



# CITY OF LEEDS, ALABAMA

## REGULAR COUNCIL MEETING AGENDA

Leeds Municipal Annex - 1412 9th St, Leeds, AL 35094

July 06, 2020 @ 6:00 PM

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### CALL COUNCIL MEETING TO ORDER

### ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

### PUBLIC HEARING

*Anyone wishing to address the Council during the Public Comment section of the meeting must sign in with the City Clerk to provide their name and address.*

1. Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1239 Ashville Road

### APPROVE COUNCIL MINUTES

2. Minutes from June 15, 2020
3. Minutes from June 29, 2020

### REPORTS OF STANDING COMMITTEES OR SPECIAL BOARDS:

4. Finance Committee Report: Linda Miller
5. Public Safety Committee Report: Kenneth Washington
6. Public Works Committee Report: Ryan Bell

### REPORTS OF OFFICERS:

7. Mayor's Report: Mayor David Miller  
Notice of 2020 Election of Municipal Officers
8. Police Department: Chief Atkinson
9. Fire Department: Chief Parsons
10. Library: Library Director Carden
11. Municipal Court: Magistrate Roberts
12. Development Services Department: Zoning Administrator Watson
13. Public Works Department: Public Works Director Warren

### OLD BUSINESS:

### NEW BUSINESS:

14. Consider Resolution 20-001221: Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1239 Ashville Road
15. Consider Resolution 2020-07-01: Approving Municipal Election Services Contract with Jefferson County Commission

- [16.](#) Consider Resolution 2020-07-02: Approving the Placement of 3-way Stops along Elliot Lane
- [17.](#) Consider Resolution 2020-07-03: Approving the Acquisition and Use of Drug Enforcement Canine
- [18.](#) Consider Resolution 2020-07-04: Acceptance of 2018-2019 Annual Audit Report
- [19.](#) Consider Resolution 2020-07-05 Approval of Improvements and Renovations to Senior Program Facilities at Civic Center

**PUBLIC COMMENTS**

*All comments are to be limited to 2 minutes*

**ADJOURNMENT**

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In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 205-699-2585.

**File Attachments for Item:**

Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1239 Ashville Road

**PUBLIC**

**NUSIANCE**

**1239 ASHVILLE RD**

**25 00 16 4 009 003.000**

# CITY OF LEEDS RESOLUTION 20-001221

## RESOLUTION IN DETERMINATION OF CERTIAN CONDITIONS TO BE AN ANNOYANCE AND PUBLIC NUISANCE IN VIOLATION OF CHAPTER 32 OF THE CODE OF ORDINANCES, FOR THE CITY OF LEEDS, AL.

**WHEREAS**, in accordance with, without limitation, Code of Ordinances for the city of Leeds, Alabama Chapter 32, §11-47-117, and 11-67-60 to 11-67-67 Code of Alabama 1975 (cumulatively referred to as the "Law"), the City Council of the City of Leeds has the authority to determined that certain conditions upon certain properties in the city of Leeds are offensive, produce an annoyance, constitute a threat to the general public health, safety and welfare of the City of Leeds, Alabama and are in fact a public nuisance; and

**WHEREAS**, employees or agents of the City of Leeds have identified certain conditions to be a nuisance in violation of the law as existing on certain property at 1239 ASHVILLE RD , , Parcel ID: 25 00 16 4 009 003.000 which is identified in Exhibit A attached hereto and incorporated herein (the "Property"); and

**WHEREAS**, in accordance wit the Law, the City Council of the City of Leeds, after considering the report and the associated notices as presented by staff, may find that the subject conditions identified by the supporting information and documentation related to the subject Property(ies) are a public nuisance and order the immediate abatement of such conditions; and

**WHEREAS**, the City Council of the City of Leeds may hold a public hearing if requested by the property owner to have the opportunity of being heard and to discusses the conditions as presented; and

**WHEREAS**, in accordance with the Law, the City of Leeds is to keep an account of the cost of abating or removing the nuisance on any such property when the owner fails to comply with the provided notices; and

**WHEREAS**, in accordance with the Law, the City Council of the City of Leed desires to make a determination as to whether or not a public nuisance actually exists at the subject Property(ies), based on the information as presented, and potentially order the abatement of any such nuisance(s).

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds follows:

1. All of the Recitals above are true and correct and are hereby incorporated herein as if fully set forth
2. The conditions identified by the Notice(s) of the Public Nuisance, in relation to the Property(ies) identified on the report as Attached hereto as Exhibit A including the requisite notices and supporting information as provided to the Property owner and posted at the Property, and all hereby declared to be a public nuisance in the City of Leeds.
3. The identified public nuisance(s) is relation to the subject Property(ies) shall be abated and/or removed by the City, if necessary, with costs assessed to the subject Property.
4. City staff is to create a report of the related costs for abating or removing any remaining nuisance(s) from the Property and to provide such report back to the City Council for approval of the costs related to the same.
5. The provisions of the Resolution are severable. If any part of the Resolution is determined to be invalid, unenforceable or unconstitutional, such determination shall not affect any other part of this Resolution.
6. The City Budget is amended to fund the deceleration of public Nuisance abatements.

**ADOPTED and APPROVED** this the 07/06/2020  
CITY OF LEEDS, ALABAMA

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

AYES	_____
NAYS	_____
ABSENT FROM VOTING	_____
ABSTAIN	_____

\_\_\_\_\_  
Toushi Arbitelle,  
CITY CLERK

I, Toushi Arbitelle, City Clerk of the City of Leeds, hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on 07/06/2020

\_\_\_\_\_  
Toushi Arbitelle, City Clerk



Document:

**Date Taken:**06/18/2020

**Address:**1239 ASHVILLE RD

**Taken by:**Kathy Capps

**Case Number:**20-001221

# City of Leeds, Alabama

Department of Development Services  
 1404 9th St. Leeds, AL 35094  
 205-699-2585 development@leedsalabama.gov

SHAMBROOK JENNIFER & ROBERT  
 1239 ASHVILLE ROAD  
 LEEDS, AL 35094

Reference: 20-001221  
 Parcel ID: 25 00 16 4 009 003.000

## **NOTICE AND ORDER TO ABATE**

**NOTICE IS HEREBY GIVEN THAT SHAMBROOK JENNIFER & ROBERT** is in violation of Chapter 32 of the City of Leeds, Municipal Code. The violation has been investigated, declared a public nuisance by the City Enforcement Officer and must be abated immediately.

The public nuisance is on property located at: 1239 ASHVILLE RD ,

**YOU ARE HEREBY ORDERED TO ABATE SAID PUBLIC NUISANCE within ten (10) days** consecutive calendar days from the issuance of this Order. The issuance date is specified below. You may abate the nuisance by REMOVE ITEMS IN VIOLATION OF ORD. 2016-02-04

Section: Sec 32-76-b  
 Description: Excessive Plant Growth  
 Corrective Action: Remove Offending Material 10 Days  
 Comments: REMOVE ALL OFFENDING MATERIAL

If you fail to abate the public nuisance within ten (10) days, the City may order its abatement by public employees, private contractor, or other means, and the cost of said abatement may be levied and assessed against the property as a special assessment lien or billed directly to the property owner.

This Matter will be heard at a hearing before the City Council on 07/06/2020 at 1412 9th street, Leeds, Alabama. The decision of the City Council on this Matter will be final and conclusive.

**YOU HAVE THE RIGHT TO BE HEARD** at the hearing identified above. You have the right to:

1. Be present at the hearing and to present your evidence against this Order in writing prior to the hearing;
2. Provide your written statement against the Order and to specify the reasons not to enforce the Order, containing your name, address and telephone number,
3. Submit your written statement & request to be heard to the following address within at least 24 hours prior to the subject hearing: **1404 9th St, Leeds, Alabama. (205) 699-2585**

In the event that the hearing results in confirmation of a public nuisance, the City will take the necessary steps to abate the nuisance and assess all costs against the subject property. The City also reserves the right to forward the matter to the Municipal Court for further enforcement actions pursuant to Chapter 32 of the City Code.

If you have any questions regarding this matter, you may direct them to the City Enforcement Officer issuing this Notice at the address or telephone number listed above.

Signed: \_\_\_\_\_  
 Enforcement Officer

ISSUANCE DATE: June 18, 2020



Document:

**Date Taken:**06/17/2020

**Address:**1239 ASHVILLE RD

**Taken by:**Kathy Capps

**Case Number:**20-001221



Document:

**Date Taken:**06/17/2020

**Address:**1239 ASHVILLE RD

**Taken by:**Kathy Capps

**Case Number:**20-001221



Document:

**Date Taken:**06/17/2020  
**Address:**1239 ASHVILLE RD

**Taken by:**Kathy Capps  
**Case Number:**20-001221

**File Attachments for Item:**

2. Minutes from June 15, 2020



# CITY OF LEEDS, ALABAMA

## REGULAR COUNCIL MEETING MINUTES

Leeds Municipal Annex - 1412 9th St, Leeds, AL 35094

June 15, 2020 @ 6:00 PM

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### CALL COUNCIL MEETING TO ORDER

Mayor David Miller called the meeting to order at 6:01 pm.

### ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

#### PRESENT

Mayor David Miller  
Council member Eric Turner  
Council member Johnny Dutton  
Council member Linda Miller  
Council member Ryan Bell  
Council member Kenneth Washington

INVOCATION Council member Eric Turner

PLEDGE OF ALLEGIANCE Mayor David Miller

### PUBLIC HEARING

1. Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1707 Dorrough Street  
Zoning Administrator Brad Watson administratively granted a 30-day extension until the July 20, 2020 Council meeting
2. Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1621 Huntsville Street  
No one was present. There was no Public Comment, and the matter was referred to Council.
3. Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 7779 Martin Luther King Drive  
No one was present. There was no Public Comment, and the matter was referred to Council.
4. Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 7837 Martin Luther King Drive  
No one was present. There was no Public Comment, and the matter was referred to Council.  
Public Hearing closed at 6:03 pm.

### APPROVE COUNCIL MINUTES

5. Minutes from April 06, 2020  
Motion to approve minutes from April 06, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council

member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

6. Minutes from April 20, 2020

Motion to approve minutes from April 20, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

7. Minutes from May 04, 2020

Motion to approve minutes from May 04, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

8. Minutes from May 18, 2020

Motion to approve minutes from May 18, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

9. Minutes from June 01, 2020

Motion to approve minutes from June 01, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

10. Minutes from June 11, 2020 Special Emergency Called Meeting

Motion to approve minutes from June 11, 2020 made by Council member Turner, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell. Voting Abstaining: Council member Washington

**REPORTS OF STANDING COMMITTEES OR SPECIAL BOARDS:**

11. Finance Committee Report: Linda Miller

No Report

12. Public Safety Committee Report: Kenneth Washington

No Report

13. Public Works Committee Report: Ryan Bell

No Report

**REPORTS OF OFFICERS:**

14. Mayor's Report: Mayor David Miller  
Reported that Buc-ee's opening will be the first of next year, weather permitting.
15. Police Department: Chief Atkinson  
No Report
16. Fire Department: Chief Parsons  
No Report
17. Library: Library Director Carden  
Presented packet at meeting. This year's Summer Reading Program will be online.
18. Municipal Court: Magistrate Roberts  
Presented March, April & May packets at meeting.
19. Development Services Department: Zoning Administrator Watson  
Reports are available for public viewing on CitizenServe.
20. Public Works Department: Public Works Director Warren  
Absent

**OLD BUSINESS:**

21. Resolution 20-000469: Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1621 Huntsville Street  
  
Motion to approve Resolution 20-000469 made by Council member Washington, Seconded by Council member Bell. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
22. Resolution 20-000825: Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 7779 Martin Luther King Drive  
  
Motion to approve Resolution 20-000825 made by Council member Washington, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
23. Resolution 20-000839: Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 7837 Martin Luther King Drive  
  
Motion to approve Resolution 20-000839 made by Council member Washington, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
24. Resolution 2020-05-05 Declaring certain property surplus and authorizing its sale  
  
Motion to approve Resolution 2020-05-05 made by Council member Bell, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

**NEW BUSINESS:**

25. Resolution 20-001005: Consider Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1707 Dorrrough Avenue  
Motion to grant 30-day extension on Resolution 20-001005 made by Council member Turner, Seconded by Council member Washington. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
26. Resolution 2020-06-01 (Carried over from the canceled meeting - June 01, 2020): Consider Approving 2020 "Back-to-School" Sales Tax Holiday  
Motion to approve Resolution 2020-06-01 made by Council member Bell, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
27. Resolution 2020-06-02 (Carried over from the canceled meeting - June 01, 2020): Consider Authorization of professional engineering services  
Motion to approve Resolution 2020-06-02 made by Council member Miller, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
28. Resolution 2020-06-03:  
Item was considered at June 11th, 2020 Special Emergency Called Meeting
29. Resolution 2020-06-04:  
Item was considered at June 11th, 2020 Special Emergency Called Meeting
30. Resolution 2020-06-05: Consider Adoption and Ratification of Monthly (February-May 2020) City Expenditures/Payables  
Motion to approve Resolution 2020-06-05 made by Council member Dutton, Seconded by Council member Bell. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
31. Resolution 2020-06-06: Consider License Agreement to use vacant City property  
Motion to approve Resolution 2020-06-06 made by Council member Turner, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington
32. Resolution 2020-06-07: Consider Approving ALDOT Agreement for Pavement Rehabilitation on I-20  
Motion to approve Resolution 2020-06-07 made by Council member Bell, Seconded by Council member Dutton. Voting Yea: Mayor Miller, Council member Turner, Council member

Dutton, Council member Miller, Council member Bell, Council member Washington

33. Resolution 2020-06-08: Consider Approval of Equipment Purchase for Leeds Police Department

Motion to approve Resolution 2020-06-08 made by Council member Bell, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

34. Resolution 2020-06-09: Consider correction of an employee payment

35. Ordinance 2020-06-01 Consider Setting Council Member Qualification Fees

Motion for Unanimous Consent to consider Ordinance 2020-06-01 made by Council member Turner, Seconded by Council member Bell. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

Motion to approve Ordinance 2020-06-01 made by Council member Turner, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

## **PUBLIC COMMENTS**

1. Bonnie Garrett (7538 Poplar Street): Complaint about unsafe house on Dunnivant Road. Wants City to condemn it and tear it down.
2. Michael Richardson (7603 Cedar Street): Complaint about neighbor pulling a gun on him and his family.
3. Jerry Trott (8532 Covington Way): Kudos to City Public Works Department. Wants speed bumps installed in Oliver Crossing.
4. Jimmy Smith (1536 Cogbill Street): Appreciates great job that all City Departments are doing. Has complaint about mobile home park on Cogbill Street.

## **ADJOURNMENT**

Motion to adjourn made by Council member Turner, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington.

The meeting was adjourned at 6:54 pm.

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David Miller, Mayor

ATTEST:

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Toushi Arbitelle, City Clerk

**File Attachments for Item:**

3. Minutes from June 29, 2020



# CITY OF LEEDS, ALABAMA

## SPECIAL-EMERGENCY COUNCIL MEETING MINUTES

City Hall Annex - Meeting Room - 1412 9th St, Leeds, AL 35094

June 29, 2020 @ 6:00 PM

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### CALL COUNCIL MEETING TO ORDER

Mayor David Miller called the meeting to order at 6:02 pm.

### ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

#### PRESENT

Mayor David Miller  
Council member Eric Turner  
Council member Johnny Dutton  
Council member Linda Miller  
Council member Ryan Bell  
Council member Kenneth Washington

INVOCATION Council member Eric Turner

PLEDGE OF ALLEGIANCE Mayor David Miller

### NEW BUSINESS:

1. Consider Ordinance 2020-06-02: Authorizing all remaining actions in regard to the USDA supported financing

Motion for Unanimous Consent to consider Ordinance 2020-06-02 made by Council member Miller, Seconded by Council member Bell. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

Motion to approve Ordinance 2020-06-02 made by Council member Bell, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

2. Consider Resolution 2020-06-10: Authorization of application for downtown ALDOT grant application

Motion to approve Resolution 2020-06-10 made by Council member Bell, Seconded by Council member Turner. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington

### PUBLIC COMMENTS

There was none.

### ADJOURNMENT

Motion to adjourn made by Council member Turner, Seconded by Council member Miller. Voting Yea: Mayor Miller, Council member Turner, Council member Dutton, Council member Miller, Council member Bell, Council member Washington.

The meeting was adjourned at 6:09 pm.

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David Miller, Mayor

ATTEST:

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Toushi Arbitelle, City Clerk

**File Attachments for Item:**

7. Mayor's Report: Mayor David Miller  
Notice of 2020 Election of Municipal Officers

**NOTICE OF ELECTION OF MUNICIPAL OFFICERS**

Notice is hereby given that on Tuesday, August 25, 2020, a Municipal Election for the City of Leeds, Alabama will be held for the purpose of electing a Mayor; a Councilmember, District #1; a Councilmember, District #2; a Councilmember, District #3; a Councilmember, District #4; and a Councilmember, District #5. All candidates must have resided within the municipality for at least ninety (90) days prior to Election Day, and who are qualified to vote in the county precinct which embraces and covers that part of the corporate limits of the City of Leeds, Alabama.

All registered and qualified electors of the State, who reside within the corporate limits of the City of Leeds, Alabama, and have resided therein for thirty (30) days or more prior to this election date, will be authorized to participate in said election. Everyone will vote at one polling place: City of Leeds City Hall Annex, 1412 9<sup>th</sup> Street; Leeds, AL 35217, from 7:00 a.m. until 7:00 p.m., Central Daylight Time. If necessary, a run-off election will be held on Tuesday, October 6, 2020.

STATEMENT OF CANDIDACY and other necessary documents may be obtained from and returned to the Municipal Elections Manager, Toushi Arbitelle (City Clerk) at the City Hall. She will begin accepting Statements of Candidacy at 8:00 a.m. on Tuesday, July 7, 2020 and ending at 5:00 p.m. on Tuesday, July 21, 2020. No Statement of Candidacy for this election will be accepted before or after these dates and times.

**ATTEST:**

\_\_\_\_\_  
**David Miller – Mayor**

\_\_\_\_\_  
**Toushi Arbitelle – City Clerk**

**File Attachments for Item:**

12. Development Services Department: Zoning Administrator Watson

# Department Hours- OT

05/19/20 to 06/01/20

Department	OT	FDC	Totals
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FIRE		20:00	20:00
POLICE	158:44		158:44
STREET	51:26		51:26

# Department Hours- OT

06/02/20 to 06/15/20

Department	OT	FDC	Totals
	245:30	19:00	264:30
ADMIN	1:53		1:53
DEV	4:42		4:42
FIRE	21:00	19:00	40:00
FIRE2	18:00		18:00
POLICE	98:28		98:28
STREET	101:27		101:27

**File Attachments for Item:**

14. Consider Resolution 20-001221: Determination of Certain Conditions to be an Annoyance and Public Nuisance in Violation of Chapter 32 of the Code of Ordinances at 1239 Ashville Road

# CITY OF LEEDS RESOLUTION 20-001221

## RESOLUTION IN DETERMINATION OF CERTIAN CONDITIONS TO BE AN ANNOYANCE AND PUBLIC NUISANCE IN VIOLATION OF CHAPTER 32 OF THE CODE OF ORDINANCES, FOR THE CITY OF LEEDS, AL.

**WHEREAS**, in accordance with, without limitation, Code of Ordinances for the city of Leeds, Alabama Chapter 32, §11-47-117, and 11-67-60 to 11-67-67 Code of Alabama 1975 (cumulatively referred to as the "Law"), the City Council of the City of Leeds has the authority to determined that certain conditions upon certain properties in the city of Leeds are offensive, produce an annoyance, constitute a threat to the general public health, safety and welfare of the City of Leeds, Alabama and are in fact a public nuisance; and

**WHEREAS**, employees or agents of the City of Leeds have identified certain conditions to be a nuisance in violation of the law as existing on certain property at 1239 ASHVILLE RD , , Parcel ID: 25 00 16 4 009 003.000 which is identified in Exhibit A attached hereto and incorporated herein (the "Property"); and

**WHEREAS**, in accordance wit the Law, the City Council of the City of Leeds, after considering the report and the associated notices as presented by staff, may find that the subject conditions identified by the supporting information and documentation related to the subject Property(ies) are a public nuisance and order the immediate abatement of such conditions; and

**WHEREAS**, the City Council of the City of Leeds may hold a public hearing if requested by the property owner to have the opportunity of being heard and to discusses the conditions as presented; and

**WHEREAS**, in accordance with the Law, the City of Leeds is to keep an account of the cost of abating or removing the nuisance on any such property when the owner fails to comply with the provided notices; and

**WHEREAS**, in accordance with the Law, the City Council of the City of Leed desires to make a determination as to whether or not a public nuisance actually exists at the subject Property(ies), based on the information as presented, and potentially order the abatement of any such nuisance(s).

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds follows:

1. All of the Recitals above are true and correct and are hereby incorporated herein as if fully set forth
2. The conditions identified by the Notice(s) of the Public Nuisance, in relation to the Property(ies) identified on the report as Attached hereto as Exhibit A including the requisite notices and supporting information as provided to the Property owner and posted at the Property, and all hereby declared to be a public nuisance in the City of Leeds.
3. The identified public nuisance(s) is relation to the subject Property(ies) shall be abated and/or removed by the City, if necessary, with costs assessed to the subject Property.
4. City staff is to create a report of the related costs for abating or removing any remaining nuisance(s) from the Property and to provide such report back to the City Council for approval of the costs related to the same.
5. The provisions of the Resolution are severable. If any part of the Resolution is determined to be invalid, unenforceable or unconstitutional, such determination shall not affect any other part of this Resolution.
6. The City Budget is amended to fund the deceleration of public Nuisance abatements.

**ADOPTED and APPROVED** this the 07/06/2020  
CITY OF LEEDS, ALABAMA

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

AYES	_____
NAYS	_____
ABSENT FROM VOTING	_____
ABSTAIN	_____

\_\_\_\_\_  
Toushi Arbitelle,  
CITY CLERK

I, Toushi Arbitelle, City Clerk of the City of Leeds, hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on 07/06/2020

\_\_\_\_\_  
Toushi Arbitelle, City Clerk

**File Attachments for Item:**

15. Consider Resolution 2020-07-01: Approving Municipal Election Services Contract with Jefferson County Commission

# CITY OF LEEDS

## RESOLUTION NO.: 2020-07-01

### RESOLUTION AUTHORIZING AND APPROVING CONTRACT WITH JEFFERSON COUNTY FOR CERTAIN ELECTION SERVICES

**WHEREAS**, Alabama counties and municipalities are allowed by State law to enter into cooperative agreements for services; and

**WHEREAS**, with the municipal election will occur on August 25, 2020 and potentially a subsequent runoff election on October 6, 2020, the City is in need of certain County supplied services related to these City of Leeds municipal elections; and

**WHEREAS**, the City of Leeds desires to enter into the attached Election Services Agreement with Jefferson County for certain services related to the City of Leeds municipal elections in substantially the same form as the agreement attached hereto.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds as follows:

1. That the attached Municipal Election Services Agreement with the Jefferson County Commission for certain services relating to the City of Leeds municipal election is hereby authorized and approved.
2. The Mayor and staff shall have full authority to act to fully implement and carry out the actions so authorized herein.

**Don and approved this the 6th day of July 2020.**

**CITY OF LEEDS, ALABAMA**

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
**DAVID MILLER, MAYOR**

**ATTEST:**

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

I, Toushi Arbitelle, City Clerk of the City of Leeds, hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 6<sup>th</sup> day of July 2020.

\_\_\_\_\_



MUNICIPAL ELECTION SERVICES AGREEMENT

THIS AGREEMENT entered into this July 6, 2020, by and between Jefferson County Commission, political subdivision of the State of Alabama (hereinafter called "the County"), and the City of Leeds, (hereinafter called "the City").

WHEREAS, the City's Municipal election will occur on August 25, 2020, and, if required, a runoff election will occur on October 6, 2020, and

WHEREAS, the City desires to purchase certain election services from the County.

NOW, THEREFORE IN CONSIDERATION OF THE ABOVE AND THE BELOW, the parties hereto do mutually agree as follows:

SCOPE OF SERVICES; The Scope of this agreement is for County's General Services Department-Elections Division to provide election services for the above specified election which may include requested equipment and services as follows; ES&S DS-200 ballot tabulators, ES&S AUTOMARKS (voter assist terminals, for handicap voters), KNOWINK POLLPADS (electronic ePollbooks for Election Day voter look-up and check-in), voter privacy booths, tables, chairs, exterior "vote here" signage. Election services also includes ballot design and layout, equipment coding, assistance with equipment logic and accuracy testing, ePollbook data downloads and set up, equipment delivery/pickup and Election Day support for the provided equipment. City is responsible for ballot proofing accuracy and authorization.

EXCLUSIONS; Ballot printing services and Election Day supplies are not included in this agreement. City shall make separate provisions for ballot printing and Election Day supplies.

MUNICIPAL ELECTIONS; The specified elections equipment may be used to conduct Municipal elections for cities which lie within the legal jurisdiction of Jefferson County Alabama

EQUIPMENT; The County agrees to provide the following equipment for the above listed Municipal Election;

Registered Voters Total: 8,783

Table with 5 columns: EQUIPMENT, UNIT RATE, UNIT OF MEASURE, QUANTITY, EXTENDED COST. Rows include DS200 Tabulators, DS200 (Absentee), AUTOMARKS, AUTOMARK (Absentee), POLLPAD Electronic Pollbook, Equipment Delivery, Voter List - Posting/Pub, Voter List - CD, Tables, Chairs, Privacy Booths, "Vote Here" Signage, and a GRAND TOTAL row.

DELIVERY AND PICKUP OF EQUIPMENT; County has entered into a third party contractual agreement for delivery/pickup services of election equipment. The City clerk shall be responsible for coordination with the precinct's site contact person for the equipment deliveries/pickups.\*\*

\*\*In addition to the delivery base rate listed above, the County will be reimbursed by the City an additional \$175.00 per each site for redelivery if the equipment cannot be delivered on the scheduled delivery date and time due to the fault of the City.

INSPECTION; The County and the City shall jointly inspect each piece of equipment and note the condition of each item prior to the release of equipment to the City and again immediately upon return of the equipment to the County. The equipment shall be returned in the same condition it was in at the time of release. City shall be responsible for all repair or replacement cost for damaged equipment.





ATTACHMENT A

**RUNOFF ELECTION REQUEST FORM**

In the event that the City has a runoff election and the City requests election services from the County, the City Clerk shall contact the Jefferson County Chief of Elections at the address/phone listed below and coordinate submission of the requested equipment and services;

Jefferson County General Services Department  
Election Division, Chief of Elections- Room 1  
716 Richard Arrington Jr. Blvd N  
Birmingham, Alabama 35203  
Phone 205-849-2391

City; Leeds

Date of the Runoff election; October 6, 2020

**Equipment Selection**

EQUIPMENT	UNIT RATE	UNIT OF MEASURE	QUANTITY	EXTENDED COST
DS200 Tabulators	\$450.00	each	1	\$ 450.00
DS200 (Absentee)	\$450.00	each	1	\$ 450.00
AUTOMARKS	\$450.00	each	1	\$ 450.00
AUTOMARK (Absentee)	\$450.00	each	0	\$ 0.00
POLLPAD Electronic Pollbook	\$125.00	each	2	\$ 250.00
Equipment Delivery	\$280.00	per precinct	1	\$ 280.00
Voter List - Posting/Pub	\$11.00	per 1000 Names *	1	\$ 96.61
Voter List - CD	\$11.00	per 1000 Names * + \$45	1	\$ 141.61
Tables	\$0.00	each	0	\$ 0.00
Chairs	\$0.00	each	0	\$ 0.00
Privacy Booths	\$0.00	each	4	\$ 0.00
"Vote Here" Signage	\$0.00	each	2	\$ 0.00
* Rounded up			<b>GRAND TOTAL:</b>	\$ 2,118.23

*\*City shall include payment for services with this attachment in order for the services to be provided by the County.*

Toushi Arbitelle  
City Clerk

\_\_\_\_\_  
Signature, City Clerk

07/06/2020  
Date

**File Attachments for Item:**

16. Consider Resolution 2020-07-02: Approving the Placement of 3-way Stops along Elliot Lane

**RESOLUTION NO.: 20120-07-02**

**RESOLUTION IN AUTHORIZATION AND APPROVAL OF THE PLACEMENT OF 3-WAY TRAFFIC STOPS AT CERTAIN LOCATIONS ALONG ELLIOT LANE**

**WHEREAS**, Elliot Lane within the City has long since experienced a large amount of excessive speeding, and additional measures must be taken in addition to regular law enforcement presence; and

**WHEREAS**, the City Engineer has identified traffic calming measures that can be taken in order to better combat the excessive speeding; and

**WHEREAS**, the City wishes to implement the placement of those recommended stops along Elliot Lane for the safety and protection of the residents along Elliot Lane as well as the traveling public.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds that:

1. The Recitals above are true, correct and included herein as if fully set forth.
2. The placement of 3-way stops along Elliot Lane are approved and shall be placed at the intersections of: A) Stoney Brook Lane, B) Bridle Trace Drive, and C) Cedar Rock Road, and City law enforcement shall enforce the new devices accordingly.
3. Expenditures for the traffic devices are hereby approved from sources as determined by the Clerk.
4. The City finds that this traffic project provides a real public benefit for the City of Leeds and its citizens.
5. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein and within the subject Agreement.

**ADOPTED and APPROVED** this the 6<sup>th</sup> day of July 2020.

CITY OF LEEDS, ALABAMA:

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

In my capacity of City Clerk of the City of Leeds, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 6<sup>th</sup> day of July 2020.

\_\_\_\_\_  
Toushi Arbitelle, City Clerk

**File Attachments for Item:**

17. Consider Resolution 2020-07-03: Approving the Acquisition and Use of Drug Enforcement Canine

**RESOLUTION NO. 2020-07-03**

**RESOLUTION APPROVING AND AUTHORIZING THE PURCHASE AND USE OF A DRUG-ENFORCEMENT CANINE FOR THE CITY POLICE DEPARTMENT**

**WHEREAS**, the City Police Department continues to develop methods to battle against the ever-growing use and sale of illegal drugs within the City; and

**WHEREAS**, an opportunity has presented itself to obtain the donation of a particular canine unit from its owner in Seattle Washington which could be trained and ultimately utilized as a drug enforcement tool for the City of Leeds; and

**WHEREAS**, the subject purchase was not budgeted and will be generally funded by a budget amendment to the general fund; and

**WHEREAS**, in order for the related expenditures to be authorized, the City Council would have to authorize the subject purchases.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds that:

1. The Recitals above are true, correct, and included herein as if fully set forth.
2. The acquisition of the drug enforcement canine by the City and the related cost of the acquisition are hereby approved subject to a maximum expenditure of two thousand dollars.
3. The source of these approved costs will be the City General Fund, and any subsequent costs for the use and upkeep of the canine shall be considered as part of the annual departmental budget.
4. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein.

**APPROVED AND ADOPTED** at a regular meeting of the City of Leeds City Council on the 6<sup>th</sup> day of July 2020.

<b>AYES:</b>	_____
<b>NAYS:</b>	_____
<b>ABSENT FROM VOTING:</b>	_____
<b>ABSTAIN:</b>	_____

**CITY OF LEEDS, ALABAMA**

\_\_\_\_\_  
**David Miller, MAYOR**

\_\_\_\_\_  
**DATE**

**ATTEST:**

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

In my capacity as the City Clerk of the City of Leeds, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 6<sup>th</sup> day of July 2020.

\_\_\_\_\_  
Toushi Arbitelle, City Clerk

**File Attachments for Item:**

18. Consider Resolution 2020-07-04: Acceptance of 2018-2019 Annual Audit Report

# CITY OF LEEDS

## RESOLUTION NO.: 2020-07-04

### RESOLUTION ACCEPTING 2018-2019 CITY AUDIT

**WHEREAS**, it is required by §11-43-85 of the Code of Alabama 1977 for the Mayor to present to the City Council the annual audit report; and

**WHEREAS**, BMSS has completed the 2018-2019 Annual Audit Report at the direction of the Mayor; and

**WHEREAS**, said audit report is due to be presented and the auditors paid therefor.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds that:

1. The Recitals above are true, correct and included herein as if fully set forth.
2. The attached 2018-2019 annual City audit is hereby recognized and approved as presented.
3. The related expense for the subject audit shall be paid as determined by the Mayor.
4. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein.

**ADOPTED and APPROVED** this the 6<sup>th</sup> day of July, 2020.

CITY OF LEEDS, ALABAMA

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

In my capacity as City Clerk of the City of Leeds, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 6<sup>th</sup> day of July 2020.

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

**CITY OF LEEDS, ALABAMA**

**LEEDS, ALABAMA**

Financial Statements

September 30, 2019

**CITY OF LEEDS, ALABAMA  
LEEDS, ALABAMA**

**MAYOR**

David Miller

**CITY COUNCIL**

Kenneth Washington  
Eric Turner  
Johnny Dutton  
Ryan Bell  
Linda Miller

**CITY CLERK**

Toushi Arbitelle

**CITY ATTORNEYS**

Brunson, Barnett & Sherrer, P.C.

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Leeds, Alabama

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leeds, Alabama (the City), as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of changes in the net pension liability, and the schedule of employer contributions information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Leeds, Alabama's basic financial statements. The combining balance sheet - nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds and schedule of bonds payable - general obligation warrants are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining balance sheet - nonmajor governmental funds, combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds and schedule of bonds payable - general obligation warrants are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BMSS, LLC

Birmingham, Alabama  
June 29, 2020

**CITY OF LEEDS, ALABAMA**  
Statement of Net Position  
September 30, 2019

	<b>Primary</b>	<b>Component Unit</b>
	<b>Governmental</b>	<b>Public Educational</b>
	<b>Activities</b>	<b>Building Authority</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 15,881,525	\$ -
Accounts receivable	2,674,404	-
Other receivable	89,603	-
Prepaid assets	398,023	-
Cash and cash equivalents - restricted	7,554,378	841,387
	<u>26,597,933</u>	<u>841,387</u>
Non-current assets		
Depreciable capital assets, net	22,108,661	29,571,315
Non-depreciable capital assets	14,684,198	2,459,408
	<u>36,792,859</u>	<u>32,030,723</u>
Total assets	<u>63,390,792</u>	<u>32,872,110</u>
<b>Deferred outflows of resources</b>		
Deferred outflow related to pension	1,137,512	-
Deferred charges on refunding	409,340	1,858,836
	<u>1,546,852</u>	<u>1,858,836</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	186,878	-
Accrued expenses	123,860	-
Accrued interest payable	873,583	839,079
Deposits	341,685	-
Current portion of warrants payable, net of discount, premium, and funding agreement	1,204,841	1,579,839
Current portion of capital lease	36,112	-
	<u>2,766,959</u>	<u>2,418,918</u>
Noncurrent liabilities		
Warrants payable, net of discount, premium, and funding agreement	62,438,191	41,398,661
Capital lease	330,666	-
Compensated absences	306,637	-
Net pension liability	6,191,938	-
	<u>69,267,432</u>	<u>41,398,661</u>
Total liabilities	<u>72,034,391</u>	<u>43,817,579</u>

See notes to financial statements.

**CITY OF LEEDS, ALABAMA**  
 Statement of Net Position  
 September 30, 2019  
 (Continued)

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Public Educational Building Authority</b>
<b>Deferred inflows of resources</b>		
Property tax levied for subsequent year	\$ 1,437,324	\$ -
Deferred inflow related to pension	796,875	-
	2,234,199	-
<b>Net position</b>		
Net investment in capital assets	(27,216,951)	(9,928,020)
Restricted for		
Highways and streets	786,767	-
Debt service	5,913,155	-
School construction	-	841,387
Unrestricted	11,186,083	-
Total net position (deficit)	\$ (9,330,946)	\$ (9,086,633)

See notes to financial statements.



**CITY OF LEEDS, ALABAMA**  
 Balance Sheet  
 Governmental Funds  
 September 30, 2019

	<b>General</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 15,023,025	\$ -	\$ 858,500	\$ 15,881,525
Accounts receivable	2,545,871	101,334	27,199	2,674,404
Other receivables	89,603	-	-	89,603
Prepaid assets	398,023	-	-	398,023
Cash and cash equivalents - restricted	1,751,785	5,802,593	-	7,554,378
Due from other funds	-	9,228	-	9,228
<b>Total assets</b>	<b>\$ 19,808,307</b>	<b>\$ 5,913,155</b>	<b>\$ 885,699</b>	<b>\$ 26,607,161</b>
<b>Liabilities and fund balance</b>				
Current liabilities				
Accounts payable	\$ 64,834	\$ -	\$ 122,044	\$ 186,878
Accrued expenses	123,860	-	-	123,860
Deposits	341,685	-	-	341,685
Due to other funds	9,228	-	-	9,228
	539,607	-	122,044	661,651
Deferred inflows of resources				
Property tax levied for subsequent year	1,437,324	-	-	1,437,324
Fund balance -				
unassigned	17,433,353	-	-	17,433,353
Fund balance - restricted for street and road maintenance	-	-	576,938	576,938
Fund balance - restricted for debt service	-	5,913,155	-	5,913,155
Fund balance - restricted for road maintenance and construction	-	-	209,829	209,829
Fund balance - assigned for commercial development	-	-	62,377	62,377
Fund balance - assigned for redevelopment	-	-	(85,489)	(85,489)
Fund balance - non-spendable prepaid amounts	398,023	-	-	398,023
	17,831,376	5,913,155	763,655	24,508,186
<b>Total liabilities and fund balance</b>	<b>\$ 19,808,307</b>	<b>\$ 5,913,155</b>	<b>\$ 885,699</b>	<b>\$ 26,607,161</b>

See notes to financial statements.

**CITY OF LEEDS, ALABAMA**  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
September 30, 2019

**Total fund balances - governmental funds** \$ 24,508,186

Amounts reported for governmental activities in the statement of position are different due to the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	51,405,182	
Less accumulated depreciation	<u>(14,612,323)</u>	36,792,859

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds payable, net of funding agreement	(65,132,500)	
Bond discounts	1,489,468	
Capital lease	(366,778)	
Compensated absences	(306,637)	
Deferred outflows of resources for deferred charges on refunding	409,340	
Deferred outflows of resources for pension liability	1,137,512	
Deferred inflows of resources for pension liability	(796,875)	
Net pension liability	<u>(6,191,938)</u>	(69,758,408)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when paid. (873,583)

**Total net position - governmental activities** \$ (9,330,946)

See notes to financial statements.

**CITY OF LEEDS, ALABAMA**  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year ended September 30, 2019

	<b>General</b>	<b>Debt Service Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 15,229,139	\$ 1,939,173	\$ 402,983	\$ 17,571,295
Licenses and permits	1,903,656	-	-	1,903,656
Intergovernmental	159,509	-	-	159,509
Interest	63,174	50,098	163	113,435
Grants	391,993	-	-	391,993
Charges for services	363,056	-	2,950	366,006
Fines and forfeits	630,104	-	-	630,104
Other revenues	78,832	-	-	78,832
	<u>18,819,463</u>	<u>1,989,271</u>	<u>406,096</u>	<u>21,214,830</u>
<b>Expenditures, current</b>				
General government	2,112,765	-	-	2,112,765
Public safety	5,787,310	-	-	5,787,310
Streets and infrastructure	670,409	-	283,140	953,549
Redevelopment	-	-	101,436	101,436
Inspections and permits	406,155	-	-	406,155
Sanitations and sewer	111,482	-	-	111,482
Library	463,166	-	-	463,166
Parks and recreation	383,072	-	-	383,072
	<u>9,934,359</u>	<u>-</u>	<u>384,576</u>	<u>10,318,935</u>
<b>Capital outlay</b>	991,038	-	181,734	1,172,772
<b>Debt service</b>				
Principal retirement	-	690,062	-	690,062
Interest and fees	-	2,546,393	-	2,546,393
	<u>-</u>	<u>3,236,455</u>	<u>-</u>	<u>3,236,455</u>
<b>Other financing sources (uses)</b>				
Payments to component unit for debt service	-	(2,828,250)	-	(2,828,250)
Proceeds from sale of assets	137,475	-	-	137,475
Transfers (out) in	(4,173,419)	3,971,189	202,230	-
	<u>(4,035,944)</u>	<u>1,142,939</u>	<u>202,230</u>	<u>(2,690,775)</u>
Net change in fund balance	3,858,122	(104,245)	42,016	3,795,893
Fund balance - beginning of year	13,973,254	6,017,400	721,639	20,712,293
Fund balance - end of year	<u>\$ 17,831,376</u>	<u>\$ 5,913,155</u>	<u>\$ 763,655</u>	<u>\$ 24,508,186</u>

See notes to financial statements.

**CITY OF LEEDS, ALABAMA**  
 Reconciliation of the Governmental Funds Statement of  
 Revenues, Expenditures, and Changes in Fund  
 Balances to the Statement of Activities  
 Year ended September 30, 2019

**Net changes in fund balances - governmental funds** \$ 3,795,893

Amounts reported for governmental activities in the statement of activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	1,172,772	
Donated asset	86,000	
Less depreciation expense	<u>(1,465,471)</u>	(206,699)

The proceeds from the sale of capital assets (\$136,075) are reported as other financing sources in the governmental funds. However the net book value of the capital assets (\$311,000) is removed from the capital assets account in the Statement of Net Position and offsets against the sales proceeds resulting in a loss in the Statement of Activities of (\$174,925).

(311,000)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal retirement	655,000	
Bond discounts amortization expense	(55,159)	
Warrant deferred refunding amortization expense	<u>(17,575)</u>	582,266

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Warrant discounts		
Net increase in compensated absences	(23,035)	
Net decrease in pension expense	(137,787)	
Increase in accrued interest	<u>(81,420)</u>	(242,242)

**Change in net position - governmental activities** \$ 3,618,218

See notes to financial statements.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Leeds, Alabama (the City) was incorporated in 1887 under the laws of the State of Alabama. The City operates under a Mayor-Council form of government as provided by Act No. 425 of the 1955 Alabama Legislature (The Mayor-Council Act).

The financial statements of the City are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The City's reporting entity applies all relevant GASB pronouncements. In preparing the financial statements, management evaluated subsequent events through June 29, 2020, the date the financial statements were available to be issued. The more significant of these accounting policies are described below.

**Financial Reporting Entity**

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so, data from these units is combined with the data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

***Blended Component Units*** - There are two blended component units of the City of Leeds, Alabama: the Leeds Commercial Development Authority (CDA) and the Leeds Redevelopment Authority (LRA). The financial information of the CDA and LRA has been blended with that of the City because the CDA and LRA provide services entirely for the primary government.

**Leeds Commercial Development Authority**

The Leeds Commercial Development Authority was formed for the purpose of promoting commercial development in the City. The members of the CDA are appointed by the Leeds City Council. The CDA is presented as a governmental fund. Separate financial statements are not issued by the CDA. The City of Leeds, Alabama is responsible for operations of the CDA.

**Leeds Redevelopment Authority**

The Leeds Redevelopment Authority was formed for the purpose of promoting and fostering redevelopment of a defined portion of the City. The members of the LRA are appointed by the Leeds Mayor. The LRA is presented as a governmental fund. Separate financial statements are not issued by the LRA. The City of Leeds, Alabama is responsible for operations of the LRA.

***Discretely Presented Component Unit*** - There is one discretely presented component unit of the City of Leeds, Alabama: the Leeds Public Education Building Authority (PEBA).

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Leeds Public Education Building Authority**

The PEBA was formed for the purpose of managing the assets and revenue bonds used to build new schools for the City of Leeds Board of Education (Leeds BOE). The members of the board of directors of PEBA are appointed by the City of Leeds and a portion of the debt service on the 2008 Education Facilities Revenue Bonds is to be repaid by PEBA with certain pledged tax revenues it receives from the City of Leeds. The 2008 Education Facilities Revenue Bonds were refunded, and the same terms apply to the new bond. The City's obligation is limited to providing a portion of the City's supplemental sales and use tax revenues (with a general rate of one cent) and occupational tax (with a rate of one percent) to PEBA as a credit against the lease payments required to be paid to PEBA by the Leeds BOE. The lease payments required to be paid to PEBA by the Leeds BOE are equal to the debt service each year on the 2008 Educational Facilities Revenue Bonds. Leeds BOE is required to pay the difference in lease payments if the City's pledged tax revenues are insufficient to cover the debt service on those bonds.

**Government-Wide and Fund Financial Statements**

The basic financial statements are presented at both the government-wide (based on the City as a whole) and fund financial level. Both levels of statements categorize primary activities as either governmental or business type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The City does not have any business-type activities and all of their activities are classified as governmental.

In the government-wide statement of net position, the governmental activities column is presented using the full accrual accounting basis and economic resource measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses, including depreciation, by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. The operating grants include operating-specific and discretionary grants. The net costs are normally covered by general revenues. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The City does not employ an indirect cost allocation system.

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The government-wide statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements focus on the major funds in governmental categories. Non-major funds (by category or fund type) are summarized into a single column called non-major governmental funds.

The governmental fund statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation.

**Basis of Presentation - Fund-Level Financial Statements**

Generally accepted accounting principles set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section located in the supplementary information section of the financial statements. The City uses the following major funds:

**General Fund** - To account for all revenues and expenditures applicable to the general operations of government that are not properly accounted for in another fund. All general operating revenues, which are not restricted or designated as to use by outside sources, are recorded in the General Fund.

**Debt Service Fund** - To account for the accumulation of resources for and the payment of interest and principal on general long-term debt. Debt service revenues are generally transfers from other governmental funds and interest income.

Additionally, the City reports the following non-major governmental funds:

**School Construction Fund** - To account for all expenditures of warrant restricted proceeds for transfer to the Leeds City Board of Education for school construction.

**Gasoline Tax Fund** - The State Gasoline Tax Funds receive revenues from the State 4-cent, 5-cent, 7-cent gasoline tax, 2-cent inspection fee on motor fuels, the State Motor Vehicle licenses, and the additional excise tax. This fund also holds the Jefferson County Road Tax revenues. These funds are restricted for the repair and maintenance of the City's streets and street lights.

**Commercial Development Authority** - To promote commercial development in the City.

Interfund balances and transfers have been eliminated from the government-wide financial statements.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds in the fund financial statements are presented on a modified accrual basis. Under the modified accrual basis, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Revenues are considered available to finance expenditures of the current period if collected within 60 days after the end of the period. Expenditures are recognized when the related liability is incurred, with the exception of principal and interest on general obligation long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**Cash and Cash Equivalents**

The City considers all instruments with an original maturity of three months or less to be cash and cash equivalents. Cash equivalents consist of money market securities stated at fair value which approximates cost. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. These amounts represent actual account balances held by financial institutions at the end of the period, and unlike the balances reported in the financial statements, the account balances do not reflect timing delays inherent in reconciling items such as outstanding checks and deposits in transit. The City has never experienced any losses related to these balances.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Cash and Cash Equivalents - Continued**

The City also participates in the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) program. The bank holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City's investments, which are all in restricted bond accounts, are direct obligations of the United States government, its agencies or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged. These investments and cash equivalents are covered by an agreement between Regions Bank and the City.

Interest Rate Risk - In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to eighteen months.

Credit Risk - The City's investment policy is to apply the "prudent investor" standard. "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The City's investments are invested in U.S. government issues or U.S. guaranteed obligations.

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. However, the City's investment policy calls for portfolio diversification by avoiding over-concentration in a specific maturity sector or specific instruments.

**Restricted Cash and Cash Equivalents**

Restricted assets include cash and cash equivalents restricted either for repairs and maintenance of roads and highways, for debt service, or for court. These funds are held in escrow accounts deposited with a trustee and in cash accounts. At September 30, 2019, the funds held in escrow for bond payments with a trustee totaled \$2,070,616. Restricted funds, other than these, are held on deposit in segregated bank accounts and totaled \$5,483,762. For the fiscal year ending September 30, 2019, the restricted cash and cash equivalents totaled \$7,554,378.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Capital Assets - Continued**

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements that materially extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives: buildings, 25 to 60 years; streets and infrastructure, 15 to 60 years; and furnishings and equipment, 10 to 15 years.

**Deferred Outflows of Resources**

The City's statements of net position report a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to future periods. Deferred outflows of resources reported in the financial statements consists of amounts of pension contributions through the end of the City's fiscal year to be recognized by the pension plan on the accrual basis of accounting in the next measurement period and the deferred amount arising from the refunding of warrants payable. The deferred refunding amounts are being amortized over the remaining life of the refunding warrants as part of interest expense.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs are reported as debt service expenditures.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An unlimited amount of sick time may be carried forward, but the maximum that may be paid out upon retirement or termination is one-half of sixty days' pay. A maximum of 320 vacation hours may be carried forward each year. Compensated absences are not recorded as a liability in the governmental funds because expenditures related to compensated absences are recorded only when payment is due.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Pensions**

The Employees' Retirement Systems of Alabama (ERS or the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the Plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report. The last year for which actuarial information is available is for the fiscal year ending September 30, 2018 and, therefore, this actuarial information is reported in the 2019 financial statements.

**Deferred Inflows of Resources**

The City's statement of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. Deferred inflows of resources reported in the financial statements are for differences between projected and actual earnings on pension plan investments and property taxes levied for subsequent years.

**Net Position**

The City reports information regarding its financial position and activities according to three classes of net position in the government-wide financial statements: net investment in capital assets, restricted net position, and unrestricted net position.

*Net Investment in Capital Assets* consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* is reported as restricted when constraints placed on net position use are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

*Unrestricted Net Position* is the residual component of net position. It consists of net position that does not meet the definition of restricted or net investment in capital assets.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fund Equity**

The City is required, as applicable, to present fund balances in five categories. The fund balance categories are:

*Non-spendable* - Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact.

*Restricted* - Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

*Committed* - Includes items committed by the City Council, by resolution of the Council. Commitments may be modified or rescinded by similar resolution.

*Assigned* - Includes items assigned by specific uses, authorized by the City Council.

*Unassigned* - This is the residual classification used for those balances not assigned to another category in the general fund. Deficit fund balances are also presented as unassigned.

The City is required to designate the responsible party to make assignments of fund balance, and the City designated the City Council as the responsible party based on the size of City government.

The City's spending policy states in what order fund balance categories are spent. The City Council approved the following fund balance order of spending: (1) restricted fund balance, (2) committed fund balance, (3) assigned fund balance, and lastly (4) unassigned fund balance.

**Property Taxes**

Property taxes are collected and remitted to the City by the Jefferson, St. Clair and Shelby County governments. Taxes are levied annually on October 1 and are due December 31 of each year. Major tax payments are received October through January and are recognized as revenue in the year received.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 2 - DISCRETELY PRESENTED COMPONENT UNIT**

As discussed in Note 1, the PEBA is included in the government-wide financial statements as a discretely presented component unit. The PEBA is comprised of a single fund and does not issue its own financial statements. The financial statements are presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The policies and disclosures related to the PEBA that are significant to the City of Leeds are summarized as follows:

**Nature of Operations**

The PEBA was formed for the purpose of managing the assets and revenue bonds used to build new schools for the Leeds BOE. The members of the board of directors of PEBA are appointed by the City of Leeds and a portion of the debt service on the 2008 Educational Facilities Revenue Bonds is to be repaid by PEBA with certain pledged tax revenues it receives from the City of Leeds. The 2008 Educational Facilities Revenue Bonds were refunded, and the same terms apply to the new bond. The City's obligation is limited to providing a portion of the City's supplemental sales and use tax revenues (with a general rate of one cent) and occupational tax (with a rate of one cent) to PEBA as a credit against the lease payments required to be paid to PEBA by the Leeds BOE. The lease payments required to be paid to PEBA by the Leeds BOE are equal to the debt service each year on the 2008 Educational Facilities Revenue Bonds. Leeds BOE is required to pay the difference in lease payments if the City's pledged tax revenues are insufficient to cover the debt service on those bonds. The City entered advance refunding of the original 2008 issue which was completed during the year ended September 30, 2018. The December 15, 2015 issue, the March 18, 2016 issue, and the March 15, 2017 issue are under the same requirements of City repayment as the 2008 bonds.

**Restricted Cash and Cash Equivalents**

Restricted assets include cash and cash equivalents restricted for debt service. The PEBA had \$841,387 on deposit with the Trustee at September 30, 2019.

**Capital Assets**

Capital assets are accounted for by PEBA in the same manner as capital assets are accounted for by the City.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 2 - DISCRETELY PRESENTED COMPONENT UNIT - Continued**

**Capital Assets - Continued**

Capital assets consisted of the following at September 30:

	<b>October 1, 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>September 30, 2019</b>
<b>Non-depreciable assets</b>				
Land	\$ 2,459,408	\$ -	\$ -	\$ 2,459,408
<b>Depreciable assets</b>				
Buildings and improvements	32,699,982	-	-	32,699,982
Streets and infrastructure	1,743,452	-	-	1,743,452
Furnishings and equipment	2,795,467	-	-	2,795,467
	<u>37,238,901</u>	<u>-</u>	<u>-</u>	<u>37,238,901</u>
Less accumulated depreciation				
Buildings and improvements	4,950,415	545,000	-	5,495,415
Streets and infrastructure	263,940	29,057	-	292,997
Furnishings and equipment	1,692,810	186,364	-	1,879,174
	<u>6,907,165</u>	<u>760,421</u>	<u>-</u>	<u>7,667,586</u>
	<u>\$ 32,791,144</u>	<u>\$ (760,421)</u>	<u>\$ -</u>	<u>\$ 32,030,723</u>

**Deferred Outflows of Resources**

The PEBA's statement of net position report has a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to future periods. Deferred outflows of resources reported in the financial statements is the deferred amount arising from the refunding of warrants payable. The deferred refunding amounts are being amortized over the remaining life of the refunding warrants as part of interest expense. As of September 30, 2019, the refunding of warrants payable, net of accumulated amortization, totaled \$1,858,836.

**Accrued Interest**

Accrued expenses at September 30, 2019 included accrued interest which totaled \$839,079.

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 2 - DISCRETELY PRESENTED COMPONENT UNIT - Continued**

**Bonds Payable**

During the year ended September 30, 2016, PEBA partially refunded the 2008 bonds with two issues. The December 18, 2015 refunding bears interest from 1.65% to 4.00% and will mature April 1, 2032. The principal amount outstanding at September 30, 2019 totaled \$8,930,000. The March 15, 2016 refunding bears interest ranging from 1.75% to 4.00% and will mature April 1, 2035. The principal amount outstanding at September 30, 2019 totaled \$6,880,000. During the year ended September 30, 2017, PEBA partially refunded the 2008 bonds with one issue. The March 15, 2017 refunding bears interest ranging from 2.13% to 5.00% and will mature April 1, 2038. The principal amount outstanding at September 30, 2019 totaled \$24,430,000. Bonds payable are presented net of the premium and premium accumulated amortization. As of September 30, 2019, the premium, net of accumulated amortization, totaled \$2,738,500.

Principal and interest requirements for the years ending September 30 are as follows:

	Principal	Interest
2020	\$ 1,410,000	\$ 1,682,768
2021	1,485,000	1,616,072
2022	1,550,000	1,545,370
2023	1,580,000	1,512,535
2024	1,655,000	1,436,958
2025-2029	9,550,000	5,909,201
2030-2034	11,765,000	3,682,052
2035-2038	11,245,000	1,144,880
	\$ 40,240,000	\$ 18,529,836

**Net Position**

Net position is accounted for by the PEBA in the same manner as it is accounted for by the City.

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 3 - ACCOUNTS RECEIVABLE**

	<b>Governmental Activities</b>		
	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total</b>
Taxes, costs, and surcharges, net of allowance			
Sales tax	\$ 826,808	\$ -	\$ 826,808
Property tax	1,437,324	-	1,437,324
Tobacco tax	5,077	-	5,077
Gasoline tax	-	27,199	27,199
Wine and beer tax	11,449	-	11,449
Occupational tax	-	100,426	100,426
Ad valorem tax	11,489	-	11,489
Road tax distribution	1,260	-	1,260
Lodging tax	17,430	-	17,430
Rental tax	12,971	-	12,971
Auto and boat sales and use tax	2,597	-	2,597
Use tax	77,552	-	77,552
Other	141,914	908	142,822
	<u>\$ 2,545,871</u>	<u>\$ 128,533</u>	<u>\$ 2,674,404</u>

**NOTE 4 - TRUSTEED FUND ASSETS**

In accordance with the provisions of the General Obligation Warrant issues, the City is required to make monthly installments to escrow accounts for semi-annual interest and principal maturities. The escrow accounts are comprised of money market accounts. Additionally, the monies received from the issuance of General Obligations Warrants are held in an escrow account. As of September 30, 2019, \$2,070,616 had been accumulated in the escrow accounts for these purposes and is included in restricted assets on the statement of net position.

The City had the following cash and cash equivalents and maturities at September 30, 2019:

Security	Amount	Maturity
Cash and cash equivalents held with Trustee		
Federal treasury money market funds	\$ 2,070,616	Less than 1 year
Total	<u>\$ 2,070,616</u>	

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 5 - INTERFUND BALANCES AND TRANSFERS**

Transfers between funds consisted of the following during the year ended September 30, 2019:

	<b>Transfers In (Out)</b>	
<b>Transfers Out (In)</b>	<b>Debt Service Fund</b>	<b>Net Transfers Out (In)</b>
General Fund	\$ 4,173,419	\$ 4,173,419
Other governmental funds	202,230	202,230
Net transfers in/(out)	\$ 3,971,189	\$ 3,971,189

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity consisted of the following for the year ended September 30, 2019:

	October 1, 2018	Additions	Disposals	September 30, 2019
<b>Depreciable assets</b>				
Buildings and improvements	\$ 6,395,604	\$ -	\$ -	\$ 6,395,604
Streets and infrastructure	21,940,433	90,036	-	22,030,469
Furnishings and equipment	7,371,047	923,864	-	8,294,911
	<u>35,707,084</u>	<u>1,013,900</u>	<u>-</u>	<u>36,720,984</u>
Less accumulated depreciation				
Buildings and improvements	1,866,699	155,821	-	2,022,520
Streets and infrastructure	5,830,690	870,085	-	6,700,775
Furnishings and equipment	5,449,463	439,565	-	5,889,028
	<u>13,146,852</u>	<u>1,465,471</u>	<u>-</u>	<u>14,612,323</u>
	22,560,232	(451,571)	-	22,108,661
<b>Non-depreciable assets</b>				
Land and improvements	14,750,326	86,000	311,000	14,525,326
Construction in progress	41,149	158,872	41,149	158,872
	<u>14,791,475</u>	<u>244,872</u>	<u>352,149</u>	<u>14,684,198</u>
	<u>\$ 37,351,707</u>	<u>\$ (206,699)</u>	<u>\$ 352,149</u>	<u>\$ 36,792,859</u>

The estimated cost to complete on construction in progress consisted of the following as of September 30, 2019:

President Street traffic signal	\$ 28,175
Highway 78 and President Street	32,525
Downtown parking lot improvements	244,897
	<u>\$ 305,597</u>

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

<b>Governmental activities</b>	
General government	\$ 309,819
Public safety	339,172
Streets department	668,749
Parks and recreation	147,731
	<u>\$ 1,465,471</u>

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 7 - PENSION PLAN**

**General Information about the Pension Plan**

**Plan description.** The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the Code of Alabama 1975, Title 36, Chapter 27 (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The Code of Alabama 1975, Title 36, Chapter 27 grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
  - b. Two vested active state employees.
  - c. Two vested active employees of an employer participating in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.

**Benefits provided.** State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 7 - PENSION PLAN - Continued**

**General Information about the Pension Plan - Continued**

(highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

The ERS serves approximately 909 local participating employers. The ERS membership includes approximately 90,999 participants. As of September 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	24,818
Terminated employees entitled to but not yet receiving benefits	1,426
Terminated employees not entitled to a benefit	7,854
Active members	56,760
Post-DROP participants who are still in active service	141
	90,999
	90,999

The City’s membership as of the measurement date of September 30, 2018 consisted of:

Inactive members or their beneficiaries currently receiving benefits	58
Vested inactive members	1
Non-vested inactive members	17
Active members	113
	189
	189

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 7 - PENSION PLAN - Continued**

**General Information about the Pension Plan - Continued**

*Contributions.* Tier 1 Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with additional amounts to finance any unfunded accrued liability, the preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2019, the City's active employee contribution rate was 6.12% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.89% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2019 was 13.82% of pensionable pay for Tier 1 employees, and 10.01% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2016, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$492,421 for the year ended September 30, 2019.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 7 - PENSION PLAN - Continued**

**Net Pension Liability**

The City’s net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017, rolled forward to September 30, 2018, using standard roll-forward techniques as shown in the following table:

	<b>Expected</b>	<b>Actual</b>	<b>Actual</b>
(a) TPL as of September 30, 2017	\$ 17,527,431	\$ 17,087,550	\$ 17,172,230
(b) Discount rate	7.75%	7.75%	7.70%
(c) Entry Age Normal Cost for the period October 1, 2017 – September 30, 2018	348,488	348,488	351,605
(d) Transfers Among Employers:	-	23,887	23,887
(e) Actual Benefit Payments and Refunds for the period October 1, 2017 - September 30, 2018	(1,338,653)	(1,338,653)	(1,338,653)
(f) TPL as of September 30, 2018 [(a) x (1+(b))] + (c) + (d) + [(e) x (1+ 0.5*(b))]	\$ 17,843,769	\$ 17,393,685	\$ 17,479,792
(g) Difference between Expected and Actual:		\$ (450,084)	
(h) Less Liability Transferred for Immediate Recognition:		23,887	
(i) Experience (Gain)/Loss = (g) – (h)		\$ (473,971)	
(j) Difference between Actual at 7.70% and Actual at 7.75% [Assumpiton Change (Gain)/Loss] =			\$ 86,107

**Actuarial assumptions.** The total pension liability as of September 30, 2018 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2017. The key actuarial assumptions are summarized below:

1. An investment rate of return of 7.70% (net of pension plan investment expense), including inflation at 2.75%, per annum compounded annually on the investment of present and future assets.
2. Projected salary increases, based on age, ranging from 3.25% to 5.00%.

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females ages 78 and older. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 7 - PENSION PLAN - Continued**

**Net Pension Liability - Continued**

The actuarial assumptions used in the actuarial valuation as of September 30, 2017, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return*</b>
Fixed income	17.00%	4.40%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real estate	10.00%	7.50%
Cash	3.00%	1.50%
	100.00%	

\*Includes assumed rate of inflation of 2.50%.

**Discount rate.** The discount rate used to measure the total pension liability was the long-term rate of return, 7.70%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 7 - PENSION PLAN - Continued**

**Net Pension Liability - Continued**

Changes in the City's net pension liability consisted of the following at September 30, 2018:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at September 30, 2017	\$ 17,527,431	\$ 10,919,430	\$ 6,608,001
Changes for the year:			
Service cost	348,488	-	348,488
Interest	1,306,503	-	1,306,503
Changes in assumptions	86,107	-	86,107
Differences between expected and actual experience	(473,971)	-	(473,971)
Contributions - employer	-	461,968	(461,968)
Contributions - employee	-	239,059	(239,059)
Net investment income	-	982,163	(982,163)
Benefits of payments, including refunds of employee contributions	(1,338,653)	(1,338,653)	-
Transfers among employers	23,887	23,887	-
Net changes:	(47,639)	368,424	(416,063)
Balances at September 30, 2018	\$ 17,479,792	\$ 11,287,854	\$ 6,191,938

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's net pension liability calculated using the discount rate of 7.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.70%) or 1-percentage-point higher (8.70%) than the current rate (dollar amounts in thousands):

	<b>1% Decrease (6.70%)</b>	<b>Current Discount Rate (7.70%)</b>	<b>1% Increase (8.70%)</b>
Plan's Net Pension Liability	\$ 8,127,805	\$ 6,191,938	\$ 4,565,378

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 7 - PENSION PLAN - Continued**

**Net Pension Liability - Continued**

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2018. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2018. The auditor’s report dated August 17, 2019 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2019, the City recognized pension expense of \$632,004. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 214,475	\$ 419,891
Changes of assumption	430,616	-
Net difference between projected and actual earnings on pension plan investments	-	376,984
Employer contributions subsequent to the measurement date	492,421	-
	\$ 1,137,512	\$ 796,875

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 7 - PENSION PLAN - Continued**

**Net Pension Liability - Continued**

Amounts reported as deferred inflows of resources to pensions will be recognized in pension expense as follows for the years ending September 30:

	<b>Deferred Outflows of Resources</b>
	<u>                    </u>
2020	\$ 106,106
2021	(49,469)
2022	(47,908)
2023	(65,246)
2024	(60,005)
Thereafter	(35,262)
	<u>\$ (151,784)</u>

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 8 - LONG-TERM DEBT**

The general obligation warrants payable consisted of the following at September 30, 2019:

Series 2017-A General Obligation Warrants, dated May 1, 2017, due in semi-annual payments through November 1, 2036, bearing interest rates of 2.00% to 3.38%	\$ 5,625,000
Series 2017-B General Obligation Warrants, dated May 1, 2017, due in semi-annual payments through November 1, 2036, bearing interest rates of 2.00% to 3.38%	2,815,000
Series 2017 School General Obligation Warrants, dated October 12, 2017, due in semi-annual payments through December 1, 2043, bearing interest rates of 2.00% to 3.50%	14,135,000
Series 2018 General Obligation Warrants, dated May 31, 2018, due in semi-annual payments through May 1, 2048, bearing interest rates of 2.90% to 4.25%	<u>49,625,000</u>
Total warrants payable	72,200,000
Less funding agreements from:	
Leeds Board of Education Series 2017	(7,067,500)
Less deferred amounts for:	
Unamortized discounts (2017)	(90,579)
Unamortized discounts (2017 School)	(146,507)
Unamortized discounts (2018)	<u>(1,252,380)</u>
Total warrants payable, net	<u><u>\$ 63,643,034</u></u>

Future principal and interest requirements of the general obligation warrants for governmental activities consisted of the following at September 30:

	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,460,000	\$ 2,689,614
2021	1,485,000	2,650,587
2022	1,535,000	2,609,913
2023	1,565,000	2,567,015
2024	1,620,000	2,518,603
2024-2028	8,865,000	11,825,597
2029-2033	10,410,000	10,291,469
2034-2038	12,940,000	8,282,984
2039-2043	16,470,000	5,489,022
2044-2048	15,850,000	1,733,124
	<u>\$ 72,200,000</u>	<u>\$ 50,657,928</u>

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 8 - LONG-TERM DEBT - Continued**

Changes in long-term liabilities for governmental activities consisted of the following at September 30, 2019:

	<u>October 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2019</u>	<u>Due within one year</u>
Warrants and long-term debt:					
Long-term debt	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -
General Obligation Warrants	72,955,000	-	755,000	72,200,000	1,460,000
	<u>73,045,000</u>	-	<u>845,000</u>	<u>72,200,000</u>	<u>1,460,000</u>
Less: funding agreements	7,257,500	-	190,000	7,067,500	200,000
Less: deferred refunding	426,915	-	17,575	409,340	17,575
Less: bond discounts	1,544,627	-	55,159	1,489,468	55,159
Total warrants and long-term debt	<u>63,815,958</u>	-	<u>582,266</u>	<u>63,233,692</u>	<u>1,187,266</u>
Other liabilities:					
Compensated absences	283,602	23,035	-	306,637	-
Net pension liability	6,608,001	-	416,063	6,191,938	-
	<u>\$ 70,707,561</u>	<u>\$ 23,035</u>	<u>\$ 998,329</u>	<u>\$ 69,732,267</u>	<u>\$ 1,187,266</u>

**Funding Agreement**

The City issued the Series 2013 and 2014 General Obligation School Warrants while simultaneously entering into a funding agreement with the Leeds BOE. The funding agreement sets forth that the Leeds BOE agrees to pay the City such amounts as shall be required so that, for each calendar year during the term, the City’s net debt service payments equal the lesser of 50% of all principal and interest maturities on the Warrants or \$450,000. The Series 2013 and 2014 General Obligation School Warrants were refunded through the issuance of the Series 2017 General Obligation School Warrants in October 2017. The funding agreement transferred to the new Series 2017 General Obligation School Warrants at the same terms.

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 9 - CAPITAL LEASES**

The City has entered into a capital lease to finance the purchase of a fire truck. At September 30, 2019, future minimum lease payments due under the capital lease agreement consist of the following:

2020	\$ 47,093
2021	47,093
2022	47,093
2023	47,093
2024	47,093
Thereafter	<u>188,375</u>
Future minimum lease payments	423,840
Less amount representing interest	<u>57,062</u>
Present value of minimum lease payments	366,778
Less current portion	<u>36,112</u>
Long-term capital lease obligation	<u><u>\$ 330,666</u></u>

At September 30, 2019, the capitalized costs of furnishings and equipment totaled \$889,041 and accumulated depreciation totaled \$673,311.

**NOTE 10 - CONTINGENCIES**

The City is involved in various claims and lawsuits, both for and against the City, arising in the normal course of business. While the City’s management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on the City’s financial statements, litigation is subject to inherent uncertainties. Were an unfavorable ruling to occur, there exists the possibility of a material adverse impact on the change in net position for the period in which the ruling occurs.

The City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed or not incurred in a timely manner under the terms of the grant. City management believes such disallowances, if any, would be immaterial.

**CITY OF LEEDS, ALABAMA**  
 Notes to Financial Statements  
 September 30, 2019  
 (Continued)

**NOTE 10 - CONTINGENCIES - Continued**

The City leases certain parking lots under noncancelable operating lease agreements. Rent expense paid under the lease agreements during the year ended September 30, 2019 totaled \$12,839. Future minimum lease payments due under noncancelable leases in excess of one year for each of the next five years and thereafter consist of the following:

2020		\$	38,517
2021			38,517
2022			38,517
2023			38,517
2024			38,517
Thereafter			568,122
			\$ 760,707

**NOTE 11 - TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses under the Tax Incentive Reform Act of 1992. Under the Act, cities, counties and public industrial authorities have the ability to abate sales and use taxes and property taxes for various time periods depending on the type of business, all for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended September 30, 2019, the City abated taxes totaling \$120,330 under this Act, as summarized below.

<b>Purpose</b>	<b>Type of Taxes Abated</b>	<b>Percentage of Taxes Abated during the Fiscal Year</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Major addition to the Company's facilities	Property	35.7%	\$ 42,982
Purchase land, improve building, open a retail grocery store	Sales	28.2%	33,957
Redevelopment of the Leeds Plaza shopping center	Sales	16.2%	19,494
			\$ 96,433

**CITY OF LEEDS, ALABAMA**  
Notes to Financial Statements  
September 30, 2019  
(Continued)

**NOTE 12 - SUBSEQUENT EVENTS**

A novel strain of coronavirus, COVID-19, emerged in the United States in early 2020. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its revenue, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the City's financial condition or results of operations is uncertain.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The City continues to examine the impact the CARES Act may have on its business. Currently, the City is unable to determine the impact the CARES Act will have on its financial condition, results of operations, or liquidity.

On March 17, 2020, the City issued General Obligation Warrants Series 2020-A in the amount of \$3,990,000 maturing May 1, 2048 with an interest rate of 2.30%. A portion of the proceeds will be deposited in an account of the City to be used to pay the cost of issuance of the Warrants. The remaining portion of the proceeds will be deposited into a Construction Fund.

On March 17, 2020, the City issued General Obligation Warrants Series 2020-B in the amount of \$48,175,000 maturing May 1, 2048 with interest rates between 1.62% and 3.10%. A portion of the proceeds will be deposited in an account of the City to be used to pay the cost of issuance of the Warrants. The remaining portion will be deposited in a Refunding Escrow Fund for the General Obligation Warrants Series 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LEEDS, ALABAMA**  
 Budgetary Comparison Schedule - General Fund  
 Year ended September 30, 2019

	<b>General Fund</b>	
	<b>Budgeted - Original and Final</b>	<b>Actual - GAAP Basis</b>
<b>Revenues</b>		
Taxes	\$ 13,927,183	\$ 15,229,139
Licenses and permits	1,730,520	1,903,656
Intergovernmental	138,220	159,509
Interest	23,841	63,174
Grants	825	391,993
Charges for services	314,209	363,056
Fines and forfeits	350,944	630,104
Other revenues	39,171	78,832
	<u>16,524,913</u>	<u>18,819,463</u>
<b>Expenditures, current</b>		
General government	1,924,571	2,112,765
Public safety	5,298,566	5,787,310
Streets and infrastructure	616,611	670,409
Inspections and permits	474,895	406,155
Sanitations and sewer	112,939	111,482
Library	480,505	463,166
Parks and recreation	397,360	383,072
Miscellaneous expenditures	10,318	-
	<u>9,315,765</u>	<u>9,934,359</u>
<b>Capital outlay</b>	426,938	991,038
<b>Debt service</b>		
Principal retirement	2,629,617	-
Interest and fees	720,578	-
	<u>3,350,195</u>	<u>-</u>
<b>Other financing sources (uses)</b>		
Proceeds from sale of assets	-	137,475
Transfers out	(2,025,775)	(4,173,419)
	<u>(2,025,775)</u>	<u>(4,035,944)</u>
<b>Net change in fund balance</b>	<u>\$ 1,406,240</u>	<u>\$ 3,858,122</u>

See note to required supplementary information.

**CITY OF LEEDS, ALABAMA**  
Note to Required Supplementary Information  
Budgetary Practices  
September 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT BUDGETARY PRACTICES**

The City Council adopts a budget for the general fund at the beginning of each fiscal year in accordance with Alabama law. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and expenditures.

Budgets are prepared in conformity with GAAP. Reported budget amounts are as originally adopted or as amended by the Council by resolution. Actual amounts are reported in accordance with GAAP.

Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: General Government, Street and Infrastructure, Inspections and Permits, Sanitation and Sewer, Public Safety, Library, Parks and Recreation. This constitutes the legal level of control. Expenditures may exceed budgetary appropriations only with prior Council approval.

**Excess of Expenditures Over Appropriations in Individual Funds**

The budget to actual comparison for the General Fund on page 40 reflects most departments are spending within budgeted limits. The City does not amend its budget because this information is used to plan the following year's budget. The majority of capital outlay expenditures for all governmental funds were funded by general fund receipts but were not included in this budget.

**CITY OF LEEDS, ALABAMA**  
Schedule of Changes in the Net Pension Liability  
Years ended September 30

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 348,488	\$ 399,675	\$ 367,882	\$ 358,605	\$ 381,946
Interest	1,306,503	1,287,757	1,234,560	1,185,534	1,156,691
Differences between expected and actual experience	(473,971)	(25,982)	224,420	330,754	-
Changes of assumptions	86,107	-	692,767	-	-
Benefit payments, including refunds of employee contributions	(1,338,653)	(1,353,226)	(1,330,876)	(1,193,260)	(1,162,956)
Transfers among employers	23,887	(73,621)	6,641	-	-
<b>Net change in total pension liability</b>	(47,639)	234,603	1,195,394	681,633	375,681
<b>Total pension liability - beginning</b>	17,527,431	17,292,828	16,097,434	15,415,801	15,040,120
<b>Total pension liability - ending (a)</b>	\$ 17,479,792	\$ 17,527,431	\$ 17,292,828	\$ 16,097,434	\$ 15,415,801
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 461,968	\$ 482,623	\$ 486,514	\$ 468,873	\$ 439,609
Contributions - member	239,059	237,767	249,717	230,745	237,993
Net investment income	982,163	1,279,525	983,470	120,289	1,151,891
Benefit payments, including refunds of employee contributions	(1,338,653)	(1,353,226)	(1,330,876)	(1,193,260)	(1,162,956)
Transfers among employers	23,887	(73,621)	6,641	(123,502)	(123,408)
<b>Net change in plan fiduciary net position</b>	368,424	573,068	395,466	(496,855)	543,129
<b>Plan net position - beginning</b>	10,919,430	10,346,362	9,950,896	10,447,751	9,904,622
<b>Plan net position - ending (b)</b>	\$ 11,287,854	\$ 10,919,430	\$ 10,346,362	\$ 9,950,896	\$ 10,447,751
<b>Net pension liability (a) - (b)</b>	\$ 6,191,938	\$ 6,608,001	\$ 6,946,466	\$ 6,146,538	\$ 4,968,050
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	64.58%	62.30%	59.83%	61.82%	67.77%
<b>Covered-employee payroll</b>	\$ 3,916,606	\$ 3,973,863	\$ 4,227,319	\$ 4,128,559	\$ 4,076,199
<b>Net pension liability as a percentage of covered-employee payroll</b>	158.09%	166.29%	164.32%	148.88%	121.88%

**CITY OF LEEDS, ALABAMA**  
 Schedule of Employer Contributions  
 Years ended September 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 477,559	\$ 454,896	\$ 482,623	\$ 512,265	\$ 572,958
Contributions in relation to the actuarially determined contributions	477,559	454,896	482,623	512,265	572,958
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-
<b>Covered-employee payroll</b>	<b>\$ 4,016,200</b>	<b>\$ 3,916,606</b>	<b>\$ 3,973,863</b>	<b>\$ 4,227,319</b>	<b>\$ 4,128,559</b>
<b>Contributions as a percentage of covered payroll</b>	<b>11.89%</b>	<b>11.61%</b>	<b>12.14%</b>	<b>12.12%</b>	<b>13.88%</b>

**CITY OF LEEDS, ALABAMA**  
Note to Required Supplementary Information  
Pension Plan Practices  
September 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT PENSION PLAN PRACTICES**

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2019 were based on the September 30, 2016 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2018 to September 30, 2019 consisted of the following:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	29.2 years
Asset valuation method	Five-year smoothed market
Inflation	2.88%
Salary increases	3.38 - 5.13%, including inflation
Investment rate of return	7.88%, net of pension plan investment expense, including inflation

**SUPPLEMENTARY INFORMATION**

**CITY OF LEEDS, ALABAMA**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 September 30, 2019

	Commercial Development Authority		Special Revenue Funds		Total Nonmajor Governmental Funds
			State 4 Cent Gas Tax	State 7 Cent Gas Tax	
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 62,377	\$ 26,142	\$ 201,359	\$ 568,622	\$ 858,500
Accounts receivable	-	-	8,470	18,729	27,199
	<u>\$ 62,377</u>	<u>\$ 26,142</u>	<u>\$ 209,829</u>	<u>\$ 587,351</u>	<u>\$ 885,699</u>
<b>Liabilities and fund balance (deficit)</b>					
Current liabilities					
Accounts payable	\$ -	\$ 111,631	\$ -	\$ 10,413	\$ 122,044
	-	111,631	-	10,413	122,044
Fund balance					
Restricted for:					
Road maintenance and construction	-	-	209,829	-	209,829
Assigned for:					
Redevelopment	-	(85,489)	-	-	(85,489)
Restricted for:					
Street and road maintenance	-	-	-	576,938	576,938
Assigned for:					
Commercial development	62,377	-	-	-	62,377
	<u>62,377</u>	<u>(85,489)</u>	<u>209,829</u>	<u>576,938</u>	<u>763,655</u>
	<u>\$ 62,377</u>	<u>\$ 26,142</u>	<u>\$ 209,829</u>	<u>\$ 587,351</u>	<u>\$ 885,699</u>

See independent auditors' report.

**CITY OF LEEDS, ALABAMA**  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Nonmajor Governmental Funds  
 Year ended September 30, 2019

	Commercial Development Authority	Redevelopment Authority	Special Revenue Funds		Total Nonmajor Governmental Funds
			State 4 Cent Gas Tax	State 7 Cent Gas Tax	
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ 91,845	\$ 311,138	\$ 402,983
Services	-	2,950	-	-	2,950
Interest	-	-	38	125	163
	-	2,950	91,883	311,263	406,096
<b>Expenditures, current</b>					
Redevelopment	-	101,436	-	-	101,436
Streets and infrastructure	-	-	85,020	198,120	283,140
	-	101,436	85,020	198,120	384,576
<b>Capital outlay</b>	-	107,069	74,665	-	181,734
<b>Other financing sources</b>					
Transfer in	-	106,850	-	95,380	202,230
	-	106,850	-	95,380	202,230
Net change in fund balance (deficit)	-	(98,705)	(67,802)	208,523	42,016
Fund balance - beginning of year	62,377	13,216	277,631	368,415	721,639
Fund balance (deficit) - end of year	\$ 62,377	\$ (85,489)	\$ 209,829	\$ 576,938	\$ 763,655

See independent auditors' report.

**CITY OF LEEDS, ALABAMA**  
 Schedule of Bonds Payable  
 General Obligation Warrants  
 September 30, 2019

Year ending September 30,	<b>Series 2017-A</b>	<b>Series 2017-B</b>	<b>Series 2017 School</b>	<b>Series 2018</b>	<b>Total</b>
2020	\$ 255,000	\$ 130,000	\$ 400,000	\$ 675,000	\$ 1,460,000
2021	260,000	130,000	405,000	690,000	1,485,000
2022	265,000	135,000	420,000	715,000	1,535,000
2023	265,000	135,000	430,000	735,000	1,565,000
2024	275,000	135,000	445,000	765,000	1,620,000
2025	285,000	140,000	465,000	790,000	1,680,000
2026	285,000	145,000	465,000	820,000	1,715,000
2027	295,000	145,000	475,000	850,000	1,765,000
2028	300,000	150,000	490,000	885,000	1,825,000
2029	310,000	155,000	500,000	915,000	1,880,000
2030	315,000	155,000	515,000	955,000	1,940,000
2031	325,000	165,000	525,000	990,000	2,005,000
2032	335,000	170,000	545,000	1,030,000	2,080,000
2033	345,000	175,000	565,000	1,075,000	2,160,000
2034	360,000	175,000	575,000	1,115,000	2,225,000
2035	370,000	185,000	595,000	1,165,000	2,315,000
2036	380,000	190,000	610,000	1,215,000	2,395,000
2037	400,000	200,000	635,000	1,265,000	2,500,000
2038	-	-	655,000	2,155,000	2,810,000
2039	-	-	675,000	2,245,000	2,920,000
2040	-	-	695,000	2,340,000	3,035,000
2041	-	-	725,000	2,435,000	3,160,000
2042	-	-	750,000	2,540,000	3,290,000
2043	-	-	775,000	2,650,000	3,425,000
2044	-	-	800,000	2,760,000	3,560,000
2045	-	-	-	3,720,000	3,720,000
2046	-	-	-	3,875,000	3,875,000
2047	-	-	-	4,040,000	4,040,000
2048	-	-	-	4,215,000	4,215,000
	<b>\$ 5,625,000</b>	<b>\$ 2,815,000</b>	<b>\$ 14,135,000</b>	<b>\$ 49,625,000</b>	<b>\$ 72,200,000</b>

See independent auditors' report.

**File Attachments for Item:**

19. Consider Resolution 2020-07-05 Approval of Improvements and Renovations to Senior Program Facilities at Civic Center

**RESOLUTION NO.: 20120-07-05**

**RESOLUTION IN AUTHORIZATION AND APPROVAL OF THE  
RENOVATION OF THE CITY OF LEEDS SENIOR CITIZEN FACILITY**

**WHEREAS**, the City maintains its own Senior Citizen program for the benefit of all seniors in the City; and

**WHEREAS**, the Senior Program is located within the City Civic Center and that facility is in need of a large amount of repair and reconditioning; and

**WHEREAS**, the Senior population represents a vulnerable segment of the City in regard to the spread of COVID-19; and

**WHEREAS**, the City wishes to implement various facility improvements to better accommodate the Senior Program and to ensure that the facilities better serve and protect our senior population.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Leeds that:

1. The Recitals above are true, correct and included herein as if fully set forth.
2. Improvements and renovations to the City Civic Center for the purposes of accommodating and providing better personal protection of the City’s Senior Program and its participants are hereby approved subject to the guidance of the Mayor as to the particular improvements necessary.
3. Expenditures for the improvements and renovations to the City Civic Center to better accommodate and to better protect the City Senior Program participants are hereby approved.
4. The source for the necessary expenditures for the needed facility improvements shall be the City’s AL Trust Fund balance up to a maximum amount of \$65,000.
5. The City finds that this renovation project provides a real public benefit for the City of Leeds and its citizens.
6. The Mayor and staff shall have the full authority to do those things, perform those functions, make such decisions, and to sign necessary documentation in order to carry out and fully complete the actions so authorized herein and within the subject Agreement.

**ADOPTED and APPROVED** this the 6<sup>th</sup> day of July, 2020.

CITY OF LEEDS, ALABAMA:

\_\_\_\_\_  
DAVID MILLER, MAYOR

\_\_\_\_\_  
DATE

ATTEST:

**AYES:** \_\_\_\_\_

**NAYS:** \_\_\_\_\_

**ABSENT FROM VOTING:** \_\_\_\_\_

**ABSTAIN:** \_\_\_\_\_

\_\_\_\_\_  
TOUSHI ARBITELLE, CITY CLERK

In my capacity of City Clerk of the City of Leeds, I hereby certify that the above Resolution was duly adopted by the City Council of the City of Leeds at a regular meeting held on the 6<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
Toushi Arbitelle, City Clerk