MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF MOUNTAIN BROOK, ALABAMA
OCTOBER 1, 2019

The City Council of the City of Mountain Brook, Alabama met in special public session at City Hall of the City of Mountain Brook on Tuesday, the 1st day of October 2019, at 12:00 p.m. The meeting was then called to order by the Council President and the roll was called with the following results:

Present: Virginia C. Smith, Council President
William S. Pritchard III, Council President Pro Tempore
Lloyd C. Shelton
Alice B. Womack

Absent: Philip E. Black
Stewart Welch III, Mayor

Also present were City Manager Sam Gaston and City Clerk Steven Boone.

1. CONSIDERATION OF AN ORDINANCE (NO. 2059) CANVASSING THE RETURNS OF THE SPECIAL MUNICIPAL TAX ELECTION HELD IN THE CITY ON SEPTEMBER 24, 2019 (APPENDIX 1)

Council President Smith stated that this was the date fixed by law for the canvass of the returns of the special municipal tax election held in the City on September 24, 2019, which had been called by Ordinance No. 2049, adopted on June 24, 2019. The Council, constituting a board of canvassers, thereupon proceeded to canvass the returns respecting the proposition submitted to the electors of the City at the said election, and upon completion of such canvass the following ordinance, together with the preambles thereto, was introduced in writing by Council President Smith:

"AN ORDINANCE CANVASSING AND DECLARING THE RESULTS OF A SPECIAL MUNICIPAL ELECTION HELD IN THE CITY OF MOUNTAIN BROOK, ALABAMA, ON TUESDAY, SEPTEMBER 24, 2019, REGARDING AN INCREASE IN THE RATE OF A PROPERTY TAX FOR PUBLIC SCHOOL PURPOSES

WHEREAS, at a meeting of the City Council ("the Council") of the City of Mountain Brook ("the City") in the State of Alabama held on June 24, 2019, Ordinance No. 2049 was duly adopted by the Council in which a special municipal election was called to be held in the City on September 24, 2019 (being the fourth Tuesday in the month of September), for the purpose of submitting to the qualified electors of the City to determine their will with respect to the following proposition:

Whether the City shall be authorized to levy and collect, in addition to all other taxes now or hereafter authorized, the special annual ad valorem tax at the per annum rate of 20.6 mills on each dollar of the assessed valuation of the taxable property in the City referred to in the notice of election set out in Section 3 of Ordinance No. 2049 adopted on June 24, 2019.

WHEREAS, notice of the said election was posted in four public places in the City (viz., the Mountain Brook City Hall, 56 Church Street; Cahaba River Walk, 3053 Overton Road; Overton Park, 3020 Overton Road; and Gilchrist, 2805 Cahaba Road, there being no newspaper published and having general circulation in the City, in the form provided in the said ordinance, said posting having been more than thirty days before the date of the said election, and having also been on or before the fourth Tuesday of the second month next preceding the month in which the said election was held;
WHEREAS, the said election was held in the City on September 24, 2019, in all respects as provided in the said notice between the hours of 7:00 o'clock, a.m., and 7:00 o'clock, p.m., being the legal hours provided by law for holding the said election, and the ballot used in the said election was in all respects in the form therefor set out in the said ordinance, and the officials who conducted the said election have duly made and duly filed with the Council their respective reports, returns, and certificates; and

WHEREAS, the Council is required by law to canvass the returns of the said election on the first Tuesday next after the said election, and declare the results thereof, and at a meeting of the Council held on October 1, 2019, the Council, acting as a board of canvassers, has duly canvassed the said returns and ascertained the results of the said election with respect to the said proposition;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Mountain Brook, acting as a board of canvassers for the purpose of canvassing the results of the said election, as follows:

(1) the recitations contained in the foregoing preambles are hereby found and declared to be true and are hereby adopted as a part of this ordinance;

(2) the said election was duly called, notice thereof was duly given, and the said election was duly held and the ballots used thereat were in all respects as provided by law;

(3) at the said election on the said proposition, the canvass of the returns indicated the following:

<table>
<thead>
<tr>
<th></th>
<th>St. Luke's Episcopal 01</th>
<th>City Hall 02</th>
<th>Brookwood Baptist Church 03</th>
<th>Mountain Brook Comm. Church 04</th>
<th>Canterbury United Methodist 05</th>
<th>Cherokee Bend Elem. 06</th>
<th>Absentee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Increase in Rate of School Tax</td>
<td>284</td>
<td>419</td>
<td>433</td>
<td>308</td>
<td>117</td>
<td>243</td>
<td>20</td>
<td>1,824</td>
</tr>
<tr>
<td>Provisional</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>66.36%</td>
<td>63.10%</td>
<td>72.17%</td>
<td>65.95%</td>
<td>50.65%</td>
<td>64.97%</td>
<td>66.36%</td>
<td>65.3%</td>
</tr>
<tr>
<td>Against Increase in Rate of School Tax</td>
<td>144</td>
<td>245</td>
<td>167</td>
<td>159</td>
<td>114</td>
<td>131</td>
<td>8</td>
<td>968</td>
</tr>
<tr>
<td>Provisional</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>33.64%</td>
<td>36.90%</td>
<td>27.83%</td>
<td>34.05%</td>
<td>49.35%</td>
<td>35.03%</td>
<td>66.36%</td>
<td>23.7%</td>
</tr>
<tr>
<td></td>
<td>428</td>
<td>664</td>
<td>600</td>
<td>467</td>
<td>231</td>
<td>374</td>
<td>28</td>
<td>2,792</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered voters</td>
<td>2,383</td>
<td>4,423</td>
<td>3,514</td>
<td>3,639</td>
<td>1,758</td>
<td>2,270</td>
<td>N/A</td>
<td>17,987</td>
</tr>
<tr>
<td>Voter turn-out</td>
<td>17.96%</td>
<td>15.06%</td>
<td>17.10%</td>
<td>12.83%</td>
<td>13.14%</td>
<td>16.56%</td>
<td>N/A</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

Note: Over/under votes not counted have been omitted from the vote counts above

(4) at the said election on the said proposition a total of 2,792 votes were received and cast; of the said votes so received and cast 1,824 votes were received and cast for the increase in the said special tax and 968 votes were received and cast against the increase in the said special tax; that the number of votes received and cast in the said election in favor of the increase in the said special tax were greater than the number of votes received and cast in the said election against the
increase in the said special tax; and that at the said election a majority of the qualified electors of the said City who voted thereat voted for of the increase in the said special tax.

**BE IT FURTHER ORDAINED** that this ordinance shall comprise the canvass and declaration by the Council of the results of the aforesaid election and shall be recorded in the minutes of the proceedings of the City."

Councilmember Womack moved that the rules be suspended and unanimous consent be given for immediate consideration of and action on the said ordinance, which motion was seconded by Council President Pro Tempore Pritchard and, upon the same being put to vote, the following vote was recorded:

Ayes: Virginia C. Smith, Council President  
William S. Pritchard, III, Council President Pro Tempore  
Lloyd C. Shelton  
Alice B. Womack

Nays: None

Council President Smith thereupon declared that the motion for unanimous consent for immediate consideration of and action on the said ordinance had been unanimously carried. Council President Pro Tempore Pritchard thereupon moved that the foregoing ordinance be adopted, which motion was seconded by Councilmember Shelton and, upon the same being put to vote, the following vote was recorded:

Ayes: Virginia C. Smith, Council President  
William S. Pritchard, III, Council President Pro Tempore  
Lloyd C. Shelton  
Alice B. Womack

Nays: None

Council President Smith thereupon declared that motion for the adoption of said Ordinance (No. 2059) carried by a vote of 4—0 and as evidence thereof she signed the same.

2. **CONSIDERATION OF A RESOLUTION (NO. 2019-142) AUTHORIZING THE EXECUTION OF THE AUDIT ENGAGEMENT LETTER, IN THE FORM ATTACHED HERETO AS EXHIBIT A, WITH RESPECT TO THE CITY’S ANNUAL INDEPENDENT FINANCIAL AUDIT (EXHIBIT 1, APPENDIX 2)**

The resolution and engagement letter were introduced in writing by Council President Smith who then invited comments. There being no comments or questions, President Smith called for a motion. Council member Shelton made a motion for adoption of the resolution. The motion was seconded by Council President Smith. Thereupon, Council President Smith called for vote with the following results:

Ayes: Virginia C. Smith  
William S. Pritchard, III  
Philip E. Black  
Lloyd C. Shelton

Nays: None

Council President Smith thereupon declared that motion for the adoption of said resolution (No. 2019-142) carried by a vote of 4—0 and as evidence thereof she signed the same.
3. ANNOUNCEMENT

The next regular meeting of the City Council will be October 14, 2019, at 7:00 p.m. in the Council Chamber of City Hall located at 56 Church Street, Mountain Brook, AL 35213.

4. ADJOURNMENT

There being no further business to come before the City Council, Council President Smith adjourned the meeting at approximately 12:05 p.m.

5. CERTIFICATION

I, Steven Boone, City Clerk of the City of Mountain Brook, Alabama, certify the above is a true and correct transcript of the regular meeting of the City Council of the City of Mountain Brook, Alabama held at City Hall, City Hall Pre-Council Room (A106) on October 1, 2019, and that the meeting was duly called and held in all respects in accordance with the laws of the State of Alabama and bylaws of the City and that a quorum was present.

City Clerk
Approved by City Council October 14, 2019

EXHIBIT 1

RESOLUTION NO. 2019-142

BE IT RESOLVED by the City Council of the City of Mountain Brook, Alabama, that the City Council hereby authorizes either the Mayor or City Manager to execute, for and on behalf of the City Council, the audit engagement letter, in the form attached hereto as Exhibit A, with respect to the City’s annual independent financial audit.

APPENDIX 2
INSTRUCTIONS TO VOTER

TO VOTE YOU MUST BLACKEN THE OVAL ( ) COMPLETELY! DO NOT MAKE AN X.
IF YOU SPOIL YOUR BALLOT, DO NOT ERASE, BUT ASK FOR A NEW BALLOT.

PROPOSITION

Shall the City of Mountain Brook be authorized to levy and collect, at the rate of 2.06% (or 20.6 mills on each dollar) of the assessed value of taxable property in the City (being an increase of 10 mills), the special ad valorem tax authorized at an election held on May 20, 1947, and now being levied at the rate of 10.6 mills; said tax to be levied and the proceeds thereof used for public school purposes in the City; said increase to be effective for each tax year of the City commencing with the tax year for which taxes of the City will become due and payable on October 1, 2020, and continuing for each successive tax year thereafter?

FOR said proposed 10 mill increase in existing 10.6 mill tax, resulting in said 2.06% (or 20.6 mills) additional rate of taxation

AGAINST said proposed 10 mill increase in existing 10.6 mill tax, resulting in said 2.06% (or 20.6 mills) additional rate of taxation
Management is responsible for establishing and maintaining a process for testing the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestations engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relating to corrective actions taken to address significant findings and recommendations resulting from these audits, attestations engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to any nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the nonaudit services, and that you have reviewed and approved the nonaudit services and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, Steven Boeke, Finance Director, with suitable skill, knowledge, or experience, to evaluate the adequacy and results of these services, and accept responsibility for them.

Dispute Resolution
In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating litigation, arbitration or other dispute resolution procedures, they will first, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of Effect (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediator will be administered by the American Arbitration Association under its Dispute Resolution Rules for Professional Accounting and Related Services Disputes. The costs of any mediation proceedings shall be shared equally by all parties.

Generating Tax Values
This agreement and performance hereunder shall be governed by the laws of the State of New York, without reference to any conflict of laws, rules or principles of any other jurisdiction. The right to litigate any dispute arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Suffolk County, New York, and each party irrevocably submits to the jurisdiction and venue of any such court in such action or proceeding and agrees to waive any objections to venue and jurisdiction including personal non-conveniences.

Nature of Limitations
The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any request for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, the maximum statutory period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Electronic Data Communication and Storage and Use of Third Party Service Provider
We are the fee practitioners of this firm, and we may send you over the Internet, electronic data on computerized software applications hosted remotely on the Internet, or allow access to data through third-party vendors' records and files. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We do not require our third-party vendors to do the same.

We recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications, and submission of confidential client information to third-party service providers during this engagement. To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaboration, virtual workspaces or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows you to show data, engagement information, and knowledge in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgment and engagement letter, you may be required to execute a separate security acknowledgment or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that Citi has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold Citi harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the protection of your files and records; therefore, we recommend that you also maintain your own backup files of those records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

Engagement Administration, Fees, and Other
We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, practices, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality agreement, you will be able to provide these reports prior to the sharing of your confidential information with the third-party service providers. Furthermore, we will maintain records for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, revenue, or other confirmations we request and will provide us with the information required for the audit.

We will provide copies of our reports to the City, however, management is responsible for distribution of the reports and the financial statements, those restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Citi Rigs & Ingram, LLC and contains confidential information. Without written approval and written request, appropriate individual copies of our reports will be made available upon request and in a timely manner to a Cognizant or

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Grantee Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a specific review of the audit, to review audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided by Citi Rigs & Ingram, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may read, or decide to the extent that the copies or information contained therein are concerned, including, but not limited to, the government agencies or any independent government agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period required by the Grantee or Grantee Agency. If we are aware that a federal awarding agency or auditor is conducting an audit, we will contact the auditor concerning the audit findings for guidance regarding the destruction of audit documentation.

Jason Harper is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed $5,500 for the City’s audit and $10,000 for a Single Audit, if required by OMB regulations. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our expenses for these fees will be rendered in each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if our account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for any reason, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our most current peer review report is located at: https://www.cpausa.com/csc/pal-peer-review-report.html

We appreciate the opportunity to be of service to the City and to receive this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Citi Rigs & Ingram, LLC

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RESPONSE:
This letter correctly sets forth the understanding of the City.
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