



portion of the direct costs may be attributable to non-transportation related activities to get a better idea of what the actual net cost of providing the service is to the City.

- Bids for the joint training facility (\$395,000 pg. 115) to be constructed at the Public Works compound came in at \$492,000 largely due to new energy efficiency building regulations. This project will be revisited before being presented to the Council for consideration. The most that can be adjusted without having to rebid is 10%.
- The budget includes \$7,500 for a site plan (pg. 115) for Station 2 (Locksley/Overton) in anticipation of long-range plans for major renovations or replacement of the facility
- The operating budget includes \$12,000 for tactical response team medical equipment (pg. 105)

### 3. **EMMET O'NEAL LIBRARY (9:00–9:20 A.M.)**

After hearing comments from Director Sue DeBrecht (**APPENDIX 3**) and Chairman Max Pulliam, other discussion included:

- The difficulties associated with managing part-time (1/2-time) personnel and the challenges of [part-time] employee retention
- Overtime (\$12,000 pg. 181) is largely attributable to after-hours programs and lack of part-time workers
- Mr. Boone suggested that the Library consider working part-time employees more than 20 but less than 30 hours weekly thereby requiring them to participate in the pension plan (but not the medical plan). The cost to the City will be 4% of payroll, however, this cost will be forfeited (i.e., left in the pension plan) upon the part-time employees' separation of service. The downside is that these part-time workers will be withheld 7.5% of their wages for their participation in the pension plan (all of which can be claimed upon their separation of service).
- Executive search fees of \$15,000 [to fill the Director's position upon the occasion of her upcoming retirement after 31 years of service] are included in the proposed budget (pg. 182)
- After the Library officials left, suggested modifications to the Library's budget include increasing the [executive search] consultants' fees by \$15,000 as it is unlikely that any of the fees will be paid in fiscal 2016

### 4. **PLANNING, BUILDING AND SUSTAINABILITY (9:35–9:55 A.M.)**

After hearing comments from Ms. Hazen and Mr. Simmons, other discussion included:

- A request to increase the automobile allowance of the Senior Plans Examiner from \$4,800 (pg. 85) to \$7,200. Mr. Gaston suggested that he and Ms. Hazen meet later to re-visit this request as he did not recall the requested increase to be that much. [Subsequent to the meeting, the automobile allowance was increased to \$6,000.]
- A request to upgrade the Administrative Assistant (grade 16) to a Minute Clerk (grade 22) to more closely match her current responsibilities
- Also included in the budget is a temporary/part-time Senior Administrative Intern (\$9,867 pg. 86) to assist with some special projects. This position, if approved, will work no more than six months and generally less than 20-hours weekly.

### 5. **POLICE DEPARTMENT (9:55–10:30 A.M.)**

After hearing comments from Chief Cook, other discussion:

- The budget includes a new police officer to be assigned to a joint task force under the direction of the District Attorney. Participants in the program will be eligible to recover a portion of their cost from asset seizures.

### 6. **PARKS AND RECREATION (10:30–10:50 A.M.)**

Budget related discussion included:

- The SUV (\$24,000 pg. 172) and F150 (\$26,000 pg. 172) have been ordered and are expected to be in before the end of the year so these line items can be removed
- The restroom (\$115,000 pg. 168) should be increased by \$50,000 due to a possible 2016 carryover and budget estimates running less than ongoing negotiations
- The landscape truck bed (\$7,000 pg. 172) can be eliminated and replaced with a trailer for \$2,000

- The budget includes the following employee upgrades: 1) Administrative Clerk (grade 13) Administrative Assistant (grade 16), 2) promoting two people to Skilled Laborer (grade 12), 3) Skilled Laborer (grade 12) to Labor Supervisor (grade 15)

**7. PUBLIC WORKS (10:50–11:10 A.M.)**

Budget related discussion included:

- The budget includes a temporary laborer position (\$10,965 pg. 156)

**8. FINANCE (11:25–11:45 A.M.)**

Budget related discussion included:

- No cost has been included in the 2017 budget for an election (pg. 93). However, a run-off may be necessary depending on the outcome of the August 23 election.
- The budget includes an upgrade of the Payroll Specialist (grade 19) to Human Resource Manager (grade 23) yet to be approved by the Personnel Board of Jefferson County

**9. GENERAL GOVERNMENT 11:45 A.M–12:15 P.M.)**

After hearing comments from Ms. Gaston, other discussion included:

- Appropriated agencies (pgs. 74–75): After considerable discussion, there was some question as to whether the service agreements with the Birmingham Zoo and Birmingham Botanical Gardens should be continued. However, there was no question that the Chamber and Prescott House should be treated differently [continued]—the Chamber because it is viewed as the economic development extension of the City and Prescott House as an extension of the Police Department in that the City’s personnel are not trained to adequately deal with juvenile sex crime and abuse victims. Mr. Yardley made a motion recommending to the City Council that the: 1) Chamber appropriation be increased to \$150,000 as requested, 2) Prescott House appropriation in the amount of \$5,000 be approved (and moved back to the Police Department budget), and 3) all other appropriations be eliminated as it is the opinion of the Committee that the City should not be subsidizing such agencies with taxpayer money. The motion was seconded by Mr. Martin. Then, upon the question being put and the roll called, the vote was recorded as follows:

Ayes:	Lloyd Shelton, Chairman Page Daniel John Doody Craig Fravert	Bryan Helm Jack Martin Thomas Yardley
Nays:	None	

The Chairman declared the motion carried by a vote of 7–0.

**10. OTHER DISCUSSION (12:15 A.M–1:10 P.M.)**

**A. COMMERCIAL DEVELOPMENT AGREEMENT HISTORY (APPENDIX 4)**

**B. PENSION PLAN (APPENDIX 5)**

After extensive discussion, each member was asked for their input. Mr. Helm expressed his distrust of the Retirement Systems of Alabama (RSA) and he therefore recommended not “over-funding” the plan but rather continue to accumulate monies internally. Each of the remaining members expressed displeasure with all of the options but recommended that the City explore further the suggestion outlined in Mr. Boone’s memo to over-fund the plan. Mr. Boone suggested that should the Council wish to pursue this strategy to address the unfunded liability that City officials talk to a pension actuary to review the assertions outlined in Appendix 5.

**C. BOARD OF EDUCATION**

Mr. Boone informed that Committee members that the Board of Education essentially broke-even in 2013, and has incurred operating deficits of (before financing and transfers) of \$536,000 in 2014 and \$763,000 in 2015. Furthermore, [it is Mr. Boone’s understanding] that the Board has adopted deficit operating budgets for 2015 and 2016.

Mr. Boone reported that at the May budget planning work session, Council member Pritchard informed the elected officials about an earlier discussion he had with Superintendent Barlow regarding the Board's finances. At that meeting, the Superintendent (recognizing that a meaningful operating subsidy was unlikely) asked Mr. Pritchard about the possibility of the City providing financial assistance to the Board for special projects/facility improvements such as resurfacing the high school track and upgrading playing fields with artificial turf.

Within the last week, Mr. Pritchard informed Mr. Boone that the Superintendent mentioned that it was likely time for the Board to stop thinking about stop gap measures to prop up the Board's finances and initiate the [18-24month] process of pursuing an ad valorem increase referendum.

After extensive discussion among the members, each was asked for their comments and recommendation. The individuals were consistent in their recommendation that: 1) the Board should maintain a balanced budget, and 2) that the City should not subsidize the Board's operations, capital projects, special projects and/or deferred maintenance. Furthermore, the members thought the Board should implement a funded depreciation program similar to the City's but conceded that doing so would likely be a challenge due to budget creep and the Board's history.

#### **D. REAL ESTATE ACQUISITION FOR PLAYING FIELDS/PARK**

Mr. Gaston informed the Committee members about the City's consideration of real estate acquisition for the purpose of constructing additional playing fields/park facilities in response to a recent Park and Recreation master plan survey. There was no recommendation from the Committee regarding the plan to acquire the property due to lack of information.

#### **E. ENGLISH VILLAGE PARKING LEASE**

Mr. Gaston informed the Committee members about the ongoing parking lot lease renewal negotiations. The budget does not currently reflect the landlords' requested annual rental fee. There was no recommendation from the Committee regarding the lease of real estate acquisition due to lack of information.

#### **11. CHANGE TRACKING WORKSHEET (APPENDIX 6)**

The change tracking worksheet summarizes the recommendations described above as well as corrections and adjustment identified since the City Manager's review of the first draft.

#### **12. ADJOURN**

There being no further business, Chairman Shelton adjourned the meeting.

#### **13. CERTIFICATION**

I, Steven Boone, City Clerk of the City of Mountain Brook, Alabama, certify the above is a true and correct synopsis of the discussion from the work session of the Finance Committee of the City of Mountain Brook, Alabama held at City Hall, Pre-Council Room (A106) on August 16, 2016, and that the meeting was duly called and that no formal [City Council] business or action was conducted at said meeting.

\_\_\_\_\_  
City Clerk

City of Mountain Brook

MEMO

To: Finance Committee  
Mayor/City Council

From: Sam S. Gaston, City Manager

Date: July 29, 2016

Subject: FY-2017 Budget and Finance Committee meeting on August 16, 2017

Attached is the 2<sup>nd</sup> draft of the FY-2017 Budget. The Finance Committee will meet on Tuesday, August 16<sup>th</sup> at 8am to review the budget with the Department Heads, Finance Director and City Manager. (See attached proposed schedule.)

Besides the attached budget, information on the RSA Pension is also included.

Major highlights of the FY-2017 Budget include:

REVENUES

The FY-2017 General Fund revenues are projected to increase to \$36,577,100 (page 18) compared to \$35,484,800 budgeted for FY-2016 (2.9% increase). Projected year-end revenues of \$35,638,279 represents a 0.4% increase over the budgeted revenues.

Real Property Taxes are expected to increase by 2.8% and Sales Taxes by 4.4% in FY-2017. The opening of the new Pig in Crestline and the shops/restaurants in Lane Parke are the reasons for the projected increase in sales taxes.

Business Licenses revenue is expected to rise from \$2,371,000 to \$2,911,000 (5% increase).

The FY-2017 Budget reflects a \$1,177,892 General Operations surplus (page 18).

EXPENDITURES

Expenditures for FY-2017 are projected to increase to \$35,349,208 which is 1.4% above FY-2016 budgeted expenditures of \$34,850,849. Actual expenditures for the end of FY-2016 are estimated to be below budget at \$34,139,619.

This budget does not yet contain an across-the-board pay increase for employees. Costs to grant an increase are as follows:

Budget Memo  
August 1, 2016  
Page 2

1%-\$180,000  
1 1/2%-\$270,000  
2%-\$360,000

With health/dental insurance costs expected to rise by 6.5%, the budget includes a 6% increase for FY-2017. I recommend the City grant employees a 1-1/2% across-the-board pay increase.

Other matters of note included in the budget:

- \$300,000 General Fund transfer to the Debt Service Fund (pages 17 and 31) resulting in a projected fund balance of \$1.2 million at September 30, 2017.
- \$200,000 General Fund transfer to the 7 Cent Gasoline Tax Fund (pages 17 and 31) to supplement the City's street resurfacing program. The budget includes street resurfacing costs totaling \$875,000 in 2017 (page 31).
- \$2,234,400 ERS (funded depreciation) transfers from the General Fund to the Capital Projects Fund (page 72) for the future replacement of property and equipment. The Capital Project Fund reserves are projected to be \$11.7 million (page 26). The Capital Project Fund balances will be reduced in 2017 largely due to the budgeted payment of \$3.5 million for the Lane Parke development agreement (pages 26 and 151).
- \$300,000 General Fund transfer to the Internal Revenue Code Section 115 retiree medical trust (page 35) established in 2009 resulting in a projected net position (fund balance) of \$2.5 million. The City will implement a new GASB accounting standard as of September 30, 2016 whereby the unfunded liability for the retiree medical benefit will be reported on the City's balance sheet in much the same way the unfunded pension obligation was as of September 30, 2015. The establishment of the trust fund significantly improves the City's financial position as compared to other local governments offering such benefits without a trust.
- \$1,831,809 for construction of Phase 5b sidewalk project along Lakeshore Parkway and Phase 9 sidewalk project along Brookwood, Crosshill and Oakdale Roads. These projects are 80% federal monies (pages 153 and 162).

APPENDIX I

Major expenditures by departments include:

GENERAL GOVERNMENT

- Note the budgeted amounts compared to the requested amounts for funding from several of our appropriated agencies. (Pages 74-75)
- \$25,000 for an ADA Transitional Plan and \$51,000 for engineering and design for the roundabouts project in Mountain Brook Village. (Page 75)
- \$376,200 for development agreement rebates for the Lane Parke project and \$270,000 for the Piggly Wiggly project. (Page 75)

PLANNING, BUILDING AND SUSTAINABILITY DEPT

- Upgrade of the Administrative Assistant position and the addition of a part-time Senior Administrative Intern at a cost of \$9,867. (Page 86)

FINANCE DEPT

- \$15,000 for furniture including, but not limited to, the 2<sup>nd</sup> floor lobby furniture at City Hall (Page 77)

FIRE DEPT

- \$85,700 in new capital equipment/projects (Page 115)
- On Page 116, please note due to increased emissions standards, airbags requirements and other factors, the costs for our next and future fire pumpers will increase by almost 50%.

POLICE DEPT

- \$59,397, not including benefits, for an additional police officer position in order for the City to participate in the Financial Crimes Task Force established by the Jefferson County District Attorney's Office. Some, if not all, of this additional cost may be offset by proceeds from the sale of confiscated properties (Pages 137-138).
- \$42,120 in new capital equipment (Pages 141-142)

PUBLIC WORKS DEPT

- \$1,000,000 for Lane Parke Road improvements and \$2,500,000 for Jemison Road improvements from the Capital Projects Fund (Page 151)
- \$219,000 for preliminary design for bridge replacements on Old Brook Trail and Caldwell Mill Road (Page 151)
- \$175,000 for sidewalk connections and footbridge over Watkins Branch to link with the Phase 5b sidewalk project along Lakeshore Parkway (Page 152)
- \$130,000 for a major drainage project along Montcrest Road (Page 152).
- \$29,261 in new capital equipment (Page 159)

PARKS/RECREATION DEPT

- \$115,000 for a restroom at Crestline Field, \$42,000 for improvements at the Athletic Complex, \$19,000 for adding swings and shifting the existing play equipment at the Tot Lot, \$25,000 for invasive plant removal in Jemison Park and \$15,000 to prepare a topo map for future drainage improvements at the Athletic Complex (Page 168)
- Upgrades to four (4) positions at a cost of \$12,799 excluding fringe benefits (Page 170).

-\$10,530 in new capital equipment (Page 172)

LIBRARY

no significant requests and no requests for new capital equipment, although roof and window replacements will be ongoing through FY-2016 and FY-2017 (page 189).

I look forward to our meeting on August 16<sup>th</sup>. If you need additional information, please feel free to contact me at 802-3803 or [sastrons@mtmbrk.org](mailto:sastrons@mtmbrk.org).

Ambulance Rates Comparison Chart					23-May-16
Ambulance Organization	BLS	BLS Variant	ALS	ALS Variant (level II)	Mileage
<b>Birmingham Fire &amp; Rescue</b> <i>Donald Richardson 205 254-2990</i> <a href="mailto:josephd.richardson@birminghamal.gov">josephd.richardson@birminghamal.gov</a>	\$300.00	\$400.00	\$450.00	\$600.00	\$9.00
<b>Huntsville Emergency Medical Services Inc.</b> <i>Kimberlee Wacker 256 536-6660 kwacker@hems.org</i>	\$325.00	\$450.00	\$525.00	\$675.00	\$12.00
<b>Regional Paramedic Services</b> <i>Jean Stelman 205 295-3004 jean@rpsems.com</i>	\$400.00	\$500.00	\$700.00	\$800.00	\$11.00
<b>Cahaba Valley Fire &amp; Rescue</b> <i>Mike Bartlett 205 822-0532 rockyridgfire@bellsouth.net</i>	\$450.00		\$550.00	\$600.00	\$10.00
<b>Forestdale Fire Department</b> <i>Mike Bartlett 205 822-0532 rockyridgfire@bellsouth.net</i>	\$585.00		\$585.00	\$600.00	\$10.00
<b>North Shelby Fire District</b> <i>Mike Bartlett 205 822-0532 rockyridgfire@bellsouth.net</i>	\$450.00		\$550.00	\$600.00	\$10.00
<b>Rocky Ridge Fire Department</b> <i>Mike Bartlett 205 822-0532 rockyridgfire@bellsouth.net</i>	\$500.00		\$545.00	\$645.00	\$10.00
<b>Center Point Fire Department</b> <i>Kim 205 853-5098 lee@centerpointfire.com</i>	\$525.00		\$550.00	\$600.00	\$10.00
<b>Concord Fire Department</b> <i>Mike Bartlett 205 822-0532 rockyridgfire@bellsouth.net</i>	\$598.95		\$628.90	\$628.90	\$11.18
<b>Vestavia Hills Fire Department</b> <i>Julie Bell 205 978-0225 fire.dept@ci.vestavi hills.al.us</i>	\$600.00		\$600.00	\$600.00	\$10.00
<b>Mountain Brook Fire Department</b> <i>Chris Mullins 205 802-3837 mullinscj@mtnbrook.org</i>	\$600.00		\$600.00	\$600.00	\$10.00
<b>Hoover Fire Department</b> <i>David Hambright 205 739-7122 hambrightd@ci.hoover.al.us</i>	\$578.13		\$578.13	\$578.13	\$8.00
<b>Trussville Fire &amp; Rescue</b> <i>Tim Shotts 205 965-6356 tshotts@trussvillefire.com</i>	\$400.00		\$500.00	\$500.00	\$10.00
<b>Mobile Fire and Rescue</b> <i>Ms Bradley / Ms Nelson 251 208-7063 nelsont@cityofmobile.org</i>	\$400.00		\$500.00	\$550.00	\$10.00
<b>Average</b>	\$479.43		\$561.57	\$612.65	\$10.08
<b>Consignment Rates</b>					
<b>Medicaid</b>	\$70.00		\$165.00	\$165.00	\$3.85
<b>Medicare</b>		\$326.91	\$388.21	\$561.88	\$7.16
<i>Medicare pays 80% of the rates listed - the residual 20% is either covered by secondary insurance or is the responsibility of the pt</i>					
<b>Blue Cross / Blue Shield</b>	<i>Based on Individual Contract</i>				
Prepared by Deputy Chief Stacey L Cole ~ Mtn Brook FD (205) 802-3831 ~ coles@mtnbrook.org					

APPENDIX 2

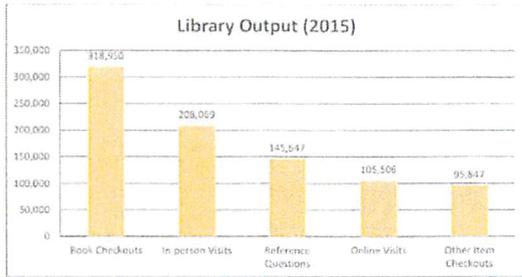
**Emmet O'Neal Library Overview**

*"The library is not just effective in delivering services, but is loved as a library and as a community gathering place." - The Mercer Group, Inc., Management and Organizational Study, 2015*

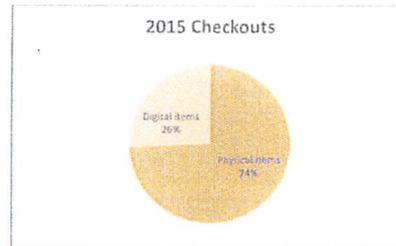
In a 2014 survey of Mountain Brook residents, 98% of respondents were very satisfied or satisfied with the quality of library services, higher than any other City department or program.

Book checkouts and in-person visits are the bulk of the activity at EOL, online visits and non-book items (DVDs, periodicals, mixed media) comprise a significant portion of the activity as well.

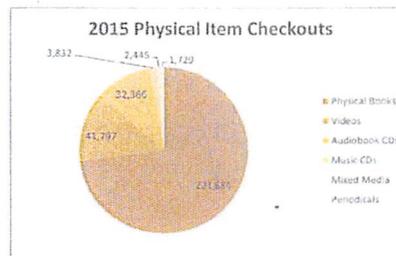
Given that the City of Mountain Brook population is just over 20,000, the per-capita materials usage and foot traffic are very high, making EOL one of the highest circulating libraries in the state.



Over a quarter of all checkouts are now digital, showing a huge shift from all items being housed within the library walls over the past few years.

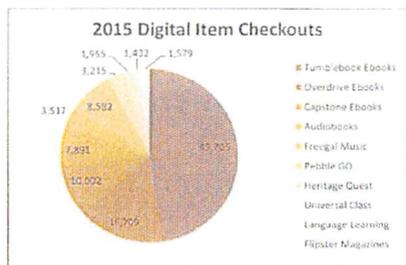


Physical items are primarily books, with videos and audiobooks on CD being the next most popular items for checkout.

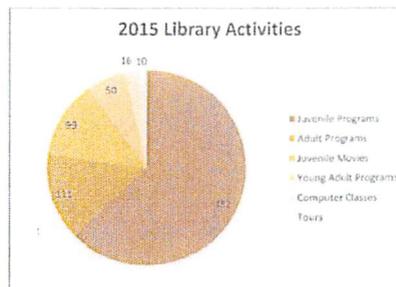


APPENDIX 3

Digital items are mostly ebooks, although new digital services, such as Flipster magazine downloads and Hoopla movies and music streaming are expected to grow significantly in the coming years. As libraries and publishers learn to manage digital rights in more user-friendly ways, libraries will offer more and more digital items.



Encouraging a love of reading and providing community enrichment also comes through the creative and engaging programs that Library staff plan and implement throughout the year.



Select patron feedback:

*"Our kids LOVE storytime whether it's during the day or night. They've been so enriched by these Programs."*

*"The programming for children at EOL is fabulous. We are very thankful for the opportunities presented to our children at our local library, and I credit the librarians and other presenters (like wonderful Miss NayNay) with their enthusiasm."*

*"Loved the atmosphere!!!"*

*"I like that the meetings have substance now. they are more focused."*



## CITY OF MOUNTAIN BROOK

P. O. Box 130009  
 Mountain Brook, Alabama 35213-0009  
 Telephone: 205.802.2400  
 www.mtnbrook.org

**To:** Sam Gaston, City Manager  
**From:** Steven Boone  
**Date:** July 27, 2016  
**Subject:** Lane Parke Development Agreement Obligation

The Lane Parke project was originally approved in summer 2012 with a projected phased opening commencing in 2014. The project was scaled down and the revised development plan was approved in summer 2013 with a projected phased opening commencing in 2015. During the preliminary planning stages of this development, the development team had the inn scheduled to open after the Phase 1 retail. However, once the Grand Bohemian tenant was secured, the construction of inn was expedited. The inn opened in October 2015 and the development agreement incentive payments commenced in November 2015.

The \$10 million revenue sharing portion of the development agreement calls for the City to pay the following:

1. 90% of the municipal portion of the ad valorem taxes above the 2012 baseline (indexed 1-1/2% annually). The ad valorem tax portion of the incentive is not due to be paid until the Phase 1 retail opens. The first stores within the Phase 1 retail are scheduled to open mid-September and the grocery store is scheduled to open mid-October 2016. As of January 2016, the City owes the developer \$269,000 in ad valorem taxes for fiscal years 2015 and 2016.
2. 90% of "lodging taxes" upon the opening of the inn. The lodging portion of the incentive payment commenced in November 2015. The inn is generating both lodging and sales tax revenue.
3. 90% of sales tax revenue above the 2012 baseline (\$728,000) indexed 1-1/2% annually until such incentive payments equal \$1,000,000 in any year. Thereafter, the incentive amount shall equal 75% of the sales tax revenue above the indexed baseline.
4. The revenue sharing portion of the development agreement ends upon the earlier of 25 year after the effective date of the agreement (or July 30, 2037), 20 years after the project opening (or October 2035) or once the \$10 million obligation is satisfied.

My initial projections indicated that the \$10 million revenue sharing portion of the development agreement obligation could be satisfied in less than 10 years based on revenue forecasts provided by the development team.

Because the revenue (based on property valuations for properties still under construction and sales volumes for stores yet to open and in some cases stores yet to be identified) forecasts are difficult to estimate, there is still considerable room for estimation errors. However, we do have some real estate valuation information and 8-1/2 months of actual revenue from the inn.

Based on my analysis of the updated information, I estimate that the \$10 million obligation could be satisfied as early as September 30, 2022 (less than eight years from the opening of the inn). This estimate is still based largely on the development team's estimated sales tax volume which was largely determined using the sales per square foot approach. Once the Phase 1 retail is fully operational (winter 2016/spring 2017), it should be possible to further refine the sales tax portion of the incentive payments.

The developer projected taxable sales activity in the development to be as much as \$65 million annually. My estimation of the 8 year pay-off is contingent on the taxable sales and lodging transaction to approach this amount.

APPENDIX 4

Development Agreement History and Impact City of Mountain Brook August 2016									
Development	Year	Reference	Original Revenue Sharing Commitment	Duration of Revenue Sharing Commitment	Ad Valorem Abatement Progress	Ad Valorem Tax Abatement City	Ad Valorem Tax Abatement BOE	Annual Sales Tax Revenue (Net)	Ad Valorem Taxes Received Annually, Net: City 26.1 mil BOE 44.7 mil
Publix-Overton Road (1 year 9 months)	10/15/02 9/9/03	2002-132 2003-108	\$501,686	12/29/2004– 9/26/2006	Yr 14 of 15	\$25,491	\$24,124	1,020,000	\$-0- \$19,500
Piggly Wiggly-River Run (5 years 5 months)	12/17/04	2004-184	\$687,500	3/9/2007– 7/24/2012	Yr 9 of 15	\$12,699	N/A	\$370,000	\$-0- \$22,000
Cahaba Village (5-1/2 years)	10/12/04	2004-148	\$4,900,000	3/30/2007– 9/29/2013	N/A	N/A	N/A	\$2,480,000	\$55,000 \$94,000
Lane Parke (projected satisfaction 8-10 years)	8/26/13	2013-122	\$14,000,000 <sup>(2)</sup>	12/31/2015– 2025	Yr 3 of 20	\$242,000 <sup>(7)</sup>	N/A	\$13,000 <sup>(1)</sup> 10% of gross collections	\$67,400 <sup>(4)</sup> \$529,000
Piggly Wiggly-Crestline (projected satisfaction 14 years)	12/16/14	2014-170	\$5,200,000 <sup>(3)</sup>	7/26/2016– 2030	Yr 1 of 15	26.1 mil for 15 years	N/A	Proprietary	\$-0- Unavailable
							City BOE	\$3,883,000 \$-0-	\$122,400 \$664,500

- (1) The budgeted sales tax collections above the baseline for 2017 is \$133,000 of which 90% will be remitted under the terms of the development agreement. See also <sup>(5)</sup> below.
- (2) Consists of \$4 million cash for public improvements and \$10 million revenue sharing. The revenue sharing component of the development agreement provides for annual payments as follows: 1) 90% of ad valorem taxes above the [2016] baseline of \$67,400, 2) 90% of lodgings taxes, and 3) 90% of sales taxes above the [2016] baseline of \$750,000. The baseline(s) are increased at the rate of 1-1/2% annually. Once the annual revenue sharing incentive payments reach \$1 million, the revenue sharing changes from 90:10 to 75:25 (Developer:City) for the remainder of the year. The development is projected to produce annual taxable transactions (lodging and sales tax) of \$65 million or \$1,950,000 in taxes to be realized in phases as tenants commence operations starting in fiscal 2016 through 2019. The incentive obligation ends upon the earlier of satisfaction of the \$10 million commitment, 20 years from opening of development, or 25 years from initial execution of development agreement.
- (3) Consists of \$1.2 million cash for the purchase of the access road and parking lot and \$4 million revenue sharing. Revenue sharing is 75% of sales tax collections for five years then 50% thereafter until earlier of satisfaction of the \$4 million commitment or 20 years.
- (4) Development currently valued at \$59.2 million. Once completed, the development is expected to be valued at \$120 million or more. The City is netting 10% of the total municipal ad valorem taxes at the current valuation (see also <sup>(5)</sup> above). (e.g., \$59.2 million x 20% x .0261 = \$67,400 City; \$59.2 million x 20% x .0447 = \$529,000 BOE.)

APPENDIX 4



CITY OF MOUNTAIN BROOK  
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 Mountain Brook, Alabama 35213-0009  
 Telephone: 205.802.2400  
 www.mtnbrook.org

Pension Obligation Bond (POB) Considerations  
 City of Mountain Brook, Alabama  
 July 2016  
 Prepared: Steven Boone, Finance Director

The issuance of POB's is a financing strategy to reduce the unfunded status of the issuer's pension plan obligation. Considering the current low interest rate environment and the significant unfunded status<sup>1</sup> of the City's defined benefit pension plan, the question of whether the City should consider issuing POB's has been raised. Following are the issues to be considered:

- The defined benefit pension plan consists of plan assets/investments and pension benefit obligation. The difference between the pension plan assets and benefit obligation represents the over (under) funded status. The two components work independently each with their own assumptions. The pension benefit obligation represents the net present value of earned benefits based on the benefit formula expressed in the plan for both retirees and active workers (whether vested or not). The pension benefit obligation is determined from a variety of actuarial assumptions (earnings, turn-over, years of service, mortality, and financing costs to name a few). The assumed financing cost of the City's pension benefit obligation as determined by the Retirement Systems of Alabama (RSA) is 8%. Because the pension benefit obligation and pension investments operate independently, the 8% interest cost actuarially charged on the pension benefit obligation is unaffected by the funded status of the plan (i.e., the interest cost is determined based on the gross pension benefit obligation, not the unfunded portion).

Therefore, when issuing POB's, the issuer is not chasing the 8% interest cost assessed on the pension benefit obligation but rather the return to be earned on the pension plan assets. So, if the interest rate on the POB's is less than the return on the pension plan assets, the issuer wins and vice versa.

- Intuitively, it stands to reason that a [tax-exempt] issuer of POB's stands a good chance of earning more by investing the proceeds of the POB in the pension plan that would be paid to the POB holders considering the low interest rate environment that exists presently. However, the Tax Reform Act of 1986 eliminated the tax exemption for POB's. Therefore, if the City could issue 20 year bonds at 3% the taxable equivalent would be approximately 4.6% [3% tax-free coupon(1-.35% assumed tax rate)]. Similarly, a 4% tax-free coupon is equivalent to a 6.1% taxable bond issue.

Arguably, many investment professionals believe that it is not realistic to expect an average annualized return of 8% on long-term investments today (which is the actuarial assumed rate of return on the pension plan assets). Likely, 6% is a much more realistic expectation. If correct, there is little difference between the real long-term investment return and the interest cost of the taxable POB's.

- The City should remember too that while the RSA does invest in equity securities, the plan also includes debt securities and more importantly private placements where there is arguably no readily available or meaningful market valuation information. Therefore, it is not reasonable to assume the RSA investment returns can meet or exceed the broader market returns over the long-term.
- Another risk associated with POB's is market timing. Currently, the major market indices are above their 50 and 200-day moving averages which suggests there is a greater likelihood of a market correction than continued gains. If a market correction occurs after depositing the proceeds of the POB into the pension plan, it would make the City's decision to pursue such a strategy look like a bad idea. Of course, this risk

<sup>1</sup> \$23.8 million as of the September 30, 2014 actuarial valuation report.

Pension Obligation Bond (POB) Considerations  
 City of Mountain Brook  
 Page 2

can be mitigated by systematically depositing the POB proceeds into the pension plan over time. However, the City will most certainly be paying out more in interest on the taxable POB's than can be earned on the short-term investments held in escrow.

- The notion of issuing POB's converts a "soft debt" into a "hard debt" with a fixed amortization with no guaranty that the funded status of the pension plan will be in any better position at the end of the POB amortization period.
- The POB also inhibits the issuer's ability to issue debt for other (capital) purposes.
- In January 2015 the Government Finance Officers' Association (GFOA) issued an advisory<sup>2</sup> recommending against local governments issuing POB's.
- If the City wishes to more aggressively pursuing reducing its unfunded pension liability, I suggest the following strategy:
  - Forego the issuance of POB
  - Utilize POB-based amortization strategy to systematically "over-fund" the plan
  - Once such a strategy is implemented, ignore the actuarially determined Annual Required Contribution (ARC)
- The City has remitted \$9.3 million in three (3) lump sum installments since 2001 in addition to its ARC<sup>3</sup>. While this strategy was well intentioned, the City's mistake was to accept the subsequently calculated ARC which arguably rebated some of the excess contributions back to the City over time. For example, in 2007 the City's ARC was set at 12.24% of payroll. After remitting a lump sum payment of \$7 million, the ARC was recalculated and re-set at 7.98% of payroll. The reduction represented an annual savings of \$300,000 based on a \$12.5 million payroll at the time. Therefore, it appears that the actuarial model and assumptions effectively steer the agencies back to the norm or average. In order to truly accelerate the amortization of the unfunded liability, the City should contribute an amount based on its current ARC plus the intended extra [monthly] installment and then continue remitting an equivalent amount expressed as a percentage of payrolls.

Once this pre-payment strategy is implemented, the City will have to ignore the ARC otherwise, the actuarial methodology will begin rebating the excess payments back to the City.

This pre-payment strategy accomplishes the same intended effect as issuing POB's without much of the risk with the following benefits:

- The City saves the interest cost on the POB's
- The City's debt capacity is not impacted (aside from the effect on the General Fund budget of the voluntary over-payment into the pension plan)
- Unlike a fixed POB amortization, the City can increase or decrease its annual over-funding at its discretion
- Systematic payments into the pension plan achieves a dollar-cost averaging effect

Some will likely argue that it is foolish to trust the City's money with the RSA based on their investment philosophy and arguable under-performance. However, whether the return on the monies in the pension plan is optimal or not the overall funded status of the plan will be better with the infusion of extra cash than without. The result will be a more financially secure pension plan than would otherwise exist.

<sup>2</sup> <http://www.gfoa.org/pension-obligation-bonds>

<sup>3</sup> \$2 million in 2001, \$7 million in 2007, and \$300,000 in 2008

**Pension Obligation Bond (POB) Considerations**  
**City of Mountain Brook**  
 Page 3

10. Once the unfunded liability is eliminated, the City can expect the ARC to be in the 4%-8% range expressed as a percentage of payroll<sup>4</sup>.
11. Following is a comparison POB debt service and voluntary pre-payments from the General Fund<sup>5</sup>:

	Voluntary Excess Contribution	POB Amortization
Unfunded pension liability	\$21 million	\$23.8 million
Desired advance payment	\$20 million	\$20 million
Amortization period (years)	20	20
Assumed coupon	N/A	6%
Annual advance payment/debt service	\$1 million	\$1.7 million
Aggregate payments	\$20 million	\$34.5 million
Interest cost of POB's	N/A	\$14.5 million

<sup>4</sup> Effective October 1, 2016: Library 3.35% and Park Board 2.97% compared to the City 13.30%. These amounts represent the City's matching contribution only. In addition to the City's match, employees contribute 7.5% (Police and Fire 8.5%).

<sup>5</sup> For illustration purposes only. It is doubtful that the City could afford an annual \$1 million [extra] payment into the pension plan with its current revenue and expense structure.

**Hypothetical Forecast of Systematic Pension Over-Funding**  
**City of Mountain Brook**  
 August 2016

Growth Rate	2.00%	-0.10%					
a	b	c	d	e	f	g	
Year Beginning	Salaries	ARC	(b)/(c)	Cost	Extra	Total	% of Payroll
10/01/2016	\$ 14,786,121	13.30%	\$ 1,966,554	\$ 500,000	\$ 2,466,554	16.68%	
10/01/2017	\$ 15,081,843	13.20%	\$ 1,990,803	\$ 525,082	\$ 2,515,885	16.68%	
10/01/2018	\$ 15,383,480	13.10%	\$ 2,015,236	\$ 550,967	\$ 2,566,203	16.68%	
10/01/2019	\$ 15,691,150	13.00%	\$ 2,039,850	\$ 577,677	\$ 2,617,527	16.68%	
10/01/2020	\$ 16,004,973	12.90%	\$ 2,064,642	\$ 605,235	\$ 2,669,877	16.68%	
10/01/2021	\$ 16,325,072	12.80%	\$ 2,089,609	\$ 633,666	\$ 2,723,275	16.68%	
10/01/2022	\$ 16,651,573	12.70%	\$ 2,114,750	\$ 662,990	\$ 2,777,740	16.68%	
10/01/2023	\$ 16,984,604	12.60%	\$ 2,140,060	\$ 693,235	\$ 2,833,295	16.68%	
10/01/2024	\$ 17,324,296	12.50%	\$ 2,165,537	\$ 724,424	\$ 2,889,961	16.68%	
10/01/2025	\$ 17,670,782	12.40%	\$ 2,191,177	\$ 756,583	\$ 2,947,760	16.68%	
				\$ 6,229,859			

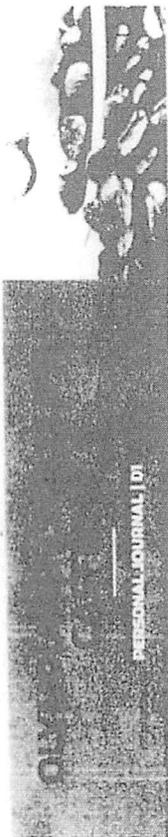
The actuarial assumptions and methodology should produce reductions to the City's Annual Required Contribution (ARC) due to the City's systematic over-funding practice, if implemented. If the City maintains the pension contribution as fixed percentage of payroll ("g" above), the annual over-funding amount increases ("e" above) as the ARC is reduced. Because the City's over-funding is discretionary, the City can adjust the annual over-funding as desired and still over-fund the plan as long as the annual payment exceeds the actuarially calculated ARC. For example, after five years, the City could begin reducing its calculated payment by the same percentage that the ARC is decreasing. Further, it stands to reason that the actuarially calculated ARC will eventually decrease at an increasing rate due to the increased over-funding thereby increasing the effects of this strategy.

**APPENDIX 5**

# THE WALL STREET JOURNAL.

## Barack Obama's Age of Discord

OPINION | A14



WSJ.com  
TUESDAY, JULY 26, 2016 • VOL. CCLXVIII, NO. 21  
10-YR. TREAS. 1.92% (yield 1.91%)  
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NASDAQ 100 177.79 • 0.2%  
DOW JONES 18,515.18 • 0.1%

- ◆ Gerald F. Seib: Democrats face a dilemma..... A4
- ◆ Hack spurs allegations of Russian involvement..... A4
- ◆ Emails show DNC taking aim at Sanders..... A6

### German Angst



ON GUARD: A policeman in Ansbach, where Islamic State claimed a recent attack. AB

### FRAU HEDGE

Firm with close ties to

By ROB COPELAND

For his son's bar mitzvah in a fund manager Murray Huberfeld, JetBlue plane and invited hundred oceanfront party in Palm Beach, dox pop star known as the "Jew" terrified the guests, who Mr. Jew included investors in his fund. Intimate ties and frustrating knit world of observant Jewish in New York, Florida and Israel at the \$1.25 billion hedge-fund firm.

## Pension Returns To Hit New Lows

By TIMOTHY W. MARTIN

Long-term returns for U.S. public pensions are expected to drop to the lowest levels ever recorded, portending deeper pain for states and cities as a \$1 trillion funding gap widens.

Twenty-year annualized returns for public pensions in the U.S. are poised to decline to 7.47% once fiscal 2016 results are released in coming weeks, according to an estimate from Wilshire Trust Universe Comparison Service, which tracks pension investment returns.

That would be the lowest-ever annual mark recorded by Wilshire, which began tracking the statistic 16 years ago in 2001, near the height of the hot-com boom, pensions' 20-year median return was 12.3%, according to Wilshire.

Please see GAPS page A2

## GAPS

Continued from Page One

A reminder of how long-term fortunes have turned came last week as two pension bellwethers reported their worst results since the 2008-09 financial crisis.

Weak annual gains for the California Public Employees' Retirement System and California State Teachers' Retirement System dropped their 20-year returns below 7.5% investment targets, to 7.03% and 7.1%, respectively. The two funds, known as Calpers and Calstrs, are the largest public pensions in the U.S. by assets and oversee a combined \$484 billion for 2.6 million public workers and retirees.

The drop in 20-year annualized returns is significant because officials who oversee retirements for police officers, firefighters, teachers and government workers have long said one had year or two isn't

as important as the long-term average, and they would earn enough money over decades to pay for retiree obligations.

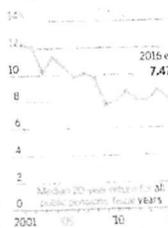
Those long-term returns have dropped below expectations due in large part to two recessions over the past 15 years and a sustained period of low interest rates. Pension funds invest heavily in fixed-income securities, so the loss of a few percentage points of bond yield hinders their ability to post steady returns.

Funding shortfalls often mean taxpayers or workers are asked to chip in more to account for rising liabilities. Every one-percentage-point drop in investment returns represents an increase of 12% in liabilities, according to the Center for Retirement Research at Boston College.

In Erie, Pa., schools are struggling to afford the basics because pension costs have nearly tripled in the past five years, said city schools Superintendent Jay Badams. Students in Erie receive sta-

### Waning Gains

Public pensions' long-term investment returns have been falling since 2001



Source: Wilshire Trust Universe Comparison Service THE WALL STREET JOURNAL

Pennsylvania state leaders are debating whether to pass pension changes that would cycle certain workers into cheaper 401(k)-style plans. Poor returns will trigger a "greater sense of urgency" and "escalates the conversation" around stepping away from the traditional pension, said Pat Browne, a Republican state senator who is involved with proposed changes to the state pension system.

If funding continues to slide, pension critics have more ammunition to argue for more aggressive benefit cuts, said Daniel DiSalvo, a senior fellow at the Manhattan Institute, a conservative think tank that supports 401(k) options for public pensions.

"The basic question the public will have is: 'Didn't we already reform these systems and shore them up in the wake of the recession?'" Mr. DiSalvo said. "But here we are back at square one."

In California, the incoming head of the largest U.S. public pension isn't ruling out changes. Marcie Frost, who starts as Calpers' chief executive in October, said on a July 14 call with reporters that she is an advocate for traditional pension benefits but couldn't say "whether the full [defined-benefit] plan is...the right plan" for California.

"We always have to think about what options might be out there," Ms. Frost said.

Ms. Frost's comments came days before Calpers said that its fiscal 2016 return was 0.6%, the slimmest gain since the 2008-2009 crisis. Calpers has a funding gap of roughly \$112 billion, according to the most recent available data.

## CORRECTIONS & AMPLIFICATIONS

Tesla Motors Inc. plans to start battery cell production in late 2016. A Business & Tech article Monday about Tesla's new battery factory incorrectly said it aims to start production early next year. Also, SolarCity Corp. is one company being considered to provide solar panels for the roof of the factory. The article incorrectly said SolarCity is the supplier.

A study in the Journal Clinical Trials earlier this year found that drug companies spend more than \$300,000 on average to recruit all the participants in a typical phase 3 clinical trial. A Personal Journal article July 19 about drug trials incorrectly said companies spend that amount to recruit each trial participant.

The diabetes drug Byetta resulted from John Eng's licensing of a compound he discovered to the pharmaceutical firm Amylin, which later worked

with Eli Lilly & Co. on the result medication. An article in Saturday's Review section about venom as medicine incorrectly said Dr. Eng had sold the compound to Eli Lilly.

Cleveland is on the shore of Lake Erie. A U.S. News article Friday about lobbyists and the Republican convention incorrectly said a lobbyist correctly hosting a fundraiser on the Ohio River could have raised money at the convention.

The first name of U.K. Treasury Chief Philip Hammond was misspelled as Phillip in a Money & Investing article Monday about government bond yields.

Benjamin Moore's Simply White OC-117 is its color of the year for 2016. A Mansion article Friday about the popularity of white this year incorrectly gave the color's name as Simply White OC-177.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wjcontact@wsj.com](mailto:wjcontact@wsj.com) or by calling 888-410-2667.

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## PENSION FUNDING LEVEL RISK FACTORS

Pension Plan Funding Levels	Benefits	Risks
Over-Funded	Benefit payments are highly secured.	Added pressure to provide additional benefits. Potential general fund budget pressure when surplus has been drawn down.
Fully-Funded	Benefit payments are highly secured.	Could cement liabilities if not required by contract and reduce flexibility to alter benefits in the future. Becomes difficult for most public entities to fund quickly. May have "lumpy" Annual Required Contribution payments (i.e., general fund budget) to maintain full funding.
Significantly Funded (Over 70%)	Good medium term security for benefit payments. General fund is insulated from fluctuations. Rating agencies typically comfortable with level of funding.	Annual contributions in the short run may be higher.
Partially Funded (Under 70%)	Provides a level of security for benefit payments. General fund is somewhat insulated from fluctuations. Rating agencies may have concerns with level of funding.	Annual contributions in the short run may be higher.

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## PRESENTATION TO: THE CITY OF MOUNTAIN BROOK

Pension Obligation Funding Options  
Confidential | August 2016



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## PENSION FUND OVERVIEW\*

The City of Mountain Brook pension fund has Plan Fiduciary Net Benefit of approximately \$49.2 million at the end of FY 2014 and a Net Pension Liability of approximately \$21.9 million.

- Total Pension Liability: \$71.1 million
- Plan Fiduciary Net Benefit: \$49.2 million
- Net Pension Liability: \$21.9 million
- Funded Ratio: 69.2%



\*Beginning in 2013, data is based on the Net Pension Liability method as reported in the City's 2015 AIAH. Data previously was reported as Actuarial Accrued Liability.

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APPENDIX 5

Budget Change Tracking Worksheet  
 City of Mountain Brook  
 September 30, 2017

Ref	Ledger No	Description	Overall Total	General Fund	General Operations 100	Capital Projects Total	Infrastructure 417	Capital 441	Other Gov't Funds Total	Debt Service 600
	100-1100-6374	Approp-Jeff/Blount/St Clair MH	\$ 2,100	\$ 2,100	\$ 2,100	\$ 0	\$ 0		\$ 0	
	100-1100-6375	Approp-Exceptional Foundation	\$ 7,500	\$ 7,500	\$ 7,500	\$ 0	\$ 0		\$ 0	
	100-1100-6376	Approp-B'ham Museum of Art	\$ 11,500	\$ 11,500	\$ 11,500	\$ 0	\$ 0		\$ 0	
	100-1100-6377	Approp-B'ham Botanical Gardens	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0	\$ 0		\$ 0	
	100-1100-6378	Approp-Blueprint Birmingham	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0	
	100-1100-6379	Approp-Alabama Ballet	\$ 2,500	\$ 2,500	\$ 2,500	\$ 0	\$ 0		\$ 0	
	100-1100-6380-0601	Approp-Bham Childrens Theatre	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	\$ 0		\$ 0	
	100-1100-6380	Approp-Birmingham Zoo	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0	\$ 0		\$ 0	
	100-1100-6381	Approp-Ala Veterans Mem Fnd	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0	\$ 0		\$ 0	
	100-1100-6382	Approp-Jeff Co Historical Comm	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0	\$ 0		\$ 0	
	100-1100-6383	Approp-All In Mountain Brook	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0	\$ 0		\$ 0	
	<b>Draft 2 Surplus (Deficit) (Finance Comm Recommendations)</b>		<b>\$ (2,382,529)</b>	<b>\$ 1,007,101</b>	<b>\$ 1,000,892</b>	<b>\$ (3,644,127)</b>	<b>\$ (3,517,474)</b>	<b>\$ (126,653)</b>	<b>\$ 254,497</b>	<b>\$ 301,000</b>

Budget Change Tracking Worksheet  
 City of Mountain Brook  
 September 30, 2017

Ref	Ledger No	Description	Overall Total	General Fund	General Operations 100	Capital Projects Total	Infrastructure 417	Capital 441	Other Gov't Funds Total	Debt Service 600
136	554-3510-600X	New Police Officer including benefits	\$ 59,397	\$ 59,397	\$ 59,397	\$ 0		\$ 0		
140	441-3590-6730-0620	New Police Officer car	\$ 0	\$ (30,000)	\$ (30,000)	\$ 30,000		\$ 30,000	\$ 0	
72	100-3516-6942	Police ERS Adjustment	\$ 0	\$ 67	\$ 66	\$ (67)		\$ (67)	\$ 0	
130	100-3550-6550	New Police Officer fuel	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ 0		\$ 0	\$ 0	
130	100-3550-6520-9999	New Police Officer vehicle repairs	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ 0		\$ 0	\$ 0	
130	100-3550-6161	New Police Officer uniform	\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ 0		\$ 0	\$ 0	
140	441-3590-6730-0559	Pistols with Night Sights	\$ (5,000)	\$ 8,000	\$ 8,000	\$ (13,000)		\$ (13,000)	\$ 0	
140	441-3590-6730-0627	Disinfect Jail Cells (Service)	\$ 0	\$ 60,000	\$ 60,000	\$ (60,000)		\$ (60,000)	\$ 0	
135	554-3510-6416	Jail Disinfection Service	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ 0		\$ 0	\$ 0	
141	441-3590-6730-0762	Cellbright Phone Analysis	\$ 18,160	\$ 22,700	\$ 22,700	\$ (4,540)		\$ (4,540)	\$ 0	
72	100-3516-6942	Police ERS Adjustment	\$ 0	\$ 1,460	\$ 1,460	\$ (1,460)		\$ (1,460)	\$ 0	
140	441-3590-6730-0741	Body Cameras for Patrol	\$ (23,000)	\$ 0		\$ (23,000)		\$ (23,000)	\$ 0	
141	441-3590-6730-3524	Additional Body Cameras	\$ 25,000	\$ 33,333	\$ 33,333	\$ (8,333)		\$ (8,333)	\$ 0	
		Finance	\$ 0	\$ 0		\$ 0		\$ 0	\$ 0	
93	100-1211-6501	Rep & Maint-Bldgs (for Painting at City Ha	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ 0		\$ 0	\$ 0	
100	441-1290-6730-0610	Furniture (see Administration capital)	\$ 15,000	\$ 0	\$ 0	\$ 15,000		\$ 15,000	\$ 0	
95	100-1214-6463	Annual Maintenance-Software	\$ 6,000	\$ 6,000	\$ 6,000	\$ 0		\$ 0	\$ 0	
95	100-1214-6614	Utilities-Internet	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0		\$ 0	\$ 0	
		<b>Draft 2 Surplus (Deficit) (After City Manager Review)</b>	<b>\$ (1,600,010)</b>	<b>\$ 1,184,101</b>	<b>\$ 1,177,892</b>	<b>\$ (3,038,608)</b>	<b>\$ (3,372,474)</b>	<b>\$ 333,866</b>	<b>\$ 254,497</b>	<b>\$ 301,000</b>
107	100-3440-6340	Programs-Safety for Seniors	\$ (500)	\$ (500)	\$ (500)	\$ 0		\$ 0	\$ 0	
107	100-3440-6341	Programs-Child Pass Safety	\$ (750)	\$ (750)	\$ (750)	\$ 0		\$ 0	\$ 0	
134	441-3590-6730-0624	Equip-Cold Fire Extinguishers	\$ (7,000)	\$ 0		\$ (7,000)		\$ (7,000)	\$ 0	
135	441-3590-6730-0651	Equip-Ballistic Plates (10)	\$ (8,500)	\$ 0		\$ (8,500)		\$ (8,500)	\$ 0	
152	417-6690-6750-0901	Drainage-MONCREST (28)	\$ (130,000)	\$ 0		\$ (130,000)	\$ (130,000)	\$ 0	\$ 0	
151	417-6690-6741-1102	Sidewalk-Village Upgrades	\$ (15,000)	\$ 0		\$ (15,000)	\$ (15,000)	\$ 0	\$ 0	
153	441-6690-6730-0660	Equip-Service Truck	\$ (32,000)	\$ 0		\$ (32,000)		\$ (32,000)	\$ 0	
153	441-6690-6730-0661	Equip-2017 SUV	\$ (38,000)	\$ 0		\$ (38,000)		\$ (38,000)	\$ 0	
154	441-6690-6730-0701	Equip-Bucket Truck	\$ (132,500)	\$ 0		\$ (132,500)		\$ (132,500)	\$ 0	
154	441-6690-6730-0702	Equip-Small Dump Truck	\$ (65,000)	\$ 0		\$ (65,000)		\$ (65,000)	\$ 0	
154	441-6690-6730-0705	Equip-Truck Cab & Chassis	\$ (60,000)	\$ 0		\$ (60,000)		\$ (60,000)	\$ 0	
154	441-6690-6730-0741	Equip-Column Fixtures	\$ (15,000)	\$ 0		\$ (15,000)		\$ (15,000)	\$ 0	
154	441-6690-6730-0760	Equip-Mosquito Sprayers (2)	\$ (32,000)	\$ 0		\$ (32,000)		\$ (32,000)	\$ 0	
154	441-6690-6730-0764	Equip-Parade Fencing	\$ (9,686)	\$ 0		\$ (9,686)		\$ (9,686)	\$ 0	
169	441-7890-6730-7810	Equip-Infield Groomer	\$ (25,000)	\$ 0		\$ (25,000)		\$ (25,000)	\$ 0	
169	441-7890-6730-7811	Equip-Skid Mount Water Tank	\$ (3,500)	\$ 0		\$ (3,500)		\$ (3,500)	\$ 0	
169	441-7890-6720-0507	Equip-Security Cameras	\$ (14,000)	\$ 0		\$ (14,000)		\$ (14,000)	\$ 0	
184	441-7790-6720-1602	Bldg Imp-Roof	\$ (10,000)	\$ 0		\$ (10,000)		\$ (10,000)	\$ 0	
184	441-7790-6720-1603	Bldg Imp-Windows/Water Proofing	\$ (49,000)	\$ 0		\$ (49,000)		\$ (49,000)	\$ 0	
106	100-3417-6212	Development-Travel/Meals	\$ (800)	\$ (800)	\$ (800)	\$ 0		\$ 0	\$ 0	
Various	Various	Update revenue projections thru July 2016	\$ 28,599	\$ 28,599	\$ 28,599	\$ 0		\$ 0	\$ 0	
Various	Various	1-1/2% Across-the-Board Pay Increase	\$ (274,482)	\$ (274,482)	\$ (274,482)	\$ 0		\$ 0	\$ 0	
182	701-1100-6404	Consultant Fees (Executive Search)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ 0		\$ 0	\$ 0	
74	100-1100-6370	Chamber of Commerce	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ 0		\$ 0	\$ 0	
75	100-1100-6380-1701	Prescott House (moved to Police)	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0	\$ 0	
85	100-1300-6160	Sr. Plans Examiner Auto Allowance	\$ (1,200)	\$ (1,200)	\$ (1,200)	\$ 0		\$ 0	\$ 0	
172	441-7890-6730-7805	Equip Truck Bed	\$ 7,000	\$ 8,400	\$ 8,400	\$ (1,400)		\$ (1,400)	\$ 0	
172	441-7890-6730-7805	Equip Trailer	\$ (2,000)	\$ (2,400)	\$ (2,400)	\$ 400		\$ 400	\$ 0	
172	441-7890-6730-7806	Equip-SUV	\$ 24,000	\$ 4,000	\$ 4,000	\$ 20,000		\$ 20,000	\$ 0	
172	441-7890-6730-7807	Equip-F150	\$ 26,000	\$ 4,333	\$ 4,333	\$ 21,667		\$ 21,667	\$ 0	
168	417-7890-6760-0802	Restroom (carryover)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0		\$ 0	\$ 0	
	100-1100-6371	Approp-EMA	\$ 27,200	\$ 27,200	\$ 27,200	\$ 0	\$ 0	\$ 0	\$ 0	
	100-1100-6372	Approp-Ala Symphony	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	
	100-1100-6373	Approp-McWane Center	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	

APPENDIX 6

Budget Change Tracking Worksheet  
 City of Mountain Brook  
 September 30, 2017

Ref	Ledger No	Description	Overall Total	General Fund	General Operations 100	Capital Projects Total	Infrastructure 417	Capital 441	Other Gov't Funds Total	Debt Service 600
	<b>Draft 1 Surplus (Deficit)</b>	<b>To Be Entered Manually</b>	<b>\$ (1,751,059)</b>	<b>\$ 854,957</b>	<b>\$ 848,749</b>	<b>\$ (2,859,713)</b>	<b>\$ (3,384,879)</b>	<b>\$ 525,166</b>	<b>\$ 253,697</b>	<b>\$ 300,200</b>
		<b>General</b>								
	600-1100-6307	Bank fees (correction)	\$ 800	\$ 0		\$ 0			\$ 800	\$ 800
	Various	Revenue updated thru June actual	\$ 54,401	\$ 54,401	\$ 54,401	\$ 0			\$ 0	
		<b>Park Board</b>	\$ 0	\$ 0		\$ 0			\$ 0	
169	115-7800-6001	Overtime (w/ benefits)	\$ 5,354	\$ 5,354	\$ 5,353	\$ 0			\$ 0	
167	417-7890-6760-1401	Lighting Fields Study	\$ 55,000	\$ 55,000	\$ 55,000	\$ 0			\$ 0	
167	417-7890-6760-1601	Leadership MB Projects	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0			\$ 0	
167	417-7890-6760-7807	Cahaba River Walk	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0			\$ 0	
72	417-7816-6942	ERS (correction for omissions)	\$ 0	\$ (12,000)	\$ (12,000)	\$ 12,000		\$ 12,000	\$ 0	
	417-7890-6760-1701	Parks-Athletic Complex Topo	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ 0			\$ 0	
		<b>Public Works</b>	\$ 0	\$ 0		\$ 0			\$ 0	
151	417-6690-6741-1101	Sidewalk-Homewood Connector	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0			\$ 0	
151	417-6690-6742-1402	Lights-Village Lighting-Continuation	\$ 55,000	\$ 42,595	\$ 42,595	\$ 12,405	\$ 12,405		\$ 0	
158	441-6690-6730-0820	Equipment-1/2 Ton Truck	\$ (26,500)	\$ 0	\$ 0	\$ (26,500)		\$ (26,500)	\$ 0	
150	100-6680-6450	English Village Parking Leases	\$ (3,402)	\$ (3,402)	\$ (3,402)	\$ 0			\$ 0	
		<b>Planning, Building &amp; Sustainability</b>	\$ 0	\$ 0		\$ 0			\$ 0	
84	100-1105-6004	Overtime (w/ benefits)	\$ 2,156	\$ 2,156	\$ 2,156	\$ 0			\$ 0	
84	100-1105-6213	Tuition Reimbursement	\$ 500	\$ 500	\$ 500	\$ 0			\$ 0	
84	100-1105-6303	Offset Map Frames	\$ (400)	\$ (400)	\$ (400)	\$ 0			\$ 0	
76	100-1300-6870-0502	Consultants-Drainage Plans Review	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ 0			\$ 0	
		<b>Administration</b>	\$ 0	\$ 0		\$ 0			\$ 0	
74	100-1100-6004	Overtime (w/ benefits)	\$ (609)	\$ (609)	\$ (609)	\$ 0			\$ 0	
75	100-1100-6870-0502	0502-Drainage Plans Review	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0			\$ 0	
75	100-1119-6396	B'ham Transit Authority	\$ (15,626)	\$ (15,626)	\$ (15,626)	\$ 0			\$ 0	
		<b>Fire</b>	\$ 0	\$ 0		\$ 0			\$ 0	
104	100-3410-6312	Supplies-Tactical Med Equip	\$ (12,000)	\$ (12,000)	\$ (12,000)	\$ 0			\$ 0	
105	100-3410-6610	Utilities-Telephone	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0			\$ 0	
107	100-3442-6004	Overtime (w/ benefits)	\$ 8,321	\$ 8,321	\$ 8,322	\$ 0			\$ 0	
107	100-3442-6161	Uniforms	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0			\$ 0	
114	441-3490-6720-0004	Turnout Gear Lockers	\$ 0	\$ 16,200	\$ 16,200	\$ (16,200)		\$ (16,200)	\$ 0	
114	441-3490-6720-0001	Site Plan for Station 2	\$ (7,500)	\$ 0		\$ (7,500)		\$ (7,500)	\$ 0	
114	441-3490-6720-0002	Station 3 Driveway	\$ (17,000)	\$ 0		\$ (17,000)		\$ (17,000)	\$ 0	
114	441-3490-6720-0003	Stations 2 HVAC	\$ (6,000)	\$ 0		\$ (6,000)		\$ (6,000)	\$ 0	
114	441-3490-6730-1701	Extractor/Dryer for Turnout Gear	\$ (30,000)	\$ 0		\$ (30,000)		\$ (30,000)	\$ 0	
114	441-3490-6730-1702	Station 1 Washing Machine/Dryer	\$ (1,700)	\$ 0		\$ (1,700)		\$ (1,700)	\$ 0	
114	441-3490-6730-1703	Specialized Fire Equipment	\$ (23,500)	\$ 0		\$ (23,500)		\$ (23,500)	\$ 0	
114	441-3490-6730-1704	Desktop Computers (9)	\$ (9,500)	\$ 0		\$ (9,500)		\$ (9,500)	\$ 0	
		<b>Police</b>	\$ 0	\$ 0		\$ 0			\$ 0	
128	100-3510-6004	Overtime (w/ benefits)	\$ 3,244	\$ 3,244	\$ 3,244	\$ 0			\$ 0	
130	100-3551-6004	Overtime (w/ benefits)	\$ 7,850	\$ 7,850	\$ 7,850	\$ 0			\$ 0	
129	100-3510-6603	Utilities-Water	\$ 500	\$ 500	\$ 500	\$ 0			\$ 0	
129	100-3517-6211	Meetings/Conferences	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0			\$ 0	
129	100-3517-6212	Travel/Meals	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0			\$ 0	
130	100-3551-6550	Fleet Fuel	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0			\$ 0	
131	100-3551-6344	Prescott House	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0			\$ 0	
135	554-3510-6602	Utilities-Gas	\$ 300	\$ 300	\$ 300	\$ 0			\$ 0	
135	554-3510-6602	Utilities-Water	\$ 200	\$ 200	\$ 200	\$ 0			\$ 0	
135	554-3510-6416	Laundry Service	\$ 3,500	\$ 3,500	\$ 3,500	\$ 0			\$ 0	
136	554-3510-600X	Removed Vacant 2 position	\$ (59,397)	\$ (59,397)	\$ (59,397)	\$ 0			\$ 0	