025	\$ 3,372,662	\$ 366,764	\$ 3,739,426
2026	2,992,697	288,316	3,281,013
2027	2,087,864	214,435	2,302,299
2028	1,642,072	145,008	1,787,080
2029	776,252	60,264	836,516
2030-2031	767,856	36,062	803,918
Total	\$ 11,639,403	\$ 1,110,849	\$ 12,750,252

Leases Payable

On February 23, 2023, City of Vestavia Hills, Alabama entered into a 120 month lease as Lessee for the use of Public Works Building. An initial lease liability was recorded in the amount of \$1,596,956. As of September 30, 2024, the value of the lease liability is \$1,377,469. City of Vestavia Hills, Alabama is required to make monthly fixed payments of \$11,651. Additionally, there are monthly other reasonably certain payments of \$2,934. The lease has an interest rate of 2.6730%. The Buildings estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of September 30, 2024 of \$1,596,956 with accumulated amortization of \$252,852 is included with Buildings on the Lease Class activities table found below. City of Vestavia Hills, Alabama has 1 extension option(s), each for 60 months.

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

<i>For the years ending September 30,</i>	Principal	Interest	Total Payment
2025	\$ 139,903	\$ 335,114	\$ 475,017
2026	143,689	31,328	175,017
2027	147,577	27,440	175,017
2028	159,780	23,392	183,172
2029	170,046	18,950	188,996
2030-2033	616,474	29,265	645,739
Total	\$ 1,377,469	\$ 465,489	\$ 1,842,958

Subscription-Based Information Technology Arrangements

The City has various software arrangements that require recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The standard establishes a single model for accounting for SBITAs based on the principle that SBITAs are financings of the right to use an asset. The subscriber recognizes an intangible right to use asset and subscription liability. See below for additional information.

As of September 30, 2024, the City has entered into 9 SBITAs. The SBITAs have interest rates ranging from 3.0740% to 3.1213%

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Subscription-Based Information Technology Arrangements (Continued)

Below is a summary of the right-to-use assets included in the accompanying statement of net position:

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	\$ 833,724	\$ 311,129
Total subscriptions	\$ 833,724	\$ 311,129

The following is a schedule of minimum future payments from SBITA's as of September 30, 2024:

For the years ending September 30,	Principal	Interest	Total Payment
2025	\$ 165,668	\$ 6,441	\$ 172,109
2026	136,568	9,771	146,339
2027	141,949	5,556	147,505
2028	5,151	1,175	6,326
2029	5,427	1,015	6,442
2030-2034	26,224	2,388	28,612
2035	1,551	48	1,599
Total	\$ 482,538	\$ 26,394	\$ 508,932

Changes in Long-Term Liabilities

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

	Balance 9/30/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Warrants Payable:					
General Obligation Warrants, QECB Series 2013	\$ 4,245,000	\$ -	\$ -	\$ 4,245,000	\$ -
General Obligation Warrants, Series 2014 (CWSRF-DL)	580,000	-	45,000	535,000	50,000
General Obligation Warrants, Series 2016	8,045,000	-	1,485,000	6,560,000	1,550,000
General Obligation Warrants, Series 2018	50,465,000	-	1,195,000	49,270,000	1,255,000
General Obligation Warrants, Series 2020A	2,960,000	-	565,000	2,395,000	575,000
General Obligation Warrants, Series 2020B	18,930,000	-	350,000	18,580,000	365,000
General Obligation Warrants, Series 2021	4,460,000	-	830,000	3,630,000	855,000
Unamortized bond premium	2,865,714	-	328,590	2,537,124	328,590
Unamortized bond issuance discount	(56,057)	-	(8,018)	(48,039)	(8,018)
Total warrants outstanding	92,494,657	-	4,790,572	87,704,085	4,970,572
Other Liabilities:					
Direct - vehicle and equipment financing arrangements	8,509,582	5,897,269	2,767,448	11,639,403	3,372,662
Lease liability	1,513,686	-	136,217	1,377,469	139,903
Subscription liability	232,353	423,873	173,688	482,538	165,668
Net pension liability	45,940,154	836,672	-	46,776,826	-
OPEB liability	1,689,345	431,326	-	2,120,671	-
Compensated absences	3,393,208	1,580,612	1,177,621	3,796,199	569,430
Total long-term liabilities	\$ 153,772,985	\$ 9,169,752	\$ 9,045,546	\$ 153,897,191	\$ 9,218,235

Lease, subscription, pension, OPEB and compensated absences liabilities will be liquidated in future periods primarily by the General Fund.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 3: 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 ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (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 which consists of 13 trustees. Effective October 1, 2021 Act 390 of the Legislature of 2021 will create two additional representatives and change the composition of representatives within the ERS Board of Control. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* 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 15 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) Eight 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. One vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - d. One vested active employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama, Section 36-27-6*.

Benefits Provided

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

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 formula method. Under the formula method, Tier 2 members of ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 3: PENSION PLAN (Continued)

Benefits Provided

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.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier I retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 608 employers adopted Act 2019-132 as of September 30, 2022.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 884 local participating employers and one state employer. The ERS membership includes approximately 113,079 participants. As of September 30, 2023, membership consisted of:

Retirees and beneficiaries currently receiving benefits	31,481
Terminated employees entitled to but not yet receiving benefits	2,350
Terminated employees not entitled to a benefit	20,556
Active members	58,659
Post-DROP participants who are still in active service	33
Total	113,079

Contributions

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 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.

Employers participating in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* were not required by statute to increase contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier I regular member contribution rates increased from 5% to 7.5% of earnable compensation and Tier I firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

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 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, 2024, the City's active employee contribution rate was 14.28% of covered employee payroll and the City's average contribution rate to fund the normal and accrued liability costs was 17.73% of pensionable payroll.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 3: PENSION PLAN (Continued)

Contributions (Continued)

The City's contractually required contribution rate for the year ended September 30, 2024 was 18.47% of pensionable pay for Tier 1 employees and 16.97% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2022, 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 \$3,637,851 for the year ended September 30, 2024.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2022 rolled forward to September 30, 2023 using standard roll-forward techniques as shown in the following table:

	Expected	Actual Before Plan Changes	Actual After Plan Changes
Total Pension Liability			
as of September 30, 2022 (a)	\$ 113,831,144	\$ 117,422,487	\$ 117,422,487
Discount Rate (b)	7.45%	7.45%	7.45%
Entry Age Normal Cost for			
October 1, 2022 – September 30, 2023 (c)	2,307,838	2,307,838	2,307,838
Transfers Among Employers (d)	-	640,598	640,598
Actual Benefit Payment and Refunds for			
October 1, 2022 – September 30, 2023 (e)	(6,402,634)	(6,402,634)	(6,402,634)
Total Pension Liability			
as of September 30, 2023			
$[(a) \times (1+(b))] + (c) + (d) + [(e) \times (1+0.5 \times (b))]$	\$ 117,978,270	\$ 122,477,766	\$ 122,477,766
Difference between Expected and Actual		\$ 4,499,496	
Less liability transferred for immediate recognition		640,598	
Difference between Expected and			
Actual Experience (Gain)/Loss		\$ 3,858,898	
Difference between Actual TPL Before and After			
Plan Changes - Benefit Change (Gain)/Loss			\$ -

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 3: PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability as of September 30, 2022 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2021. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected salary increases	3.25%-6.00%
Investment rate of return*	7.45%

*Net of pension plan investment expense.

Mortality rates were based on the Pub-210 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/Setback (-)	Adjustment to Rates
Non-FLC Service Retirees	General Health Below Medium	Male: +2, Female: +2	Male: 90% ages < 65, 96% ages > = 65, Female: 96% all ages
FLC/State Police Service Retirees	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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:

Asset Class	Target Allocation	Long-term Expected Rate of Return*
Fixed Income	15.00%	2.80%
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%	9.00%
Real Estate	10.00%	6.50%
Cash	5.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.00%.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 3: PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. 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 (a)-(b)
Balances at September 30, 2022	\$ 113,831,144	\$ 67,890,990	\$ 45,940,154
Changes for the year			
Service cost	2,307,838	-	2,307,838
Interest	8,241,922	-	8,241,922
Difference between expected and actual experience	3,858,898	-	3,858,898
Contributions – employer	-	3,146,311	(3,146,311)
Contributions – employee	-	1,672,972	(1,672,972)
Net investment income	-	8,752,703	(8,752,703)
Benefit payments, including refunds of employee contributions	(6,402,634)	(6,402,634)	-
Administrative expense	-	-	-
Transfers among employers	640,598	640,598	-
Net changes	8,646,622	7,809,950	836,672
Balances at September 30, 2023	\$ 122,477,766	\$ 75,700,940	\$ 46,776,826

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 7.45%, 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 (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45)	Current Discount Rate (7.45)	1% Increase (8.45)
Net Pension Liability	\$ 61,548,644	\$ 46,776,826	\$ 34,401,378

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 3: PENSION PLAN (Continued)

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, 2023. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2023. The auditor's report 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 <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2024, the City recognized pension expense of \$3,399,999. At September 30, 2024, 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	\$ 6,168,197	\$ 115,259
Changes of assumptions	2,406,133	-
Net differences between projected and actual earnings on pension plan investments	3,030,899	-
Employer contributions subsequent to the measurement date	3,637,851	-
Total	\$ 15,243,080	\$ 115,259

The City reported \$3,637,851 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, 2025. 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,

2025	\$ 2,854,073
2026	2,532,018
2027	4,282,425
2028	687,302
2029	837,316
Thereafter	296,836
Total	\$ 11,489,970

Note 4: 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.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 4: ACCUMULATED COMPENSATED ABSENCES (Continued)

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.

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, 2024 reported in the government-wide financial statements is \$569,430. The remaining long-term incurred portion of the accrued vacation of the governmental activities at September 30, 2024 totaled \$3,226,769.

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

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).

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. Effective October 1, 2021, Tier I retirement eligibility was extended to Tier II employees.

Employees Covered by Benefit Terms

At September 30, 2024 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	287
Total	297

Total OPEB Liability

The City's total OPEB liability of \$2,120,671 was measured as of September 30, 2024 and was determined by an actuarial valuation as of that date.

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary Increases	<u>Service</u>	<u>Annual Rate</u>
	0	6.00%
	1-5	4.25%
	6-10	4.00%
	11-15	3.75%
	16-19	3.50%
	20+	3.25%
Discount rate	4.09% annually (Beginning of Year to Determine ADC)	
	3.81%, annually (As of End of Year Measurement Date)	
Healthcare cost trend rates	Getzen model, with an initial trend of 5.5%	
Mortality	PubG.H 2010 (B)	

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2024.

Changes in the Total OPEB Liability

Balance at September 30, 2023	\$ 1,689,345
Changes for the year	
Service cost	25,972
Interest	67,633
Differences between expected and actual experience	86,313
Changes of assumptions	376,057
Benefit payments and net transfers	(124,649)
Net changes	431,326
Balance at September 30, 2024	\$ 2,120,671

City of Vestavia Hills, Alabama Notes to Financial Statements

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (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 (2.81%) or 1-percentage-point higher (4.81%) than the current discount rate:

	1.00% Decrease (2.81%)	Current Discount Rate (3.81%)	1.00% Increase (4.81%)
Total OPEB liability	\$ 2,252,003	\$ 2,120,671	\$ 1,994,035

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:

	1.00% Decrease (4.5%)	Current Trend (5.5%)	1.00% Increase (6.5%)
Total OPEB liability	\$ 2,113,771	\$ 2,120,671	\$ 2,126,600

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$87,316. At September 30, 2023, 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	\$ 412,129	\$ -
Changes of assumptions	613,935	235,189
Total	\$ 1,026,064	\$ 235,189

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

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

<i>For the years ending September 30,</i>	Cumulative Net Amount to Amount to be Recognized
2025	\$ 183,617
2026	183,621
2027	65,893
2028	72,973
2029	67,307
Thereafter	217,464
Total	\$ 790,875

Note 6: 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 7: 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, 2024, the City had executed contracts for various project commitments in the amount of \$11,285,441. At September 30, 2024, \$8,845,432 had been expended on these construction contracts.

City of Vestavia Hills, Alabama

Notes to Financial Statements

Note 8: 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, 2024 Abatement Amount	Expiration of Incentive ¹	Maximum Incentive Amount
Restaurant development	Sales tax ⁴	50%	73,331	December 31, 2027	\$575,000
Commercial development ³	Ad Valorem tax ²	100%	51,885	August 31, 2034	\$5,150,000
Retail development	Sales tax ⁴	50%	34,367	November 30, 2024	\$232,372
Restaurant development	Sales tax ⁴	50%	34,007	July 31, 2026	\$325,000
Restaurant development	Sales tax ⁴	50%	45,943	October 31, 2028	\$500,000
Commercial development	Sales tax ⁴	50%	1,683	March 31, 2027	\$575,000
Commercial development	Sales tax ⁴	50%	101,336	December 31, 2026	\$475,000
Restaurant development	Sales tax ⁴	50%	75,606	August 31, 2029	\$750,000
Restaurant development	Sales tax ⁴	50%	30,892	September 30, 2029	\$250,000
Commercial development	Sales tax ⁴	50%	392,205	August 1, 2028	\$4,247,808
Commercial development	Permit fees	50%	1,334,254	September 30, 2042	\$12,000,000
		Total	2,175,509		

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 advalorem taxes.

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



VESTAVIA HILLS

REQUIRED SUPPLEMENTARY INFORMATION

City of Vestavia Hills, Alabama

Schedule of Changes in the Net Pension Liability and Related Ratios

For the years ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,307,838	\$ 2,154,797	\$ 1,818,139	\$ 1,603,626	\$ 1,555,575	\$ 1,508,540	\$ 1,486,956	\$ 1,379,763	\$ 1,319,081	\$ 1,277,907
Interest	8,241,922	7,671,075	7,165,205	6,582,779	6,324,319	6,061,114	5,772,185	5,371,641	4,970,899	4,747,042
Changes in benefit terms	-	60,666	-	1,094,328	-	-	-	-	-	-
Differences between expected and actual experience	3,858,898	2,680,035	454,784	1,948,016	(418,564)	321,100	529,080	141,280	2,132,828	-
Changes of assumptions	-	-	4,314,245	-	-	449,717	-	3,809,927	-	-
Benefit payments, including refunds of employee contributions	(6,402,634)	(5,908,295)	(4,979,466)	(4,569,754)	(4,157,825)	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employees	640,598	1,251,270	1,604,351	1,109,829	259,081	(327,053)	(128,346)	273,131	-	-
Net change in total pension liability	8,646,622	7,909,548	10,377,258	7,768,824	3,562,586	3,996,598	3,813,170	7,539,563	5,031,913	2,962,375
Total pension liability - beginning	113,831,144	105,921,596	95,544,338	87,775,514	84,212,928	80,216,330	76,403,160	68,863,597	63,831,684	60,869,309
Total pension liability - ending (a)	\$ 122,477,766	\$ 113,831,144	\$ 105,921,596	\$ 95,544,338	\$ 87,775,514	\$ 84,212,928	\$ 80,216,330	\$ 76,403,160	\$ 68,863,597	\$ 63,831,684
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,146,311	\$ 2,980,007	\$ 2,631,424	\$ 2,485,425	\$ 2,384,919	\$ 2,010,155	\$ 2,076,923	\$ 1,852,693	\$ 1,777,403	\$ 1,750,292
Contributions - employee	1,672,972	1,696,679	1,433,097	1,109,027	1,251,467	1,006,259	984,086	974,431	916,651	851,524
Net investment income	8,752,703	(9,972,120)	14,126,644	3,416,367	1,498,367	5,010,199	6,272,112	4,585,395	532,576	4,842,808
Benefit payments, including refunds of employee contributions	(6,402,634)	(5,908,295)	(4,979,466)	(4,569,754)	(4,157,825)	(4,016,820)	(3,846,705)	(3,436,179)	(3,390,895)	(3,062,574)
Transfers among employers	640,598	1,008,620	1,604,351	1,109,829	259,081	(327,053)	(128,346)	273,131	235,587	245,477
Net change in plan fiduciary net position	7,809,950	(10,195,109)	14,816,050	3,550,894	1,236,009	3,682,740	5,358,070	4,249,471	71,322	4,627,527
Plan net position - beginning	67,890,990	78,086,099	63,270,049	59,719,155	58,483,146	54,800,406	49,442,336	45,192,865	45,121,543	40,494,016
Plan net position - ending (b)	\$ 75,700,940	\$ 67,890,990	\$ 78,086,099	\$ 63,270,049	\$ 59,719,155	\$ 58,483,146	\$ 54,800,406	\$ 49,442,336	\$ 45,192,865	\$ 45,121,543
Net pension liability - ending (a) - (b)	\$ 46,776,826	\$ 45,940,154	\$ 27,835,497	\$ 32,274,289	\$ 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	61.81%	59.64%	73.72%	66.22%	68.04%	69.45%	68.32%	64.71%	65.63%	70.69%
Covered payroll*	\$ 22,428,917	\$ 20,527,732	\$ 19,299,809	\$ 18,449,981	\$ 17,823,998	\$ 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	208.56%	223.80%	144.23%	174.93%	157.41%	152.33%	153.27%	170.22%	155.24%	127.19%

*City's covered payroll during the measurement period is the total covered payroll. For FY 2024, the measurement period is October 1, 2022 - September 30, 2023.

GASB issued a statement "Pension Issues" in March 2016 to redefine covered payroll beginning with FY2017.

City of Vestavia Hills, Alabama

Schedule of Employer Pension Contributions

For the years ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution*	\$ 3,637,851	\$ 3,229,299	\$ 2,927,638	\$ 2,702,938	\$ 2,542,889	\$ 2,450,447	\$ 2,072,633	\$ 2,132,174	\$ 1,911,298	\$ 1,829,808
Employer Contributions to Pension Plan	3,637,851	3,229,299	2,927,638	2,702,938	2,542,889	2,450,447	2,072,633	2,132,174	1,911,298	1,829,808
Annual Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll**	\$ 25,477,108	\$ 22,428,917	\$ 20,527,732	\$ 19,299,809	\$ 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	14.28%	14.40%	14.26%	14.00%	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.

**City's covered payroll for FY 2024 is the total covered payroll for the 12-month period underlying the financial statement.

City of Vestavia Hills, Alabama

Schedule of Changes in Total OPEB Liability and Related Ratios

For the years ended September 30,	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 25,972	\$ 29,781	\$ 37,924	\$ 45,525	\$ 36,221	\$ 19,873	\$ 21,139
Interest	67,633	65,527	37,325	37,333	25,686	31,209	28,260
Differences between expected and actual experience	86,313	44,304	356,876	22,165	149,569	87,670	41,998
Changes of assumptions	376,057	(10,318)	(399,349)	50,028	590,285	157,223	(48,684)
Benefit payments	(124,649)	(139,935)	(137,645)	(78,931)	(77,319)	(76,604)	(72,610)
Net change in total OPEB liability	431,326	(10,641)	(104,869)	76,120	724,442	219,371	(29,897)
Total OPEB liability - beginning	1,689,345	1,699,986	1,804,855	1,728,735	1,004,293	784,922	814,819
Total OPEB liability - ending	\$ 2,120,671	\$ 1,689,345	\$ 1,699,986	\$ 1,804,855	\$ 1,728,735	\$ 1,004,293	\$ 784,922
Covered-employee payroll*	\$ 22,717,014	\$ 18,502,818	\$ 17,791,171	\$ 17,332,334	\$ 16,665,706	\$ 15,820,146	\$ 15,211,679
Total OPEB liability as a percentage of covered-employee payroll	9.34%	9.13%	9.56%	10.41%	10.37%	6.35%	5.16%

Notes to Schedule:

*The City's covered payroll during the measurement period is the total covered payroll. For FY2024, the measurement period is October 1, 2023 - September 30, 2024.

Benefit changes - There were no changes of benefit terms for the year ended September 30, 2024.

Changes of assumptions - The discount rate as of 9/30/2023 was 4.09% and it changed to 3.81% as of 9/30/2024.

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

City of Vestavia Hills, Alabama

Notes to Required Supplementary Information

Note 1: 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 2: 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 15.02% for Tier 1 employees (hired before January 1, 2013) and 13.56% for Tier 2 employees (hired after January 1, 2013).

Note 3: SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

The total OPEB liability presented in these schedules were provided by the City's actuarial consultants, Fontenot Benefits and Actuarial Consulting. The related ratios show the total OPEB liability as a percentage of employee covered payroll. There are no assets held in a trust for payment of benefits.



VESTAVIA HILLS

OTHER SUPPLEMENTARY INFORMATION

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

	Special Revenue Funds										Capital Projects Fund	
September 30, 2024	Four Cent	Five Cent	Ten Cent	Seven Cent	E-911	Court & Corrections	Library State Aid	Library Donations	Vehicle Tags	Sidewalks	Totals	
Assets												
Cash	\$ 27,320	\$ -	\$ 19,893	\$ -	\$ 287,096	\$ 9,419	\$ -	\$ 530,326	\$ 222,539	\$ 57,257	\$ 1,153,850	
Accounts receivable, net of allowance for uncollectibles	42,811	20,847	51,669	1,144,208	83,755	-	-	-	-	-	1,343,290	
Total assets	\$ 70,131	\$ 20,847	\$ 71,562	\$ 1,144,208	\$ 370,851	\$ 9,419	\$ -	\$ 530,326	\$ 222,539	\$ 57,257	\$ 2,497,140	
Liabilities												
Accounts payable	\$ -	\$ -	\$ -	\$ 52,069	\$ -	\$ 9,419	\$ -	\$ 2,257	\$ 12,830	\$ -	\$ 76,575	
Interfund payables	-	664	-	560,863	-	-	-	-	208,709	-	770,236	
Total liabilities	-	664	-	612,932	-	9,419	-	2,257	221,539	-	846,811	
Fund Balances												
Restricted for road maintenance	70,131	20,183	71,562	531,276	-	-	-	-	-	-	693,152	
Assigned												
Capital Projects	-	-	-	-	-	-	-	-	-	57,257	57,257	
Public Safety	-	-	-	-	370,851	-	-	-	-	-	370,851	
Library	-	-	-	-	-	-	-	528,069	-	-	528,069	
Other	-	-	-	-	-	-	-	-	1,000	-	1,000	
Total fund balances	70,131	20,183	71,562	531,276	370,851	-	-	528,069	1,000	57,257	1,650,329	
Total liabilities and fund balances	\$ 70,131	\$ 20,847	\$ 71,562	\$ 1,144,208	\$ 370,851	\$ 9,419	\$ -	\$ 530,326	\$ 222,539	\$ 57,257	\$ 2,497,140	

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

For the year ended September 30, 2024	Special Revenue Funds									Capital Projects Fund	Totals
	Four Cent	Five Cent	Ten Cent	Seven Cent	E-911	Court & Corrections	Library State Aid	Library Donations	Vehicle Tags	Sidewalks	
Revenues											
Taxes	\$ 2,808	\$ -	\$ -	\$ 1,082,827	\$ 1,059,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,145,564
License and permits	-	-	-	66,927	-	-	-	-	-	-	66,927
Intergovernmental	231,336	114,009	295,413	373,835	-	-	-	-	-	-	1,014,593
Charges for services	-	-	-	-	-	-	-	36,601	-	-	36,601
Fines and forfeitures	-	-	-	-	-	602,465	-	-	-	-	602,465
Grants	-	-	-	-	-	-	34,864	-	-	-	34,864
Interest revenues	634	3,451	12,953	15,400	2,745	5,584	-	11,759	-	3,862	56,388
Library revenues	-	-	-	-	-	-	-	119,182	-	-	119,182
Other revenues	-	-	-	-	-	3,835	-	-	-	-	3,835
Total revenues	234,778	117,460	308,366	1,538,989	1,062,674	611,884	34,864	167,542	-	3,862	4,080,419
Expenditures											
Current											
General government											
administration	-	-	-	-	-	816,090	-	-	-	-	816,090
Public safety	-	-	-	-	796,929	-	-	-	-	-	796,929
Public works	217,900	231,400	501,600	1,866,564	-	-	-	-	-	4,313	2,821,777
Library	-	-	-	-	-	-	34,864	99,309	-	-	134,173
Debt service											
Principal retirement	-	-	-	-	141,602	-	-	-	-	-	141,602
Interest	-	-	-	-	6,513	57	-	-	-	-	6,570
Capital outlay	-	-	-	-	6,309	-	-	11,887	-	875	19,071
Total expenditures	217,900	231,400	501,600	1,866,564	951,353	816,147	34,864	111,196	-	5,188	4,736,212
Excess of revenues over (under) expenditures	16,878	(113,940)	(193,234)	(327,575)	111,321	(204,263)	-	56,346	-	(1,326)	(655,793)
Other Financing Sources (Uses)											
Subscription financing	-	-	-	-	6,309	-	-	-	-	-	6,309
Operating transfers in	-	-	-	407,255	18,190	204,493	-	-	1,000	-	630,938
Total other financing sources (uses)	-	-	-	407,255	24,499	204,493	-	-	1,000	-	637,247
Net change in fund balances	16,878	(113,940)	(193,234)	79,680	135,820	230	-	56,346	1,000	(1,326)	(18,546)
Fund balances (deficit) at beginning of year	53,253	134,123	264,796	451,596	235,031	(230)	-	471,723	-	58,583	1,668,875
Fund balances at end of year	\$ 70,131	\$ 20,183	\$ 71,562	\$ 531,276	\$ 370,851	\$ -	\$ -	\$ 528,069	\$ 1,000	\$ 57,257	\$ 1,650,329

City of Vestavia Hills, Alabama
Combining Statement of Fiduciary Net Position—Custodial Funds

	Custodial Funds		
	Board of Education Tax Fund	Vehicle Tag Tax Fund	Total
<i>September 30, 2024</i>			
Assets			
Cash and cash equivalents	\$ 728,726	\$ 233,619	\$ 962,345
Total assets	\$ 728,726	\$ 233,619	\$ 962,345
Liabilities			
Due to other governments	\$ 728,726	\$ 233,619	\$ 962,345
Total liabilities	728,726	233,619	962,345
Net Position			
Restricted	-	-	-
Total net position	-	-	-
Total liabilities and net position	\$ 728,726	\$ 233,619	\$ 962,345

City of Vestavia Hills, Alabama

Combining Statement of Changes in Fiduciary Net Position—Custodial Funds

	Custodial Funds		
	Board of Education Tax Fund	Vehicle Tag Tax Fund	Total
<i>For the year ended September 30, 2024</i>			
Additions			
Advalorem taxes for other governments	\$ 31,239,040	\$ 1,438,030	\$ 32,677,070
Total additions	31,239,040	1,438,030	32,677,070
Deductions			
Advalorem taxes to other governments	31,239,040	1,438,030	32,677,070
Total deductions	31,239,040	1,438,030	32,677,070
Net increase (deficiency) in fiduciary net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	\$ -	\$ -	\$ -

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Capital Projects Fund

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	11,656,000	4,473,138	(7,182,862)
Proceeds from sale of assets	205,587	-	(205,587)
Interest revenues	132,000	466,664	334,664
Library revenues	-	-	-
Other revenues	80,000	181,189	101,189
Total revenues	12,073,587	5,120,991	(6,952,596)
Expenditures			
General government administration			
City Wide	20,156	35,855	(15,699)
City Council	-	-	-
Mayor and administration	34,879	78,662	(43,783)
City Clerk	12,680	11,712	968
Municipal complex	-	-	-
Information services	145,371	133,653	11,718
Total	213,086	259,882	(46,796)
Public safety			
Dispatch	-	-	-
Police	2,833,353	2,857,687	(24,334)
Fire	3,017,409	791,038	2,226,371
Total	5,850,762	3,648,725	2,202,037
Public works			
Public services	12,577,437	3,247,663	9,329,774
Building safety	79,263	62,061	17,202
Total	12,656,700	3,309,724	9,346,976
Court and Corrections	54,645	46,786	7,859
Library	269,762	176,358	93,404
Parks and recreation	358,096	345,392	12,704
Total expenditures	19,403,051	7,786,867	11,616,184
Excess of revenues over expenditures	(7,329,464)	(2,665,876)	4,663,588
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	2,045,106	5,897,269	3,852,163
Operating transfers in	2,640,400	3,424,639	784,239
Operating transfers out	(75,000)	(75,000)	-
Total other financing sources (uses)	4,610,506	9,246,908	4,636,402
Net change in fund balance	(2,718,958)	6,581,032	9,299,990
Fund balances at beginning of year	2,782,446	3,869,600	1,087,154
Fund balances at end of year	\$ 63,488	\$ 10,450,632	\$ 10,387,144

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Community Spaces

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	260,000	90,367	(169,633)
Library revenues	-	-	-
Other revenues	-	6,900	6,900
Total revenues	260,000	97,267	(162,733)
Expenditures			
General government administration			
City Wide	280,000	1,380,000	(1,100,000)
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	280,000	1,380,000	(1,100,000)
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	1,501,705	1,653,232	(151,527)
Building safety	-	-	-
Total	1,501,705	1,653,232	(151,527)
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	650,000	1,355,047	(705,047)
Total expenditures	2,431,705	4,388,279	(1,956,574)
Excess of revenues over expenditures	(2,171,705)	(4,291,012)	(2,119,307)
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	7,088,000	7,118,934	30,934
Operating transfers out	(3,164,175)	(3,164,175)	-
Total other financing sources (uses)	3,923,825	3,954,759	30,934
Net change in fund balance	1,752,120	(336,253)	(2,088,373)
Fund balances at beginning of year	1,151,618	336,253	(815,365)
Fund balances at end of year	\$ 2,903,738	\$ -	\$ (2,903,738)

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Debt Service Fund

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	57,378	54,457	(2,921)
Library revenues	-	-	-
Other revenues	120,000	120,478	478
Total revenues	177,378	174,935	(2,443)
Expenditures			
General government administration			
City Wide	7,427,018	7,425,193	1,825
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	7,427,018	7,425,193	1,825
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	7,427,018	7,425,193	1,825
Excess of revenues over expenditures	(7,249,640)	(7,250,258)	(618)
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	7,478,068	7,537,580	59,512
Operating transfers out	-	-	-
Total other financing sources (uses)	7,478,068	7,537,580	59,512
Net change in fund balance	228,428	287,322	58,894
Fund balances at beginning of year	1,973,570	1,966,313	(7,257)
Fund balances at end of year	\$ 2,201,998	\$ 2,253,635	\$ 51,637

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Four Cent

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ 2,500	\$ 2,808	\$ 308
Licenses and permits	-	-	-
Intergovernmental	210,000	231,336	21,336
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	5,400	634	(4,766)
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	217,900	234,778	16,878
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	217,900	217,900	-
Building safety	-	-	-
Total	217,900	217,900	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	217,900	217,900	-
Excess of revenues over expenditures	-	16,878	16,878
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	16,878	16,878
Fund balances at beginning of year	-	53,253	53,253
Fund balances at end of year	\$ -	\$ 70,131	\$ 70,131

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Five Cent

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	102,000	114,009	12,009
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	5,400	3,451	(1,949)
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	107,400	117,460	10,060
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	231,400	231,400	-
Building safety	-	-	-
Total	231,400	231,400	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	231,400	231,400	-
Excess of revenues over expenditures	(124,000)	(113,940)	10,060
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(124,000)	(113,940)	10,060
Fund balances at beginning of year	124,999	134,123	9,124
Fund balances at end of year	\$ 999	\$ 20,183	\$ 19,184

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Ten Cent

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	264,000	295,413	31,413
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	9,600	12,953	3,353
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	273,600	308,366	34,766
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	501,600	501,600	-
Building safety	-	-	-
Total	501,600	501,600	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	501,600	501,600	-
Excess of revenues over expenditures	(228,000)	(193,234)	34,766
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(228,000)	(193,234)	34,766
Fund balances at beginning of year	228,988	264,796	35,808
Fund balances at end of year	\$ 988	\$ 71,562	\$ 70,574

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Seven Cent

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ 925,000	\$ 1,082,827	\$ 157,827
Licenses and permits	90,000	66,927	(23,073)
Intergovernmental	350,000	373,835	23,835
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	-	15,400	15,400
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	1,365,000	1,538,989	173,989
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	1,772,255	1,866,564	(94,309)
Building safety	-	-	-
Total	1,772,255	1,866,564	(94,309)
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	1,772,255	1,866,564	(94,309)
Excess of revenues over expenditures	(407,255)	(327,575)	79,680
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	407,255	407,255	-
Operating transfers out	-	-	-
Total other financing sources (uses)	407,255	407,255	-
Net change in fund balance	-	79,680	79,680
Fund balances at beginning of year	-	451,596	451,596
Fund balances at end of year	\$ -	\$ 531,276	\$ 531,276

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—E-911

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ 919,623	\$ 1,059,929	\$ 140,306
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	-	2,745	2,745
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	919,623	1,062,674	143,051
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	937,813	951,353	(13,540)
Police	-	-	-
Fire	-	-	-
Total	937,813	951,353	(13,540)
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	937,813	951,353	(13,540)
Excess of revenues over expenditures	(18,190)	111,321	129,511
Other Financing Sources (Uses)			
Subscription financing	-	6,309	6,309
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	18,190	18,190	-
Operating transfers out	-	-	-
Total other financing sources (uses)	18,190	24,499	6,309
Net change in fund balance	-	135,820	135,820
Fund balances at beginning of year	16,877	235,031	218,154
Fund balances at end of year	\$ 16,877	\$ 370,851	\$ 353,974

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Court & Corrections

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	657,000	602,465	(54,535)
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	-	5,584	5,584
Library revenues	-	-	-
Other revenues	40,000	3,835	(36,165)
Total revenues	697,000	611,884	(85,116)
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	858,770	816,147	42,623
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	858,770	816,147	42,623
Excess of revenues over expenditures	(161,770)	(204,263)	(42,493)
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	161,770	204,493	42,723
Operating transfers out	-	-	-
Total other financing sources (uses)	161,770	204,493	42,723
Net change in fund balance	-	230	230
Fund balances at beginning of year	-	(230)	(230)
Fund balances at end of year	\$ -	\$ -	\$ -

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Library State Aid

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	32,572	34,864	2,292
Proceeds from sale of assets	-	-	-
Interest revenues	-	-	-
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	32,572	34,864	2,292
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	-	-	-
Library	32,572	34,864	(2,292)
Parks and recreation	-	-	-
Total expenditures	32,572	34,864	(2,292)
Excess of revenues over expenditures	-	-	-
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Library Donations

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	55,000	36,601	(18,399)
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	1,700	11,759	10,059
Library revenues	125,000	119,182	(5,818)
Other revenues	-	-	-
Total revenues	181,700	167,542	(14,158)
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	-	-	-
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	-	-	-
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	-	-	-
Library	231,506	111,196	120,310
Parks and recreation	-	-	-
Total expenditures	231,506	111,196	120,310
Excess of revenues over expenditures	(49,806)	56,346	106,152
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(49,806)	56,346	106,152
Fund balances at beginning of year	423,650	471,723	48,073
Fund balances at end of year	\$ 373,844	\$ 528,069	\$ 154,225

City of Vestavia Hills, Alabama
Schedule of Revenues, Expenditures, and
Changes in Fund Balances—Budget to Actual—Vehicle Tags

<i>For the year ended September 30, 2024</i>	Budget - Original and Final	Actual on Budgetary Basis	Variance with Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	215,000	-	(215,000)
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Fees	-	-	-
Grants	-	-	-
Proceeds from sale of assets	-	-	-
Interest revenues	11,578	-	(11,578)
Library revenues	-	-	-
Other revenues	-	-	-
Total revenues	226,578	-	(226,578)
Expenditures			
General government administration			
City Wide	-	-	-
City Council	-	-	-
Mayor and administration	226,578	-	226,578
City Clerk	-	-	-
Municipal complex	-	-	-
Information services	-	-	-
Total	226,578	-	226,578
Public safety			
Dispatch	-	-	-
Police	-	-	-
Fire	-	-	-
Total	-	-	-
Public works			
Public services	-	-	-
Building safety	-	-	-
Total	-	-	-
Court and Corrections	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Total expenditures	226,578	-	226,578
Excess of revenues over expenditures	-	-	-
Other Financing Sources (Uses)			
Subscription financing	-	-	-
Proceeds from vehicle and equipment financing arrangements	-	-	-
Operating transfers in	-	1,000	1,000
Operating transfers out	-	-	-
Total other financing sources (uses)	-	1,000	1,000
Net change in fund balance	-	1,000	1,000
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	\$ 1,000	\$ 1,000



VESTAVIA HILLS

STATISTICAL SECTION

The Statistical Section of the City of Vestavia Hills' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the financial reports and department records for the relevant year.

City of Vestavia Hills, Alabama
Net Position by Component
Financial Trends—Table 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary government										
Net investment in										
capital assets	\$ 141,302,164	\$ 136,263,715	\$ 100,125,503	\$ 91,287,511	\$ 81,105,999	\$ 81,806,469	\$ 84,178,288	\$ 76,649,701	\$ 77,269,317	\$ 76,917,455
Restricted	2,820,344	2,870,540	2,806,050	5,404,258	20,084,299	3,284,465	1,863,357	1,263,538	1,420,389	950,613
Unrestricted	3,130,092	5,046,043	8,181,651	1,366,822	(12,530,607)	(2,549,013)	(5,984,798)	(7,983,101)	(7,227,071)	(4,625,386)
Total primary government										
net position	\$ 147,252,600	\$ 144,180,298	\$ 111,113,204	\$ 98,058,591	\$ 88,659,691	\$ 82,541,921	\$ 80,056,847	\$ 69,930,138	\$ 71,462,635	\$ 73,242,682

Notes:

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only (a) when an external party, (b) a constitutional provision, (c) or enabling legislation imposes legally enforceable limits on how they may be used.

City of Vestavia Hills, Alabama
Changes in Net Position
Financial Trends—Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities										
General government administration	\$ 14,522,732	\$ 12,318,384	\$ 9,278,881	\$ 9,956,827	\$ 9,652,252	\$ 7,929,747	\$ 8,429,364	\$ 8,527,537	\$ 10,562,037	\$ 9,339,081
Public safety	33,028,114	28,518,251	25,234,198	23,613,472	21,996,026	21,444,576	20,385,849	19,423,395	18,493,943	16,555,537
Public works	15,485,790	14,764,661	15,405,748	12,418,524	12,395,353	15,623,988	11,468,411	11,293,810	10,138,974	9,666,673
Library	3,797,307	3,511,666	3,341,567	3,266,575	3,002,534	2,895,284	2,682,095	2,493,376	2,442,566	2,623,110
Parks and recreation ¹	6,650,639	5,399,866	-	-	-	-	-	-	-	1,184,401
Appropriation to BOE	1,380,000	280,000	280,000	280,000	559,811	-	-	-	-	-
Interest on long term debt	3,312,937	3,032,861	3,516,612	3,392,484	3,199,842	4,011,797	2,498,389	2,125,482	1,884,006	2,949,405
Total governmental activities expenses	78,177,519	67,825,689	57,057,006	52,927,882	50,805,818	51,905,392	45,464,108	43,863,600	43,521,526	42,318,207
Program Revenues:										
Governmental activities										
Fees, Fines and Charges for services:										
General government administration	5,949,745	5,590,716	5,273,479	4,685,451	4,305,721	4,058,822	3,817,117	3,891,247	3,609,686	4,683,836
Public safety	1,172,237	1,028,713	948,331	732,861	960,524	748,731	717,393	745,769	690,658	696,521
Public works	4,229,789	2,342,532	2,453,547	2,496,465	2,253,835	2,202,150	2,192,941	1,941,158	2,082,378	1,828,125
Library	143,070	119,556	59,466	56,144	64,523	135,668	121,767	147,255	100,193	96,903
Parks and recreation ¹	1,801,985	1,377,440	-	-	-	-	-	-	-	391,351
Operating grants and contributions	1,392,648	6,310,800	6,106,706	774,181	1,811,861	921,211	762,793	689,906	756,602	655,620
Capital grants and contributions	4,388,127	674,717	366,437	507,012	1,270,987	330,967	516,657	980,894	299,054	435,128
Total program revenues	19,077,601	17,444,474	15,207,966	9,252,114	10,667,451	8,397,549	8,128,668	8,396,229	7,538,571	8,787,484
Total governmental activities net (expense) revenue	(59,099,918)	(50,381,215)	(41,849,040)	(43,675,768)	(40,138,367)	(43,507,843)	(37,335,440)	(35,467,371)	(35,982,955)	(33,530,723)
General Revenues:										
Governmental activities										
Taxes:										
Ad Valorem (real and personal property)	23,416,184	21,380,057	19,201,249	18,433,130	17,446,551	16,206,605	15,782,118	15,043,160	14,528,727	13,842,366
Sales and use	29,585,548	29,807,104	29,392,779	24,771,713	21,773,501	20,341,644	16,547,051	13,667,105	13,058,992	12,031,846
Other taxes	2,245,119	2,031,121	1,840,240	1,860,561	2,586,863	2,357,441	2,160,079	2,191,375	2,184,779	2,191,632
State shared revenues	1,014,593	969,188	929,469	874,596	-	-	-	-	-	-
Utility franchise fees	2,938,178	2,861,058	2,789,359	2,694,435	2,919,092	2,838,497	2,731,693	2,613,906	2,721,544	2,780,040
Investment earnings	2,472,964	423,808	167,049	329,947	782,637	1,260,611	360,168	193,507	141,220	148,391
Donated infrastructure assets	-	22,053,547	627,692	3,959,625	135,044	187,770	9,318,585	-	311,241	2,068,535
Donations	277,529	2,751,708	-	-	-	-	-	-	-	-
Miscellaneous	222,105	121,491	179,015	149,265	523,649	217,188	1,344,160	209,766	328,224	215,383
Gain/(loss) on sale of assets	-	126,147	(263,199)	1,396	88,800	1,821,711	33,114	16,055	928,181	172,018
Gain/(loss) on investments	-	923,080	-	-	-	-	-	-	-	-
Economic incentive	-	-	-	-	-	-	-	-	-	(3,320,123)
Total general revenues	62,172,220	83,448,309	54,863,653	53,074,668	46,256,137	45,231,467	48,276,968	33,934,874	34,202,908	30,130,088
Change in Net Position	\$ 3,072,302	\$ 33,067,094	\$ 13,014,613	\$ 9,398,900	\$ 6,117,770	\$ 1,723,624	\$ 10,941,528	\$ (1,532,497)	\$ (1,780,047)	\$ (3,400,635)

¹ Parks and Recreation was a combined department with Public Works (was referred to as Public Services) prior to 2023.

City of Vestavia Hills, Alabama
Fund Balances—Governmental Funds
Financial Trends—Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 415,434	\$ 112,866	\$ 69,438	\$ 48,302	\$ 89,456	\$ 76,093	\$ 154,488	\$ 112,305	\$ 79,982	\$ 83,149
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	23,353,744	20,297,630	18,094,472	14,430,713	12,946,508	12,036,083	10,499,562	10,376,504	9,824,113	9,083,648
Assigned	-	-	-	500,000	500,000	500,000	500,000	500,000	744,174	650,887
Unassigned	7,889,923	8,851,145	6,726,595	6,185,977	5,184,683	3,390,671	3,388,821	2,369,707	2,813,250	3,199,965
Total General Fund	31,659,101	29,261,641	24,890,505	21,164,992	18,720,647	16,002,847	14,542,871	13,358,516	13,461,519	13,017,649
All other governmental funds										
Non-spendable	3,128,528	-	-	-	-	-	-	-	-	-
Restricted	6,788,100	2,870,540	2,806,050	5,404,258	20,084,299	41,547,685	49,741,924	1,263,538	1,420,389	950,613
Committed	-	4,205,394	6,116,650	8,570,918	4,135,070	3,258,598	2,630,623	2,262,880	1,748,128	4,353,080
Assigned	4,547,955	765,337	574,754	539,111	4,899,138	1,311,934	1,413,630	1,033,085	2,648,121	3,687,206
Unassigned	-	(230)	-	-	(11,313)	-	(6,025)	-	-	(108,619)
Total all other governmental funds	\$ 14,464,583	\$ 7,841,041	\$ 9,497,454	\$ 14,514,287	\$ 29,107,194	\$ 46,118,217	\$ 53,780,152	\$ 4,559,503	\$ 5,816,638	\$ 8,882,280

City of Vestavia Hills, Alabama
Changes in Fund Balances—Governmental Funds
Financial Trends—Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Taxes	\$ 55,246,851	\$ 53,218,282	\$ 50,434,268	\$ 45,065,403	\$ 40,188,243	\$ 37,406,418	\$ 33,056,364	\$ 30,235,865	\$ 29,112,269	\$ 27,431,568
Licenses and permits	8,760,874	6,795,898	5,691,571	5,429,821	5,625,463	4,874,750	4,909,222	4,387,991	4,341,939	4,337,672
Intergovernmental	1,014,593	969,187	929,469	874,596	776,033	678,669	666,515	665,775	660,230	738,319
Charges for services	1,838,586	1,377,440	953,969	664,128	234,842	393,852	365,782	368,373	362,092	391,351
Fines and forfeitures	989,998	961,091	1,005,397	947,022	614,016	856,276	671,791	754,112	899,443	942,340
Fees	2,994,267	2,912,364	2,844,089	2,768,952	3,816,191	3,754,808	3,561,477	2,669,206	2,774,763	2,846,268
Grants	5,736,712	6,868,856	7,271,882	2,052,103	3,489,771	1,247,230	1,206,357	1,667,507	1,053,738	1,071,087
Investment income	860,058	423,808	167,049	329,950	782,636	1,260,609	335,758	193,552	141,220	148,392
Library revenues	119,182	164,068	101,086	57,069	66,751	140,617	194,861	150,547	102,112	102,551
Other revenues	3,365,666	5,022,094	818,196	948,555	1,514,951	1,007,993	2,085,807	1,222,120	1,054,251	1,988,186
Total revenues	80,926,787	78,713,088	70,216,976	59,137,599	57,108,897	51,621,222	47,053,934	42,315,048	40,502,057	39,997,734
Expenditures:										
Current										
General government administration	12,763,883	9,907,017	9,129,884	8,344,673	8,021,500	6,897,281	7,375,828	6,574,128	6,771,519	8,969,142
Public safety	28,072,334	25,284,900	23,427,508	21,853,458	21,073,676	20,346,568	18,754,904	18,350,692	17,528,858	16,537,527
Public works	10,962,849	10,887,653	13,049,945	10,060,025	10,180,108	13,447,928	9,389,648	9,334,570	8,254,475	8,938,853
Library	3,008,141	2,883,772	2,642,276	2,333,561	2,142,601	2,060,167	1,884,428	1,742,450	1,716,782	1,686,194
Parks and recreation ¹	5,260,974	4,549,404	-	-	-	-	-	-	-	-
Debt service										
Principal retirement	7,547,353	7,054,451	6,327,829	5,554,073	5,096,616	5,106,913	3,839,516	3,555,360	3,524,046	2,315,000
Interest	3,245,115	3,205,047	3,345,053	3,509,045	3,435,319	4,047,291	2,527,731	2,107,536	1,919,549	3,845,004
Capital outlay	6,096,265	16,897,679	18,918,886	19,805,917	28,067,246	8,505,449	2,903,579	12,376,635	6,545,071	20,262,782
Intergovernmental										
Appropriation to BOE	1,380,000	280,000	280,000	280,000	559,811	-	-	-	2,000,000	-
Total expenditures	78,336,914	80,949,923	77,121,381	71,740,752	78,576,877	60,411,597	46,675,634	54,041,371	48,260,300	62,554,502
Excess (deficiency) of revenues over (under) expenditures	2,589,873	(2,236,835)	(6,904,405)	(12,603,153)	(21,467,980)	(8,790,375)	378,300	(11,726,323)	(7,758,243)	(22,556,768)
Other Financing Sources (Uses)										
Proceeds of warrants	-	-	5,265,000	-	24,060,000	-	55,770,000	9,500,000	11,810,000	9,205,000
Proceeds of direct financing	5,897,269	2,844,775	5,215,588	294,370	4,408,438	-	1,698,720	850,130	1,688,871	1,045,673
Refunded bond redemption	-	-	-	-	-	-	-	-	-	(7,855,000)
Payment to bond escrow agent	-	-	(5,533,141)	-	(21,965,468)	-	(9,297,654)	-	(10,923,875)	-
Bond premium	-	-	573,130	-	538,270	-	1,810,906	-	1,265,051	71,425
Right-to-use assets	-	1,596,956	-	-	-	-	-	-	-	-
Subscription financing	423,873	354,837	-	-	-	-	-	-	-	-
Sale of surplus assets	109,987	154,990	92,508	160,221	133,517	1,826,966	44,732	16,055	1,296,424	1,049,733
Transfers in	18,787,091	18,093,657	17,498,150	16,197,541	14,941,003	13,502,635	7,134,992	5,442,381	7,123,893	6,756,745
Transfers out	(18,787,091)	(18,093,657)	(17,498,150)	(16,197,541)	(14,941,003)	(13,502,635)	(7,134,992)	(5,442,381)	(7,123,893)	(6,756,745)
Total other financing sources (uses)	6,431,129	4,951,558	5,613,085	454,591	7,174,757	1,826,966	50,026,704	10,366,185	5,136,471	3,516,831
Net change in fund balances	\$ 9,021,002	\$ 2,714,723	\$ (1,291,320)	\$ (12,148,562)	\$ (14,293,223)	\$ (6,963,409)	\$ 50,405,004	\$ (1,360,138)	\$ (2,621,772)	\$ (19,039,937)
Debt Service as a % of Noncapital Expenditures	17.6%	19.1%	19.9%	21.1%	20.3%	21.4%	17.0%	15.7%	15.0%	17.0%

¹ Parks and Recreation was a combined department with Public Works (referred to as Public Services) prior to 2023.

City of Vestavia Hills, Alabama
Changes in Fund Balances—General Fund Only
Financial Trends—Table 5

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Taxes	\$ 53,101,287	\$ 51,351,670	\$ 48,763,680	\$ 43,358,100	\$ 39,361,237	\$ 36,628,663	\$ 32,350,470	\$ 28,766,487	\$ 27,645,092	\$ 25,923,168
Licenses and permits	8,693,947	6,481,012	5,412,768	5,213,938	5,426,845	4,712,682	4,750,948	4,238,905	4,228,918	4,337,672
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for services	1,801,985	1,377,440	953,969	664,128	234,737	393,142	363,932	368,373	362,092	391,351
Fines and forfeits	387,533	392,457	435,839	404,510	270,900	364,533	278,499	330,937	410,475	487,710
Fees	2,994,267	2,912,364	2,844,089	2,768,952	2,973,552	2,934,205	2,795,113	2,669,206	2,774,763	2,846,268
Grants	1,228,710	1,218,454	920,066	870,103	2,390,624	765,494	643,018	637,553	547,717	555,314
Investment income	192,182	58,661	93,264	131,510	249,308	456,440	216,460	164,227	99,568	74,447
Library revenues	-	-	-	-	-	-	-	-	-	-
Other revenues	3,053,264	2,097,414	651,698	780,257	747,001	673,129	684,129	617,920	664,333	632,955
Total revenues	71,453,175	65,889,472	60,075,373	54,191,498	51,654,204	46,928,288	42,082,569	37,793,608	36,732,958	35,248,885
Expenditures:										
Current										
General government administration	11,909,125	8,901,054	8,144,432	7,490,206	7,329,386	6,261,331	6,052,912	5,713,456	5,988,377	6,785,107
Public safety	27,174,897	24,358,369	22,461,187	20,872,268	19,863,500	19,331,268	17,869,311	17,518,121	16,415,405	15,792,421
Public works	6,316,086	6,057,862	9,249,176	8,183,689	7,560,454	7,590,608	7,807,832	7,349,268	6,957,917	6,620,303
Library	2,873,968	2,781,297	2,565,400	2,234,192	2,108,932	1,944,565	1,780,591	1,698,071	1,643,715	1,558,926
Parks and recreation ¹	5,065,310	4,412,300	-	-	-	-	-	-	-	-
Debt service										
Principal retirement	173,688	-	-	-	-	-	-	-	-	-
Interest	5,293	1,605	-	-	-	-	-	-	-	-
Capital outlay	481,996	581,610	39,776	259,325	180,313	206,465	373,901	297,205	206,850	195,076
Intergovernmental										
Appropriation to the Board	-	-	-	-	279,811	-	-	-	-	-
Total expenditures	54,000,363	47,094,097	42,459,971	39,039,680	37,322,396	35,334,237	33,884,547	32,576,121	31,212,264	30,951,833
Excess (deficiency) of revenues over (under) expenditures	17,452,812	18,795,375	17,615,402	15,151,818	14,331,808	11,594,051	8,198,022	5,217,487	5,520,694	4,297,052
Other Financing Sources (Uses)										
Subscription financing	417,564	301,589	-	-	-	-	-	-	-	-
Sale of surplus assets	-	101,654	92,508	160,221	42,328	16,016	21,325	16,055	42,483	24,733
Transfers in	75,000	50,000	68,033	81,336	59,121	94,230	50,000	52,918	-	1,400,000
Transfers out	(15,547,916)	(14,877,482)	(14,050,430)	(12,949,030)	(11,715,457)	(10,244,321)	(7,084,992)	(5,389,463)	(5,119,307)	(5,106,745)
Total other financing sources (uses)	(15,055,352)	(14,424,239)	(13,889,889)	(12,707,473)	(11,614,008)	(10,134,075)	(7,013,667)	(5,320,490)	(5,076,824)	(3,682,012)
Net change in fund balances	\$ 2,397,460	\$ 4,371,136	\$ 3,725,513	\$ 2,444,345	\$ 2,717,800	\$ 1,459,976	\$ 1,184,355	\$ (103,003)	\$ 443,870	\$ 615,040

¹ Parks and Recreation was a combined department with Public Works (referred to as Public Services) prior to 2023.

City of Vestavia Hills, Alabama
Tax Revenues by Source
Financial Trends—Table 6

<i>Fiscal Year Ended</i>												
<i>September 30,</i>		Property		Sales & Use		Road		Excise		All Other		Total
2024	\$	23,416,184	\$	29,585,548	\$	1,082,827	\$	102,363	\$	1,059,929	\$	55,246,851
2023		21,380,057		29,807,104		1,002,814		167,833		860,474		53,218,282
2022		19,201,249		29,392,779		800,568		172,481		867,191		50,434,268
2021		18,433,130		24,771,713		870,516		155,355		834,690		45,065,404
2020		17,446,551		21,773,501		824,690		143,501		1,618,672		41,806,915
2019		16,206,605		20,341,644		744,113		82,547		1,530,781		38,905,690
2018		15,782,115		16,547,051		703,672		23,527		1,432,880		34,489,245
2017		15,043,160		13,667,105		647,164		58,412		1,485,799		30,901,640
2016		14,528,727		13,058,992		648,432		59,559		1,476,788		29,772,498
2015		13,842,366		12,031,846		684,386		51,070		1,456,176		28,065,844

Source: City of Vestavia Hills' Revenue Department

City of Vestavia Hills, Alabama
Sales and Use Tax Revenue by Category
Revenue and Expenditure Capacity—Table 7

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Automotive Sales	\$ 1,056,467	\$ 1,087,908	\$ 1,003,698	\$ 1,014,383	\$ 778,062	\$ 739,606	\$ 700,333	\$ 631,431	\$ 683,188	\$ 674,333
Food Stores	5,478,569	5,096,288	4,848,205	4,486,591	3,802,097	3,660,740	3,526,372	2,553,137	2,072,917	1,995,966
Home Furnishings and Building Supply	2,440,352	2,511,999	2,686,774	2,508,827	2,206,103	2,134,603	1,954,649	1,256,745	1,324,189	1,024,893
Medical Sales and Pharmacy	1,085,389	1,129,201	1,851,798	1,041,488	971,218	1,147,934	985,429	754,562	734,913	738,295
Merchandise Retail	4,524,647	4,260,988	4,594,284	4,205,266	3,368,296	3,087,228	2,379,443	2,337,531	3,145,253	2,312,992
Restaurants	4,827,502	4,301,633	4,206,381	3,722,764	3,098,909	3,270,622	2,471,907	2,015,392	1,978,982	1,889,818
Service Stations and Auto Parts	880,427	849,890	804,839	670,280	698,173	710,900	507,769	459,293	464,556	454,316
Other	9,292,195	10,569,197	9,396,800	7,122,114	6,850,643	5,590,011	4,021,149	3,659,014	2,654,994	2,941,233
Total	<u>\$ 29,585,548</u>	<u>\$ 29,807,104</u>	<u>\$ 29,392,779</u>	<u>\$ 24,771,713</u>	<u>\$ 21,773,501</u>	<u>\$ 20,341,644</u>	<u>\$ 16,547,051</u>	<u>\$ 13,667,105</u>	<u>\$ 13,058,992</u>	<u>\$ 12,031,846</u>

Source: City of Vestavia Hills' Revenue Department

City of Vestavia Hills, Alabama
Direct and Overlapping Sales Tax Rates
Revenue and Expenditure Capacity—Table 8

Fiscal Year	City Direct Rate	Jefferson County	State of Alabama	Total Sales Tax
2024	4.00%	2.00%	4.00%	10.00%
2023	4.00%	2.00%	4.00%	10.00%
2022	4.00%	2.00%	4.00%	10.00%
2021	4.00%	2.00%	4.00%	10.00%
2020	4.00%	2.00%	4.00%	10.00%
2019	4.00%	2.00%	4.00%	10.00%
2018	4.00%	2.00%	4.00%	10.00%
2017	3.00%	2.00%	4.00%	9.00%
2016	3.00%	2.00%	4.00%	9.00%
2015	3.00%	2.00%	4.00%	9.00%

Sources: City Revenue Department, Jefferson County Revenue Department,
and Alabama Department of Revenue

City of Vestavia Hills, Alabama
Principal Sales Tax Payers
Revenue and Expenditure Capacity—Table 9

Taxpayer	2024 Rank	2015 Rank
PUBLIX ALABAMA LLC	1	1
WALMART INC	2	2
ROYAL AUTOMOTIVE INC	3	3
MARKS OUTDOORS INC	4	4
E N M INC	5	
EL ZUN ZUN RESTAURANT LLC	6	
INDUS LLC	7	
UNITED JOHNSON BROTHERS OF ALABAMA LLC	8	
AMERICAN MULTI CINEMA INC	9	
WINN DIXIE MONTGOMERY LLC	10	5
WESTERN SUPERMARKETS INC		6
MARCUS CABLE ASSOCIATES LP		7
ALABAMA CVS PHARMACY LLC		8
WALGREEN CO		9
STEIN MART INC		10

Total sales and use taxes - principal payers

Note: State law prohibits the disclosure of confidential taxpayer data, such as the amount of sales tax remitted for individual businesses.

Source: City of Vestavia Hills Revenue Department

City of Vestavia Hills, Alabama
Sales & Use Tax Proceeds and Proceeds Available for Debt Service
Revenue and Expenditure Capacity—Table 10

Fiscal Year	Proceeds of Sales and Use Tax	Sales and Use Tax Proceeds Available for Debt Service
2024	\$ 29,585,548	\$ 27,736,451
2023	29,807,104	27,944,160
2022	29,392,779	27,555,730
2021	24,771,713	23,223,481
2020	21,773,501	20,412,657
2019	20,341,644	19,070,291
2018	16,547,051	15,512,860
2017	13,667,105	12,812,911
2016	13,058,992	12,242,805
2015	12,031,846	11,279,856

Sources: City Revenue Department

City of Vestavia Hills, Alabama
Direct and Overlapping Property Tax Rates
Revenue and Expenditure Capacity—Table 11

City of Vestavia Hills				Overlapping Rates						
Fiscal Year	General Fund	City Schools	City Total	County	County Schools	School District	County Total	State of Alabama	Total Overlapping	Total Overlapping and Direct
Jefferson County										
2024	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2023	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2022	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2021	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2020	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2019	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2018	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2017	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2016	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
2015	20.55	28.75	49.30	13.50	8.20	15.10	36.80	6.50	43.30	92.60
Shelby County										
2024	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2023	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2022	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2021	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2020	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2019	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2018	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2017	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2016	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30
2015	20.55	28.75	49.30	7.50	16.00	-	23.50	6.50	30.00	79.30

City of Vestavia Hills, Alabama
Principal Property Tax Payers
Revenue and Expenditure Capacity—Table 12

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
PZ UC BUILDING OWNER LLC	\$ 19,447,200	1	4.09%	\$ 13,260,120	1	4.72%
ALABAMA POWER CO	14,554,980	2	2.99%	8,333,120	3	2.86%
VESTAVIA MZL LLC	11,793,720	3	2.48%			
PAC VESTAVIA LLC	11,683,520	4	2.46%			
GRAND HIGHLANDS APARTMENTS LP	9,838,500	5	2.07%			
CMF 15 PORTFOLIO LLC	9,040,840	6	1.90%	4,035,320	8	1.44%
LIBERTY PARK JOINT VENTURE	7,614,640	7	1.60%	8,357,680	2	2.98%
ROYAL TOWERS REALTY LLC	7,320,440	8	1.54%			
TV-ALA LP	6,254,020	9	1.32%			
WSL-CAHABA RIDGE LLC	6,083,320	10	1.28%			
EXCEL VESTAVIA LLC				5,650,780	4	2.01%
MOUNTAIN BROOK MULTIFAMILY PARTNERS LLC				5,583,040	5	1.99%
VESTAVIA HILLS LTD				4,436,720	6	1.58%
GFTV VESTAVIA OWNER LLC				4,164,780	7	1.48%
LTF REAL ESTATE COMPANY				3,868,140	9	1.38%
BELLSOUTH TELECOMMUNICATIONS				3,519,800	10	1.25%
Total taxable assessed value for principal property taxpayers	\$ 103,631,180		21.74%	\$ 61,209,500		21.69%

Sources:
Jefferson County Property Appraiser

City of Vestavia Hills, Alabama
Assessed Value and Estimated Actual Value of Taxable Property
Revenue and Expenditure Capacity—Table 13

<i>Fiscal Year Ended September 30,</i>	Public Utility Property Class I		Real, Personal & Other Property Class II		Real & Other Property Class III		Motor Vehicles Class IV		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2024	17,491,040	58,303,467	439,795,560	2,198,977,800	659,259,140	6,592,591,400	81,021,950	540,146,333	1,197,567,690	9,390,019,000	13%
2023	14,284,320	47,614,400	453,273,000	2,266,365,000	637,980,000	6,379,800,000	80,631,880	537,545,867	1,186,169,200	9,231,325,267	13%
2022	14,224,660	47,415,533	362,840,040	1,814,200,200	598,037,940	5,980,379,400	89,299,480	595,329,867	1,064,402,120	8,437,325,000	13%
2021	13,607,580	45,358,600	335,938,760	1,679,693,800	538,977,280	5,389,772,800	86,393,480	575,956,533	974,917,100	7,690,781,733	13%
2020	13,228,840	44,096,133	327,625,240	1,638,126,200	516,302,000	5,163,020,000	78,075,100	520,500,667	935,231,180	7,365,743,000	13%
2019	12,583,820	41,946,067	312,362,220	1,561,811,100	488,814,800	4,888,148,000	93,567,420	623,782,800	907,328,260	7,115,687,967	13%
2018	12,418,840	41,396,133	276,829,980	1,384,149,900	465,680,700	4,656,807,000	81,022,290	540,148,600	835,951,810	6,622,501,633	13%
2017	12,513,540	41,711,800	275,463,240	1,377,316,200	441,159,960	4,411,599,600	80,827,770	538,851,800	809,964,510	6,369,479,400	13%
2016	12,485,620	41,618,733	230,631,640	1,153,158,200	393,148,020	3,931,480,200	77,919,250	519,461,667	714,184,530	5,645,718,800	13%
2015	13,512,400	45,041,333	223,232,720	1,116,163,600	404,501,040	4,045,010,400	31,343,720	208,958,133	672,589,880	5,415,173,466	12%

Source: Jefferson County Property Appraiser
Shelby County Property Tax Commissioner
Shelby County License Office

City of Vestavia Hills, Alabama
Property Tax Levies and Collections
Revenue and Expenditure Capacity—Table 14

<i>Fiscal Year Ended September 30,</i>	Collected Within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Total Tax Levy for Fiscal Year	Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2024	\$ 20,876,379	\$ 20,892,573	100%	\$ -	\$ 20,892,573	100%
2023	\$ 18,409,957	18,910,487	103%	82,055	\$ 18,992,542	103%
2022	\$ 16,762,291	17,128,692	102%	49,326	\$ 17,178,018	102%
2021	\$ 16,158,290	16,595,702	103%	10,584	\$ 16,606,286	103%
2020	\$ 15,766,042	15,781,698	100%	9,559	\$ 15,791,257	100%
2019	\$ 14,285,081	14,594,810	102%	5,205	\$ 14,600,015	102%
2018	\$ 13,821,948	14,161,813	102%	16,857	\$ 14,178,670	103%
2017	\$ 13,053,346	13,368,779	102%	53,274	\$ 13,422,053	103%
2016	\$ 12,430,160	12,839,916	103%	17,703	\$ 12,857,619	103%
2015	\$ 11,912,961	12,265,526	103%	324	\$ 12,265,850	103%

Source:

City cash receipt source documents
Jefferson County Tax Collector
Jefferson County Property Appraiser

City of Vestavia Hills, Alabama
Ratio of Outstanding Debt by Type
Debt Capacity—Table 15

Fiscal Year	Governmental Activities					Total Outstanding Debt	Personal Income ⁽¹⁾	Percentage of Personal Income	Population ⁽¹⁾	Debt per Capita
	General Obligation Warrants	Direct Financing Arrangements	Lease Liability	Subscription-based IT Arrangement Liability						
2024	\$ 85,215,000	\$ 11,639,403	\$ 1,377,469	\$ 482,538	\$ 98,714,410	\$ 2,540,192,240	3.89%	38,020	2,596	
2023	89,685,000	8,509,582	1,513,686	232,353	99,940,621	\$ 2,633,608,884	3.79%	38,292	2,610	
2022	94,170,000	8,028,504	-	-	102,198,504	\$ 2,360,148,427	4.33%	38,801	2,634	
2021	98,765,000	4,750,756	-	-	103,515,756	\$ 2,252,588,016	4.60%	39,102	2,647	
2020	103,000,000	5,775,459	-	-	108,775,459	\$ 2,011,715,154	5.41%	34,413	3,161	
2019	103,305,000	2,673,637	-	-	105,978,637	\$ 1,970,273,214	5.38%	34,461	3,075	
2018	107,065,000	4,020,550	-	-	111,085,550	\$ 1,850,685,270	6.00%	34,291	3,239	
2017	63,505,000	3,343,737	-	-	66,848,737	\$ 1,796,734,336	3.72%	34,688	1,927	
2016	56,630,000	3,423,967	-	-	60,053,967	\$ 1,796,732,224	3.34%	34,174	1,757	
2015	57,340,000	2,694,142	-	-	60,034,142	\$ 1,732,255,596	3.47%	33,898	1,771	

⁽¹⁾ Obtained from the U.S. Census Bureau

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Vestavia Hills, Alabama
Ratio of Net General Bonded Debt Outstanding
Debt Capacity—Table 16

Fiscal Year	General Obligation Debt	Less: Amounts Available for Debt Service	Net General Bonded Debt	Estimated Actual Value of Taxable Property ^(a)	Percentage of Estimated Actual Taxable Value of Property	Population ^(b)	Per Capita
2024	\$ 85,215,000	\$ 2,253,635	\$ 82,961,365	\$ 9,390,019,000	0.88%	38,020	2,182
2023	89,685,000	1,966,313	87,718,687	9,231,325,267	0.95%	38,292	2,291
2022	94,170,000	2,401,375	91,768,625	8,437,325,000	1.09%	38,801	2,365
2021	98,765,000	2,147,425	96,617,575	7,690,781,733	1.26%	39,102	2,471
2020	103,000,000	1,989,023	101,010,977	7,365,743,000	1.37%	34,413	2,935
2019	103,305,000	1,759,670	101,545,330	7,115,687,967	1.43%	34,461	2,947
2018	107,065,000	1,556,335	105,508,665	6,622,501,633	1.59%	34,291	3,077
2017	63,505,000	1,217,792	62,287,208	6,369,479,400	0.98%	34,688	1,796
2016	56,630,000	1,132,014	55,497,986	5,645,718,800	0.98%	34,174	1,624
2015	57,340,000	949,698	56,390,302	5,415,173,466	1.04%	33,898	1,664

Notes:

(a) Obtained from Jefferson County Tax Assessor's Office

(b) Obtained from U.S. Census Bureau

City of Vestavia Hills, Alabama
Direct and Overlapping Governmental Activities Debt
Debt Capacity—Table 17

Governmental Unit	Net Debt Outstanding	Percentage of Debt Applicable to the City ⁽¹⁾	City's Share of Debt
Direct Debt			
City of Vestavia Hills	\$ 98,714,410	100%	\$ 98,714,410
Total Direct Debt	98,714,410		98,714,410
Overlapping Debt			
Jefferson County	377,394,348	6.50%	24,526,859
Jefferson County Board of Education	181,770,529	6.50%	11,813,267
Total Overlapping Debt	559,164,877		36,340,125
Total direct and overlapping debt	\$ 657,879,287		\$ 135,054,535

⁽¹⁾ The percentage of overlapping debt applicable is estimated using the taxable assessed value of properties located within the City of Vestavia Hills divided by the county's total taxable assessed value. FY2024 total taxable assessed value for City of Vestavia Hills is \$1,197,567,690 and the total County taxable assessed value is \$18,426,856,140.

Sources:

Jefferson County Board of Education
Jefferson County Commission

City of Vestavia Hills, Alabama
Legal Debt Margin Information
Debt Capacity—Table 18

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 239,513,538	\$ 237,233,840	\$ 212,880,424	\$ 194,983,420	\$ 187,046,236	\$ 181,465,652	\$ 167,190,362	\$ 161,992,902	\$ 142,836,906	\$ 134,517,976
Total net debt applicable to limit	98,714,410	99,940,621	102,198,504	103,515,756	108,775,459	105,978,637	111,085,550	66,848,737	60,053,967	60,034,142
Legal Debt Margin	\$ 140,799,128	\$ 137,293,219	\$ 110,681,920	\$ 91,467,664	\$ 78,270,777	\$ 75,487,015	\$ 56,104,812	\$ 95,144,165	\$ 82,782,939	\$ 74,483,834
Total net debt applicable to the limit as a percentage of debt limit	41.21%	42.13%	48.01%	53.09%	58.15%	58.40%	66.44%	41.27%	42.04%	44.63%

Legal Debt Margin Calculation

Assessed value of property	\$ 1,197,567,690
Debt limit - 20% of total assessed value	239,513,538
Debt Applicable to limit:	
General obligation warrants	85,215,000
Direct Financing Arrangements	11,639,403
Lease Liability	1,377,469
Subscription-based IT Arrangements	482,538
	<u>98,714,410</u>
	<u>\$ 140,799,128</u>

City of Vestavia Hills, Alabama
Debt Service on Outstanding General Obligation Warrants
Debt Capacity—Table 19

Fiscal Year	Series 2021	Series 2020A	Series 2020B	Series 2018	Series 2016	Series 2014 CWSRF- DL	Series 2013	Total General Obligations
2025	\$ 978,825	\$ 659,300	\$ 689,635	\$ 3,164,425	\$ 1,713,600	\$ 62,037	\$ 159,188	\$ 7,427,010
2026	978,300	660,800	685,127	3,166,675	1,720,200	60,912	159,188	7,431,202
2027	982,100	636,800	695,021	3,165,675	1,731,000	59,787	159,188	7,429,571
2028	984,300	632,400	699,280	3,166,425	1,727,100	58,663	159,188	7,427,356
2029		-	3,574,529	3,168,675		62,538	159,188	6,964,930
2030		-	3,569,073	3,167,175		61,300	159,188	6,956,736
2031		-	3,569,320	3,164,025		60,062	159,188	6,952,595
2032		-	3,575,843	3,164,525		58,824	159,188	6,958,380
2033		-	3,594,176	3,164,275		57,587	4,324,594	11,140,632
2034		-		3,167,238		61,350		3,228,588
2035		-		3,168,250				3,168,250
2036		-		3,168,250				3,168,250
2037		-		3,165,250				3,165,250
2038		-		3,164,250				3,164,250
2039		-		3,165,050				3,165,050
2040		-		3,168,400				3,168,400
2041		-		3,163,950				3,163,950
2042		-		3,166,875				3,166,875
2043		-		3,166,825				3,166,825
2044		-		3,168,800				3,168,800
2045		-		3,164,600				3,164,600
2046		-		3,166,400				3,166,400
2047		-		3,163,800				3,163,800
2048		-		3,166,800				3,166,800
Total	\$ 3,923,525	\$ 2,589,300	\$ 20,652,004	\$ 75,986,613	\$ 6,891,900	\$ 603,060	\$ 5,598,098	\$ 116,244,500

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Vestavia Hills, Alabama
Demographic and Economic Statistics
Demographic and Economic Information—Table 20

Year	Population ^(a)	Personal Income (a)	Per Capita Income	Public School Enrollment ^(b)	Unemployment Rate ^(c)
2024	38,020	\$ 2,540,192,240	\$ 66,812	6,913	2.20%
2023	38,292	2,633,608,884	68,777	7,068	1.80%
2022	38,801	2,360,148,427	60,827	7,117	1.50%
2021	39,102	2,252,588,016	57,608	7,014	1.60%
2020	34,413	2,011,715,154	58,458	7,142	3.30%
2019	34,461	1,970,273,214	57,174	7,125	1.90%
2018	34,291	1,850,685,270	53,970	7,192	3.70%
2017	34,688	1,796,734,336	51,797	7,083	3.90%
2016	34,174	1,796,732,224	52,576	7,014	5.90%
2015	33,898	1,732,255,596	51,102	6,760	6.00%

Sources:

- (a) Obtained from U.S. Census Bureau.
- (b) Obtained from Vestavia Hills Board of Education
- (c) Obtained from Alabama Department of Labor

City of Vestavia Hills, Alabama
Principal Employers
Demographic and Economic Information—Table 21

Employer	2024		2015	
	Number of Employees	Rank	Number of Employees	Rank
Vulcan Materials	11,800	1	385	2
Vestavia Hills City School System	869	2	846	1
NaphCare, Inc.	500	3	156	6
E partners Ministry	453	4		
LifeTime Fitness	280	5	250	3
Royal Automotive, Inc.	138	6	140	7
Drummond Companies	127	7	127	8
Publix Alabama, LLC	102	8	179	5
Old Overton Club	100	9		
EdiPhy Advisors	90	10		
Spectrum Business			200	4
Carr Allison			114	9
Wal-Mart Neighborhood Grocery			100	10
Total Top 10	14,459		2,497	

Source: Obtained from Vestavia Hills Chamber of Commerce

Note: Information does not include City Government employees

City of Vestavia Hills, Alabama
Full-time Equivalent Employees by Function
Operating Information—Table 22

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function										
General Government										
Administration	14	13	15	13	10	10	10	10	10	10
City Clerk	4	4	4	4	4	4	4	4	4	4
City Council	5	5	5	5	5	5	5	5	5	5
Information Technology	4	4	4	4	3	3	3	3	2	2
Municipal Court	9	9	9	9	9	8	8	8	8	8
Total General Government	36	35	37	35	31	30	30	30	29	29
Public Safety										
Fire	112	107	107	107	106	103	108	107	100	97
Police	115	113	112	111	109	102	97	92	91	88
Total Public Safety	227	220	219	218	215	205	205	199	191	185
Public Services										
Building Safety	7	7	6	6	6	6	6	6	5	6
Public Works	28	23	22	22	21	22	20	21	18	17
Total Public Services	35	30	28	28	27	28	26	27	23	23
Library										
Library in the Forest	35	35	34	34	33	35	33	32	32	29
Total Library	35	35	34	34	33	35	33	32	32	29
Parks and recreation										
Parks and Recreation	87	104	53	54	42	40	36	37	35	35
Total Parks and Recreation	87	104	53	54	42	40	36	37	35	35
Total Employees	420	424	371	369	348	338	330	325	310	301

Source: City payroll report

City of Vestavia Hills, Alabama
Operating Indicators by Function/Program
Operating Information—Table 23

<i>Function</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gerenal Government										
Administration										
Employees hired	35	43	31	41	22	27	25	22	23	19
Business licenses issued	1,969	2,087	1,829	2,187	1,975	1,895	1,913	2,112	2,161	2,480
Municipal Court										
Traffic Cases	9,296	10,030	11,445	11,085	7,690	11,811	10,049	9,229	10,114	11,709
Non-traffic cases	677	882	952	804	725	847	614	736	731	510
Public Safety										
Police										
Emergency calls	50,084	46,834	46,260	43,247	37,973	42,193	37,444	36,389	37,171	39,239
Arrests	1,081	1,420	1,514	1,184	971	1,533	1,590	1,437	1,511	1,409
Fire										
Emergency responses	6,168	5,814	5,662	5,295	4,857	5,115	4,741	4,731	4,262	4,362
Public Services										
Public Works										
Street resurfacing (miles)	6.6	6.8	1.9	4.2	2.5	14.7	0.4	3.6	-	14.7
Building Safety										
Construction Permits Issued	3,526	3,447	2,922	3,174	3,594	3,605	4,315	4,237	3,421	2,956
Contractor Licenses issued	1,345	1,218	1,610	1,530	1,495	1,554	1,574	1,483	1,516	1,445
Library										
Materials checked out	464,097	468,655	475,725	377,642	336,063	512,871	424,143	450,119	461,737	404,511
Parks and recreation										
Civic Center Memberships	1,816	1,550	-	-	-	-	-	-	-	-
Aquatic Complex Memberships	2,058	2,013	1,983	1,782	-	-	-	-	-	-

Source: Various City Departments

City of Vestavia Hills, Alabama
Capital Assets by Function/Program
Operating Information—Table 24

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
General government buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	7	6	7	3	3	3	3	3	4	4
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	144	148	118	94	81	76	69	66	63	62
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Vehicles	42	42	39	37	35	36	35	36	29	28
Public Services										
Public works buildings	1	1	-	-	-	1	1	1	1	1
Vehicles	43	46	56	45	41	41	38	36	32	33
Traffic Signals	6	6	6	6	6	5	5	5	5	5
Paved streets (lane miles)	378.5	378.3	344.4	343.4	343.4	343.1	342.8	328.4	328.1	327.8
Library										
Library buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	-	-	-	-	-	-	-
Parks and recreation										
Parks acreage	2,035	2,035	2,035	2,035	2,035	2,035	2,035	2,035	2,035	2,035
Parks	10	10	10	10	10	9	9	9	9	9
Tennis/Pickleball Courts	18	18	6	6	6	6	6	6	6	6
Vehicles	17	13	12	14	8	10	10	10	11	12

Source: Various city departments

City of Vestavia Hills, Alabama
Other Operating Information
Operating Information—Table 25

Governmental Services Provided by the City and Others				
Service	City	County	State	Independent Agency
Fire protection	Exclusive			
Solid waste disposal				Exclusive
Storm water sewers	Exclusive			
Police protection	Primary	Shared	Shared	
Street maintenance and repair	Primary	Shared	Shared	
Recreation	Primary			Shared
Sanitary Sewers		Primary		
Courts	Shared	Shared	Primary	
Road Construction	Shared		Primary	
Health		Primary		
Public Transportation	Shared	Shared		Primary
Aviation				Primary
Water Service				Primary
Education	Primary		Shared	
Social Welfare		Shared	Shared	

City Labor Relations

The City is under the Personnel Board of Jefferson County for all classified employees.



VESTAVIA HILLS

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATTERS



CARR, RIGGS & INGRAM, L.L.C.

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

3700 Colonnade Parkway

Suite 300

Birmingham, AL 35243

205.933.7822

205.933.7944 (fax)

CRIadv.com

**INDEPENDENT AUDITOR'S 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2025.

Report on 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.

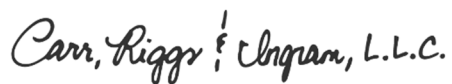
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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*.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

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

Birmingham, Alabama

March 21, 2025



CARR, RIGGS & INGRAM, L.L.C.

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

3700 Colonnade Parkway

Suite 300

Birmingham, AL 35243

205.933.7822

205.933.7944 (fax)

CRIadv.com

**INDEPENDENT AUDITOR'S 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

Opinion on Each Major Federal Program

We have audited the City of Vestavia Hills's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, L.L.C.

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

Birmingham, Alabama

March 21, 2025

City of Vestavia Hills, Alabama Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>			
Internal control over financial reporting:				
Material weakness(es) identified?	<u> </u> yes	<u> </u> X	<u> </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> </u> X	<u> </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> </u> X	<u> </u> no	

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	<u> </u> yes	<u> </u> X	<u> </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> </u> X	<u> </u> none reported	

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)	<u> </u> yes	<u> </u> X	<u> </u> no
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee?	<u> </u> yes	<u> </u> X	<u> </u> no
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Section II - Financial Statement Finding

There were no matters to be reported.

Section III - Federal Awards Findings and Questioned Costs

There were no matters to be reported.

City of Vestavia Hills, Alabama
Schedule of Expenditures of Federal Awards

For the year ended September 30, 2024

Description	Assistance Listing Number	Pass Through Entity Identifying Number	Total Grant Award	Revenue Recognized	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation						
Passed through the Alabama Department of Transportation						
Highway Planning and Construction	20.205	CMAQ-7030(600)	4,868,320	76,887	76,887	-
Highway Planning and Construction	20.205	HPP-TAPBH-CMAQ-A104(916)	4,245,949	900,844	900,844	-
Total U.S. Department of Transportation			9,114,269	977,731	977,731	-
Institute of Museum and Library Services						
Passed through the Alabama Public Library Service						
LSTA Grants to States	45.310	22-5-10	21,324	21,324	21,324	-
Total Institute of Museum and Library Services			21,324	21,324	21,324	-
U.S. Department of Justice, Bureau of Justice Assistance						
BulletproofVest Partnership Grant	16.607		10,175	7,286	7,286	-
Total U.S. Department of Justice, Bureau of Justice Assistance			10,175	7,286	7,286	-
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		8,180,928	1,145,726	1,145,726	-
Total U.S. Department of Treasury			8,180,928	1,145,726	1,145,726	-
Total Federal Awards			17,326,696	2,152,067	2,152,067	-

City of Vestavia Hills, Alabama
Notes to Schedule of Expenditures of Federal Awards

Note 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.

Note 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.

Note 3: INDIRECT COST

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

Note 4: FEDERALLY FUNDED INSURANCE AND FEDERALLY FUNDED LOANS

The City had no federally funded insurance and no federally funded loans or loan guarantee for the fiscal year ended September 30, 2024.

Note 5: NON-CASH AWARDS

During the year ended September 30, 2024, the City did not receive any non-cash federal assistance.



**CITY OF VESTAVIA HILLS
OFFICE OF THE CITY MANAGER
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Mayor and City Council

From: Jeff Downes, City Manager

Cc:

RE: Public Hearing - Ordinance Number 3269 - An Ordinance Authorizing the Mayor and City Manager to Execute Easement Documents Associated with the Future Installation of Gateway Signage at Montgomery Highway and Interstate 65 and expressing grateful appreciation to Steve Issis, Sr., and FAM Properties LLC for said easement dedication

Background:

Consistent with the master plan for gateway improvements located near the intersection of Highway 31 and Interstate 65, the City intends to install a new gateway sign and landscaping improvements. To accomplish this task, the sign must be located off of the road right-of-way and is intended to be placed on property owned by Steve Issis, FAM Properties, LLC. Mr. Issis has agreed to grant the City an easement to allow construction of this sign.

Recommendation:

It is recommended that the City Council authorize the Mayor and City Manager to execute any and all documents to accept the easement(s).

Fiscal Impact:

There are no costs associated with granting of the easement(s).

Attachments:

1. Ordinance 3269
2. Easement Agreement for Gateway Improvements Partially Executed 3-17-25

ORDINANCE NUMBER 3269

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE AN AGREEMENT FOR TEMPORARY CONSTRUCTION EASEMENT, NON-EXCLUSIVE TEMPORARY MAINTENANCE USE EASEMENT AND PERMANENT USE AND MAINTENANCE EASEMENT WITH FAM PROPERTIES LLC FOR A SOUTHERN GATEWAY SIGN TO BE LOCATED AT THE INTERSECTION OF MONTGOMERY HIGHWAY (NB) AND INTERSTATE 65 NORTHBOUND OFF-RAMP

WHEREAS, The City Council of the City of Vestavia Hills has set a priority to enhance and beautify the southern gateway into the City along Montgomery Highway; and

WHEREAS, the City Manager has negotiated easements for the location of an entrance sign into the City to be located off of Alabama Department of Transportation (“ALDOT”) right-of-way on property owned by FAM Properties, LLC, An Alabama Limited Liability Company; and

WHEREAS, a copy of said agreement for temporary construction easement, non-exclusive temporary maintenance use easement and permanent use and maintenance easement (the “Agreement”) is marked as Exhibit A, attached to and incorporated into this Ordinance Number 3269 as if written fully therein; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to authorize the Mayor and City Manager to execute the agreement as detailed in Exhibit A in order to secure the area needed for installation and maintenance of a southern gateway sign.

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

1. The Mayor and City Council extends grateful appreciation to Steve Issis, Sr., and the FAM Properties, LLC, for offering said easements to the City to assist in the beautification and establishment of an attractive southern gateway into the City; and
2. The Mayor and City Manager are hereby authorized to execute and deliver said agreement; and
3. Said Agreement will be recorded in the Office of the Judge of Probate of Jefferson County for posterity; and
4. This Ordinance Number 3269 will become effective immediately upon adoption and publishing/posting pursuant to Alabama law.

DONE, ORDERED, ADOPTED and APPROVED this the 14th day of April, 2025.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca H. Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance Number 3269 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 14th day of April, 2025, as same appears in the official records of said City.

Posted at Vestavia Hills Municipal Center, Vestavia Hills Library in the Forest, and Vestavia Hills New Merkel House and Vestavia Hills Recreational Center this the _____ day of _____, 2025.

Rebecca Leavings
City Clerk

This instrument was prepared by:
Patrick H. Boone, Attorney at Law
705 New South Federal Savings Building
215 Richard Arrington, Jr. Boulevard North
Birmingham, Alabama 35203-3720
Telephone No. 205-324-2018

STATE OF ALABAMA
JEFFERSON COUNTY

AGREEMENT FOR
TEMPORARY CONSTRUCTION EASEMENT,
NON-EXCLUSIVE TEMPORARY MAINTENANCE USE EASEMENT
AND PERMANENT USE AND MAINTENANCE EASEMENT

THIS AGREEMENT FOR TEMPORARY CONSTRUCTION EASEMENT, NON-EXCLUSIVE TEMPORARY MAINTENANCE EASEMENT AND PERMANENT USE AND MAINTENANCE EASEMENT, is made and entered into on this the _____ day of March, 2025, by and between FAM Properties, LLC, an Alabama limited liability company (hereinafter referred to as “Fam”) and the City of Vestavia Hills, Alabama, an Alabama municipal corporation (hereinafter referred to as “City”).

WITNESSETH THESE RECITALS:

WHEREAS, FAM Properties, LLC (“Fam”) owns the real estate and improvements situated at 1493 Montgomery Highway and 1495 Montgomery Highway in the City of Vestavia Hills, Jefferson County, Alabama, more particularly described as follows:

PARCEL I: Lot “B”, according to the Survey of Greenbrier, as recorded in Map Book 99, page 104, in the Probate Office of Jefferson County, Alabama.

PARCEL II: The Amended Map of a Resurvey of Lot 1, Montreat Apartment Park, South Sector, as recorded in Map Book 122, page 21, in the Probate Office of Jefferson County, Alabama.

PARCEL III: Part of SE¼ of the NW¼ of Section 1, Township 19 South, Range 3 West, more particularly described as follows: Commence at the Northeast corner of the SE¼ of the NW¼ of Section 1, Township 19 South, Range 3 West and run South along East line of said ¼-¼ section 188.85 feet to Point of Beginning herein described tract; thence continue South along East line of said ¼-¼ section 269.28 feet; thence an angle right of 108 degrees 38’30” and run Northwesterly 93.49 feet; thence an angle right of 17 degrees 58’ and run Northwesterly 46.20 feet; thence an angle right of 84 degrees 04’ and run Northeasterly 246.40 feet to Point of Beginning.

PARCEL IV: A parcel of land situated in the SE¼ of the NW¼ of Section 1, Township 19 South, Range 3 West in Jefferson County, Alabama, particularly described as follows: Commence at the NE corner of said ¼-¼ section and run thence Southerly along the East line thereof 461.17 feet to the Point of Beginning of the parcel of land herein described; thence continue Southerly along said ¼-¼ section line 37.58 feet to a point on the Northerly right of way line of F.A.I. Route 65; thence turn 123 degrees 05'30" right and run Northwesterly along said right of way line 142.77 feet; thence turn 165 degrees 33'30" right and run Southeasterly 126.24 feet to the Point of Beginning; which said property shall hereinafter be referred to as "Fam property"; and

WHEREAS, FAM Properties, LLC acquired fee simple title to the Fam property by virtue of that Statutory Warranty Deed filed in the office of the Judge of Probate of Jefferson County, Alabama on May 18, 2022 and recorded at Inst.#2022055699, Pages 1-3; and

WHEREAS, the City Council has found and determined that it would be in the public interest and promote the general welfare of the inhabitants of the City of Vestavia Hills for the City to improve and beautify the southern entrance to the City by constructing an entrance wall/sign, "Vestavia Hills"; and

WHEREAS, a copy of the proposed entrance wall/sign is attached hereto, marked as Exhibit D and is incorporated into this Agreement by reference as though set out fully herein; and

WHEREAS, Alabama law, at Title 39-2-1(6), *Code of Alabama, 1975*, provides municipalities with the legal authority to spend public funds for the construction of public works projects on public property; and

WHEREAS, Alabama law, at Title 39-2-1(5), *Code of Alabama, 1975*, defines the term "public property" as "real property which the state, county, municipality or awarding authority owns or has a contractual right to own or purchase, including easements, rights-of-way or otherwise"; and

WHEREAS, the City has requested that Fam grant to the City three (3) separate easements in order that the City may construct, access and maintain/repair an entrance wall/sign on the permanent use and maintenance easement; and

WHEREAS, the City has requested that Fam grant to the City a temporary construction easement that:

- (a) consists of 6,821 square feet; and
- (b) is shown on the survey attached hereto as Exhibit A; and
- (c) is more particularly described in Section III-A of this agreement hereinafter set forth below; and

WHEREAS, the City has requested that Fam grant to the City a non-exclusive permanent maintenance easement that:

- (a) consists of 3,703 square feet; and
- (b) is shown on the survey attached hereto as Exhibit B; and
- (c) is more particularly described in Section IV-A of this agreement hereinafter set forth below; and

WHEREAS, the City has requested that Fam grant to the City a permanent use and maintenance easement that:

- (a) consists of 743 square feet; and
- (b) is shown on the survey attached hereto as Exhibit C; and
- (c) is more particularly described in Section V-A of this agreement hereinafter set forth below; and

WHEREAS, Fam has agreed to grant to the City the three (3) easements at no cost whatsoever; and

WHEREAS, Fam and the City have agreed to this Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement based upon the terms, provisions, conditions and limitations hereinafter set forth below.

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the City and Fam hereby mutually covenant and agree as follows:

I. RECITALS

The recitals set forth in the premises above are hereby incorporated into this Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement (“Agreement”) by reference as though set out fully herein.

II. EXHIBITS

Exhibits A, B, C and D are attached hereto and incorporated into this Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement by reference as though set out fully herein.

III. TEMPORARY CONSTRUCTION EASEMENT

A. GRANT OF TEMPORARY CONSTRUCTION EASEMENT: KNOW ALL MEN BY THESE PRESENTS that for and in consideration of Fam and the City continuing to work together for the promotion for the public welfare and benefits of the City of Vestavia Hills, Alabama and Fam and other good and valuable consideration to Fam, in hand paid by the City of Vestavia Hills, a municipal corporation, the receipt and sufficiency whereof is hereby acknowledged, the said Fam (hereinafter called "Grantor") does hereby grant, bargain, sell and convey unto the City of Vestavia Hills, Alabama, a municipal corporation in Jefferson County, Alabama (hereinafter called "Grantee/City"), its successors and assigns a temporary right-of-way and easement for the purposes of the construction, installation and continued operation, maintenance, repair, inspection, alteration and replacement of an entrance wall/sign, together with all necessary rights of access, ingress and egress thereto and therefrom in, over, across, through and under the following described land owned by Fam, which said property is situated in the City of Vestavia Hills, Jefferson County, Alabama, more particularly described as follows:

Being a parcel of land situated in the North ½ of Section 1, Township 19 South, Range 3 West and being more particularly described as follows:

Commence at the northernmost corner of Lot B, Greenbrier, as recorded in Map Book 99, Page 104, and at the southern corner of the intersection of U.S. Highway 31 and Montreat Drive; thence run along the southeasterly right-of-way line of U.S. Highway 31 in a southwesterly direction a distance of 111.37 feet to a concrete monument; thence turn 23°21'24" to the left and run in a southwesterly direction along the southeasterly right-of-way of U.S. Highway 31 a distance of 37.32 feet to the Point of Beginning of the Temporary Construction Easement; thence continue along the last stated course a distance of 10.95 feet to a concrete monument; thence turn 24°0'15" to the right and run in a southwesterly direction along the southeasterly right-of-way of U.S. Highway 31 a distance of 234.62 feet to a concrete monument, said monument being at the northeasterly corner of the intersection of U.S. Highway 31 and the Interstate 65 off-ramp; thence 84°14'12" to the left in a southeasterly direction along the northeasterly right-of-way line of Interstate 65 a distance of 50.00 feet to a point; thence 90°00'00" to the left in a northeasterly direction a distance of 25.00 feet to a point; thence 90°15'52" to the left in a northwesterly direction a distance of 27.38 feet to a point; thence 84°30'04" to the right in a northeasterly direction a distance of 222.14 feet to a point; thence 90°00'00" to the left in a northwesterly direction a distance of 29.45 feet to the Point of Beginning.

Said easement contains 6,820.86 square feet.

B. MAP: The hereinabove described temporary construction easement is shown on the survey marked as Exhibit A and attached hereto.

C. SIZE: 6,821 square feet.

D. COST: Fam grants said temporary construction easement to City without any cost whatsoever.

E. TERM OF TEMPORARY CONSTRUCTION EASEMENT:

1. **Commencement Date:** The commencement date for the temporary construction easement shall be after the City enters into a contract for the construction and installation of the entrance wall/sign and upon notifying Fam in writing by U.S. Postal Department to FAM Properties, LLC, 2858 Highway 31 South, Pelham, Alabama 35124.

2. **Termination Date:** The hereinabove described temporary construction easement shall terminate on the sixtieth (60th) day following the completion date of the construction of the entrance wall/sign as determined by the Building Inspection Services Department of the City.

IV. NON-EXCLUSIVE TEMPORARY MAINTENANCE EASEMENT

A. GRANT OF NON-EXCLUSIVE TEMPORARY MAINTENANCE EASEMENT: KNOW ALL MEN BY THESE PRESENTS that for and in consideration of Fam and the City continuing to work together for the promotion for the public welfare and benefits of the City of Vestavia Hills, Alabama and Fam and other good and valuable consideration to Fam, in hand paid by the City of Vestavia Hills, a municipal corporation, the receipt and sufficiency whereof is hereby acknowledged, the said Fam (hereinafter called "Grantor") does hereby grant, bargain, sell and convey unto the City of Vestavia Hills, Alabama, a municipal corporation in Jefferson County, Alabama (hereinafter called "Grantee/City"), its successors and assigns a non-exclusive temporary maintenance easement for the purposes of the continued placement, operation, maintenance, repair, inspection, alteration and replacement of an entrance wall/sign, together with all necessary rights of access, ingress and egress thereto and therefrom in, over, across, through and under the following described land owned by Fam, which said property is situated in the City of Vestavia Hills, Jefferson County, Alabama, more particularly described as follows:

Being a parcel of land situated in the North ½ of Section 1, Township 19 South, Range 3 West and being more particularly described as follows: Commence at the northernmost corner of Lot B, Greenbrier, as recorded in Map Book 99, Page 104, and at the southern corner of the intersection of U.S. Highway 31 and Montreat Drive; thence run along the southeasterly right-of-way line of U.S. Highway 31 in a southwesterly direction a distance of 111.37 feet to a concrete monument; thence turn 23°21'24" to the left and run in a southwesterly direction along the southeasterly right-of-way of U.S. Highway 31 a distance of 37.32 feet to the Point of Beginning of the Non-Exclusive Temporary Maintenance Easement; thence continue along the last stated course a distance of 10.95 feet to a concrete monument; thence turn 24°0'15" to the right and run in a southwesterly direction along the southeasterly right-of-way of U.S. Highway 31 a distance of 234.62 feet to a concrete monument, said monument being at the northeasterly corner of the intersection of U.S. Highway 31 and the Interstate 65 off-ramp; thence 84°14'12" to the left in a southeasterly direction along the northeasterly right-of-way line of Interstate 65 a distance of 15.08 feet to a point; thence 95°45'48" to the left in a northeasterly direction a distance of 246.13 feet to a point; thence 90°00'00" to the left in a northwesterly direction a distance of 19.45 feet to the Point of Beginning.

Said easement contains 3,702.87 square feet.

B. MAP: The hereinabove described non-exclusive temporary maintenance easement is shown on the survey marked as Exhibit B and attached hereto.

C. SIZE: 3,703 square feet.

D. COST: Fam grants said non-exclusive temporary maintenance easement to City without any cost whatsoever.

E. TERM OF NON-EXCLUSIVE TEMPORARY MAINTENANCE EASEMENT: The term of the non-exclusive temporary maintenance easement shall be as follows:

1. Commencement Date. The non-exclusive temporary maintenance easement shall commence on the date the temporary construction easement terminates as previously described in Section III-E-2.

2. Termination Date. The non-exclusive temporary maintenance easement shall automatically terminate following the completion of the construction of the entrance wall/sign on a date which is the earlier of:

(a) the issuance of a land disturbance permit for the private property improvements at 1493 Montgomery Highway and/or 1499 Montgomery Highway; or

(b) five (5) years from the date of this Agreement.

F. LAWN MAINTENANCE: The lawn maintenance of the non-exclusive temporary maintenance, including landscaping and grass mowing, shall be performed by the City at City expense.

V. PERMANENT USE AND MAINTENANCE EASEMENT

A. GRANT OF PERMANENT USE AND MAINTENANCE EASEMENT: KNOW ALL MEN BY THESE PRESENTS that for and in consideration of Fam and the City continuing to work together for the promotion for the public welfare and benefits of the City of Vestavia Hills, Alabama and Fam and other good and valuable consideration to Fam, in hand paid by the City of Vestavia Hills, a municipal corporation, the receipt and sufficiency whereof is hereby acknowledged, the said Fam (hereinafter called "Grantor") does hereby grant, bargain, sell and convey unto the City of Vestavia Hills, Alabama, a municipal corporation in Jefferson County, Alabama (hereinafter called "Grantee/City"), its successors and assigns a permanent use and maintenance easement for the purposes of the construction, installation and continued placement and operation, maintenance, repair, inspection, alteration and replacement of an entrance wall/sign, together with all necessary rights of access, ingress and egress thereto and therefrom in, over, across, through and under the following described land owned by Fam, which said property is situated in the City of Vestavia Hills, Jefferson County, Alabama, more particularly described as follows:

Being a parcel of land situated in the North ½ of Section 1, Township 19 South, Range 3 West and being more particularly described as follows:

Commence at the northernmost corner of Lot B, Greenbrier, as recorded in Map Book 99, Page 104, and at the southern corner of the intersection of U.S. Highway 31 and Montreat Drive; thence run along the southeasterly right-of-way line of U.S. Highway 31 in a southwesterly direction a distance of 111.37 feet to a concrete monument; thence turn 23°21'24" to the left and run in a southwesterly direction along the southeasterly right-of-way of U.S. Highway 31 a distance of 48.26 feet to a concrete monument; thence turn 24°0'15" to the right and run in a southwesterly direction along the easterly right-of-way of U.S. Highway 31 a distance of 70.19 feet to the Point of Beginning of the Permanent Use and Maintenance Easement; thence continue along the last stated course a distance of 131.16 feet to a point; thence 90°00'00" to the left in a southeasterly direction a distance of 5.66 feet to a point; thence 90°00'00" to the left in a northeasterly direction a distance of 131.16 feet to a point; thence 90°00'00" to the left in a northwesterly direction a distance of 5.66 feet to the Point of Beginning. Said easement contains 742.28 square feet.

B. MAP: The hereinabove described permanent use and maintenance easement is shown on the survey marked as Exhibit C and attached hereto.

C. SIZE: 743 square feet.

D. COST: Fam grants said permanent use and maintenance easement to City without any cost whatsoever.

E. TERM OF PERMANENT USE AND MAINTENANCE EASEMENT: The above-described permanent use and maintenance easement shall be perpetual.

1. Commencement Date. The permanent use and maintenance easement shall commence on the date that the non-exclusive temporary maintenance easement terminates as previously described in Section IV-E-2.

VI. LIABILITY

The City hereby assumes the sole responsibility and liability for the operation, maintenance and repair of the three easements described in Sections III, IV and V above.

VII. CONSTRUCTION OF ENTRANCE WALL/SIGN

The City shall install, or have installed, the entrance wall/sign in a good and workmanlike manner at the sole expense of the City.

VIII. FUTURE MAINTENANCE OF ENTRANCE WALL/SIGN

A. The City shall maintain the entrance wall/sign in a good and safe condition.

B. Fam shall have no responsibility with respect to the installation, maintenance or repair of the entrance wall/sign.

IX. NO WARRANTIES

The City acknowledges that neither Fam nor any agent of Fam has made any representation as to the condition of the land or the suitability of the property for City's intended use, and City hereby accepts the property in its "as is and where is" condition "with all faults."

X. INSURANCE

At all times during the terms of the three (3) easements, the City shall keep and maintain its general comprehensive liability insurance policy on the property (including the structure) that is in full force and effect on the date of the execution and delivery of this Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement t in full force and effect with FAM Properties, LLC named as an additional insured.

XI. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

The City shall, at its sole cost and expense, comply in all respects with any and all statutes, ordinances, code provisions, rules, regulations, requirements and directives ("governmental requirements") of any federal, state, county or city agencies.

XII. LIENS

City shall promptly pay any and all legitimate charges incurred for labor, materials, goods, supplies, equipment and services necessary for the proper maintenance of the easement areas. City shall not create or permit to be created any lien, encumbrance or other charge on the easement areas. If any lien, encumbrance or charge incurred by City is filed against the easement areas or any other portion of the Fam's property, City shall cause the same to be discharged and removed by payment, satisfaction or bond within fifteen (15) days after such filing and before any enforcement thereof.

City shall require General Contractor that will construct the entrance wall/sign to post a performance bond and payment bond as required by Title 39-1-1, *Code of Alabama, 1975*, prior to commencing work.

XIII. PRIVATE PROPERTY; NO THIRD-PARTY BENEFICIARIES

The easement areas are and shall remain the private property of Fam. This Agreement is not intended and shall not be construed to confer any rights or remedies upon any person not a party to this Agreement, whether as a third-party beneficiary or otherwise, against Fam or its successors and assigns.

XIV. NOTICES

Any notices, demands, approvals and other communications provided for herein shall be in writing and shall be delivered by overnight air courier, personal delivery or registered or certified U.S. Mail with return receipt requested, postage or other charges paid, to the appropriate party at its address as follows:

If to Grantor: FAM Properties, LLC
2858 Highway 31 South
Pelham, Alabama 35124
Attention: Steve Issis, Sr.
Telephone: _____

If to Grantee: The City of Vestavia Hills, Alabama
1302 Montgomery Highway
Vestavia Hills, Alabama 35216
Attention: City Manager Jeffrey D. Downes
Telephone: 205-978-0195

XV. MISCELLANEOUS

A. GOVERNING LAW: This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Alabama. The jurisdiction and venue for the resolution of any dispute shall be in Jefferson County, Alabama.

B. BINDING AGREEMENT: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

C. SURVIVAL: All representations and warranties of this Agreement shall survive the execution and delivery, as shall any covenants for performance after the recording of this instrument.

D. TIME OF THE ESSENCE: Time is of the essence of this Agreement.

E. NO WAIVER: The failure of either party to exercise any rights under this Agreement shall not constitute a waiver of any right, nor excuse the other party's full performance. No express waiver of any matter shall affect any other matter under this Agreement. Express waivers are only effective if in writing.

F. CONSTRUCTION OF TERMS: Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision. Any ambiguities of this Agreement shall be construed fairly and equitably regardless of the participation of either party in drafting this Agreement. The reference in terms to gender and number shall be modified as may be appropriate.

G. **SEVERABILITY:** In case of any of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable by any court of competent jurisdiction in any respect, the remaining provisions shall remain in effect and the Agreement be performed in a fair and equitable manner as to any uncertainties arising from the unenforceable provisions.

H. **DATES:** If any date provided in this Agreement falls on a Saturday, Sunday or holiday, the date shall be the next business day.

I. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

J. **ARTICLE AND SECTION HEADINGS:** The article and section headings and captions contained herein are included for convenience only, and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

K. **ENTIRE AGREEMENT:** This written Agreement contains the entire agreement between the parties, incorporating all prior agreements, and may only be amended in writing executed by both parties.

L. **RECORDING:** This Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement shall be filed for record in the office of the Judge of Probate of Jefferson County, Alabama.

M. **AUTHORIZATION:** The execution and delivery of this Agreement was authorized by the City Council of the City of Vestavia Hills, Alabama by the approval and adoption of Resolution Number _____ enacted on _____, 2025.

IN WITNESS WHEREOF, the City of Vestavia Hills, Alabama, a municipal corporation, and FAM Properties, LLC, an Alabama limited liability company, have hereunto caused this Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement to be executed by their duly authorized officers and their respective seals to be affixed hereto as of the date first above written.

CITY:
CITY OF VESTAVIA HILLS, ALABAMA
A Municipal Corporation

By _____
Ashley C. Curry
Its Mayor

By _____
Jeffrey D. Downes
Its City Manager

ATTESTED

By _____

FAM:

FAM PROPERTIES, LLC

An Alabama Limited Liability Company

By _____

Steve Issis, Sr.

Its _____

ATTESTED:

By _____

STATE OF ALABAMA
JEFFERSON COUNTY

ACKNOWLEDGMENT

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Ashley C. Curry, whose name as Mayor of the City of Vestavia Hills, Alabama, a municipal corporation, is signed to the foregoing Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said City of Vestavia Hills, Alabama.

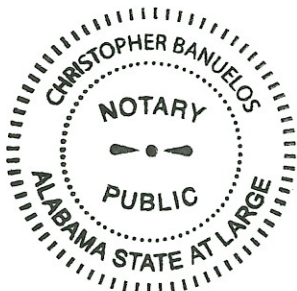
Given under my hand and official seal, this the 14 day of March, 2025.

Notary Public

My Commission Expires:

03/15/2024

SEAL



STATE OF ALABAMA
JEFFERSON COUNTY

ACKNOWLEDGMENT

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Jeffrey D. Downes, whose name as City Manager of the City of Vestavia Hills, Alabama, a municipal corporation, is signed to the foregoing Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said City of Vestavia Hills, Alabama.

Given under my hand and official seal, this the _____ day of March, 2025.

Notary Public

My Commission Expires:

SEAL

STATE OF ALABAMA
JEFFERSON COUNTY

ACKNOWLEDGMENT

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Steve Issis, Sr., whose name as Steve Issis Sr. of FAM Properties, LLC, an Alabama limited liability company, is signed to the foregoing Agreement for Temporary Construction Easement, Non-Exclusive Temporary Maintenance Easement and Permanent Use and Maintenance Agreement and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he in his capacity as such and with full authority, executed the same voluntarily for and as the act of said FAM Properties, LLC on the day the same bears date.

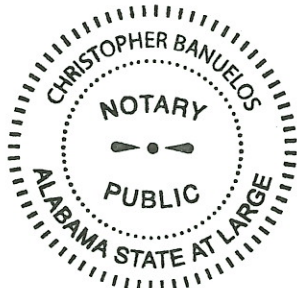
Given under my hand and official seal, this the 14th day of March, 2025.

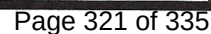
[Signature]
Notary Public

My Commission Expires:

03/15/2027

SEAL



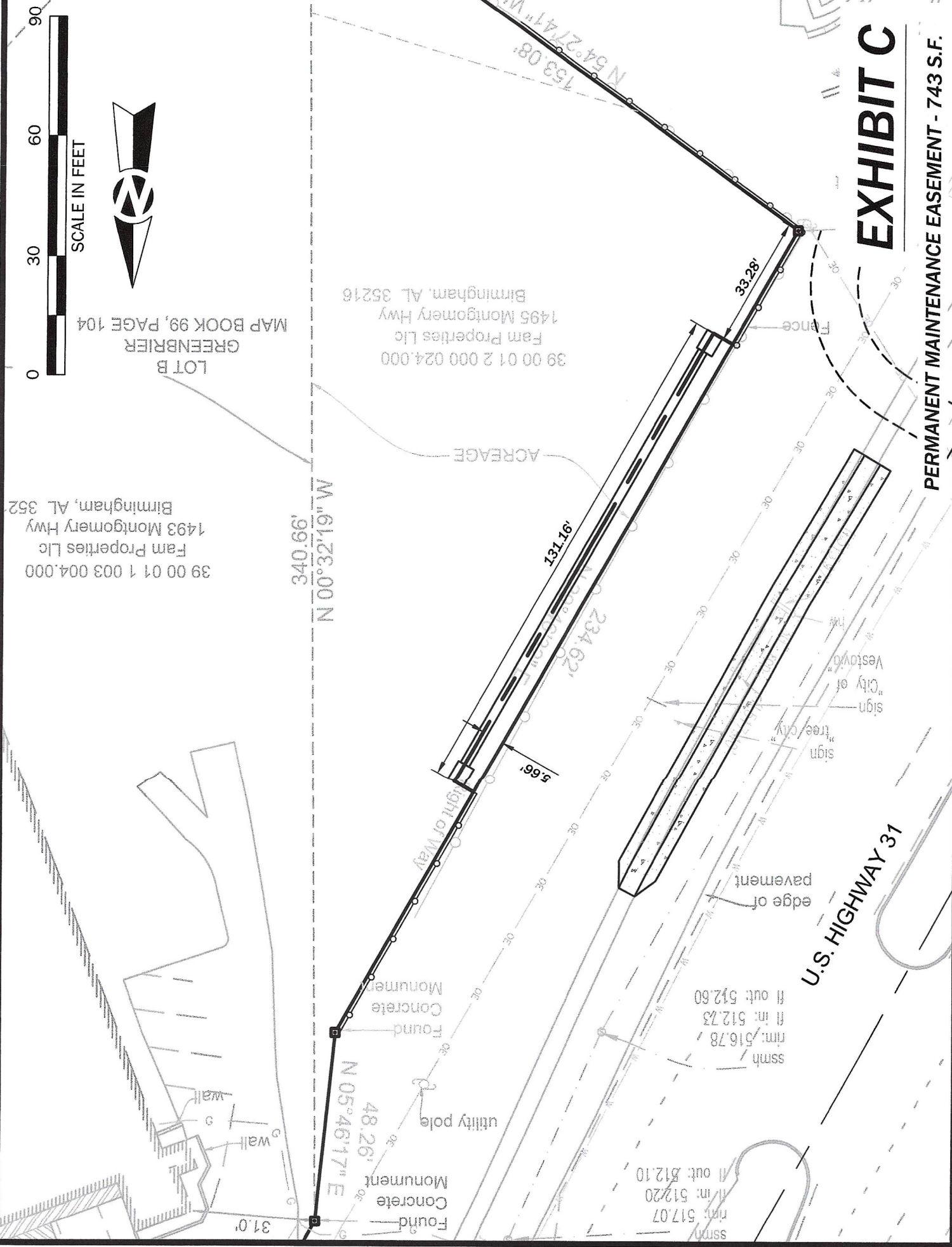


TEMPORARY MAINTENANCE EASEMENT - 3,703 S.F.



EXHIBIT C

PERMANENT MAINTENANCE EASEMENT - 743 S.F.





**CITY OF VESTAVIA HILLS
FIRE DEPARTMENT
INTER-DEPARTMENT MEMO**

March 24, 2025

To: Jeff Downes, City Manager

From: Ryan Farrell, Asst. Fire Chief

Cc: Marvin Green, Fire Chief
Steven Michael, Lieutenant
Scott Ferrell, Battalion Chief

RE: Public Hearing - Ordinance Number 3270 - An Ordinance authorizing the Mayor and City Manager to execute a Joint Use Agreement with the City of Mountain Brook for a fire training facility

Background:

The Vestavia Hills Fire Department has been in need of a fire training facility for years. Several locations have been identified and approved in the past but, for various reasons, failed to materialize. The City of Mountain Brook has graciously offered a portion of the property located at the end of East Street for location of the fire training facility for the VHFD to utilize through a License agreement as described in the Exhibit A, attached to the Ordinance.

Recommendation:

The agreement has been reviewed by the City Manager and the City Attorney who have both indicated a recommendation for approval.

Fiscal Impact:

Funding is expensed from the General budget as detailed in the attached agreement.

Attachments:

1. Ordinance 3270
2. Training Facility Agr REVISED MB 03172025
3. PH Boone Legal Opinion to Deputy Fire Chief Ryan Farrell March 6, 2025
4. PH Boone Legal Opinion to Deputy Fire Chief Ryan Farrell March 19, 2025

ORDINANCE NUMBER 3270

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY MANAGER
TO EXECUTE AN FIRE TRAINING FACILITY LICENSE AGREEMENT
BETWEEN THE CITY OF VESTAVIA HILLS AND THE CITY OF
MOUNTAIN BROOK**

WHEREAS, The City Council of the City of Vestavia Hills has been in need of a fire training facility for a number of years; and

WHEREAS, the Fire Department Staff has negotiated a Fire Training Facility License Agreement (“the Agreement”) with the City of Mountain Brook to locate, utilize and maintain a training facility for VHFD staff; and

WHEREAS, a copy of said agreement for a fire training facility is marked as Exhibit A, attached to and incorporated into this Ordinance Number 3270 as if written fully therein; and

WHEREAS, the Mayor and City Council feel it is in the best public interest to authorize the Mayor and City Manager to execute the agreement as detailed in Exhibit A in order to secure the area needed for the location, utilization and maintenance of a fire training facility for the VHFD staff.

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

1. The Mayor and City Manager are hereby authorized to execute and deliver the Agreement as detailed in the attached Exhibit A in order to secure a location for the proposed fire training facility; and
2. This Ordinance Number 3270 will become effective immediately upon adoption and publishing/posting pursuant to Alabama law.

DONE, ORDERED, ADOPTED and APPROVED this the 14th day of April, 2025.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca H. Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance Number 3270 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 14th day of April, 2025, as same appears in the official records of said City.

Posted at Vestavia Hills Municipal Center, Vestavia Hills Library in the Forest, and Vestavia Hills New Merkel House and Vestavia Hills Recreational Center this the _____ day of _____, 2025.

Rebecca Leavings
City Clerk

STATE OF ALABAMA)

JEFFERSON COUNTY)

**FIRE TRAINING FACILITY AGREEMENT
BETWEEN THE CITY OF VESTAVIA HILLS, ALABAMA
AND THE CITY OF MOUNTAIN BROOK, ALABAMA**

THIS AGREEMENT is made and entered into by and between **The City of Vestavia Hills, Alabama**, a municipal corporation ("Vestavia") and **The City of Mountain Brook, Alabama**, a municipal corporation ("Mountain Brook") this ____ day of March 2025.

WHEREAS, the cities of Mountain Brook and Vestavia intersect in multiple areas and fire departments for both cities respond to emergency calls in the other respective jurisdiction through and pursuant to mutual aid agreements between the cities;

WHEREAS, Vestavia is in need of a facility to conduct fire training and has funds available to develop such a facility, including the funds to purchase and install state-of-the-art live fire training facilities;

WHEREAS, Mountain Brook owns that certain real property located at 3579 East Street, Mountain Brook, Alabama in the City of Mountain Brook, Jefferson County, Alabama on which it regularly conducts training activities for employees of its Fire & Rescue Department, more particularly depicted on Exhibit A ("Training Facility");

WHEREAS, the fire training facility on the property contains a variety of structures, obstacles and different types of terrain that simulate conditions on properties that may be encountered by fire, rescue and other public safety workers when responding to emergency calls;

WHEREAS, Mountain Brook has made the Training Facility available for use by Vestavia under a License Agreement entered into by the parties in 2019, as well as for joint training exercises between Mountain Brook and Vestavia; and

WHEREAS, Vestavia and Mountain Brook desire to provide high-quality training opportunities for their respective fire departments and submit that they can more effectively do so through a mutual combination of resources; and

WHEREAS, in lieu of constructing an independent fire facility at substantial cost, Vestavia has instead proposed to make significant improvements to the Training Facility at its sole cost in return for the right to use said facility; and

WHEREAS, Vestavia and Mountain Brook desire to promote continued collaboration between their respective fire departments and believe that making improvements to and jointly utilizing the Training Facility will result in better trained and prepared firefighters, more efficient and effective departments, and a better equipped state-of-the-art training facility at significantly less cost than developing and operating independent training facilities by each city;

WHEREAS, to further reflect the collaboration and cooperation between the parties, the Mountain Brook Fire Training Facility shall, after the execution of this Agreement and extending for as long as the Training Facility is utilized by both Mountain Brook and Vestavia pursuant to this Agreement or any amendment thereof, be renamed the “Over the Mountain Fire Training Facility”; and

WHEREAS, this agreement is made for the purpose of promoting the public health, safety and welfare of the residents of Vestavia and Mountain Brook.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the City of Vestavia, Alabama and the City of Mountain Brook, Alabama hereto agree as follows:

1. **Grant of License.** Subject to the terms, conditions and mutual agreements herein, Mountain Brook grants Vestavia a license to use the Training Facility to conduct training activities for its fire and rescue personnel. Vestavia acknowledges that this Agreement grants it a license, not any interest, title, permanent right or estate in land, and that the grant made hereunder does not run with the land.

2. **Use by Vestavia.** Throughout the term of this Agreement, Vestavia shall have exclusive use of the Training Facility for its independent training programs for up to thirty (30) days each year (“Vestavia Exclusive Use”). The parties also anticipate engaging in joint training exercises which shall not count toward the Vestavia Exclusive Use and which will be scheduled jointly by the parties. Mountain Brook will have exclusive use of the Training Facility during all times other than the Vestavia Exclusive Use period and any agreed upon joint use time periods. The parties shall develop a schedule prior to the beginning of each calendar year to identify periods of exclusive and joint use by the parties for such calendar year. The calendar may be adjusted during the operative year by mutual agreement. In addition, the Training Facility will be available for use by Vestavia during such times when it is not being otherwise used, upon request to and approval by Mountain Brook, which such approval shall not be unreasonably withheld. Vestavia will have access to and use of the fire tower, the four bay butler building (the “barn”), the existing burn building, the rubble pile, culverts, portions of the classroom building designated for fire department use, and other features, including any improvements which may be made by either party, on or about the Training Facility. The firing range or portions of the classroom building dedicated for police department use will not be available for use as part of this Agreement.

3. **Improvements.** The parties shall be responsible for making improvements to the Training Facility as follows:

- a. **Vestavia Improvements.** Vestavia shall purchase and install a fire training tactical burn building for use as part of the Training Facility and make other site improvements (“Vestavia Improvements”) at its sole cost. The Vestavia Improvements shall consist of the purchase and installation of a tactical burn building and all related equipment necessary for installation and operation meeting the specifications attached hereto as Exhibit B, as well as the other improvements set forth on Exhibit C that do not consist of the Mountain Brook Improvements or the Future Improvements. The Vestavia Improvements shall be made and installed at the Training Facility in general conformity with the plans and specifications attached hereto as Exhibit C, as may be modified by further agreement of the parties. Vestavia shall be responsible for all planning, design, construction, related site improvements and any procurement processes, including any required bid processes under the Competitive Bid Law or the Public Works Law, applicable to the Vestavia Improvements, as well as the payment of all costs therefor.
- b. **Mountain Brook Improvements.** Mountain Brook shall undertake modifications to the training building identified as the “Building Expansion” on Exhibit C (the “Mountain Brook Improvements”). Mountain Brook shall be responsible for all planning, design, construction, related site improvements and any procurement processes, including any required bid processes under the Competitive Bid Law or the Public Works Law, applicable to the Mountain Brook Improvements, as well as the payment of all costs therefor.
- c. **Future Improvements.** The Future Improvements shall consist of construction of the “Retaining Wall” and the “Additional Gravel Storage Yard” on sheet C2.0 of Exhibit C.

4. **Operating Costs.** Mountain Brook shall have primary responsibility for all maintenance and upkeep of the Training Facility and shall be primarily responsible for payment of operating and maintenance costs of the Training Facility, subject to reimbursement for a share of those costs by Vestavia. For the fiscal year 2024-25, Vestavia agrees to pay Six Thousand Dollars (\$6,000.00), to be remitted within thirty (30) days of the approval of this Agreement to Mountain Brook as its share of such operating and maintenance costs. Within thirty (30) days of the beginning of the 2025-26 fiscal year, Vestavia will pay Twelve Thousand Dollars (\$12,000.00) to Mountain Brook as its share of annual operating and maintenance costs (the “Operating Cost Payment”). For the 2026-27 fiscal year and for each succeeding fiscal year during the Contract Term, the Operating Cost Payment shall increase by three percent (3%) per annum and shall be paid by Vestavia to Mountain Brook within thirty (30) days of the beginning of each respective fiscal year.

5. **Term.** The term of this agreement shall be ten (10) years and six (6) months, beginning on April 1, 2025 and ending on September 30, 2035.

6. **Termination or Expiration.** This Agreement shall be terminated immediately in the event of any of the following:

- a. The parties agree to a mutual termination of the Agreement.
- b. Vestavia, after one hundred eighty (180) days' advance written notice to Mountain Brook, elects to construct its own training facility, in which case it may remove the Vestavia Improvements at its sole cost and option; provided, however, that any Vestavia Improvements that are not removed within ninety (90) days of the expiration of such notice period shall remain as part of the Training Facility and become the sole property of Mountain Brook.
- c. Vestavia fails to remit its share of operating expenses to Mountain Brook as set forth herein, if such remains outstanding after notice and a thirty (30) day opportunity to cure.

7. **Insurance for Premises.** The City of Mountain Brook shall maintain property insurance which covers the Training Facility and any and all losses, claims or damages occurring to the Training Facility.

8. **Liability Insurance.** Each party agrees to obtain and maintain liability and other types of insurance to cover its own activities at the Training Facility. Such insurance shall be of customary types and forms for municipal corporations and, specifically, for municipal fire departments.

9. **Responsibility of Each Party.** The City of Vestavia assumes no responsibility for, and indemnification shall not attach for, any acts, omissions, occurrences, incidents, claims, suits or demands arising from the use of the Training Facility by the City of Mountain Brook, its fire department, employees, actors or agents. The City of Mountain Brook assumes no responsibility for, and indemnification shall not attach for, any acts, omissions, occurrences, incidents, claims, suits or demands arising from the use of the Training Facility by the City of Vestavia, its fire department, employees, actors, or agents.

10. **Indemnity.** Each party agrees to indemnify, defend and hold harmless the other party and its respective officials, employees, agents or representatives (the "City Representatives", each City and its respective City Representatives being collectively referenced hereinafter as the "Indemnified Party") from any and all losses, expenses (including reasonable attorney fees and court costs), damages, liability or claims (collectively, "Claims") which may be asserted against the Indemnified Party that arises from, relates to or is attributable to any of the following: (i) use of the Training Facility by the party or its officials, employees, agents or representatives; or (ii) the failure by the party to perform its obligations under this Agreement; and (iii) any negligent act, omission or conduct by the party or its officials, employees, agents or representatives that arises from or relates to the use of the Training Facility.

11. **Agreement Representatives.** The parties each will appoint a representative (an “Agreement Representative”) to coordinate and agree on the dates and times of at which Licensee will use the Facility, and otherwise administer matters related to this Agreement. Notices contemplated herein will be deemed given when hand delivered, emailed or sent by first class mail to the Agreement Representative.

12. **Extension.** Nothing herein shall prevent the parties from extending this agreement by mutual agreement in writing.

13. **No Assignment.** Neither party may assign this Agreement or any of its rights or obligations hereunder to any third party without the advance written consent of the other party, which consent may be withheld for any reason.

14. **Miscellaneous.** This Agreement (i) reflects all of the terms and conditions between the parties concerning the License, both parties’ intended use of the Facility, and the other matters herein; (ii) may not be amended except in a writing signed by both parties; (iii) is entered by the undersigned, duly authorized representatives of the respective parties; and (iv) may be executed in multiple counterparts which shall be construed together as a single original instrument and, when executed, each counterpart shall be binding upon and inure to the benefit of the parties whether reproduced in photographic, digital, computer, or other electronic form.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed as of the date written below.

City of Vestavia Hills, Alabama,

By: _____

Date: _____

By: _____

Date: _____

City of Mountain Brook, Alabama,

By: _____

Date: _____

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

E-Mail: patrickboone@bellsouth.net

March 6, 2025

By Electronic Mail

Deputy Fire Chief Ryan Farrell
Vestavia Hills Fire Department
Vestavia Hills Municipal Center
1032 Montgomery Highway
Vestavia Hills, Alabama 35216

In Re: Fire Training Facility Agreement

Dear Deputy Fire Chief Farrell:

On February 21, 2025, you sent to me via electronic mail a proposed Fire Training Facility Agreement between the City of Vestavia Hills, Alabama and the City of Mountain Brook, Alabama (the "Agreement") with a request that I review the document and provide you with my written legal opinion. The purpose of this letter is to comply with your request.

From a legal standpoint, I find the Agreement to be perfect. I have no recommendations for additions, deletions, changes and/or corrections, and congratulate Whit Colvin on a job very well done in drafting the Agreement.

Please call me if you have any questions regarding this legal opinion.

Sincerely,



Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

cc: City Manager Jeffrey D. Downes (by e-mail)
Fire Chief Marvin Green (by e-mail)
City Clerk Rebecca Leavings (by e-mail)

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

March 19, 2025

By Electronic Mail

Deputy Chief Ryan Farrell
Vestavia Hills Fire Department
Vestavia Hills Municipal Center
1032 Montgomery Highway
Vestavia Hills, Alabama 35216

In Re: Fire Training Facility Agreement

Dear Deputy Chief Farrell:

I received your e-mail dated March 18, 2025 setting forth the revised language that the City of Mountain Brook wishes to make to the Fire Training Facility Agreement.

I approve the revised language as written. Good work!

Sincerely,



Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

cc: City Manager Jeffrey D. Downes (by e-mail)
Fire Chief Marvin Green (by e-mail)
City Clerk Rebecca Leavings (by e-mail)



CITY OF VESTAVIA HILLS

INTER-DEPARTMENT MEMO

March 24, 2025

To: Jeff Downes, City Manager

From:

Cc:

RE: Citizens Comments

Background:

Recommendation:

Fiscal Impact:

Attachments:

None