

MOUNTAIN BROOK FINANCE COMMITTEE

AUGUST 18, 2020

[Pursuant to a proclamation issued by Governor Kay Ivey on March 18, 2020, public officials are allowed to meet remotely by means of Internet or telephone conference and the public was invited to listen to, observe, or participate in the meeting by such means. The Finance Committee officials met in person and by way of Internet video conference and allowed the public to listen, observe and participate by the same means.]

The Finance Committee of the City of Mountain Brook, Alabama met in public session in the Pre-council Room (A106) of City Hall at 8:00 a.m. on Tuesday, the 18th day of August, 2020. The Chairman called the meeting to order and the roll was called with the following results:

Present:	Lloyd Shelton, Chairman	Bryan Helm
	Paige Daniel	Charles Polmatier
	John Doody	Ragan Cain (web video)
	Craig Fravert	Stewart Welch III, Mayor
Absent:	None	

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

Following is a list of supplementary information provided to the Finance Committee:

APPENDIX 1—Memo from City Manager

APPENDIX 2—Memo from Finance Director

APPENDIX 3—Major changes in the Budgeted Surplus and Major Changes Between 2020 Budgeted Surplus and Projected Surplus

1. MEETING AGENDA/SCHEDULE

8:00 – 8:30 a.m. Introductions and Overview

Boone reported that the operating (Fund 100) budget started with a \$2.6 million deficit (pg. 202). The Change Tracking Worksheet itemizes the changes and corrections entered to date resulting in an operating surplus of \$238,607 (pgs. 204 and 18)

The 2021 revenue budget has been based on actual collections through July 31, 2020.

The projected surplus for 2020 is \$1.7 million (pg. 18).

8:30 – 9:00 a.m. The O’Neal Library (**Appendix 4**)

The Library requests to fill two vacant positions and the Circulation department supervisor. If the positions cannot be filled, the Library may have to reconsider its hours of operation and range of services. (See memorandum from the Library Director to the Finance Committee members).

9:00 – 9:30 a.m. Fire Department

The Fire Department anticipates 2-3 vacancies starting October 1 due to retirements. The Chief suggested holding the vacancies through November. December is generally busy for the Department and requested that he be allowed to fill the positions in December. Any savings achieved from holding the vacancies will be largely offset by increased overtime (see “Overtime Considerations for Backfilling Vacancies” attached).

9:30 – 10:00 a.m. Planning, Building and Sustainability (Appendix 5)

The Director requested permission to replace the recently departed GIS Technician II. The City recently approved participation in the Jefferson County GIS Consortium at a cost of \$28,900 (pg. 91). Without a GIS Technician II staff person, the City will not be able to access or make use of the aerial photography that will be available through the consortium.

10:00 – 10:15 a.m. Break**10:15 – 10:30 a.m. Parks and Recreation (Appendix 6)**

The Superintendent stated that they are short a couple of positions and will need to replace those positions in order to maintain the fields and islands. With respect to the soon-to-be installed turf fields, some mechanical sweeping (similar to mowing) will be required to keep the pellets distributed. The Park Board staff has never maintained turf fields so they will be learning as they go.

10:30 – 11:00 a.m. Public Works

The Superintendent stated that his department probably utilizes the services of the GIS technician more than any other department. Hunter Simmons was a great resource but due to his other responsibilities was not as readily available as Wade Cherry.

11:00 – 11:15 a.m. Finance

The court is currently staffed with 3 magistrates, one of which will be leaving soon due to her spouse being relocated. The 2021 budget reflects the position vacant for 3 months. Boone requested that the position be filled. One of the two remaining magistrates has two young children and the school/daycare situation is causing hardships with her and her spouse with respect to scheduling and paid time off. It is likely the court could experience some closures due to illness and conflicts with children.

11:15 - 11:45 p.m. Police

The Department has six law enforcement, one administrative assistant and one dispatcher vacancies. From recruitment to deployment generally takes 32 weeks (including, but not limited to, 13-14 weeks for the academy, 2-weeks Mountain Brook-specific training and 14-weeks of one-on-one training car).

11:45 - 12:50 p.m. General Government, Overview and Wrap-up

The City Manager pointed out that the draft 2020 budget does not yet include an across-the-board pay increase. [At least one measure of] the CPI reports inflation at 0.6% for the 12-months ended July 31, 2020. A 0.5% across-the-board pay increase would cost approximately \$100,000.

Boone requested the Finance Committee offer formal recommendations concerning the following matters:

1. 4% excess pension funding strategy

The City's excess pension contribution was limited to \$288,000 in fiscal 2020 due to the pandemic. The 2021 budget includes \$350,000 above the actuarially determined required contribution. The projected surplus for 2020 is \$1.7 million (pg. 18). If the 2020 surplus comes in close to the projection, Boone will recommend some additional contribution (between \$288,000 and 4% of salaries). An increase will be recommended above the \$350,000 budgeted for 2021 provided the surplus exceeds expectations.

The members of the Finance Committee unanimously expressed their agreement that the excess funding strategy should be continued based on the actuarial projections provided in the materials.

2. OPEB (retiree medical benefit) Trust funding

Historically, the City has made annual contributions to the OPEB Trust after June 30 each year. The delay has been to make sure the actual operating results are running ahead of the budget. Boone will recommend some contribution (likely \$100,000) if it appears the 2020 surplus is coming close to the current \$1.7 million projection.

The members of the Finance Committee unanimously expressed their agreement that the OPEB Trust deposits should continue provided the surplus exceeds expectations.

3. Employee suggestion regarding take-home police vehicles

Considering the proposal appears to be close to being cost neutral over the projected 6-8 year vehicle life cycle, the Finance Committee members unanimously expressed their recommendation that the City Council include the change in the upcoming fiscal 2022 budget. Considering the current economic uncertainty now is not the time to implement this change. Delaying until next budget year allows time for the Police Department to come up with policies, identify the specific vehicle needs, and other logistical issues. The Finance Committee and City Council will have another opportunity to review the plan during the normal budget review process.

4. Across-the-board pay increase

The Finance Committee members unanimously recommended that the City not approve an across-the-board pay increase. Many employers are furloughing workers and cutting wages. The economic uncertainty combined with the very low (0.6%) rate of inflation is more than enough justification for this decision.

5. Filing vacant positions

The hardship caused by the staffing vacancies in the Parks and Recreation Department were of most concern Committee members. It was the opinion of each of the Committee members that the budget be adopted as presented with respect to the vacant positions being funded (or partially funded). The Committee recommends that the filling of these vacancies be considered on a case-by-case basis by the City Manager. By delaying the hiring, the City will get a better idea of how the 2021 revenue projections compare to actual results. Should a quality candidate be found in the list of certified eligible candidates, it will likely make sense to fill the position. If the quality of candidates is of concern to the hiring manager, there will most likely be some delay in the hiring process.

6. \$3.2 million debt issue to finance the athletic facility improvements (pg. 90)

Considering the reasonable probability that the City will be moving forward with a \$5+ million fire station project and other athletic field improvements in 2022 and beyond, it was recommended that the City internally finance the (net) \$3.2 million improvements included in the 2021 budget (pg. 89). With respect to the portion (\$1.9 million) of the projects to be paid by the Board of Education, the Finance Committee recommends that the City not enter into an installment payment plan. The Board expects to issue up to \$60 million in debt for various capital projects and should reimburse the City as the project costs are incurred.

7. **ADJOURN**

There being no further business, Chairman Shelton adjourned the meeting at approximately 12:50 p.m.

8. **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 18, 2020, 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

From: Sam S. Gaston, City Manager 

Date: July 31, 2020

Subject: FY-2021 Budget

CC: Mayor and City Council

The Finance Committee will meet on Tuesday, August 18 at 8:00 am to review the FY-2021 Budget. (See attached schedule.)

Attached is the 2nd draft of the FY-2021 budget for the City. The current draft of the budget has an operating surplus of \$238,607. (pg. 18) There are no new positions in this budget, but several “vacant” positions that we plan to hold open or discuss filling in the FY-2021 fiscal year during the Finance Committee and City Council budget meetings. We expect to end the FY-2020 budget year with a \$1,676,593 surplus. (pg. 18)

REVENUES

General operating revenues are projected to be \$39,617,390 (pg. 18) in FY-2021 compared to \$39,699,495 projected for the end of FY-2020. FY-2020 Revenues were budgeted at \$40,057,940.

- Real Estate taxes are projected to increase by 2% from \$16.8 million projected for 2020 to \$17.16 million. (pg. 34)
- Automobile Property taxes are expected to be \$1,294,000 (an increase of 1%).
- Sales taxes are projected to decrease \$214,000 (2%) from the projected 2020 year-end total. Sales taxes projected for 2020 are 2.8% less than 2019 actual and approximate the amount budgeted for 2020.
- Online sales taxes are projected to be \$737,000 in FY-2021 (significantly higher than the 2019 actual and the 2020 budget).
- Lodging taxes are estimated to drop from \$700,000 budgeted for FY-2020 to \$400,000 in FY-2021.
- Construction permits are estimated to drop from \$1,280,000 in FY-2020 to \$867,000 in FY-2021.
- Fines and Forfeitures are expected to decline from \$431,000 budgeted in FY-2020 to \$372,000 in FY-2021. (pg. 35)
- Business license fees are expected to be \$2,705,000—a decline of \$262,000 from the FY-2020 budget. (pg. 34)

APPENDIX 1

- This proposed budget also includes the issuance of \$3.2 million in debt for athletic improvements (pg. 17) with annual debt service payments of \$215,000. (pg. 88)

EXPENDITURES

In the first draft of the budget, we had an operating (Fund 100) deficit of \$2,591,517. Some of the more notable adjustment made in the 2nd draft include:

- \$300,000 reduction in the 4% excess pension contribution (pg. 82)
- \$300,000 OPEB Trust Contribution foregone (pg. 82)
- \$194,000 by removing the Crestline Streetscape project (pg. 81)
- \$600,000 by removing the Jemison Trail renovation project (pg. 180)
- \$70,000 for a raised crosswalk at Church Street and Hoyt Lane (pg. 161)
- \$50,000 reduction in General Fund for street paving (pg. 82)

ADMINISTRATION

No major changes in expenditures in this division. \$891,000 development incentive for the Lane Parke project and \$400,000 for the Crestline Piggy Wiggly project are in this section. (pg. 81) The only extra request is a TextMY GOV text alert system for 2-way communication between the residents and our city staff allowing them to text photos/maps to report any issues and other information to the city at a cost of \$4,300. (pg 82) (See attached information.)

PLANNING, BUILDING AND SUSAINABILITY DEPARTMENT

This department has no major changes in its expenditures. There is \$6,000 in capital/ERS expense for computers and office furniture. (pg. 95)

FINANCE DEPARTMENT

\$313,650 in capital/ERS costs including \$150,000 for replacement Court Software. (pg. 108)

A municipal court clerk position is budgeted to be vacant for three months in this department due to an anticipated vacancy. (pg. 106)

FIRE DEPARTMENT

\$599,100 in capital/ERS costs (pg. 122) with the only non-ERS item being \$32,000 for the purchase of body armor/ballistic vests for firefighters.

This department anticipates a few retirements this fall, so the question of holding these positions open will need to be made, although overtime to cover these vacancies may be almost as much as the reduction in salaries. (See attached information.)

POLICE DEPARTMENT

This division shows a slight increase in repair and maintenance for their building to paint a least the main floor. This line item will increase from \$7,000 to \$18,000. (pg. 135) \$1,701,793 in capital/ERS costs with the only two new items are \$9,600 for mobile radios and \$7,420 for recruiting materials. (pg. 147)

This department currently has several vacancies and we have made allowances for these vacancies in their salary schedule.

PUBLIC WORKS DEPARTMENT

\$1,606,000 in infrastructure (Fund 417) capital project including \$20,000 for flashing pedestrian crossing signals at Montevallo and Canterbury and \$40,000 for drainage projects on Northcote and Brookwood Road (pg 162). \$2,470,000 for sidewalk projects (Fund 428, pg. 162), Hollywood bridge project and the roundabouts in Mountain Brook Village. Most of these projects are 80% federal funded (pgs. 174-175). This section also includes funds for the Caldwell Mill Road bridge replacement (\$608,327), Lane Parke Culver Road improvements (\$500,000) and \$277, 672 for engineering and design for the Old Brook Trail and Canterbury Road bridges replacement and/or improvements. (pg. 160)

\$615,173 in capital/ERS costs with only \$18,152 being for new equipment not covered by ERS. (pgs. 169-170)

This department anticipates a few retirements later in the fiscal year, so a laborer position is proposed to be held vacant for a portion of the year. In addition, a temporary laborer position was eliminated in this budget.

PARKS/RECREATION DEPARTMENT

This department is operating without one allocated position. (pg. 182)

On Capital Outlay (Fund 417), \$4,400,875 is proposed including \$162,000 in improvements at the Athletic Complex, \$155,000 in other recreation improvement, including upgrading the lights at the Mountain Brook Elementary field (\$150,000), \$2.2 million for improvements at Field One at the Athletic Complex (schools to pay ½ of the costs) and \$1,052,750 for turf grass and other improvements at Fields 3-6 at the Athletic Complex and \$798,125 for improvements/redesign of the Cherokee Bend Elementary field with the school system paying ½ of the costs. (pg. 180)

\$27,700 in capital/ERS cost including \$20,000 to make improvements at the Parks/Recreation shop. (pg. 184)

O'NEAL LIBRARY

Level funding for books/downloadable materials at \$316,000 is recommended. (pg. 194)

\$121,333 for ERS replacement of several items at the library. (pg. 199)

This department currently has two vacancies that we have left in the budget; Adult Assistant and Library Assistant II which the Library Director and Board will ask to be filled in FY-2021. (pg. 197) (See attached information.)

COLA

The CPI has been 0.6% over the past 12 months. Cost to give a 0.5% COLA would be \$100,000. The FY-2021 budget does not currently include a COLA for employees.

See attached memo from Steve Boone regarding RSA Actuarial Projections, OPEB contributions and take home vehicles for law enforcement personnel at the front of the budget book.

I look forward to seeing you on August 18th. If you have any questions or need additional information, please feel free to contact Steve Boone or me. A light breakfast will be served.

**Finance Committee
August 18, 2020**

- 8:00 – 8:30 a.m. Introductions and Overview**
- 8:30 – 9:00 a.m. The Emmet O’Neal Library**
- 9:00 – 9:30 a.m. Fire Department**
- 9:30 – 10:00 a.m. Planning, Building and Sustainability Department**
- 10:00 – 10:15 a.m. Break**
- 10:15 – 10:45 a.m. Parks and Recreation Department**
- 10:45 – 11:15 a.m. Public Works Department**
- 11:15 – 11:30 a.m. Finance Department**
- 11:30 – 12:00 noon Police Department**
- 12:00 - 1:00 p.m. Lunch**
- 1:00 p.m. - ? General Government, Overview and Wrap-up**

APPENDIX 1

TextMyGov

TextMyGov
P.O. Box 3784
Logan, Utah 84323
435-755-5126

Partnership Proposal



Introducing TextMyGov

TextMyGov was developed to open lines of communication with local government agencies and citizens. The system works 24 hours a day and easily connects with your website and other communication methods.

Using the regular messaging app on any smartphone, the smart texting technology allows the citizen to ask questions and get immediate responses, find links to information on the agency's website, address problems, report any issues and upload photos.

According to the Pew Research Center, *97% of smartphone owners text regularly.*

The technology analysts at Compuware reported *that 80 to 90% of all downloaded apps are only used once and then eventually deleted by users.*

TextMyGov Solutions:

Communicate, Engage, Boost Website Traffic, Track, and Work



Communicate

TextMyGov uses smart texting technology to communicate with citizens. Local government agencies can answer questions, send links to their website, and provide details on garbage pickup, utility payments, city news, events, office hours, just to name a few. If your goal is to increase communication and reduce calls- You need TextMyGov



Engage

TextMyGov uses smart texting technology to engage with citizens. Citizens can easily report issues to any department, such as potholes, drainage problems, tall grass, junk cars. The issue reporting function can be customized for each department and their most commonly reported items. Agencies can engage citizens and ask specific guided questions regarding location, address, street name, and more. If your goal is to engage with citizens and get smart valuable data- You need TextMyGov.



Boost Website Traffic

TextMyGov uses smart texting technology to maximize a cities website. Citizens can text in keywords like festival, parking, ticketing, meeting, sporting event, etc. The smart texting technology can answer the question or send a link from the city's website with additional information. Local government agencies spend thousands of dollars each year on their website. TextMyGov is the best way to benefit from that investment. If your goal is to benefit from your website investment- You need TextMyGov.



Track

TextMyGov uses smart texting technology to track and record all the information that is sent in. Agencies can track the cell phone number, date, and time of every request. If your agency wants to be compliant with FOIA- You need TextMyGov.



Work

Smart texting uses detailed information to track a citizen's request or create a work order. Work orders and requests can be generated and completed. Smart texting allows you to easily collect information like name, location, street address, and allows the user to upload a photo. If your agency wants to track real requests and real work orders submitted by a real cell phone number- You need TextMyGov.

Implementation

Getting Started

After the execution of the basic service agreement, a project manager will be assigned to assist the client through implementation. A local phone number will be obtained for use with TextMyGov.

Configuration

The project manager will work with the client to customize interactive responses, create automation flows, and keyword lists. Training will be provided on how to quickly create and edit data.

Media Kit

Advertising materials will be provided to the client, including an infographic for the website and downloadable flyer for social media and other communication methods used by the agency.

Unlimited Training and Support

After initial implementation and training, unlimited on-going support is included. Our experts are available M-F 6am-5pm MST.

Subscription Cost Breakdown

This quote represents a subscription to TextMyGov with an annual reoccurring charge for a period of two years. The agreement is set to automatically renew on the date of this agreement, after year two. See below for package price and other details.

Terms and conditions can be printed and attached as Exhibit A or view at www.TextMyGov.com/terms

Prepared for:
 City of Mountain Brook
 Janet Forbes
 56 Church Street
 Mountain Brook, AL 35213
 forbesj@mtnbrook.org

Prepared by:
 Magen Toombs
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 Logan, UT 84323
 mtoombs@textmygov.com

APPENDIX 1

Package	Package Price	Billing
TextMyGov Package includes: <ul style="list-style-type: none"> • TextMyGov Web-Based Software • Local Phone Number • Short Code Number (for outgoing messages) • Unlimited Users • Unlimited Departments • Unlimited Support for Every User • 100,000 Text Messages • 100 GB Image Uploads <i>*Additional messages can be purchased 100k/\$500</i>	\$3800.00 \$2800.00	Annual
Implementation/Setup Fee	\$500.00 Waived	One Time
Total (First Year):	\$4300.00 \$2800.00	First Year
Total (Ongoing):	\$3800.00 \$2800.00	Annual

Notes:

1. This is a two-year contract (June 2020 May 2022). After the initial two years, the contract can be canceled by providing 30-day written notice, otherwise the agreement will revert to a year-to-year term.
2. TextMyGov has been a valuable resource for local government to communicate updates about the current pandemic. Because of the budgetary hardship COVID19 has caused for cities, special pricing considerations have been detailed above. The service will also be provided for free through September 2020. This offer expires June 30, 2020.

OVERTIME CONSIDERATIONS FOR BACKFILLING VACANCIES

Any vacancies held in the FD would begin with SWINGMEN positions

SWINGMEN backfill when employees are off on KELLY Days

In our department, there are roughly 580 KELLY days in a 12-month period (58 shift personnel X roughly 10 Kelly days per year).

We have four (4) SWINGMEN positions. There is one swingman assigned to each of the following apparatus:

Engine One * Engine Two * Engine Three * Ladder One

Transport Two and Battalion One (Shift Commander) are not backfilled by a SWINGMAN and therefore must take their Kelly day during the respective 26-day cycle when staffing is available. Therefore, there are only 520 Kelly days per year that are backfilled by a SWINGMAN (six people X 10 Kelly days = 60. 580 minus 60 = 520)

520 shifts per year / four SWINGMEN = 130 shifts worked per SWINGMAN. We anticipate that each vacant position will need to be backfilled at least 1/2 of the time, which would be 65 shifts.

AVERAGE OT RATE PER POSITION

Lieutenant - \$48.09 X 24 = \$1,154.16

Apparatus Operator - \$43.63 X 24 = \$1,047.12

Fire/Medic - \$37.69 X 24 = \$904.56

AVERAGE OF RATES = \$1,035.28

65 shifts backfilled at \$1,035.28 = \$67,293.20

60 shifts backfilled at \$1,035.28 = \$62,116.80

APPENDIX 1

To: Mountain Brook Finance Committee, Mountain Brook City Council,

CC: Sam Gaston, Steve Boone

From: Lindsay Gardner, Director

Re: Request to fill vacant positions

During the COVID-19 pandemic, I want to thank the City for such strong leadership and encouragement to institute hygiene and distancing protocols. The O'Neal Library staff have developed new services like curbside pick-up, limited public access, and virtual programming to keep staff and patrons safe.

I am aware of the loss of revenue for the City, the resulting challenges for this budget year, and the strategy to keep vacant positions open to minimize expenses. The Library has two vacant full-time positions—one in the Circulation department at an annual salary of \$33,700 and the other in the Adult department at an annual salary of \$41,000. I would respectfully offer the following justifications to fill these vacant positions.

Circulation Department – Full staff

The Circulation department normally operates with 5 full-time staff, 5 part-time staff and a department manager. The Circulation department operates on a 2-2-2 staffing model—2 people at the front desk, 2 operate curbside pick-up, and 2 check-in, sort and shelve returned books. Of course, each staff member has other responsibilities each day like making daily deposits, clearing the hold shelf, keeping up with internal library communications, assisting with building maintenance, and ensuring quality control in shelving items.

Circulation Department – Now

Because the front desk and curbside pick-up are public-facing, those services are prioritized. The other daily duties listed above are given minimal attention at this time. If a full-time staff member calls in sick, goes on vacation or must quarantine, then only one person is left to check-in and shelve the 350 items that are returned to the library daily. Under those circumstances, patrons must wait 2-3 days longer to receive the items they have requested. This might not seem consequential, but the Library has always taken great pride in being patron-focused. When nearby libraries have shorter wait times, patrons may choose to drive a little further than wait longer for items at O'Neal Library.

Circulation Department – Contingency

In the case of an extended leave or additional vacancy in the department, the Library would consider moving to appointments for curbside-pickup. Right now, when a patron gets a text, email or phone call notification that an item is available for pick-up, the patron can retrieve the items at a time/day most convenient to him/her.

With curbside pick-up appointments, patrons would receive a text, email or phone call notification and then visit the web site to make a reservation to pick-up the items. Based on current volume, reservations may only be available 3-4 days from the date of the original notification. Cumulative with the delay in checking in materials, patrons would likely wait up to a week to receive a requested item from O'Neal Library.

If reservation availability is not convenient, patrons may choose to come into the library to pick-up items. Since the Library is open from 10 am—2 pm, Monday-Saturday with only 30 patrons allowed in the building at

a time, patrons may experience much-longer-than-normal delays before receiving that bestseller or audiobook or new movie whether using curbside pick-up or coming to the building in-person.

Adult and Teen Department – Full Staff

The Adult and Teen Department normally operates with 5 full-time staff, 1 part-time staff, and 1 manager. The Adult and Teen Department must staff a service desk, make reservations for public computer use, assist patrons with public computer use, choose new books, audiobooks, ebooks, downloadable audiobooks, digital magazines, DVDs, and databases for purchase, host virtual programming, and pull items for curbside pick-up.

Similar to the Circulation Department, the Adult Department prioritizes public services when scheduling staff. Typically, 2 people staff the service desk, 1 person is dedicated to public computer reservations and assistance, and 2 people have time to work on selecting materials, planning and hosting programs, and pulling items for curbside pick-up.

Adult Department – Now

At the current staffing levels, if a staff member calls in sick, takes vacation, or must quarantine, then staff must choose between fully manning the service desk and curating the second-to-none collection that we are known for in the community.

Adult Department - Contingency

If we have an extended absence or an additional vacancy, then weekends would become particularly difficult as staff are already working every other Saturday as it is now. We would also re-evaluate the scope of virtual programs offered for teens and adults.

Summary

Again, I recognize that you are tasked with making difficult decisions to balance services to residents and the fiscal health of the City of Mountain Brook.

O’Neal Library has always prided itself in offering exemplary services to our residents. In a nutshell, sustaining these staff vacancies would necessitate lowering our standards of service. As Library Director, I am certainly willing to make whatever changes are necessary for the good of the City, but I also feel it is my responsibility to share with you the direct impact of those changes.

Thank you for your consideration.



CITY OF MOUNTAIN BROOK

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

Date: July 29, 2020

To: ✓ Lloyd Shelton, Chairman
 ✓ Paige Daniel
 ✓ John Doody
 ✓ Craig Fravert
 ✓ Bryan Helm
 ✓ Charles Polmatier
 ✓ Ragan Cain
 ✓ Stewart Welch, Mayor
 ✓ Sam Gaston, City Manager

From: ✓ Steven Boone

Subject: Materials for your review, consideration and recommendation

1. RSA actuarial projections (evaluation of the City's 4% excess funding strategy/estimation of the direction of the unfunded pension liability and employer contribution rate)

Due to the economic and budgetary impact of business disruptions caused by the pandemic, the City's Economic Impact Subcommittee recommended the 4% (approx.. \$650,000/year) excess pension contributions be stopped effective with the February payment. Doing so is expected to save approximately \$350,000 during fiscal 2020. The 2020 and prior excess pension contributions are considered actuarial gains for pension valuation purposes which are amortized over 5 years and returned to the employer by way of reduced annual required contributions. When this strategy was recommended back in 2017, it was communicated that the strategy should not be ceased otherwise the benefits would be lost over time. Due to the reduced revenue estimated for 2021, the excess pension contribution has been limited to \$350,000 (approximately the same as 2020 in order to maintain some level of over-funding).

2. Other Post-Employment Benefits (OPEB) contributions

Due to the economic and budgetary impact of business disruptions caused by the pandemic, the City's Economic Impact Subcommittee recommended the \$300,000 budgeted OPEB Trust deposit be foregone for 2020. While the biennial actuarial valuation has yet to report a required trust contribution, the City has established and continued to fund the trust to mitigate the effects of the increasing total OPEB liability.

As of 09/30/2019, the total OPEB liability was \$6.3 million, the OPEB Trust was \$3.4 million for a net OPEB liability of \$2.9 million. The total OPEB liability is growing at an annual compound rate of 6.1%.

Beginning in 2020, the City changed its OPEB trust investment policy from an exclusively fixed income to a balanced mixed of debt and equity securities. Under the debt security investment policy, the discount rate used was 3.5% (which was too high by 1 to 1.5%). The change to a balanced investment strategy with a targeted net return on investments of 5.5% (approximately the same as the medical trend rate) will result in increasing the discount rate to 5.5% which is expected to positively impact the net OPEB liability by approximately \$1.2 million beginning with the 9/30/2020 valuation.

APPENDIX 2



566

City of
Mountain Brook

Minute Book 91

Steve Boone <boones@mtnbrook.org>

Fired of COVID-19? Let's lighten it up with some pension chatter.

1 message

Steve Boone <boones@mtnbrook.org>
To: Sam Gaston <gastons@mtnbrook.org>

Thu, Mar 19, 2020 at 1:08 PM

I just received our projections from the RSA (see letter attached).

Following are my observations:

1. RSA reports the actual rate of return to be 2.78% FYE 9/30/2019. The forecast uses 7.7% annually throughout the projection period. I expect the discount rate (and hence the rate of return) will be reduced from 7.7% between now and 2044 so these projections are optimistic.
2. Continuing the 4% excess funding strategy, the plan is projected to be fully funded in 2044. The table on page 4 (number in blue ink at the top of pages) shows the gradual improvement in the funded status between 2018 and 2044.
3. If the excess funding strategy is discontinued, the annual required contribution (ARC) rate grows from 16% (T1)/15% (T2) to 20%/19% in 2041 compared to 18%/17% including the 4% excess contribution.
4. Obviously, I don't have the pension contribution amounts for each year of the projections, but summing the annual contribution amounts at each of the 5-year stop points and comparing the two models, the City's contributions are less over time with the excess contribution than without. This savings is achieved by paying down the debt early same as a fixed rate mortgage.
5. Page 5 (model without the excess pension contribution) illustrates the ARC rates of 9.34% (T1) and 8.38% (T2) in 2048 when the plan is projected to be 89% funded. These rates are 1.21%/.25% (page 4) once the plan is fully funded. This contribution rates seem too low to me but give an indication of the prize that awaits if we can achieve a 90%+ funded ratio.
6. The projections reflect a compound annual growth of wages ranging from 1.86% to 3.9% and pension contribution growth rates of approx 1.8% (with the excess pension contributions) and 3.7% (without the excess pension contribution).

APPENDIX 2

The good news, assuming we stay with the excess contribution strategy, is the 16.02%/14.66% ARC for 2021 appears to be the peak. After 2021 the ARC is projected to start gradually decreasing.

If we stop the excess funding strategy, the ARC will decrease below the 2021 rates until 2023 after which they will gradually increase to 20%/19% of payroll.

Takeaways:

1. The excess funding strategy appears to be working and justified
2. The plan seems to be sustainable (although expensive) considering we are currently funding at the highest rates (expressed as a percentage of payroll) assuming our economy functions as expected and there are no budgetary surprises we cannot accommodate during the normal budget cycles over the next 30 years.

If you want a work session to discuss this further, let me or Sam know.

--

Steven Boone

City of Mountain Brook
P. O. Box 130009
Mountain Brook, AL 35213-0009
Direct: (205) 802-3825
Facsimile: (205) 874-0611

www.mtnbrook.org
<http://mtnbrookcity.blogspot.com/>
Twitter@: @mountain_brook

2 attachments

20200318 RSA Projections.pdf
3007K

20200318 RSA Projections Worksheet.xlsx
16K

Historical Excess Pension Contributions

	Life-to-date	2019-2020	2018-2019	2017-2018	2016-2017
Oct	\$ 141,700.00	\$ 49,100.00	\$ 46,900.00	\$ 45,700.00	\$ 0
Nov	219,300.00	67,300.00	89,000.00	63,000.00	0
Dec	191,500.00	74,800.00	48,200.00	68,500.00	0
Jan	190,500.00	48,200.00	47,400.00	44,900.00	50,000.00
Feb	190,400.00	48,500.00	47,200.00	44,700.00	50,000.00
Mar	142,200.00	0	47,500.00	44,700.00	50,000.00
Apr	167,700.00	0	47,600.00	45,100.00	75,000.00
May	192,600.00	0	72,100.00	45,500.00	75,000.00
Jun	192,000.00	0	47,700.00	69,300.00	75,000.00
Jul	244,000.00	0	48,200.00	45,800.00	150,000.00
Aug	169,100.00	0	48,100.00	46,000.00	75,000.00
Sep	94,900.00	0	48,100.00	46,800.00	0
	<u>\$ 2,135,900.00</u>	<u>\$ 287,900.00</u>	<u>\$ 638,000.00</u>	<u>\$ 610,000.00</u>	<u>\$ 600,000.00</u>

*\$350,000 included
in the 2021
budget.*

APPENDIX 2

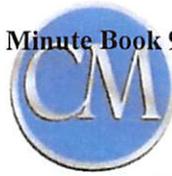
Including Excess Pension Contributions

Valuation Year	Actual						
	9/30/2018	9/30/2023	9/30/2028	9/30/2033	9/30/2038	9/30/2044	9/30/2048
Contribution Rates for FYE	9/30/2021	9/30/2026	9/30/2031	9/30/2036	9/30/2041	9/30/2047	9/30/2051
T1 Employees	147	100	61	33	12	3	1
T2 Employees	46	122	160	188	209	218	220
Total Employees	193	222	221	221	221	221	221
T1 Payroll	\$ 11,321,168	\$ 9,469,468	\$ 6,995,251	\$ 4,530,375	\$ 2,003,534	\$ 655,972	\$ 283,286
T2 Payroll	\$ 2,165,217	\$ 6,857,024	\$ 10,907,372	\$ 15,528,382	\$ 20,885,180	\$ 27,427,228	\$ 31,971,914
Total Pensionable Payroll	\$ 13,486,385	\$ 16,326,492	\$ 17,902,623	\$ 20,058,757	\$ 22,888,714	\$ 28,083,200	\$ 32,255,200
Excess Pens Contr (4% of PR)	\$ 610,000	\$ 653,060	\$ 716,105	\$ 802,350	\$ 915,549	\$ 1,123,328	\$ 1,290,208
T1 ARC as % of Payroll	16.02%	14.89%	15.14%	14.95%	14.20%	1.31%	1.21%
T2 ARC as % of Payroll	14.66%	13.55%	13.80%	13.64%	13.03%	0.37%	0.25%
Funded Ratio	62.99%	67.28%	71.30%	76.30%	84.07%	100.00%	100.00%
T1 Contribution Amount	\$ 1,813,651	\$ 1,410,004	\$ 1,059,081	\$ 677,291	\$ 284,502	\$ 8,593	\$ 3,428
T2 Contribution Amount	\$ 317,421	\$ 929,127	\$ 1,505,217	\$ 2,118,071	\$ 2,721,339	\$ 101,481	\$ 79,930
Excess Pens Contr	\$ 610,000	\$ 653,060	\$ 716,105	\$ 802,350	\$ 915,549	\$ 1,123,328	\$ 1,290,208
Total Pens Contr Amt	\$ 2,741,072	\$ 2,992,190	\$ 3,280,403	\$ 3,597,713	\$ 3,921,389	\$ 1,233,402	\$ 1,373,566
							\$ 19,139,735

Excluding Excess Pension Contributions

T1 ARC as % of Payroll	16.02%	16.02%	17.84%	19.23%	20.03%	16.07%	9.34%
T2 ARC as % of Payroll	14.66%	14.68%	16.50%	17.92%	18.86%	15.04%	8.38%
Funded Ratio	62.99%	66.42%	64.31%	65.20%	68.37%	79.25%	89.17%
T1 Contribution Amount	\$ 1,813,651	\$ 1,517,009	\$ 1,247,953	\$ 871,191	\$ 401,308	\$ 105,415	\$ 26,459
T2 Contribution Amount	\$ 317,421	\$ 1,006,611	\$ 1,799,716	\$ 2,782,686	\$ 3,938,945	\$ 4,125,055	\$ 2,679,246
Excess Pens Contr	\$ 610,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Pens Contr Amt	\$ 2,741,072	\$ 2,523,620	\$ 3,047,669	\$ 3,653,877	\$ 4,340,253	\$ 4,230,470	\$ 2,705,705
							\$ 23,242,666
Contribution Differential	\$ 0	\$ (468,570)	\$ (232,734)	\$ 56,165	\$ 418,863	\$ 2,997,068	\$ 1,332,140
With Excess (Over) Under Without							

APPENDIX 2



Cavanaugh Macdonald
 CONSULTING, LLC
The experience and dedication you deserve

#1

March 18, 2020

Ms. Diane Scott, CPA
 Chief Accountant and Financial Officer
 Retirement Systems of Alabama
 201 South Union Street
 Montgomery, AL 36104

RE: Projections for the City of Mountain Brook

Dear Ms. Scott:

As requested, we have completed projections for the City of Mountain Brook (MTB), an employer participating in the Employees' Retirement System (ERS). We have based our projections on the September 30, 2018 actuarial valuation for MTB, reflecting the actual rate of return on assets as of September 30, 2019 of 2.78%.

In addition, due to additional information we received regarding the compensation plan and pay scale for employees of MTB, we have assumed that the actual salary increases would be 1.5% greater each year than the current assumed rates of salary increase. We have also assumed some population growth for the first two years of the projection, in order to achieve the current payroll level reported by MTB.

The projections we have prepared are as follows;

1. Forecast the following for MTB (5, 10, 15, and 20 years) using existing assumptions **PLUS** the City's current annual excess employer contribution of \$640,000 for the year 10/1/2019 through 9/30/2020. (We have assumed excess funding is received throughout the projection period as shown in the sample charts provided by MTB)
2. Forecast the same information **MINUS** the \$640,000 excess employer contribution budgeted for the year ending September 30, 2020.
3. Using current assumptions and starting with zero excess pension contribution, forecast the additional annual excess pension contributions required to achieve a 100% funded status (or 0% UAAL) over the following periods: 1) 20 years, 2) 25 years and 3) 30 years.

APPENDIX 2

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 www.CavMacConsulting.com
 Offices in Kennesaw, GA • Bellevue, NE



Ms. Diane Scott
 March 18, 2020
 Page 2

The following charts show the results in the format requested by MTB:

Baseline - as of 9/30/2018 Valuation						
Valuation Year	Actual 9/30/2018	9/30/2023	9/30/2028	9/30/2033	9/30/2038	9/30/2044
Contribution Rates for Fiscal Year Ending	9/30/2021	9/30/2026	9/30/2031	9/30/2036	9/30/2041	9/30/2047
T1 employees	147	100	61	33	12	3
T2 employees	46	122	160	188	209	218
T1 payroll	\$ 11,321,168	\$ 9,469,468	\$ 6,995,251	\$ 4,530,375	\$ 2,003,534	\$ 655,972
T2 payroll	2,165,217	6,857,024	10,907,372	15,528,382	20,885,180	27,427,228
Excess pension contribution payable each year until 100% funded ratio is achieved	4% of pensionable wages					
Excess pension contribution (\$)*	610,000	653,060	716,105	802,350	915,549	1,123,328
AAL	82,056,405	94,761,803	104,564,321	110,027,651	111,422,514	113,363,602
AVA	51,685,085	63,757,305	74,559,331	83,946,124	93,670,287	113,822,897
UAAL	30,371,320	31,004,498	30,004,990	26,081,527	17,752,228	0
T1 ARC as a % of payroll	16.02%	14.89%	15.14%	14.95%	14.20%	1.31%
T2 ARC as a % of payroll	14.66%	13.55%	13.80%	13.64%	13.03%	0.37%
Funded ratio	62.99%	67.28%	71.30%	76.30%	84.07%	100.00%

*Estimated amount contributed for valuation year

Baseline - as of 9/30/2018 Valuation - MINUS the current excess employer contribution						
Valuation Year	Actual 9/30/2018	9/30/2023	9/30/2028	9/30/2033	9/30/2038	9/30/2048
Contribution Rates for Fiscal Year Ending	9/30/2021	9/30/2026	9/30/2031	9/30/2036	9/30/2041	9/30/2051
T1 employees	147	100	61	33	12	1
T2 employees	46	122	160	188	209	220
T1 payroll	\$ 11,321,168	\$ 9,469,468	\$ 6,995,251	\$ 4,530,375	\$ 2,003,534	\$ 283,286
T2 payroll	2,165,217	6,857,024	10,907,372	15,528,382	20,885,180	31,971,914
Excess pension contribution	4% of pensionable wages	N/A	N/A	N/A	N/A	N/A
Excess pension contribution (\$)	610,000	0	0	0	0	0
AAL	82,056,405	94,761,803	104,564,321	110,027,651	111,422,514	118,760,221
AVA	51,685,085	60,804,037	67,243,742	71,739,181	76,174,382	105,893,934
UAAL	30,371,320	33,957,766	37,320,579	38,288,470	35,248,132	12,866,287
T1 ARC as a % of payroll	16.02%	16.02%	17.84%	19.23%	20.03%	9.34%
T2 ARC as a % of payroll	14.66%	14.68%	16.50%	17.92%	18.86%	8.38%
Funded ratio	62.99%	64.17%	64.31%	65.20%	68.37%	89.17%

APPENDIX 2

Ms. Diane Scott
 March 18, 2020
 Page 3

Amount required to fully fund the pension plan by the following dates			
Valuation Year	9/30/2038	9/30/2043	9/30/2048
Contribution Rates for Fiscal Year Ending	9/30/2041	9/30/2046	9/30/2051
Excess pension contribution payable each year until 100% funded ratio is achieved	8.25% of pensionable wages	5.25% of pensionable wages	2% of pensionable wages
Excess pension contribution (\$)*	1,888,319	1,423,600	645,104
AAL	111,422,514	112,663,274	118,760,221
AVA	111,439,366	116,282,611	120,004,897
UAAL	0	0	0
T1 ARC as a % of payroll	1.47%	1.33%	1.21%
T2 ARC as a % of payroll	0.37%	0.37%	0.37%
Funded ratio	100.00%	100.00%	100.00%

* Estimated amount contributed for valuation year

Future results may differ significantly from the current results presented in this study due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of this study, an analysis of the range of results has not been done. The actuarial computations presented in this report are for illustrative purposes only, assuming that all actuarial assumptions are met. Use of these computations for other purposes other may not be appropriate.

Larry Langer meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

Please let us know if you would like to set up a call to discuss the results of this study.

Sincerely,



Larry Langer, ASA, EA, FCA, MAAA
 Principal and Consulting Actuary



Cathy Turcot
 Principal and Managing Director



CITY OF MOUNTAIN BROOK
PROJECTIONS - Discount Rate 7.70%
Actual Annual Rate of Return 2.78% for FY2019 and 7.70% for FY2020 and Later
9/30/2018 Valuation Results (Including Excess Employer Contribution of 4% of Payroll)

Valuation Year 9/30/YYYY	Fiscal Year Ending 9/30/YYYY	Normal Rate		Misc. Admin. Rate	Unfunded Accrued Liab Rate	Total Employer Rate		Unfunded Accrued Liab	Estimated Fiscal Year Payroll	Estimated Required Contributions	Funded Ratio
		Tier I Group	Tier II Group			Tier I Group	Tier II Group				
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)+(6)	(8)=(4)+(5)+(6)	(9)	(10)	(11)	(12)
2018	2021	1.30%	-0.06%	0.37%	14.35%	16.02%	14.66%	30,371	15,820	2,501	62.99%
2019	2022	1.31%	-0.04%	0.37%	13.68%	15.36%	14.01%	30,601	16,029	2,414	63.81%
2020	2023	1.32%	-0.02%	0.37%	12.91%	14.60%	13.26%	30,394	16,326	2,319	65.15%
2021	2024	1.33%	-0.01%	0.37%	12.75%	14.45%	13.11%	30,187	16,612	2,326	66.40%
2022	2025	1.33%	-0.02%	0.37%	12.95%	14.65%	13.30%	30,485	16,935	2,395	67.00%
2023	2026	1.33%	-0.01%	0.37%	13.19%	14.89%	13.55%	31,004	17,264	2,474	67.28%
2024	2027	1.33%	-0.02%	0.37%	13.26%	14.96%	13.61%	30,995	17,623	2,528	68.04%
2025	2028	1.32%	-0.04%	0.37%	13.32%	15.01%	13.65%	30,913	17,903	2,567	68.81%
2026	2029	1.31%	-0.04%	0.37%	13.36%	15.04%	13.69%	30,705	18,270	2,617	69.62%
2027	2030	1.30%	-0.05%	0.37%	13.39%	15.06%	13.71%	30,411	18,680	2,669	70.45%
2028	2031	1.29%	-0.05%	0.37%	13.48%	15.14%	13.80%	30,005	19,115	2,737	71.30%
2029	2032	1.28%	-0.05%	0.37%	13.50%	15.15%	13.82%	29,499	19,575	2,797	72.16%
2030	2033	1.26%	-0.05%	0.37%	13.49%	15.12%	13.81%	28,877	20,059	2,854	73.07%
2031	2034	1.26%	-0.05%	0.37%	13.45%	15.08%	13.77%	28,099	20,511	2,901	74.06%
2032	2035	1.25%	-0.05%	0.37%	13.40%	15.02%	13.72%	27,167	21,030	2,954	75.13%
2033	2036	1.25%	-0.06%	0.37%	13.33%	14.95%	13.64%	26,082	21,657	3,016	76.30%
2034	2037	1.22%	-0.06%	0.37%	13.28%	14.87%	13.59%	24,813	22,227	3,073	77.57%
2035	2038	1.21%	-0.06%	0.37%	13.18%	14.76%	13.49%	23,361	22,889	3,133	78.95%
2036	2039	1.19%	-0.06%	0.37%	13.02%	14.58%	13.33%	21,709	23,624	3,187	80.48%
2037	2040	1.15%	-0.06%	0.37%	12.90%	14.42%	13.21%	19,832	24,423	3,256	82.19%
2038	2041	1.10%	-0.07%	0.37%	12.73%	14.20%	13.03%	17,752	25,274	3,317	84.07%
2039	2042	1.08%	-0.07%	0.37%	12.53%	13.98%	12.83%	15,420	26,170	3,378	86.17%
2040	2043	1.05%	-0.08%	0.37%	12.31%	13.73%	12.60%	12,844	27,116	3,433	88.49%
2041	2044	1.02%	-0.08%	0.37%	12.07%	13.46%	12.36%	9,970	28,083	3,484	91.08%
2042	2045	0.99%	-0.09%	0.37%	11.07%	12.43%	11.35%	6,826	29,076	3,311	93.91%
2043	2046	0.96%	-0.09%	0.37%	8.95%	10.28%	9.23%	3,349	30,075	2,785	97.03%
2044	2047	0.94%	-0.09%	0.37%	0.00%	1.31%	0.28%	-	31,146	94	100.00%
2045	2048	0.91%	-0.10%	0.37%	0.00%	1.28%	0.27%	-	32,255	93	100.00%
2046	2049	0.90%	-0.11%	0.37%	0.00%	1.27%	0.26%	-	33,363	91	100.00%
2047	2050	0.87%	-0.12%	0.37%	0.00%	1.24%	0.25%	-	34,417	90	100.00%
2048	2051	0.84%	-0.12%	0.37%	0.00%	1.21%	0.25%	-	35,539	91	100.00%
										76,372	

APPENDIX 2

\$ amounts in thousands

One-fifteenth of Transition UAL determined as of 9/30/12 is amortized over a closed 30-year period each year

Gains and Losses after 9/30/12 are amortized over a closed 30 year period in the year they occur

CITY OF MOUNTAIN BROOK
PROJECTIONS - Discount Rate 7.70%
Actual Annual Rate of Return 2.78% for FY2019 and 7.70% for FY2020 and Later
9/30/2018 Valuation Results MINUS Current Excess Employer Contribution

Valuation Year 9/30/YYYY	Fiscal Year Ending 9/30/YYYY	Normal Rate		Misc. Admin. Rate	Unfunded Accrued Liab Rate	Total Employer Rate		Unfunded Accrued Liab	Estimated Fiscal Year Payroll	Estimated Required Contributions	Funded Ratio
		Tier I Group	Tier II Group			Tier I Group	Tier II Group				
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)+(6)	(8)=(4)+(5)+(6)	(9)	(10)	(11)	(12)
2018	2021	1.30%	-0.06%	0.37%	14.35%	16.02%	14.66%	30,371	15,820	2,501	62.99%
2019	2022	1.31%	-0.04%	0.37%	13.68%	15.36%	14.01%	30,601	16,029	2,414	63.81%
2020	2023	1.32%	-0.02%	0.37%	13.17%	14.86%	13.52%	31,058	16,326	2,362	64.39%
2021	2024	1.33%	-0.01%	0.37%	13.29%	14.99%	13.65%	31,567	16,612	2,416	64.86%
2022	2025	1.33%	-0.02%	0.37%	13.79%	15.49%	14.14%	32,638	16,935	2,537	64.67%
2023	2026	1.33%	-0.01%	0.37%	14.32%	16.02%	14.68%	33,958	17,264	2,669	64.17%
2024	2027	1.33%	-0.02%	0.37%	14.71%	16.41%	15.06%	34,774	17,623	2,784	64.15%
2025	2028	1.32%	-0.04%	0.37%	15.07%	16.76%	15.40%	35,541	17,903	2,881	64.14%
2026	2029	1.31%	-0.04%	0.37%	15.43%	17.11%	15.76%	36,209	18,270	2,995	64.18%
2027	2030	1.30%	-0.05%	0.37%	15.77%	17.44%	16.09%	36,810	18,680	3,114	64.24%
2028	2031	1.29%	-0.05%	0.37%	16.18%	17.84%	16.50%	37,321	19,115	3,254	64.31%
2029	2032	1.28%	-0.05%	0.37%	16.52%	18.17%	16.84%	37,752	19,575	3,388	64.38%
2030	2033	1.26%	-0.05%	0.37%	16.83%	18.46%	17.15%	38,090	20,059	3,524	64.48%
2031	2034	1.26%	-0.05%	0.37%	17.11%	18.74%	17.43%	38,291	20,511	3,651	64.65%
2032	2035	1.25%	-0.05%	0.37%	17.37%	18.99%	17.69%	38,358	21,030	3,789	64.89%
2033	2036	1.25%	-0.06%	0.37%	17.61%	19.23%	17.92%	38,288	21,657	3,943	65.20%
2034	2037	1.22%	-0.06%	0.37%	17.89%	19.48%	18.20%	38,050	22,227	4,097	65.60%
2035	2038	1.21%	-0.06%	0.37%	18.10%	19.68%	18.41%	37,645	22,889	4,259	66.08%
2036	2039	1.19%	-0.06%	0.37%	18.24%	19.80%	18.55%	37,057	23,624	4,420	66.68%
2037	2040	1.15%	-0.06%	0.37%	18.43%	19.95%	18.74%	36,248	24,423	4,607	67.45%
2038	2041	1.10%	-0.07%	0.37%	18.56%	20.03%	18.86%	35,248	25,274	4,791	68.37%
2039	2042	1.08%	-0.07%	0.37%	18.63%	20.08%	18.93%	34,004	26,170	4,974	69.49%
2040	2043	1.05%	-0.08%	0.37%	18.68%	20.10%	18.97%	32,516	27,116	5,160	70.85%
2041	2044	1.02%	-0.08%	0.37%	18.70%	20.09%	18.99%	30,729	28,083	5,346	72.50%
2042	2045	0.99%	-0.09%	0.37%	17.95%	19.31%	18.23%	28,669	29,076	5,311	74.43%
2043	2046	0.96%	-0.09%	0.37%	16.08%	17.41%	16.36%	26,268	30,075	4,929	76.68%
2044	2047	0.94%	-0.09%	0.37%	14.76%	16.07%	15.04%	23,525	31,146	4,691	79.25%
2045	2048	0.91%	-0.10%	0.37%	13.42%	14.70%	13.69%	20,660	32,255	4,421	81.93%
2046	2049	0.90%	-0.11%	0.37%	10.62%	11.89%	10.88%	17,987	33,363	3,634	84.43%
2047	2050	0.87%	-0.12%	0.37%	9.52%	10.76%	9.77%	15,388	34,417	3,366	86.85%
2048	2051	0.84%	-0.12%	0.37%	8.13%	9.34%	8.38%	12,866	35,539	2,981	89.17%
										132,562	

APPENDIX 2

\$ amounts in thousands

One-fifteenth of Transition UAL determined as of 9/30/12 is amortized over a closed 30-year period each year

Gains and Losses after 9/30/12 are amortized over a closed 30 year period in the year they occur



CITY OF MOUNTAIN BROOK
PROJECTIONS - Discount Rate 7.70%

Actual Annual Rate of Return 2.78% for FY2019 and 7.70% for FY2020 and Later
9/30/2018 Valuation Results-Excess Contribution Required to Fully Fund by 2038

Valuation Year 9/30/YYYY	Fiscal Year Ending 9/30/YYYY	Normal Rate		Misc. Admin. Rate	Unfunded Accrued Liab Rate	Total Employer Rate		Unfunded Accrued Liab	Estimated Fiscal Year Payroll	Estimated Required Contributions	Funded Ratio
		Tier I Group	Tier II Group			Tier I Group	Tier II Group				
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)+(6)	(8)=(4)+(5)+(6)	(9)	(10)	(11)	(12)
2018	2021	1.30%	-0.06%	0.37%	14.35%	16.02%	14.66%	30,371	15,820	2,501	62.99%
2019	2022	1.31%	-0.04%	0.37%	13.68%	15.36%	14.01%	30,601	16,029	2,414	63.81%
2020	2023	1.32%	-0.02%	0.37%	12.91%	14.60%	13.26%	30,394	16,326	2,319	65.15%
2021	2024	1.33%	-0.01%	0.37%	12.49%	14.19%	12.85%	29,496	16,612	2,283	67.17%
2022	2025	1.33%	-0.02%	0.37%	12.39%	14.09%	12.74%	29,034	16,935	2,300	68.57%
2023	2026	1.33%	-0.01%	0.37%	12.31%	14.01%	12.67%	28,721	17,264	2,322	69.69%
2024	2027	1.33%	-0.02%	0.37%	12.07%	13.77%	12.42%	27,846	17,623	2,318	71.29%
2025	2028	1.32%	-0.04%	0.37%	11.81%	13.50%	12.14%	26,871	17,903	2,297	72.89%
2026	2029	1.31%	-0.04%	0.37%	11.52%	13.20%	11.85%	25,745	18,270	2,281	74.53%
2027	2030	1.30%	-0.05%	0.37%	11.22%	12.89%	11.54%	24,504	18,680	2,264	76.19%
2028	2031	1.29%	-0.05%	0.37%	10.97%	12.63%	11.29%	23,129	19,115	2,258	77.88%
2029	2032	1.28%	-0.05%	0.37%	10.65%	12.30%	10.97%	21,630	19,575	2,239	79.59%
2030	2033	1.26%	-0.05%	0.37%	10.31%	11.94%	10.63%	19,989	20,059	2,216	81.36%
2031	2034	1.26%	-0.05%	0.37%	9.94%	11.57%	10.26%	18,170	20,511	2,181	83.23%
2032	2035	1.25%	-0.05%	0.37%	9.55%	11.17%	9.87%	16,176	21,030	2,144	85.19%
2033	2036	1.25%	-0.06%	0.37%	9.15%	10.77%	9.46%	14,005	21,657	2,110	87.27%
2034	2037	1.22%	-0.06%	0.37%	8.75%	10.34%	9.06%	11,632	22,227	2,066	89.48%
2035	2038	1.21%	-0.06%	0.37%	8.33%	9.91%	8.64%	9,057	22,889	2,023	91.84%
2036	2039	1.19%	-0.06%	0.37%	7.85%	9.41%	8.16%	6,260	23,624	1,966	94.37%
2037	2040	1.15%	-0.06%	0.37%	7.40%	8.92%	7.71%	3,231	24,423	1,913	97.10%
2038	2041	1.10%	-0.07%	0.37%	0.00%	1.47%	0.30%	-	25,274	100	100.00%
2039	2042	1.08%	-0.07%	0.37%	0.00%	1.45%	0.30%	-	26,170	99	100.00%
2040	2043	1.05%	-0.08%	0.37%	0.00%	1.42%	0.29%	-	27,116	95	100.00%
2041	2044	1.02%	-0.08%	0.37%	0.00%	1.39%	0.29%	-	28,083	95	100.00%
2042	2045	0.99%	-0.09%	0.37%	0.00%	1.36%	0.28%	-	29,076	92	100.00%
2043	2046	0.96%	-0.09%	0.37%	0.00%	1.33%	0.28%	-	30,075	93	100.00%
2044	2047	0.94%	-0.09%	0.37%	0.00%	1.31%	0.28%	-	31,146	94	100.00%
2045	2048	0.91%	-0.10%	0.37%	0.00%	1.28%	0.27%	-	32,255	93	100.00%
2046	2049	0.90%	-0.11%	0.37%	0.00%	1.27%	0.26%	-	33,363	91	100.00%
2047	2050	0.87%	-0.12%	0.37%	0.00%	1.24%	0.25%	-	34,417	90	100.00%
2048	2051	0.84%	-0.12%	0.37%	0.00%	1.21%	0.25%	-	35,539	91	100.00%
										46,934	

APPENDIX 2

\$ amounts in thousands

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Gains and Losses after 9/30/12 are amortized over a closed 30 year period in the year they occur

CITY OF MOUNTAIN BROOK
PROJECTIONS - Discount Rate 7.70%
Actual Annual Rate of Return 2.78% for FY2019 and 7.70% for FY2020 and Later
9/30/2018 Valuation Results-Excess Contribution Required to Fully Fund by 2043

Valuation Year 9/30/YYYY	Fiscal Year Ending 9/30/YYYY	Normal Rate		Misc. Admin. Rate	Unfunded Accrued Liab Rate	Total Employer Rate		Unfunded Accrued Liab	Estimated Fiscal Year Payroll	Estimated Required Contributions	Funded Ratio
		Tier I Group	Tier II Group			Tier I Group	Tier II Group				
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)+(6)	(8)=(4)+(5)+(6)	(9)	(10)	(11)	(12)
2018	2021	1.30%	-0.06%	0.37%	14.35%	16.02%	14.66%	30,371	15,820	2,501	62.99%
2019	2022	1.31%	-0.04%	0.37%	13.68%	15.36%	14.01%	30,601	16,029	2,414	63.81%
2020	2023	1.32%	-0.02%	0.37%	12.91%	14.60%	13.26%	30,394	16,326	2,319	65.15%
2021	2024	1.33%	-0.01%	0.37%	12.68%	14.38%	13.04%	29,989	16,612	2,314	66.62%
2022	2025	1.33%	-0.02%	0.37%	12.79%	14.49%	13.14%	30,064	16,935	2,368	67.46%
2023	2026	1.33%	-0.01%	0.37%	12.93%	14.63%	13.29%	30,339	17,264	2,429	67.98%
2024	2027	1.33%	-0.02%	0.37%	12.92%	14.62%	13.27%	30,074	17,623	2,468	68.99%
2025	2028	1.32%	-0.04%	0.37%	12.88%	14.57%	13.21%	29,729	17,903	2,488	70.00%
2026	2029	1.31%	-0.04%	0.37%	12.82%	14.50%	13.15%	29,252	18,270	2,518	71.06%
2027	2030	1.30%	-0.05%	0.37%	12.76%	14.43%	13.08%	28,678	18,680	2,552	72.14%
2028	2031	1.29%	-0.05%	0.37%	12.74%	14.40%	13.06%	27,987	19,115	2,596	73.23%
2029	2032	1.28%	-0.05%	0.37%	12.66%	14.31%	12.98%	27,189	19,575	2,633	74.34%
2030	2033	1.26%	-0.05%	0.37%	12.55%	14.18%	12.87%	26,265	20,059	2,665	75.51%
2031	2034	1.26%	-0.05%	0.37%	12.42%	14.05%	12.74%	25,182	20,511	2,689	76.75%
2032	2035	1.25%	-0.05%	0.37%	12.27%	13.89%	12.59%	23,938	21,030	2,717	78.09%
2033	2036	1.25%	-0.06%	0.37%	12.10%	13.72%	12.41%	22,535	21,657	2,749	79.52%
2034	2037	1.22%	-0.06%	0.37%	11.95%	13.54%	12.26%	20,942	22,227	2,777	81.07%
2035	2038	1.21%	-0.06%	0.37%	11.75%	13.33%	12.06%	19,159	22,889	2,805	82.74%
2036	2039	1.19%	-0.06%	0.37%	11.50%	13.06%	11.81%	17,171	23,624	2,828	84.56%
2037	2040	1.15%	-0.06%	0.37%	11.28%	12.80%	11.59%	14,955	24,423	2,861	86.57%
2038	2041	1.10%	-0.07%	0.37%	11.02%	12.49%	11.32%	12,533	25,274	2,885	88.75%
2039	2042	1.08%	-0.07%	0.37%	10.74%	12.19%	11.04%	9,853	26,170	2,909	91.16%
2040	2043	1.05%	-0.08%	0.37%	10.43%	11.85%	10.72%	6,929	27,116	2,923	93.79%
2041	2044	1.02%	-0.08%	0.37%	10.11%	11.50%	10.40%	3,705	28,083	2,934	96.68%
2042	2045	0.99%	-0.09%	0.37%	9.03%	10.39%	9.31%	209	29,076	2,718	99.81%
2043	2046	0.96%	-0.09%	0.37%	0.00%	1.33%	0.28%	-	30,075	93	100.00%
2044	2047	0.94%	-0.09%	0.37%	0.00%	1.31%	0.28%	-	31,146	94	100.00%
2045	2048	0.91%	-0.10%	0.37%	0.00%	1.28%	0.27%	-	32,255	93	100.00%
2046	2049	0.90%	-0.11%	0.37%	0.00%	1.27%	0.26%	-	33,363	91	100.00%
2047	2050	0.87%	-0.12%	0.37%	0.00%	1.24%	0.25%	-	34,417	90	100.00%
2048	2051	0.84%	-0.12%	0.37%	0.00%	1.21%	0.25%	-	35,539	91	100.00%
										68,101	

APPENDIX 2

\$ amounts in thousands

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CITY OF MOUNTAIN BROOK
PROJECTIONS - Discount Rate 7.70%
Actual Annual Rate of Return 2.78% for FY2019 and 7.70% for FY2020 and Later
9/30/2018 Valuation Results-Excess Contribution Required to Fully Fund by 2048

Valuation Year 9/30/YYYY	Fiscal Year Ending 9/30/YYYY	Normal Rate		Misc. Admin. Rate	Unfunded Accrued Liab Rate	Total Employer Rate		Unfunded Accrued Liab	Estimated Fiscal Year Payroll	Estimated Required Contributions	Funded Ratio
		Tier I Group	Tier II Group			Tier I Group	Tier II Group				
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)+(6)	(8)=(4)+(5)+(6)	(9)	(10)	(11)	(12)
2018	2021	1.30%	-0.06%	0.37%	14.35%	16.02%	14.66%	30,371	15,820	2,501	62.99%
2019	2022	1.31%	-0.04%	0.37%	13.68%	15.36%	14.01%	30,601	16,029	2,414	63.81%
2020	2023	1.32%	-0.02%	0.37%	12.91%	14.60%	13.26%	30,394	16,326	2,319	65.15%
2021	2024	1.33%	-0.01%	0.37%	12.88%	14.58%	13.24%	30,523	16,612	2,348	66.03%
2022	2025	1.33%	-0.02%	0.37%	13.22%	14.92%	13.57%	31,180	16,935	2,441	66.25%
2023	2026	1.33%	-0.01%	0.37%	13.60%	15.30%	13.96%	32,092	17,264	2,545	66.13%
2024	2027	1.33%	-0.02%	0.37%	13.83%	15.53%	14.18%	32,489	17,623	2,629	66.50%
2025	2028	1.32%	-0.04%	0.37%	14.04%	15.73%	14.37%	32,827	17,903	2,696	66.88%
2026	2029	1.31%	-0.04%	0.37%	14.23%	15.91%	14.56%	33,054	18,270	2,776	67.30%
2027	2030	1.30%	-0.05%	0.37%	14.42%	16.09%	14.74%	33,204	18,680	2,862	67.74%
2028	2031	1.29%	-0.05%	0.37%	14.66%	16.32%	14.98%	33,253	19,115	2,963	68.20%
2029	2032	1.28%	-0.05%	0.37%	14.84%	16.49%	15.16%	33,215	19,575	3,059	68.66%
2030	2033	1.26%	-0.05%	0.37%	14.99%	16.62%	15.31%	33,071	20,059	3,154	69.16%
2031	2034	1.26%	-0.05%	0.37%	15.11%	16.74%	15.43%	32,784	20,511	3,241	69.73%
2032	2035	1.25%	-0.05%	0.37%	15.21%	16.83%	15.53%	32,354	21,030	3,335	70.38%
2033	2036	1.25%	-0.06%	0.37%	15.30%	16.92%	15.61%	31,780	21,657	3,442	71.12%
2034	2037	1.22%	-0.06%	0.37%	15.41%	17.00%	15.72%	31,030	22,227	3,546	71.94%
2035	2038	1.21%	-0.06%	0.37%	15.47%	17.05%	15.78%	30,108	22,889	3,657	72.87%
2036	2039	1.19%	-0.06%	0.37%	15.46%	17.02%	15.77%	28,995	23,624	3,763	73.93%
2037	2040	1.15%	-0.06%	0.37%	15.49%	17.01%	15.80%	27,661	24,423	3,889	75.16%
2038	2041	1.10%	-0.07%	0.37%	15.47%	16.94%	15.77%	26,132	25,274	4,010	76.55%
2039	2042	1.08%	-0.07%	0.37%	15.41%	16.86%	15.71%	24,355	26,170	4,131	78.15%
2040	2043	1.05%	-0.08%	0.37%	15.32%	16.74%	15.61%	22,339	27,116	4,249	79.97%
2041	2044	1.02%	-0.08%	0.37%	15.22%	16.61%	15.51%	20,027	28,083	4,369	82.08%
2042	2045	0.99%	-0.09%	0.37%	14.34%	15.70%	14.62%	17,444	29,076	4,262	84.44%
2043	2046	0.96%	-0.09%	0.37%	12.34%	13.67%	12.62%	14,530	30,075	3,804	87.10%
2044	2047	0.94%	-0.09%	0.37%	10.90%	12.21%	11.18%	11,279	31,146	3,489	90.05%
2045	2048	0.91%	-0.10%	0.37%	9.44%	10.72%	9.71%	7,920	32,255	3,138	93.07%
2046	2049	0.90%	-0.11%	0.37%	6.51%	7.78%	6.77%	4,770	33,363	2,263	95.87%
2047	2050	0.87%	-0.12%	0.37%	5.30%	6.54%	5.55%	1,713	34,417	1,914	98.54%
2048	2051	0.84%	-0.12%	0.37%	0.00%	1.21%	0.25%	-	35,539	91	100.00%
										96,788	

APPENDIX 2

\$ amounts in thousands

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Gains and Losses after 9/30/12 are amortized over a closed 30 year period in the year they occur



Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

PAYABLE UPON RECEIPT

**PLEASE REMIT A COPY
OF THIS INVOICE WITH PAYMENT**

March 18, 2020

Ms. Diane E. Scott, CPA
Chief Financial Officer
The Retirement Systems of Alabama
P.O. Box 302150
Montgomery, AL 36130-2150

APPENDIX 2

Re: Invoice for the City of Mountain Brook

Dear Ms. Scott:

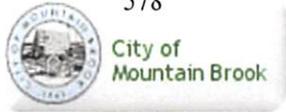
We have performed projections for the City of Mountain Brook based on your letter of January 9, 2020. The invoice for this service is \$8,000. The City of Mountain Brook should send a check payable to Cavanaugh Macdonald Consulting, LLC to my attention at the address below.

If you have any questions, please give us a call at 678.388.1700.

Sincerely,

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144
Phone (678) 388-1700 • Fax (678) 388-1730
www.CavMacConsulting.com
Offices in Kennesaw, GA • Bellevue, NE



Fwd: PD take home vehicle employee suggestion

1 message

Steve Boone <boones@mtnbrook.org>

Mon, May 4, 2020 at 2:57 PM

To: "Stewart Welch, III" <stewart@welchgroup.com>, Alice Womack <alicewomack14@gmail.com>, Sam Gaston <gastons@mtnbrook.org>

----- Forwarded message -----

From: Steve Boone <boones@mtnbrook.org>
Date: Tue, Mar 3, 2020 at 2:51 PM
Subject: PD take home vehicle employee suggestion
To: Sam Gaston <gastons@mtnbrook.org>

Officer Fisher has submitted an employee suggestion that the City to implement a take home car program for the police department (for all law enforcement officers except those with less than 2-years experience.)

I have evaluated the economics of the proposal. Following are my observations:

- 1. There are currently 37 vehicles in the PD fleet (excluding evidence and tactical vans, animal and parking control)
2. Currently, the following positions have take home cars: Chief, Deputy Chief, Lieutenants (4), SROs (6), and Detectives (6) (approx 18 vehicles)
3. The Shop Supervisor stated that annual maintenance costs on the patrol cars is \$8,000-\$9,000 (Fisher used \$8,000 in his proposal, I evaluated break-even/savings using \$9,000 in the interest of conservatism)
4. The Insurance Agent stated that insurance runs approx \$700/year/vehicle
5. Fisher's proposal will require the purchase of 19 vehicles (increasing the PD fleet from 37 to 56 vehicles)
6. Patrol vehicles have been assumed to be on a 2.5 year replacement/life cycle (they are amortized over 2-years for the ERS transfers)
7. All other vehicles have been assumed to be on a 6-year replacement cycle
8. Maintenance costs for non-Patrol vehicles has been assumed to be \$6,000 annually and will be the same whether used for commuting home or not.
9. Maintenance costs for Patrol vehicles has been assumed to be \$9,000 annually currently and will decrease by 40% if law enforcement personnel take them home.
10. Fisher has polled other departments with take home vehicles and reports that such departments strive to replace vehicles at 175,000 miles
11. I assumed \$55,000 costs for patrol vehicles and \$50,000 for all other department vehicles. Salvage value has been assumed to be \$5,000 for all vehicles.

Using the assumptions above, the City will need to purchase 4, 6-year vehicles for the Sgts who currently use a shared vehicle and 15, 2 to 1-1/2 year vehicles for the patrol officers.

It is estimated that the patrol vehicles must be in-service for a little less than 6 years to realize a net savings over their life cycle and the other (6-year) vehicles must be in-service for about 8-1/2 years to realize a net savings over their life cycles. I am not sure it is realistic to expect an 8-1/2 year service life for the "light" use law enforcement vehicles, however, it is not unreasonable to expect 6 years for the patrol vehicles.

To acquire 19 vehicles at once plus needed modifications (decals, etc.) to existing vehicles will cost approximately \$1.1 million. Once the initial investment is made, the annual operating costs should approximate (slightly higher) the current cost. However, the annual ERS will remain approximately the same (increased units/cost divided by longer service lives). Assuming the vehicles remain useful for the requisite time periods, the total cost is approximately the same (actually less) as under the current model.

Regarding the other benefits/arguments Fisher stated in his suggestion:

- 1. There will be more patrol car visibility in the community due to officers driving into the City for moonlighting jobs at churches, jewelers, grocers and other businesses. It is doubtful the increased perceived police presence will impact crime due to crime being so low already. However, the increased visibility should not hurt perceptions.
2. Regarding morale, take home cars is apparently a desired benefit for law enforcement personnel. Once it becomes the new normal, I doubt it will be enough incentive to retain an officer seeking advancement or assignment opportunities

APPENDIX 2

elsewhere.

Minute Book 91

579

3. I doubt there will be much overtime cost savings (at least not enough to factor into the analysis). Nor do I foresee any appreciable benefits to the community from the elimination of the pre-shift vehicle checks (again, it can't hurt). There will have to be some efficiencies with respect to fueling too.

4. I don't see officers cleaning their vehicles on their own time. If they do, it is compensable although likely immaterial.

5. I suspect most of these vehicles will be parked outside when at the officers' homes. Articles I have read suggest that weapons be removed from vehicles when parked in residential areas. This seems especially important for officers who live in apartment complexes. Will vehicles parked in residential areas lead to acts of vandalism?

I suggest we convene an employee suggestion evaluation committee to do a preliminary evaluation. Lloyd would be great if available during tax season. Alice or the Mayor would be good choices too. Once the evaluation committee meets, I suggest bringing in the Chief and Deputy or Patrol Lieutenant to discuss logistics of the proposal before making a recommendation to the Council about an award and whether to implement the plan.

--

Steven Boone

City of Mountain Brook
P. O. Box 130009
Mountain Brook, AL 35213-0009
Direct: (205) 802-3825
Facsimile: (205) 874-0611

www.mtnbrook.org
<http://mtnbrookcity.blogspot.com/>
Twitter®: @mountain_brook

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Steven Boone

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Facsimile: (205) 874-0611

www.mtnbrook.org
<http://mtnbrookcity.blogspot.com/>
Twitter®: @mountain_brook

APPENDIX 2

 PD Vehicle Analysis.pdf
864K

Patrol Vehicles

Assumptions	24/7	Take Home
Vehicle cost	\$ 55,000	\$ 55,000
Salvage	\$ (5,000)	\$ (5,000)
Life	2	4
Annual Maint	\$ 9,000	60%
Annual Ins	\$ 700	700
# Units	15	30

	Current	New Vehicles	Proposed	Life	
22	1 Chief		1 Chief	6	26
	1 Deputy Chief		1 Deputy Chief	6	
	4 Lieutenants		4 Lieutenants	6	
	7 Detectives		7 Detectives	6	
	6 SROs		6 SROs	6	
	2 Sgt	4	6 Sgt	6	
15	5 spare	0	5 line (0-2 yr)	2.5	30
		3	3 pool cars	2.5	
	4 to auction	(4)	0 to auction	2.5	
	1 Liaison		1 Liaison	6	
	6 Patrol	16	22 Patrol	2.5	
	<u>37</u>	<u>37</u>	<u>19</u>	<u>56</u>	<u>56</u>

Take home car life cycle (cost) savings

	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10
2	\$ (150,000)	\$ 18,750	\$ 187,500	\$ 356,250	\$ 525,000	\$ 693,750	\$ 862,500	\$ 1,031,250	\$ 1,200,000	\$ 1,368,750	\$ 1,537,500	\$ 1,706,250	\$ 1,875,000
* 2.5	\$ (450,000)	\$ (318,750)	\$ (187,500)	\$ (56,250)	\$ 75,000	\$ 206,250	\$ 337,500	\$ 468,750	\$ 600,000	\$ 731,250	\$ 862,500	\$ 993,750	\$ 1,125,000
3	\$ (650,000)	\$ (543,750)	\$ (437,500)	\$ (331,250)	\$ (225,000)	\$ (118,750)	\$ (12,500)	\$ 93,750	\$ 200,000	\$ 306,250	\$ 412,500	\$ 518,750	\$ 625,000
3.5	\$ (792,857)	\$ (704,464)	\$ (616,071)	\$ (527,679)	\$ (439,286)	\$ (350,893)	\$ (262,500)	\$ (174,107)	\$ (85,714)	\$ 2,679	\$ 91,071	\$ 179,464	\$ 267,857
4	\$ (900,000)	\$ (825,000)	\$ (750,000)	\$ (675,000)	\$ (600,000)	\$ (525,000)	\$ (450,000)	\$ (375,000)	\$ (300,000)	\$ (225,000)	\$ (150,000)	\$ (75,000)	\$ 0

Average annual (cost) savings

	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10
2	\$ (37,500)	\$ 4,167	\$ 37,500	\$ 64,773	\$ 87,500	\$ 106,731	\$ 123,214	\$ 137,500	\$ 150,000	\$ 161,029	\$ 170,833	\$ 179,605	\$ 187,500
2.5	\$ (112,500)	\$ (70,833)	\$ (37,500)	\$ (10,227)	\$ 12,500	\$ 31,731	\$ 48,214	\$ 62,500	\$ 75,000	\$ 86,029	\$ 95,833	\$ 104,605	\$ 112,500
3	\$ (162,500)	\$ (120,833)	\$ (87,500)	\$ (60,227)	\$ (37,500)	\$ (18,269)	\$ (1,786)	\$ 12,500	\$ 25,000	\$ 36,029	\$ 45,833	\$ 54,605	\$ 62,500
3.5	\$ (198,214)	\$ (156,548)	\$ (123,214)	\$ (95,942)	\$ (73,214)	\$ (53,984)	\$ (37,500)	\$ (23,214)	\$ (10,714)	\$ 315	\$ 10,119	\$ 18,891	\$ 26,786
4	\$ (225,000)	\$ (183,333)	\$ (150,000)	\$ (122,727)	\$ (100,000)	\$ (80,769)	\$ (64,286)	\$ (50,000)	\$ (37,500)	\$ (26,471)	\$ (16,667)	\$ (7,895)	\$ 0

$$\begin{aligned}
 &= (\$C\$8 * ((+\$C\$3 + \$C\$4) + (\$C\$6 + \$C\$7) * \$C12)) * D\$11 / \$C12 - \$D\$8 * ((+\$D\$3 + \$D\$4) + ((+\$D\$6 * \$C\$6) + \$D\$7) * D\$11) \\
 &= 8 * ((\$55,000 - \$5,000) + (\$8,000 + \$700) * 2) * 7/2 - 19 * (\$55,000 - \$5,000) + ((\$8,000 * 60\% + \$700) * 7) \\
 &= 8 * ((\$50,000) + (\$8,700) * 2) * 7/2 - 19 * ((\$50,000) + ((\$4,800 + \$700) * 7)) \\
 &= 8 * (\$50,000 + \$17,400) * 7/2 - 19 * (\$50,000 + (\$5,500 * 7)) \\
 &= 8 * (\$67,400) * 7/2 - 19 * (\$50,000 + \$38,500) \\
 &= \$1,887,200 - \$1,681,500 \\
 &= \$205,700
 \end{aligned}$$

6-year vehicles

Assumptions Description	24/7	Take Home
Vehicle cost	\$ 50,000	\$ 50,000
Salvage	\$ (5,000)	\$ (5,000)
Life	4	5
Annual Maint	\$ 6,000	100%
Annual Ins	\$ 700	\$ 700
# Units	22	26

	Current	New Vehicles	Proposed	Life	
22	1 Chief		1 Chief	6	26
	1 Deputy Chief		1 Deputy Chief	6	
	4 Lieutenants		4 Lieutenants	6	
	7 Detectives		7 Detectives	6	
	6 SROs		6 SROs	6	
	2 Sgt	4	6 Sgt	6	
15	5 spare	0	5 line (0-2 yr)	2.5	30
		3	3 pool cars	2.5	
	4 to auction	(4)	0 to auction	2.5	
	1 Liaison		1 Liaison	6	
	6 Patol	16	22 Patrol	2.5	
	<u>37</u>	<u>37</u>	<u>19</u>	<u>56</u>	<u>56</u>

Take home car life cycle (cost) savings

	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10	10.5	11
4	\$ (66,500)	\$ 43,850	\$ 154,200	\$ 264,550	\$ 374,900	\$ 485,250	\$ 595,600	\$ 705,950	\$ 816,300	\$ 926,650	\$ 1,037,000	\$ 1,147,350	\$ 1,257,700
4.5	\$ (204,000)	\$ (107,400)	\$ (10,800)	\$ 85,800	\$ 182,400	\$ 279,000	\$ 375,600	\$ 472,200	\$ 568,800	\$ 665,400	\$ 762,000	\$ 858,600	\$ 955,200
5	\$ (314,000)	\$ (228,400)	\$ (142,800)	\$ (57,200)	\$ 28,400	\$ 114,000	\$ 199,600	\$ 285,200	\$ 370,800	\$ 456,400	\$ 542,000	\$ 627,600	\$ 713,200
5.5	\$ (404,000)	\$ (327,400)	\$ (250,800)	\$ (174,200)	\$ (97,600)	\$ (21,000)	\$ 55,600	\$ 132,200	\$ 208,800	\$ 285,400	\$ 362,000	\$ 438,600	\$ 515,200
6	\$ (479,000)	\$ (409,900)	\$ (340,800)	\$ (271,700)	\$ (202,600)	\$ (133,500)	\$ (64,400)	\$ 4,700	\$ 73,800	\$ 142,900	\$ 212,000	\$ 281,100	\$ 350,200

Average annual (cost) savings

	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10	10.5	11
4	\$ (13,300)	\$ 7,973	\$ 25,700	\$ 40,700	\$ 53,557	\$ 64,700	\$ 74,450	\$ 83,053	\$ 90,700	\$ 97,542	\$ 103,700	\$ 109,271	\$ 114,336
4.5	\$ (40,800)	\$ (19,527)	\$ (1,800)	\$ 13,200	\$ 26,057	\$ 37,200	\$ 46,950	\$ 55,553	\$ 63,200	\$ 70,042	\$ 76,200	\$ 81,771	\$ 86,836
5	\$ (62,800)	\$ (41,527)	\$ (23,800)	\$ (8,800)	\$ 4,057	\$ 15,200	\$ 24,950	\$ 33,553	\$ 41,200	\$ 48,042	\$ 54,200	\$ 59,771	\$ 64,836
5.5	\$ (80,800)	\$ (59,527)	\$ (41,800)	\$ (26,800)	\$ (13,943)	\$ (2,800)	\$ 6,950	\$ 15,553	\$ 23,200	\$ 30,042	\$ 36,200	\$ 41,771	\$ 46,836
6	\$ (95,800)	\$ (74,527)	\$ (56,800)	\$ (41,800)	\$ (28,943)	\$ (17,800)	\$ (8,050)	\$ 553	\$ 8,200	\$ 15,042	\$ 21,200	\$ 26,771	\$ 31,836

$$\begin{aligned}
 &= (\$C\$8 * ((+\$C\$3 + \$C\$4) + (+\$C\$6 + \$C\$7) * \$C12)) * \$D\$11 / \$C12 - \$D\$8 * ((+\$D\$3 + \$D\$4) + ((+\$D\$6 * \$C\$6) + \$D\$7) * \$D\$11) \\
 &= 8((\$55,000 - \$5,000) + (\$8,000 + \$700 * 2)) * 7/2 - 19(\$55,000 - \$5,000) + ((\$8,000 * 60% + 700) * 7) \\
 &= 8((\$50,000) + (\$8,700 * 2)) * 7/2 - 19(\$50,000) + ((\$4,800 + \$700) * 7) \\
 &= 8(\$50,000 + \$17,400) * 7/2 - 19(\$50,000 + (\$5,500 * 7)) \\
 &= 8(\$67,400) * 7/2 - 19(\$50,000 + \$38,500) \\
 &= \$1,887,200 - \$1,681,500 \\
 &= \$205,700
 \end{aligned}$$

ILLUSTRATION OF FORMULA

Assumptions Description	24/7	Take Home
Vehicle cost	\$ 55,000	\$ 55,000
Salvage	\$ (5,000)	\$ (5,000)
Life	2	4
Annual Maint	\$ 8,000	60%
Annual Ins	\$ 700	\$ 700
# Units	8	19

	Current	New Vehicles	Proposed	Life	
22	1 Chief		1 Chief	6	26
	1 Deputy Chief		1 Deputy Chief	6	
	4 Lieutenants		4 Lieutenants	6	
	7 Detectives		7 Detectives	6	
	6 SROs		6 SROs	6	
	2 Sgt	4	6 Sgt	6	
15	5 spare	0	5 line (0-2 yr)	2.5	30
		3	3 pool cars	2.5	
	4 to auction	(4)	0 to auction	2.5	
	1 Liaison		1 Liaison	6	
	6 Patrol	16	22 Patrol	2.5	
	<u>37</u>	<u>37</u>	<u>19</u>	<u>56</u>	<u>56</u>

Take home car life cycle (cost) savings

	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10
2	\$ (289,600)	\$ (207,050)	\$ (124,500)	\$ (41,950)	\$ 40,600	\$ 123,150	\$ 205,700	\$ 288,250	\$ 370,800	\$ 453,350	\$ 535,900	\$ 618,450	\$ 701,000
2.5	\$ (449,600)	\$ (387,050)	\$ (324,500)	\$ (261,950)	\$ (199,400)	\$ (136,850)	\$ (74,300)	\$ (11,750)	\$ 50,800	\$ 113,350	\$ 175,900	\$ 238,450	\$ 301,000
3	\$ (556,267)	\$ (507,050)	\$ (457,833)	\$ (408,617)	\$ (359,400)	\$ (310,183)	\$ (260,967)	\$ (211,750)	\$ (162,533)	\$ (113,317)	\$ (64,100)	\$ (14,883)	\$ 34,333
3.5	\$ (632,457)	\$ (592,764)	\$ (553,071)	\$ (513,379)	\$ (473,686)	\$ (433,993)	\$ (394,300)	\$ (354,607)	\$ (314,914)	\$ (275,221)	\$ (235,529)	\$ (195,836)	\$ (156,143)
4	\$ (689,600)	\$ (657,050)	\$ (624,500)	\$ (591,950)	\$ (559,400)	\$ (526,850)	\$ (494,300)	\$ (461,750)	\$ (429,200)	\$ (396,650)	\$ (364,100)	\$ (331,550)	\$ (299,000)

Average annual (cost) savings

	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10
2	\$ (72,400)	\$ (46,011)	\$ (24,900)	\$ (7,627)	\$ 6,767	\$ 18,946	\$ 29,386	\$ 38,433	\$ 46,350	\$ 53,335	\$ 59,544	\$ 65,100	\$ 70,100
2.5	\$ (112,400)	\$ (86,011)	\$ (64,900)	\$ (47,627)	\$ (33,233)	\$ (21,054)	\$ (10,614)	\$ (1,567)	\$ 6,350	\$ 13,335	\$ 19,544	\$ 25,100	\$ 30,100
3	\$ (139,067)	\$ (112,678)	\$ (91,567)	\$ (74,294)	\$ (59,900)	\$ (47,721)	\$ (37,281)	\$ (28,233)	\$ (20,317)	\$ (13,331)	\$ (7,122)	\$ (1,567)	\$ 3,433
3.5	\$ (158,114)	\$ (131,725)	\$ (110,614)	\$ (93,342)	\$ (78,948)	\$ (66,768)	\$ (56,329)	\$ (47,281)	\$ (39,364)	\$ (32,379)	\$ (26,170)	\$ (20,614)	\$ (15,614)
4	\$ (172,400)	\$ (146,011)	\$ (124,900)	\$ (107,627)	\$ (93,233)	\$ (81,054)	\$ (70,614)	\$ (61,567)	\$ (53,650)	\$ (46,665)	\$ (40,456)	\$ (34,900)	\$ (29,900)

$$\begin{aligned}
 &= (\$C\$8 * ((+\$C\$3 + \$C\$4) + (+\$C\$6 + \$C\$7) * \$C12)) * DS11 / \$C12 - DS\$8 * ((+\$D\$3 + \$D\$4) + ((+\$D\$6 * \$C\$6) + \$D\$7) * DS11) \\
 &= 8((\$55,000 - \$5,000) + (\$8,000 + \$700) * 2) * 7/2 - 19(\$55,000 - \$5,000) + ((\$8,000 * 60% + \$700) * 7) \\
 &= 8((\$50,000) + (\$8,700) * 2) * 7/2 - 19((\$50,000) + ((\$4,800 + \$700) * 7)) \\
 &= 8(\$50,000 + \$17,400) * 7/2 - 19(\$50,000 + (\$5,500 * 7)) \\
 &= 8(\$67,400) * 7/2 - 19(\$50,000 + \$38,500) \\
 &= \$1,887,200 - \$1,681,500 \\
 &= \$205,700
 \end{aligned}$$

Major Changes in Budgeted Surplus

	Page No.		\$	346,000
9/30/2020 surplus				
Revenue increases (decreases):				
Ad valorem	34			528,000
MB BOE (SROs)	35			(33,000)
Sales tax (online)	34			420,000
Sales tax	34			(267,000)
Lodging tax	34			(300,000)
Business license fees	34			(262,000)
Construction permits	35			(413,000)
Fines and forfeitures	35			(59,000)
All other combined				(54,550)
		Revenue		(440,550)
Expenditure (increases) decreases:				
Salaries & overtime (before COLA)	46			298,205
Salaries & overtime (Across-the-Board Incr)				0
Pension	46			284,803
Medical	46	761,560		178,552
Crestline Streetscape	82			0
				0
Library transfer (operating & books)	83			(1,652)
Park Board transfer	83			11,173
ERS transfers	83			14,700
Infrastructure projects [Fund 417]	83			(562,421)
Sidewalk projects [Fund 428]	83			(33,000)
New capital transfers [Fund 441]	83			18,640
Corrections Fund transfers	83			(127,890)
Debt Service Fund transfers	83	(671,102)		9,348
August 2020 election	100			28,000
Financial and revenue audit fees	101			0
Waste Management	155			(7,000)
				0
All other combined				221,699
		Expenditures		333,157
9/30/2021 surplus (deficit)			\$	238,607

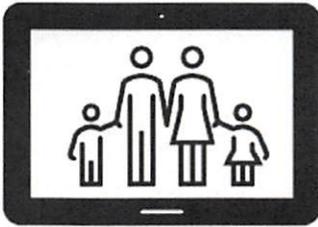
Major Changes Between 2020 Budgeted and Projected Surplus

9/30/2020 Budgeted Surplus		\$ 346,000
Revenue increases (decreases):		
Ad valorem		175,000
MB BOE (SROs)		(22,000)
Sales tax (online)		402,000
Sales tax		(52,901)
Lodging tax		(261,372)
Business license fees		(120,144)
Construction permits		(413,000)
Fines and forfeitures		(112,000)
All other combined		45,972
	Revenue (Decreases)	(358,445)
Expenditure (increases) decreases:		
Salaries & overtime (before COLA)		307,470
Salaries & overtime (Across-the-Board Incr)		0
Pension (Excess Contribution)		352,966
Pension (Annual Required Contribution)		114,930
Medical (OPEB Trust Deposit)		282,000
FICA	1,107,715	50,349
		0
Library transfer (operating & books)		109,488
Park Board transfer		95,717
ERS transfers		0
Infrastructure projects [Fund 417]		0
Sidewalk projects [Fund 428]		329,949
New capital transfers [Fund 441]		0
Corrections Fund transfers		(151,834)
Debt Service Fund transfers	383,320	0
August 2020 election		2,000
Financial and revenue audit fees		(20,000)
Waste Management		16,636
Special projects-Facilities assessment		60,500
Development incentive-Lane Parke		309,000
Development incentive-Piggly Wiggly		(95,000)
		(75,133)
	Expenditures Decreases	1,689,038
9/30/2020 Projected Surplus (Deficit)		\$ 1,676,593

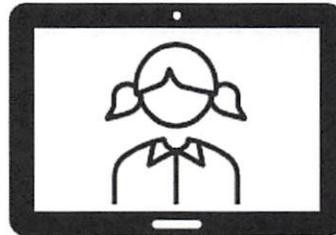


O'Neal Library

Service Responses to COVID-19



 **80%**
20,094 ebooks borrowed
April—July 2020



 **481%**
4,952 ebooks borrowed
April—July 2020



13,200
Items via Curbside Pick-up
April—July 2020



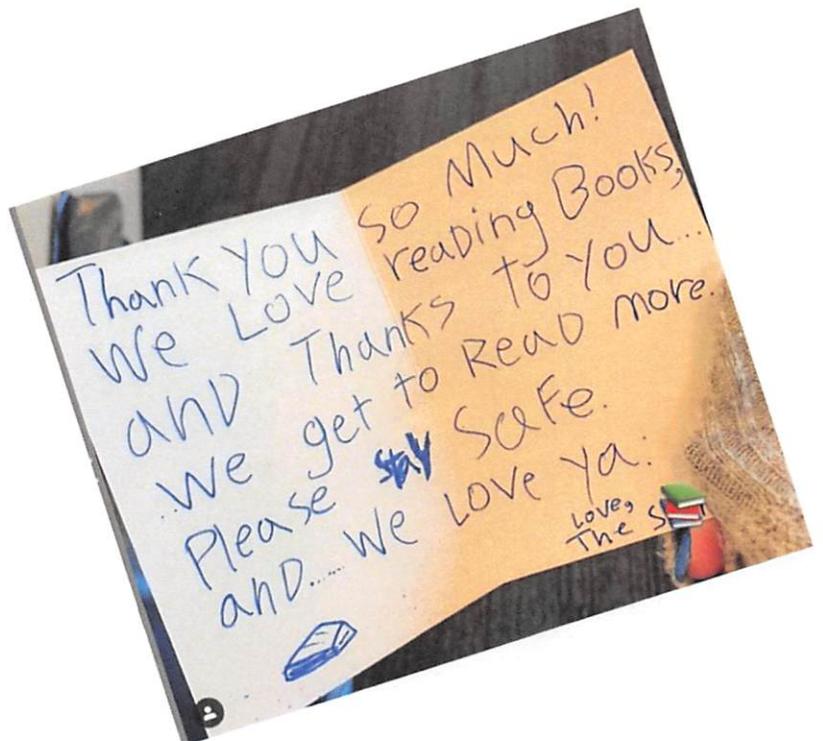
 **235%**
517 people visited
in person last week.

APPENDIX 4



1,000,000+
pages read

2020 Summer Reading Program



City of Mountain Brook's GIS

The City's GIS Manager develops and maintains all GIS databases and applications for all city departments, such as Planning/Zoning, Inspections, Police, Fire, Public Works, Parks/Recreation and Administrative Services. Also, the GIS manager assists with the E911 system and New World Reporting.

Such databases and applications serve to streamline administrative and interdepartmental procedures, as well as offer web based maps to the general public as a City service.

This individual provides technical and operational support for GIS-related hardware and software, and offers GIS training to city staff, as well as provides mapping services to the general public via static and interactive maps.

The GIS individuals that the city has employed thus far have developed not only the GIS applications that were previously lacking, but have broadened the city's vision of where GIS can take us.

Critical Duties Include:

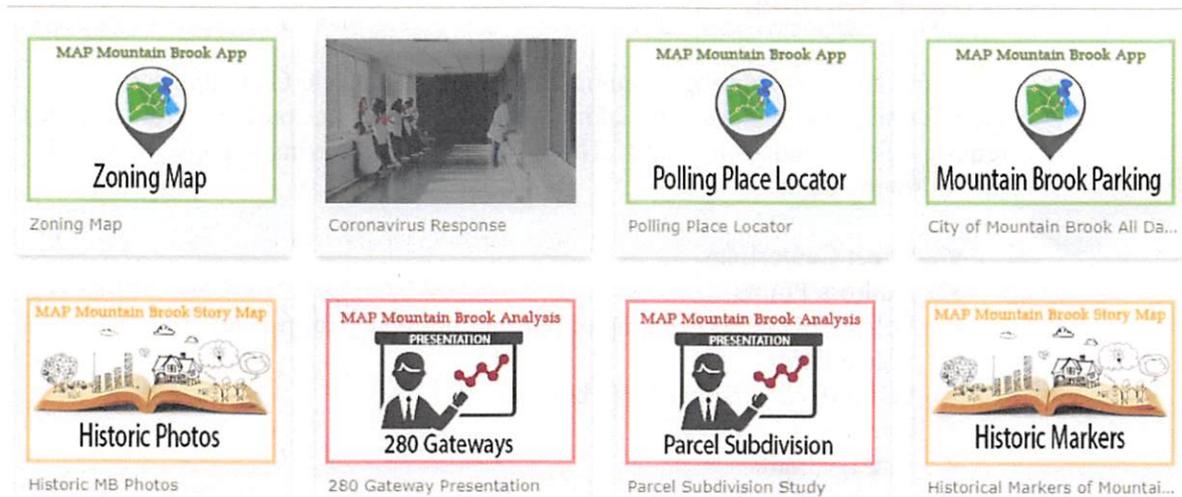
- E911 and New World programming and maintenance, and CAD updates: Includes address changes, new addresses, new roads, annexations, errors, etc. All require edits to underlying data. These changes require edits to some, or all, of the following data:
 - ✓ Street Centerlines
 - ✓ Address Points
 - ✓ Police ORI (CAD version of our city boundary for police)
 - ✓ Police Beats
 - ✓ FDID (Cad version of city boundary for fire)
 - ✓ Fire Zones
 - ✓ Fire Hydrants
- In addition to these data layers the MSAG is updated.
- Annual update of Boundary and Annexation survey maps for the Census Bureau (so that the city gets credit for the lots in it's jurisdiction)
- Addressing for all new development projects and new lots
- Updating an maintaining the zoning map
- Overseeing and maintaining all GIS licenses
- Create and Maintain Permit App listing all permits; used by Inspections

- Create and maintain Parcels App Showing slope; used by Inspections
- Update Fire department book

Important Duties Include:

- Luca study for Census accuracy
- Public works (see comments below)
- Parks/Rec (see comments below)
- Housing Count for Waste Management
- Jefferson County GIS Consortium data usage

Notable Projects Include:



- GIS manager assists planning boards with studies for decision-making on policies and regulations, such as the Parcel Subdivision study and the Highway 280 Gateways study, both of which impacted policy and regulatory decisions by the planning commission and city council.
- Parking Inventory Study
- Board of Landscape Design Tree Survey

Comments from Other Departments:

From Public Works:

Ronnie Vaughn

"GIS has been a great help to Public Works, we have been very pleased with the working relationship we had with Wade. Our Right of Way crew requests ROW boundaries and they have also been implementing Workforce. Workforce is an app that allows us to enter work orders real time and connects to our inventory as well as several other functions. Our Construction division uses GIS for ROW and drainage easements. We have not completed the Workforce project and have hopes of implementing it in the Construction division as well. I would say we have called on the GIS position almost on a daily basis. Thanks to all and I think all agree that we certainly use the services provided by an in house GIS specialist."

Daniel Davis

"Wade has been such a big help for the construction side in the last 7-1/2 months I can't even begin to tell you. With all of the flooding events that we had this year I leaned on him almost every day for getting property maps with storm drainage easements."

Johnny Franklin

"Wade came in and took us to another level on the GIS projects. He has been working with me on the Workforce for a few months now and we are close to having it up and running full time. He also helped us get the leaf route going so we could track it each season and see what our downfalls were, he has installed a sign map that we will be working on in the fall when growing season slows down that will help us maintain not only up to date signs in the city but help keep up with sign inventory. There is a lot of little things not mentioned that add up over time that would be nearly impossible to do without the help of a GIS manager. Hopefully we will have someone come in that can help us keep going with what Wade already started. Thanks!"

Steven Gay

*"I hope to keep this position filled. It is an asset to the Public Works daily operations. The GIS position has helped us with planning events and getting all involved on the same page by simplifying it to a **visual map**."*

Every year the **paving map** that is presented to council is done by the GIS position. On a daily basis GIS has been a great tool for checking **ROW & easements** to make sure we can legally do the work that is needed.

Last year was the first year that we were able we utilized the mapping system to **track leaf pick up**. This made keeping up with WM movements much easier and more time efficient.

Johnny Franklin was working with Wade to establish a **work program** through the GIS that gave you real time updates and computed numbers, gave visual markers, and gave the men in the field a way to upload future work. Once this system would be in full operation we would be paperless when it came to work orders, reports and tracking.

Projects that were on the agenda to be completed:

- We have a **grading system** for roads in Mountain Brook that we were planning on moving to the GIS;
- Setting up **utility cuts** to be tracked (location, measurements, who made the cut, picture, date and permit number);
- **Tree removals** (location, notes on conversation with resident, cost, and pictures);
- Mapping locations of **city capital** (traffic lights, crosswalks, benches, trash cans, guardrails, handrails, street lights (pole #'s as they are collected), etc..
- GIS is how we are planning on **merging inlets collected** in the health departments mapping with ours so that we would be able to connect the dots so that we have a grid of our storm water pipes.

The GIS position is used in many different ways to improve and evolve the operations at our Public Works Department. I hope this is helpful. I'm positive that I'm leaving things out!"

From Parks & Recreation

Shanda

"The GIS person has been helpful in figuring out property lines for different projects and issues in the parks. He helped me with both the park handbook and sidewalk maps, too. *He started helping me inventory things like benches, picnic tables, trash cans, doggie stations. He was going to have it placed on a map and create a maintenance program to keep up with important information such as donors, repairs, etc.*

I don't know the full extent of what GIS can do for me. I've talked to both of the previous GIS managers about some ideas they had and I was excited to learn more."

Proposed Park and Recreation Projects for FY-2021**Athletic Complex Projects**

Retaining Wall/F3 lights	\$10,000	Potential rollover
Bathroom Upgrades	\$30,000	Update all fixtures and make ADA compliant
Batting Cage Covers	\$62,000	Shelters to keep some of them dry
Playground	\$45,000	
Architect fees	<u>\$15,000</u>	
Total	\$162,000	

Other Athletic Projects

LED lights at MBE	\$150,000	
MBHS Tennis Pavilion	<u>\$5,000</u>	Remove wisteria, repair wood and add cover
Total	\$155,000	

Park Projects

Canterbury Park	\$10,000	Community involved improvements and possible new sign
CRW drinking fountain	\$17,000	New water service for drinking fountain and water to dog park
Jemison Trail Phase 1	<u>\$600,000</u>	(waiting for grant opportunity)
Total	\$27,000	

Small Project Total: \$344,000

Major Projects

Athletic Complex Turf	\$1,052,750
Field 1 Turf	\$2,200,000
CBE Field Improvements	<u>\$798,125</u>
Total	\$4,050,875

GRAND TOTAL: \$4,394,875

Donations

Commissioner Steve Ammons	\$20,000	To be used at the Athletic Complex
Senator Dan Roberts	<u>\$53,000</u>	To be used for the CRW fountain and Athletic Complex
Total	\$73,000	