



# CITY COUNCIL MEETING AGENDA

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**Pelham City Hall – Council Chambers**

**March 5, 2026 – 5:30 p.m.**

**BY GENERAL CONSENT OF THE COUNCIL, AGENDA ITEMS  
MAY BE ADDED, REMOVED OR CONSIDERED OUT OF ORDER**

Proper notice of the regular scheduled meeting of the Pelham City Council was given in advance of such a public meeting and the notice remained posted throughout the scheduled meeting.

- A. Call to Order
- B. Invocation
- C. Pledge of Allegiance
- D. Record of Attendance
- E. Consent Agenda

A consent agenda is presented by the presiding officer at the beginning of a council meeting. Items presented on the consent agenda are considered routine and/or non-controversial and are organized apart from the rest of the agenda and are adopted by general consent and vote by the City Council without debate. Items may be removed from the consent agenda on the request of any one member. Removed items may be taken up either immediately after the consent agenda is approved or placed later on the agenda at the discretion of the presiding officer and City Council.

1. Approval of the March 5, 2026 City Council Agenda
2. Approval of the February 16, 2026 Regular Council Meeting Minutes
3. **Resolution 2026-03-05-01** for consideration to accept a proposal from and authorize an agreement with All American Arena Products for the purchase and installation of an indoor dasher board system. This project was budgeted for FY2026.
4. **Resolution 2026-03-05-02** for consideration to accept the lowest responsive and responsible bid from Price Civil Services, Inc. for the Eagle Cove Subdivision Sewer Lift Station Improvements Project. This project was budgeted for FY2026 but will require a budget amendment.
5. **Resolution 2026-03-05-03** for consideration to accept the lowest responsive and responsible bid from ICS, Inc. for the Sewer Lift Station P Emergency Generator Addition. This project was budgeted for FY2026.

6. **Resolution 2026-03-05-04** for consideration to repeal Resolution 2008-02-04-03, which established the Related Party Transactions Policy for the City of Pelham
  7. **Resolution 2026-03-05-05** for consideration to surplus certain items (A/V and small engine equipment) no longer needed for public or municipal purposes and to authorize the disposal of the same
- F. Public Hearing(s) – None
- G. Mayor's Report/Comments
- H. Proclamation(s) and Resolution(s) by the Mayor and Others
1. Proclaiming April 2026 as Sexual Abuse Awareness Month in Pelham, Alabama
- I. Report by the City Manager
- J. Report by the City Attorney
- K. Request(s) to Address the Council – None
- L. Old Business / Resolutions / Ordinances / Orders and Other Business – None
- M. New Business / Resolutions / Ordinances / Orders and Other Business
1. **Resolution 2026-03-05-06** for consideration to accept the FY2025 Audited Financial Statements as presented by the City's independent auditing firm, Truitt Tingle Paramore & Argent, LLC, Certified Public Accountants
  2. **Resolution 2026-03-05-07** for consideration to enter into an agreement for the purchase and installation of a new lighting system for the Main Arena at the Pelham Civic Complex & Ice Arena
  3. **Resolution 2026-03-05-08** for consideration to authorize a lease agreement for the purchase of in-vehicle camera systems for the Pelham Police Department. This expense was budgeted for FY2026.
  4. **Ordinance No. 324-07** amending the City of Pelham, Alabama Code of Ordinances regarding sales and use tax collection procedures (**First Reading**)

N. Public Comments

Public comments are limited to three (3) minutes per speaker. Individuals wishing to address the City Council may, after being recognized, approach the podium, and state their name and physical address prior to making their comments in a respectful manner.

Please note, the public comment period is intended for comments only. It is not a public hearing, nor is it a time for dialogue, debate, or questions to the City Council. Any questions or requests for additional information will be noted and may be addressed by the appropriate City staff or officials at a later time.

O. City Council Comments

P. Public Announcements

1. The Pelham City Council is accepting applications and resumes through Friday, March 6, 2026 at 4:00 p.m. from those Pelham residents who would like to be considered for an appointment to one of the following municipal boards: Pelham Board of Education, Pelham Zoning Board of Adjustment and Appeals, or the Pelham Zoning Board of Adjustment.
2. Shelby County will host a Free Landfill Day at the Shelby County Landfill located at 401 Landfill Road on Highway 70 between Columbiana and Calera on Saturday, March 28, 2026 from 7:30 a.m. until 3:30 p.m. All participants must be unloaded and exited from the landfill by 3:30 p.m.
3. Secure Shredding & Recycling and the City of Pelham will host a spring shred and electronic recycling event on Saturday, April 4, 2026 from 9:00 a.m. until 12:00 Noon. It will take place in front of City Hall, 3162 Pelham Parkway. Additional details about shredding and electronic recycling are available on the City's website, [pelhamalabama.gov](http://pelhamalabama.gov).

Q. Adjournment

**THE COUNCIL MEETING IS OPEN TO THE PUBLIC BUT IS NOT A PUBLIC HEARING**



# CITY COUNCIL MEETING MINUTES

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**Pelham City Hall  
City Council Chambers  
February 16, 2026 – 7:00 p.m.**

Proper notice of the regularly scheduled meeting of the Pelham City Council was given in advance of such a public meeting and the notice remained posted throughout the scheduled meeting.

**Date:** February 16, 2026  
**Time:** 7:00 p.m.  
**Place:** Pelham City Hall – City Council Chambers  
**Present:** President of the Council Chad Leverett  
Councilmember Michelle Power  
Councilmember Christine Townes  
Councilmember Markus Hal Snowden  
Mayor Rick Wash

**Not Present:** Councilmember Michael Harris

## CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Council President Leverett called the meeting to order at 7:08 p.m. Council President Leverett led the invocation. The Pledge of Allegiance was led by Councilmember Power.

## RECORD OF ATTENDANCE

The City Clerk/Treasurer recorded the attendance of the elected officials and announced a quorum was present. City Manager Gretchen DiFante and City Attorney Josh Arnold were present.

## CONSENT AGENDA

A consent agenda is presented by the presiding officer at the beginning of a council meeting. Items presented on the consent agenda are considered routine and/or non-controversial and are organized apart from the rest of the agenda and are adopted by general consent and vote by the City Council without debate. Items may be removed from the consent agenda on the request of any one member. Removed items may be taken up either immediately after the consent agenda is approved or placed later on the agenda at the discretion of the presiding officer and City Council.

1. Approval of the February 16, 2026 City Council Agenda
2. Approval of the February 2, 2026 Regular Council Meeting Minutes
3. **Resolution 2026-02-16-01** for consideration to accept a proposal from and enter into an agreement with EV Contracting LLC for renovations to the Starter's Building at Ballantrae Golf Club. This project was budgeted for FY2026.
4. **Resolution 2026-02-16-02** for consideration to authorize a Lighting Services Agreement with Alabama Power Company for the upgrade and maintenance of streetlights in the Chase Creek Subdivision
5. **Resolution 2026-02-16-03** for consideration to authorize a Traffic Signal/Lighting Maintenance Agreement with the Alabama Department of Transportation. There is no expense to the City of Pelham for this project.
6. **Resolution 2026-02-16-04** for consideration to accept a proposal from Lower Bros. Tennis Courts for repairs at the Pelham Tennis Center. This project was budgeted for FY2026.



7. **Resolution 2026-02-16-05** for consideration to accept the proposal from Emergency Equipment Professionals, Inc. for the new fleet purchase of Self-Contained Breathing Apparatus (SCBA) for the Pelham Fire Department. This expense was budgeted for FY2026.

Council President Leverett stated the complete text of the agenda, minutes, ordinances, and resolutions are available at Pelham City Hall and online at [www.pelhamalabama.gov](http://www.pelhamalabama.gov).

Councilmember Townes made a motion to adopt the Consent Agenda as presented by Council President Leverett. Councilmember Snowden seconded the motion.

There being no further discussion, Council President Leverett asked the City Clerk/Treasurer for a roll call vote. The vote to adopt the Consent Agenda was recorded as follows:

|                                    |                    |
|------------------------------------|--------------------|
| Chad Leverett, Council President   | <u>Yes</u>         |
| Michelle Power, Council Member     | <u>Yes</u>         |
| Christine Townes, Council Member   | <u>Yes</u>         |
| Markus Hal Snowden, Council Member | <u>Yes</u>         |
| Michael Harris, Council Member     | <u>Not Present</u> |

The motion to adopt the Consent Agenda passed unanimously by roll call vote of those members present and the President of the Council declared the same passed and adopted.

PUBLIC HEARING(S) – None

MAYOR'S REPORT/COMMENTS – None

PROCLAMATION(S) AND RESOLUTION(S) BY THE MAYOR AND OTHERS – None

REPORT BY THE CITY MANAGER

City Manager Gretchen DiFante noted the honor she had of being a judge for the American Legion Matthew Blount Post 555 Oratorical Contest. She congratulated Lucas Kalba on winning and stated how proud she was of him.

1. Department Report – Information Technology (IT)

IT Director Chuck Crocker presented an overview of his department and the improvements made over the past three years.

REPORT BY THE CITY ATTORNEY – None

REQUEST(S) TO ADDRESS THE COUNCIL – None

OLD BUSINESS / RESOLUTIONS / ORDINANCES / ORDERS and OTHER BUSINESS

1. **Ordinance No. 526-01** amending the City of Pelham Business License Code of Ordinances to add language for consumable hemp and vape products, consistent with recently enacted legislation by the State of Alabama (**First Reading was on February 2, 2026**)

Councilmember Power moved to adopt Ordinance No. 526-01 as presented and Councilmember Townes seconded the motion.

Assistant City Manager Justin Smith stated this amendment aligns the City with recently enacted State requirements. He noted no new businesses of the type would be allowed per the existing moratorium. He said the amendment makes the City compliant with a previously unregulated section of the law.

There being no further discussion, the motion to adopt Ordinance No. 526-01 was given vote, and the roll call vote was as follows:

|                                    |                    |
|------------------------------------|--------------------|
| Chad Leverett, Council President   | <u>Yes</u>         |
| Michelle Power, Council Member     | <u>Yes</u>         |
| Christine Townes, Council Member   | <u>Yes</u>         |
| Markus Hal Snowden, Council Member | <u>Yes</u>         |
| Michael Harris, Council Member     | <u>Not Present</u> |

Ordinance No. 526-01 passed by unanimous roll call vote of the council and the council president declared the same passed.

2. **Ordinance No. 399-07** amending the City of Pelham Code of Ordinances regarding the meeting schedule of the Pelham City Council (**First Reading was on February 2, 2026**)

Councilmember Snowden moved to adopt Ordinance No. 399-07 as presented and Councilmember Townes seconded the motion.

Council President Leverett noted the council meeting would be moving to Thursdays following the first and third Mondays of the month. He said the city council would now be able to set the agenda as a collective body instead of the Council President having that authority. He said this process will increase transparency and allow time for questions to be answered from elected officials and citizens.

There being no further discussion, the motion to adopt Ordinance No. 399-07 was given vote, and the roll call vote was as follows:

|                                    |                    |
|------------------------------------|--------------------|
| Chad Leverett, Council President   | <u>Yes</u>         |
| Michelle Power, Council Member     | <u>Yes</u>         |
| Christine Townes, Council Member   | <u>Yes</u>         |
| Markus Hal Snowden, Council Member | <u>Yes</u>         |
| Michael Harris, Council Member     | <u>Not Present</u> |

Ordinance No. 399-07 passed by unanimous roll call vote of the council and the council president declared the same passed.

#### NEW BUSINESS / RESOLUTIONS / ORDINANCES / ORDERS and OTHER BUSINESS

1. **Resolution 2026-02-16-06** for consideration to accept a proposal from and enter into an agreement with Bagby Elevator Company, Inc. for the upgrade and modernization of the elevator at the Pelham Racquet Club. This project was budgeted for FY2026 but requires a budget amendment.

Councilmember Townes made a motion to adopt Resolution 2026-02-16-06. Councilmember Power seconded the motion.

There being no further discussion, the motion to adopt Resolution 2026-02-16-06 passed by a unanimous voice vote of those members present and the President of the Council declared the same passed and adopted.

2. **Resolution 2026-02-16-07** for consideration to authorize a Construction Change Order for the U.S Highway 31 Roadway Lighting Project, extending the project limits from Amphitheater Road to Highway 119. This project was budgeted for FY2026.

Councilmember Snowden made a motion to adopt Resolution 2026-02-16-07. Councilmember Power seconded the motion.

City Manager Gretchen DiFante stated this project has been in the works since 2020. She noted the COVID-19 pandemic delayed every aspect of the project. She said funding was available in the budget to extend the project limits from Amphitheater Road to Highway 119.

There being no further discussion, the motion to adopt Resolution 2026-02-16-07 passed by a unanimous voice vote of those members present and the President of the Council declared the same passed and adopted.

3. **Resolution 2026-02-16-08** for consideration to appoint citizens to the Pelham Public Library Board

Councilmember Snowden made a motion to adopt Resolution 2026-02-16-08. Councilmember Townes seconded the motion.

Council President Leverett noted the two citizens under consideration are Tomeka Wilson and Allyson Gilliam.

There being no further discussion, the motion to adopt Resolution 2026-02-16-08 passed by a unanimous voice vote of those members present and the President of the Council declared the same passed and adopted.

4. **Resolution 2026-02-16-09** for consideration to authorize an agreement to employ a City Manager in Pelham, Alabama

Councilmember Townes made a motion to adopt Resolution 2026-02-16-09. Councilmember Power seconded the motion.

City Clerk/Treasurer Jonathan Seale read a statement at the request of Councilmember Harris who was unable to attend tonight's meeting.

There being no further discussion, the motion to adopt Resolution 2026-02-16-09 was given vote, and the roll call vote was as follows:

|                                    |                    |
|------------------------------------|--------------------|
| Chad Leverett, Council President   | <u>Yes</u>         |
| Michelle Power, Council Member     | <u>Yes</u>         |
| Christine Townes, Council Member   | <u>Yes</u>         |
| Markus Hal Snowden, Council Member | <u>Yes</u>         |
| Michael Harris, Council Member     | <u>Not Present</u> |

Resolution 2026-02-16-09 passed by unanimous roll call vote of the council and the council president declared the same passed.

#### PUBLIC COMMENTS

*Public comments are limited to three (3) minutes per speaker. Individuals wishing to address the City Council may, after being recognized, approach the podium, and state their name and physical address prior to making their comments in a respectful manner.*

*Please note, the public comment period is intended for comments only. It is not a public hearing, nor is it a time for dialogue, debate, or questions to the City Council. Any questions or requests for additional information will be noted and may be addressed by the appropriate City staff or officials at a later time.*

There were no requests to make a public comment.

#### CITY COUNCIL COMMENTS

Councilmember Power stated the Pelham High School Boys and Girls basketball teams were both moving on to the Sweet 16. She said the Girls track team finished second in the state. She reminded everyone of the Mardi Gras themed fundraiser on Saturday, February 28, 2026 at the Pelham Civic Complex & Ice Arena benefiting the Pelham City Schools Foundation.

Councilmember Snowden noted his excitement to see the U.S. Highway 31 lighting project moving along so well. He said the improved visibility and aesthetics along the major highway corridor will be a welcomed improvement.

Council President Leverett thanked everyone for coming out tonight and noted city council meetings would now be held on Thursdays following the first and third Mondays of the month beginning at 5:30 p.m. He concluded by reading 2 Corinthians 10:12.

Councilmember Townes wished everyone a great night.

#### PUBLIC ANNOUNCEMENTS

1. The Pelham City Council is accepting applications and resumes through Friday, March 6, 2026 at 4:00 p.m. from those Pelham residents who would like to be considered for an appointment to one of the following municipal boards: Pelham Board of Education, Pelham Zoning Board of Adjustment and Appeals, or the Pelham Zoning Board of Adjustment.
2. Shelby County will host a Free Landfill Day at the Shelby County Landfill located at 401 Landfill Road on Highway 70 between Columbiana and Calera on Saturday, March 28, 2026 from 7:30 a.m. until 3:30 p.m. All participants must be unloaded and exited from the landfill by 3:30 p.m.
3. Secure Shredding & Recycling and the City of Pelham will host a spring shred and electronic recycling event on Saturday, April 4, 2026 from 9:00 a.m. until 12:00 Noon. It will take place in front of City Hall, 3162 Pelham Parkway. Additional details about shredding and electronic recycling are available on the City's website, [pelhamalabama.gov](http://pelhamalabama.gov).

#### ADJOURNMENT

With no other business before the city council, Councilmember Power moved to adjourn the council meeting and Councilmember Townes seconded the motion. By voice vote the motion passed unanimously by those members present and the meeting was adjourned at 7:47 p.m.

Respectfully submitted this 16th day of February 2026.

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Jonathan Seale, CMC, City Clerk/Treasurer

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Chad Leverett, President of the Council

[SEAL]

## **RESOLUTION 2026-03-05-01**

### **Authorizing Agreement with All American Arena Products for the Purchase and Installation of an Indoor Dasher Board System**

**WHEREAS**, the City of Pelham requested and received a quote from All American Arena Products for the replacement of the indoor dasher board system in the Main Arena at the Pelham Civic Complex & Ice Arena.

**NOW, THEREFORE, BE IT RESOLVED** by the Pelham City Council that the Council hereby approves and authorizes the Mayor, on behalf of the City, to accept and execute an agreement with All American Arena Products for the purpose stated herein through their Sourcewell Contract No. 120320-ALL, for a price not to exceed \$268,750.00.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-01 be given vote, and said Resolution passed by a unanimous vote of all members of the Council present and the President of the Council declared the same passed.

**ADOPTED** this 5th day of March 2026.

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Chad Leverett, President of the Council

[SEAL]

ATTEST

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Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City named herein, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

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Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]



**Pelham**  
A path apart.

**MEMORANDUM**

**TO: Gretchen DiFante, City Manager**  
**FROM: Andre' Bittas, DSPW Director**  
**DATE: February 20, 2026**  
**RE: Civic Complex – Dasher Board Replacement**

Attached is the proposal from All American Arena Products for the replacement of the Dasher Board system for the main arena at the Civic Complex for the total cost not to exceed \$268,750.00. All American Arena Products are a Sourcewell Awarded vendor, Contract# 120320-ALL.

The existing dasher board and shielding system has exceeded its life expectancy. Due to age and wear and tear, the current system doesn't provide the functionality needed, and the shielding (glass) system has several scratches and dents which affect spectator visibility and game experience.

The project is budgeted in the FY26 budget.



1414 S. 4<sup>th</sup> Avenue  
Albert Lea, MN 56007  
Sourcewell Awarded Vendor - 120320-ALL  
(844) 231-2227  
scan@allamericanarena.com

## QUOTATION

Date: February 17, 2026

Attention: **Taylor**

Project: **Pelham Civic Center – Dasher Board Replacement**

System: **R6A 6" Aluminum Indoor**

### QUOTATION # SRDB250328

Dear **Taylor**,

This proposal is to supply and install a *Riley Sports Elite Series* indoor dasher board system consisting of the following configuration:

#### Size

- 200' long x 85' wide with a 28' radius.

#### Frame

- Panels are constructed from welded aluminum with a clean mill finish.
- Frame height is 41 1/4", with a 6" width, and panels are built in standard 8' lengths.
- The overall panel height will be 42" above the finished floor.

#### Anchors

- Existing anchors to be re-used.
- Anchors are internal threaded inserts securing the dasher panels using hex bolts, washers and custom 1/2" zinc plated steel hold down plates.

#### Player/Access Gates

| Gate type        | Qty | Ice Side Release Mechanism | Threshold Height |
|------------------|-----|----------------------------|------------------|
| 30" Player Gate  | 4   | No                         | 9"               |
| 30" Penalty Gate | 2   | Yes                        | 9"               |
| 36" Access Gate  | 2   | Yes                        | 4"               |



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sean@allamericanarena.com

- Player and access gates to have versatile adjustable hinges as well as pivoting latch/catch assemblies.
- Fasteners are zinc plated.

#### Equipment Gates

| Gate Type   | Qty | Size | Closure             | Caster                   | Threshold Height |
|-------------|-----|------|---------------------|--------------------------|------------------|
| Double Leaf | 2   | 120" | Double Sliding Bars | Heavy Duty Spring Loaded | 2"               |

- Machine gates have heavy duty adjustable hinges, sliding closure bars and spring-loaded casters. All zinc plated steel.
- Fasteners are zinc plated.

#### Board Cladding

- **Dasher board facing** is 0.500" thick, white high-density polyethylene (HDPE) for superior durability and performance.
- **Kick plate** is 0.500" thick x 7 7/8" high yellow HDPE.
- **Cap rail** is made from 0.750" thick HDPE, routed front and back with a 3/8" radius for safety and finish.
  - Color is TBD.
- **Backer panel** is made from 0.375" thick white HDPE and installed around the entire perimeter of the rink.
  - **Each panel joint is finished with an H-mullion seam strip to ensure a secure, professional look.**
- **Line Markings** are 1/4" HDPE inlays.
  - **Line markings are installed as per USA Hockey**

#### Shielding and Supports

- **End and Radius Glass:** 8' high x 15mm (5/8") thick seamless tempered glass.
- **Player Box Side Glass:** 6' high x 12mm (1/2") thick seamless tempered glass, including glass in front of and between the penalty and timekeeper boxes.
- **Spectator Side Glass:** 6' high x 12mm (1/2") thick seamless tempered glass.
- **Support Height:** Termination shield supports to extend to within 1" from the top of the glass.





## ALL-AMERICAN ARENA PRODUCTS

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- **Player Boxes:** No glass included at the fronts of the player boxes.
- **Timekeeper Glass:** Glass in front of timekeeper box includes a 3 ½" diameter speak hole.
- **Glass Terminations:** Curved acrylic safety panels installed at ends of player boxes.
  - Safety panels installed are static terminations.
  - Qty of 4.

### **Player, Penalty and Timekeepers Boxes**

- **Player Boxes:** Approximately 30' long x 5' deep, complete with side walls and back walls.
- **Penalty Boxes:** Approximately 8' long x 5' deep, complete with side walls and back walls.
- **Timekeeper's Box:** Approximately 8' long x 5' deep, with half side walls and back walls.
- **Included Features:** Water bottle shelves in front of the player and penalty boxes; timekeeper table provided.
- **Layout:** Player and penalty boxes located on the side of the rink.

### **Player, Penalty & Timekeeper's Box - Floors**

- 6 5/8" high wooden platforms installed throughout the boxes.
- 18" wide x 6 5/8" high raised coach's walkways installed behind player benches.
- 3/8" black rubber flooring loose-laid on top of raised platforms and on top of coach's walkways.

### **Player & Penalty Benches**

- Benches constructed from 9 ½" wide x 1 ½" thick black plastic lumber, fastened to zinc-plated steel support posts.
- Player box benches are approximately 24' long.
- Penalty box benches are approximately 8' long.

### **Spectator Netting**

- Existing netting to be re-used.



# ALL-AMERICAN ARENA PRODUCTS

1414 S. 4<sup>th</sup> Avenue  
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scan@allamericanarena.com

**BASE BID: TO SUPPLY & INSTALL**

**\$268,570.00 USD**

Decline \_\_\_\_\_

Accept \_\_\_\_\_

## Notes

- Applicable taxes extra.
- Shipping to site included.
- Equipment rental included.
- Concrete, electrical and any demolition work will be the responsibility of others.

## Payment Terms

All payment terms are subject to credit approval (O.A.C.):

- 40% deposit required upon order confirmation
- 60% due upon project completion and final approval
- Alternate terms may be arranged upon mutual agreement

The above proposal is accepted:

\_\_\_\_\_  
President/Owner/General Manager

\_\_\_\_\_  
For Riley Sports

\_\_\_\_\_  
Name of Signee (please print)

Date \_\_\_\_\_

Date \_\_\_\_\_

## TERMS AND CONDITIONS

1. All sales of material or equipment by All-American Ice, LLC (DBA All-American Arena Products) ("All-American") are expressly conditioned upon the terms and conditions set forth below. Any additional or different terms or conditions set forth in any purchase order of the Buyer or in any similar such communication are hereby objected to by All-American and shall not be binding or effective unless expressly assented to in writing by an authorized representative of All-American.
2. SITE: The site must be accessible to a tractor-trailer and industrial forklift. All driveways to the rink slab/surface must support all necessary equipment. Power outlets with no less than a 30amp breaker must be within 50' of the rink slab/surface or a portable generator with a minimum of 5KW power rating. Prior to commencement, surface must be broom clean and work area will be free of all materials and debris. A dumpster (minimum size of 10 yards) and/or an area for trash must be available within 100' of the rink slab/surface so the installers can remove the debris. Delays or extra work and expenses caused by the site not being ready will be charged to the Purchaser. Concrete to be level within 1/8" in 10 ft. non-cumulative.
3. PRICE: Prices subject to receipt of final approved construction drawings and specifications. This quotation is based on the installation taking place from start to finish during the same trip. Re-mobilizing for any reason other than All-American Arena's own, will result in extra charges.



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4. INSURANCE: Special insurance requirements are not included.
5. PERMITTING: Any applicable Permits and/or License Fees are not included, and Purchaser shall be responsible for obtaining the same.
6. COMPLETION: When job is completed or nearing completion, the Purchaser must be available for a final walk-through to inspect the installation with the All-American Installation Supervisor. This will be the Purchaser's chance to formulate a final punch list of items left unfinished or needing to be changed. All items not listed on the punch list will not be considered a punch list item, and unless covered by All-American warranty, will be completed at the Purchaser's expense.
7. DELAY: Notwithstanding the foregoing, should All-American be delayed in the commencement, prosecution or completion of the work by any cause beyond All-American's control and not due to any fault, neglect, act or omission on its part, then All-American shall be entitled to an extension of time to the extent necessary to remove any such cause of any delay and shall not be held liable for any damages for any delays caused by either the owner or general contractor or cause beyond the control of All-American.
8. WARRANTY: Except as to title, THERE ARE NO WARRANTIES, WRITTEN, ORAL, IMPLIED, OR STATUTORY relating to the described material or equipment which extend beyond that described in this paragraph. NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR PURPOSE SHALL APPLY. Any product warranties provided by All-American Arena Product suppliers shall be assigned to the Purchaser to the extent possible.
9. SECURITY: All-American retains a security interest in all the products covered in this agreement until all sales' terms have been met.
10. PAYMENT: Terms are listed in the proposal. Late payments are subject to a 1.5 percent per month or 18 percent annual finance charge.
11. LIMITED LIABILITY: All-American's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof or connected with the supplying of material or equipment hereunder, or its sale, resale, operation or use, whether based on warranty, contract, negligence or other grounds shall not exceed the price paid for such material or equipment or part thereof involved in the claim. All-American shall not in any event be liable for special or consequential damages including, but not limited to, loss of profits or revenue, liquidated damages, loss of use of the product or any associated product, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims of customers of the Buyer for such damages.
12. ATTORNEY'S FEES, JURISDICTION, AND VENUE: Purchaser agrees that making any purchases from All-American constitutes doing business in the state of MINNESOTA and that Buyer consents to the personal jurisdiction of the state and federal courts in MINNESOTA, unless elected otherwise by All-American. Purchaser agrees that the venue to resolve any and all disputes with All-American shall exclusively lie in the state or federal courts situated in Freeborn County, MINNESOTA. Buyer agrees that in the event of any legal action brought by or against All-American, the non-prevailing party shall pay to the prevailing party all costs and expenses incurred in connection with such action, including but not limited to attorney's fees (whether hourly or contingent), lien fees, court costs and any other costs of litigation or collection proceedings (including without limitation expert witness fees, deposition or court transcript fees, photocopy charges, and document vendor charges).
13. ONE-YEAR LIMITATION: Any and all claims brought by Purchaser against Seller shall be filed in one of the above referenced jurisdictions within one (1) year after the date of shipment or installation or it shall be deemed forever waived.

## RESOLUTION 2026-03-05-02

Accepting the Lowest Responsive and Responsible Bid from  
Price Civil Solutions, Inc. for the Eagle Cove Subdivision  
Sewer Lift Station Improvements Project and  
Authorizing a Budget Amendment for the Same

**WHEREAS**, pursuant to Resolution 2025-08-18-07 and Resolution 2025-09-08-09, the City Council of the City of Pelham, Alabama conducted a properly noticed public hearing and determined less than a majority of property owners in the Eagle Cove Subdivision objected to the proposal to deed property associated with the private sewer lift station to the City of Pelham; and

**WHEREAS**, the City Council ordered the proposed improvements to proceed and authorized City staff to cause such work to be bid and improvements to commence; and

**WHEREAS**, the City has since solicited competitive bids for the Eagle Cove Subdivision Sewer Lift Station Improvements Project; and

**WHEREAS**, Price Civil Services, Inc. has submitted the lowest responsive and responsible bid for said project for an amount not to exceed \$323,000.00; and

**WHEREAS**, the Eagle Cove Subdivision Sewer Lift Station Improvements Project was budgeted for FY2026, but a budget amendment is required to appropriate funds and properly account for the higher-than-expected project costs.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham, Alabama that the lowest responsive and responsible bid submitted by Price Civil Services, Inc. for the Eagle Cove Subdivision Sewer Lift Station Improvements Project, in an amount not to exceed \$323,000.00, is hereby accepted, and the Mayor, on behalf of the City, is authorized to execute a contract with Price Civil Services, Inc., together with any related documents necessary to carry out the project.

**BE IT FURTHER RESOLVED** by the City Council of the City of Pelham, Alabama that the City Council hereby approves a budget amendment to the FY2026 budget as necessary to appropriate funds and properly account for the expenditure associated with this project, and the City Manager and Finance Director are authorized to make all necessary budgetary and accounting entries, as needed.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-02 be given vote, and said Resolution passed by a unanimous vote of all members of the Council present and the President of the Council declared the same passed.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

---

Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City named herein, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]



Pelham

A path apart.

MEMORANDUM

**TO: Gretchen DiFante, City Manager**  
**FROM: Andre' Bittas, DSPW Director**  
**DATE: February 06, 2026**  
**RE: Eagle Cove Lift Station Improvements**

Attached is the certified bid tab received on January 8, 2026, for the Eagle Cove Lift Station improvements. Price Civil Solutions submitted the lowest responsible and responsive bid for the total amount not to exceed \$323,000.00

This project is budgeted in the FY2026 budget, however the total amount required to complete the projects exceeded the budgeted amount so a budget amendment in the amount of \$162,000.00 is required for a total project cost of \$382,000.00.

**NOTICE OF AWARD**

To: Price Civil Services, Inc.  
12339 Bama Rock Garden Road  
Vance, Alabama 35490  
\_\_\_\_\_

PROJECT Description: Eagle Cove Lift Station Improvements  
\_\_\_\_\_

The OWNER has considered the BID submitted by you on January 8, 2026, for the above-described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of \$323,000.00.

You are required by the Information for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, Payment BOND and certificates of insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
**City of Pelham, Alabama**  
\_\_\_\_\_

By \_\_\_\_\_

Name Rick Wash

Title Mayor

**ACCEPTANCE OF NOTICE**

Receipt of the above NOTICE OF AWARD is hereby acknowledged

By Price Civil Services, Inc.

this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By \_\_\_\_\_

Title \_\_\_\_\_

The City of Pelham, AL  
Eagle Cove Lift Station Improvements  
Bid Date / Time: January 8, 2026 at 2:00 p.m.

| ITEM           | QUANT | UNIT     | DESCRIPTION                                                                        | Price Civil Services, Inc |              | Willoughby Contracting Company, Inc. |              | Mark Johnson Construction, LLC |              | REV Construction, Inc |              |
|----------------|-------|----------|------------------------------------------------------------------------------------|---------------------------|--------------|--------------------------------------|--------------|--------------------------------|--------------|-----------------------|--------------|
|                |       |          |                                                                                    | UNIT PRICE                | TOTAL        | UNIT PRICE                           | TOTAL        | UNIT PRICE                     | TOTAL        | UNIT PRICE            | TOTAL        |
| 1              | 1     | Lump Sum | Provide Cover Lift Station Improvements                                            | \$205,500.00              | \$205,500.00 | \$205,500.00                         | \$205,500.00 | \$221,316.00                   | \$221,316.00 | \$160,000.00          | \$160,000.00 |
| 2              | 1     | Lump Sum | Allowance for APCU Work                                                            | \$7,500.00                | \$7,500.00   | \$7,500.00                           | \$7,500.00   | \$7,500.00                     | \$7,500.00   | \$7,500.00            | \$7,500.00   |
| 3              | 1     | Lump Sum | Ordner Personnel Allowance for Misc. Work                                          | \$5,000.00                | \$5,000.00   | \$5,000.00                           | \$5,000.00   | \$5,000.00                     | \$5,000.00   | \$5,000.00            | \$5,000.00   |
| 4              | 1     | Lump Sum | Start up Testing, and Fine of Sewer Lift Station and Final Cleanup of Project Site | \$5,000.00                | \$5,000.00   | \$5,000.00                           | \$5,000.00   | \$5,000.00                     | \$5,000.00   | \$5,000.00            | \$5,000.00   |
| Total Base Bid |       |          |                                                                                    |                           | \$223,000.00 |                                      | \$226,000.00 |                                | \$271,316.00 |                       | \$274,100.00 |

I certify that these are the correct bids received for The City of Pelham, Alabama Eagle Cove Lift Station Improvements received on January 8, 2026 at 2:00 p.m.

  
Andrew Crockett, P.E. #36301



## RESOLUTION 2026-03-05-03

Accepting the Lowest Responsive and Responsible Bid from  
ICS, Inc. for the Sewer Lift Station P Emergency Generator Addition

**WHEREAS**, the City of Pelham has requested and received sealed bids for the Sewer Lift Station P Emergency Generator Addition; and

**WHEREAS**, the City of Pelham's engineering consultants, Municipal Consultants Inc., has recommended approval of the lowest responsive and responsible bid of \$420,000.00 from ICS, Inc.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham, Alabama that the lowest responsive and responsible bid submitted by ICS, Inc. for the project specified herein for an amount not to exceed \$420,000.00 is hereby accepted and the Council authorizes the Mayor, on behalf of the City, to enter into an agreement with ICS, Inc. for said project.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-03 be given vote, and said Resolution passed by a unanimous vote of all members of the Council present and the President of the Council declared the same passed.

**ADOPTED** this 5th day of March 2026.

\_\_\_\_\_  
Chad Leverett, President of the Council

[SEAL]

ATTEST

\_\_\_\_\_  
Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City named herein, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

\_\_\_\_\_  
Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]



**Pelham**  
A path apart.

**MEMORANDUM**

**TO: Gretchen DiFante, City Manager**  
**FROM: Andre' Bittas, DSPW Director**  
**DATE: February 20, 2026**  
**RE: Lift Station P Improvements**

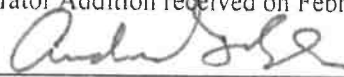
Attached is the certified bid tab received on February 19, 2026, for the Lift Station P Generator addition submitted by ICS, Inc. as the lowest responsible and responsive bid for the total amount not to exceed \$420,000.00. This project is part of the for the Lift station improvement plan

This project is budgeted in the FY2026 budget.

The City of Pelham, AL  
Lift Station "P" - Emergency Generator Addition  
Bid Date / Time: February 19, 2026 at 2:00 p.m.

|                       |     |          |                                                   | ICS, Inc     |                     |
|-----------------------|-----|----------|---------------------------------------------------|--------------|---------------------|
| ITEM                  | QTY | UNIT     | DESCRIPTION                                       | UNIT PRICE   | TOTAL               |
| 1                     | 1   | Lump Sum | Lift Station "P" Emergency Generator Addition     | \$395,000.00 | \$395,000.00        |
| 2                     | 1   | Lump Sum | Natural Gas Service Allowance                     | \$10,000.00  | \$10,000.00         |
| 3                     | 1   | Lump Sum | Allowance for APCO Work                           | \$5,000.00   | \$5,000.00          |
| 4                     | 1   | Lump Sum | Start-up, Testing & Use of Improvements and Final | \$10,000.00  | \$10,000.00         |
| <b>Total Base Bid</b> |     |          |                                                   |              | <b>\$420,000.00</b> |

I certify that these are the correct bids received for The City of Pelham, Alabama Lift Station "P" Emergency Generator Addition received on February 19, 2026 at 2:00 p.m.

  
\_\_\_\_\_  
Andrew Golden, P.E. #36301

## NOTICE OF AWARD

To: ICS, Inc  
22485 Hwy 11  
Steele, AL 35987  
\_\_\_\_\_

PROJECT Description: Lift Station "P" Emergency Generator Addition  
\_\_\_\_\_

The OWNER has considered the BID submitted by you on February 19, 2026 for the above-described WORK in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID has been accepted for items in the amount of \$ 420,000.00.

You are required by the Information for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, Payment BOND and certificates of insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within fifteen (15) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

The City of Pelham, Alabama  
\_\_\_\_\_

By \_\_\_\_\_

Name Rick Wash

Title Mayor

## ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged

By ICS, Inc

this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By \_\_\_\_\_

Title \_\_\_\_\_

## **RESOLUTION 2026-03-05-04**

### **Repealing Resolution 2008-02-04-03 Which Established a Related Party Transactions Policy**

**WHEREAS**, the Pelham City Council previously adopted Resolution No. 2008-02-04-03 in 2008, establishing a Related Party Transactions Policy intended to address potential conflicts of interest involving elected officials, employees, and their immediate family members, and to provide a reporting and approval framework for such transactions; and

**WHEREAS**, since the adoption of Resolution No. 2008-02-04-03, the City has significantly updated and expanded its onboarding procedures, ethics acknowledgements, conflict-of-interest disclosures, supervisory oversight practices, and the provisions contained within the City's current Employee Handbook; and

**WHEREAS**, the administrative reporting requirement contained in Resolution No. 2008-02-04-03, specifically the annual reporting by department heads of employees who may potentially be involved in related party transactions, now duplicates procedures already addressed through current Human Resources processes and supervisory oversight; and

**WHEREAS**, the City Council finds that Resolution No. 2008-02-04-03 no longer serves an operational purpose and creates unnecessary administrative redundancy; and

**WHEREAS**, the City Council further finds that repeal of Resolution No. 2008-02-04-03 will alleviate duplicative processes within the City's personnel and ethics compliance framework.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham, Alabama that Resolution No. 2008-02-04-03 is hereby repealed in its entirety and said repeal shall not be construed to diminish or alter any obligations of elected officials or employees under applicable federal or state law, or under any current City policy, including the City's Employee Handbook and adopted ethics and conflict-of-interest procedures.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-04 be given vote, and said Resolution passed by a unanimous vote of all members of the Council present and the President of the Council declared the same passed.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

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Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City named herein, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]



# Pelham

A path apart.

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## M E M O R A N D U M

To: Gretchen DiFante, City Manager

Cc: Tracy Hill, Director of Human Resources

From: Jonathan Seale, City Clerk/Treasurer

Date: February 12, 2026

Re: Related Party Transactions

---

Resolution 2008-02-04-03, adopted in 2008, established a Related Party Transactions Policy for the City of Pelham. The policy was intended to address potential conflicts of interest involving elected officials, employees, and their immediate family members, and to provide a reporting and approval framework for such transactions.

Since the adoption of that Resolution, the City's onboarding procedures, ethics acknowledgements, conflict-of-interest disclosures, and the provisions contained within the current Employee Handbook have been significantly updated and expanded. These updated policies comprehensively address conflicts of interest, standards of conduct, and compliance with applicable state law.

The administrative reporting requirement contained in Resolution 2008-02-04-03, specifically, the annual reporting by department heads of employees who may potentially be involved in related party transactions, now duplicates procedures already addressed through current Human Resources processes and supervisory oversight. As a result, the Resolution no longer serves an operational purpose and creates unnecessary administrative redundancy.

To alleviate duplicative processes and ensure consistency, it is my recommendation Resolution 2008-02-04-03 be formally repealed at a future city council meeting.

I have conferred with Director of Human Resources Tracy Hill and City Attorney Josh Arnold regarding this matter. Both are in agreement the City's current policies and procedures are adequate to address related party transactions and conflicts of interest.

## RESOLUTION 2008-02-04-03

### ADMINISTRATIVE POLICY NO. 4

#### RELATED PARTY TRANSACTIONS

WHEREAS, Related Party Transactions are defined as: a business transaction or arrangement between two parties who are joined by a special relationship prior to the transaction. For example, a business transaction between the city and a business owned by or employing a city employee would be deemed a related party transaction.

WHEREAS, The City of Pelham recognizes related party transactions can present potential or actual conflicts of interest and create the appearance decisions are based upon considerations other than those in the best interest of the City of Pelham. However, the City further recognizes it may be necessary to obtain products and services from related parties that are not available from other sources or on terms comparable to those that could be obtained from other sources.

#### Related Party Transactions Policy

A. A "Related Party" is:

1. Any elected or appointed official of the City of Pelham;
2. Any full time, part time or seasonal employee of the City of Pelham;
3. Any person who is an immediate family member (a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law) of a person listed in 1 or 2 above; and any person, other than a tenant, sharing the household of a person listed in 1 or 2.

B. Department heads will report to the finance director by March 1st of each year all city employees who have the potential to be involved in related party transactions.

C. The mayor will approve all related party transactions.

D. No provision in this policy shall conflict with the Code of Alabama, 1975.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pelham that the Council hereby adopts Administrative Policy No. 4 regarding Related Party Transactions.



THEREUPON Willard Payne, a member, moved and  
Rosemary Metcalf, a member, seconded the motion that said resolution  
be given vote, and said resolution passed by vote of all members of the Council present,  
and the President of the Council declared the same passed.

Adopted this 4th day of February 2008.

Seal

Kary D. Rice  
President of the Council

ATTEST

Donna Heslar  
City Clerk

I, the undersigned city clerk of the City of Pelham, Alabama, do hereby certify the above  
and foregoing is a true copy of a resolution lawfully passed and adopted by the City  
Council of the City named herein, at a regular meeting of such Council held on the 4th  
day of February 2008, and such resolution is on file in the office of the City Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official of the  
City on this 4th day of February 2008.

Seal

Donna Heslar  
City Clerk

# **RESOLUTION 2026-03-05-05**

## **Declaring Surplus Personal Property**

**WHEREAS**, the City of Pelham, Alabama, has certain items of personal property which are no longer needed for public or municipal purposes; and

**WHEREAS**, Section 11-43-56 of the Code of Alabama of 1975 authorizes the municipal governing body to dispose of unneeded personal property.

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

SECTION 1. That the personal property attached hereto is owned by the City of Pelham, Alabama and is no longer needed for public or municipal purposes.

SECTION 2. The mayor, city manager, and city clerk/treasurer shall be, and they are hereby, authorized and directed to dispose of the personal property owned by the City of Pelham, Alabama, by receiving bids, auctioning, direct selling, or donating such property. Except for the items to be sold or donated as noted in Section 1 above, all such property shall be sold to the highest bidder, provided, however, that the mayor, city manager, and city clerk/treasurer shall have the authority to reject all bids when, in their opinion, they deem the bids to be less than adequate consideration for the personal property. If an item does not receive a bid due to lack of value or condition, the mayor, city manager, and city clerk/treasurer are authorized to dispose of the property.

SECTION 3. All vehicles, items and equipment will be sold or donated “as is” and “where is” with no expressed or implied warranty or guarantee. Buyers are responsible for pick-up and transport of the vehicles, items and equipment from the sale or alternate site. All sales are final. No refunds will be granted. Payment for surplus personal property shall be in the form of cash or an official bank check. In most cases, no personal checks will be accepted.

**THEREUPON** Michael Harris, a councilmember, moved and Markus Hal Snowden, a councilmember, seconded the motion that Resolution 2026-03-05-05 be given vote, and said Resolution passed by a unanimous vote of the Council present, and the President of the Council declared the same passed and adopted.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

---

Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City of Pelham, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC City Clerk/Treasurer

[SEAL]



# Pelham

A path apart.

## MEMORANDUM

**TO:** Jonathan Seale, City Clerk  
**FROM:** Andre' Bittas, DSPW Director  
**DATE:** February 24, 2026  
**RE:** Surplus small equipment – Public Works

Attached is a list of items (small equipment) that need to be declared surplus. It is no longer operable or has exceeded its useful life:

### **Stihl String Trimmer**

| Model : | Serial:   |
|---------|-----------|
| FC91    | 538370323 |
| FS94R   | 512907691 |
| FS131R  | 517491501 |

### **Echo String Trimmer**

| Model:   | Serial:      |
|----------|--------------|
| SRM30201 | U33815003695 |
| SRM30201 | U33815004314 |

**Stihl Backpack Blower**      Serial:510228949

**Force 13 Billy goat push blower** Serial: 041408128

### Old AV Inventory

| QTY | Item                     | Brand  | Model              |
|-----|--------------------------|--------|--------------------|
| 3   | Projector                | Epson  | H543A              |
| 24  | Round In-ceiling speaker | ?      | ?                  |
| 4   | 8 Channel Amplifier      | TOA    | A-903MK2           |
| 1   | HDMI 8x8 Matrix          | Binary | B-120-HDMATRIX-8x8 |
| 1   | 16x16 DSP                | Atlas  | BB-1616            |
| 8   | HDMI Trasnmitter         | Binary | B-320-1-CAT-HDIR   |
| 8   | HDMI Reciever            | Binary | B-320-1-CAT-HDIR   |
| 1   | Server Rack              | ?      | ?                  |



# Pelham

A path apart.

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## *PROCLAMATION*

**WHEREAS**, Sexual Assault Awareness Month calls attention that sexual violence is widespread and impacts every person in our community. Sexual Assault Awareness Month aims to raise public awareness about sexual violence and to educate communities and individuals on how to prevent it; and

**WHEREAS**, rape, sexual assault, and sexual harassment harm our community, and statistics show one in six women and one in 33 men will be raped at some point in their lives; and

**WHEREAS**, child sexual abuse prevention must be a priority to confront the reality that one in ten children will experience sexual assault before age 18; and

**WHEREAS**, on campus, one in five women and one in 16 men are sexually assaulted during their time in college; and

**WHEREAS**, ending sexual abuse, assault, and harassment requires more than individual action, together, we have the power to build a future free from violence, where all individuals feel safe, valued, and respected; and

**WHEREAS**, education about consent, healthy relationships, and bystander intervention is critical to preventing sexual violence and fostering safe, respectful communities; and

**WHEREAS**, recognizing Sexual Assault Awareness Month encourages communities to listen to survivors, believe them, and take collective action to end sexual violence.

**NOW, THEREFORE**, I, Rick Wash, by virtue of the authority vested in me as Mayor of the City of Pelham, Shelby County, Alabama, do hereby proclaim April 2026 as **Sexual Assault Awareness Month**, and call upon all individuals, organizations, and institutions to support survivors, promote awareness and prevention efforts, and work together to create a culture of respect, safety, and accountability.



Given under my hand, in the City of Pelham,  
Alabama this 5th day of March 2026.

\_\_\_\_\_  
Rick Wash, Mayor

## RESOLUTION 2026-03-05-06

### Accepting the Fiscal Year 2025 Independent Audit & Financial Statements

**WHEREAS**, the Pelham City Council has been presented with the FY2025 audit and financial statements for the City of Pelham, Alabama, as prepared by the city's independent auditors, Truitt Tingle Paramore & Argent, LLC, Certified Public Accountants.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham to accept the FY2025 audit and financial statements as presented and declare the audit as public record and further to require copies be kept on permanent file in the office of the City of Pelham's City Clerk/Treasurer.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-06 be given vote, and said Resolution passed by unanimous vote of the Council present, and the President of the Council declared the same passed and adopted.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

---

Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City of Pelham, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC City Clerk/Treasurer

[SEAL]



# Pelham

A path apart.

March 3, 2026

Truitt, Tingle, Paramore & Argent, LLC

This representation letter is provided in connection with your audit(s) of the financial statements of the City of Pelham, Alabama ("the City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 3, 2026, the following representations made to you during your audit.

## **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 30, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.



- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

#### **Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement (GASBS) No. 87.
- 25) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASBS No. 91.
- 26) We have appropriately disclosed identified, recorded, and disclosed public-private and public-public partnerships and availability payment arrangements in accordance with GASBS No. 94.
- 27) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101.
- 30) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 31) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 32) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 33) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 34) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 35) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 36) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 37) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 38) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 40) Provisions for uncollectible receivables have been properly identified and recorded.
- 41) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) With respect to the other information listed in the table of contents on the financial statements:
- a) We acknowledge our responsibility for presenting the other information in accordance with accounting principles generally accepted in the United States of America, and we believe the other information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the other information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: [Handwritten Signature]  
Title: City Manager

Signature: [Handwritten Signature]  
Title: Mayor



**City of Pelham, Alabama**  
Financial Statements  
September 30, 2025

## TABLE OF CONTENTS

|                                                                                                                                                  |    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <b>Independent Auditors' Report</b> .....                                                                                                        | 3  |
| <b>Required Supplementary Information</b>                                                                                                        |    |
| Management's Discussion and Analysis .....                                                                                                       | 6  |
| <b>Basic Financial Statements</b>                                                                                                                |    |
| <b>Government-Wide Financial Statements</b>                                                                                                      |    |
| Statement of Net Position .....                                                                                                                  | 14 |
| Statement of Activities .....                                                                                                                    | 16 |
| <b>Fund Financial Statements</b>                                                                                                                 |    |
| Balance Sheet - Governmental Funds .....                                                                                                         | 17 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....                                                     | 18 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....                                                       | 19 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes<br>In Fund Balances to the Statement of Activities..... | 21 |
| Statement of Proprietary Fund Net Position.....                                                                                                  | 22 |
| Statement of Revenues, Expenses and Changes in Proprietary Fund Net Position .....                                                               | 23 |
| Statement of Proprietary Fund Cash Flows .....                                                                                                   | 24 |
| <b>Notes to Financial Statements</b> .....                                                                                                       | 26 |
| <b>Required Supplementary Information</b>                                                                                                        |    |
| Budgetary Comparison Schedule - General Fund .....                                                                                               | 60 |
| Schedule of Changes in the Net Pension Liability and Related Ratios .....                                                                        | 61 |
| Schedule of Employer Contributions - Pension.....                                                                                                | 62 |
| Schedule of Changes in Net OPEB Liability and Related Ratios .....                                                                               | 63 |
| Notes to Required Supplementary Information .....                                                                                                | 64 |
| <b>Other Information</b>                                                                                                                         |    |
| Assessed Value of Taxable Property (Unaudited) .....                                                                                             | 67 |
| Gross Receipts and Use Tax Receipts (Unaudited) .....                                                                                            | 68 |
| Business License Tax Receipts (Unaudited).....                                                                                                   | 69 |
| Fourteen Mill Ad Valorem Tax Receipts (Unaudited) .....                                                                                          | 70 |



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
The City of Pelham, Alabama

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pelham, (the City), as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the City of Pelham, Alabama's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of changes in the net pension liability, schedule of employer contributions and the schedule of changes in net OPEB liability 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.

***Other Information***

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

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

***Fruitt Fingle Paramore & Argent, LLC***

Birmingham, Alabama

**DATE**



**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

The City of Pelham's Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position, identify any material deviations from the financial plan, and identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the City's financial statements.

### **HIGHLIGHTS**

#### **Financial Highlights**

- The City's combined governmental assets and deferred outflows of resources exceeded its combined liabilities and deferred inflows of resources by \$95,748,821 which will allow the City to continue to meet ongoing obligations to citizens and creditors. The City's net position for governmental activities increased by \$14,663,714.
- The City had expenses of \$55,205,472 for governmental activities and transfers of \$2,311,196 to business-type activities, which was \$14,663,714 less than the \$72,180,382 generated in general and program revenues.
- The General Fund reported a fund balance of \$92,545,942, an increase of \$2,540,955. The General Fund's Excess of Expenditures over Revenues was \$7,921,586.
- The Capital Projects and General Fund reported \$10,603,961 in capital outlay. The proprietary funds reported \$7,379,308 in capital expenditures during the year.
- The Proprietary Funds reported a combined net position of \$82,329,353, an increase of \$3,793,095. The Proprietary Fund's Operating income was \$1,389,663.
- The total cost of all City's programs was \$80,038,625.
- The City's combined assets exceeded its combined liabilities by \$178,078,174, which will allow the City to continue to meet ongoing obligations to citizens and creditors.

### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements. The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances. The Statement of Net Position and the Statement of Activities (on pages 14-16) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 17. For governmental activities, these statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail by providing information about the City's most significant funds.

**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

**Reporting the City as a Whole**

Our analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private sector companies. All the current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the City's net position and changes in net position. You can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position, is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including general administration, public safety, public works, culture and recreation. Property taxes, sales taxes, program revenues, and grants finance most of these activities.
- **Business-type Activities** – The City's Water and Sewer System, Civic Complex and Ice Arena, Ballantrae Golf Club, Racquet Club and Garbage Fund are reported here. The City charges a fee to customers to cover costs of these services.

**Reporting the City's Most Significant Funds**

Our analysis of the City's major funds begins on page 11. The fund financial statements provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations after the fund financial statements.

- **Proprietary Funds** – When the City charges customers for the services it provides, these services are generally reported in the proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

### THE CITY AS A WHOLE

#### Financial Analysis of the City as a Whole

##### Net Position

The City's combined net position as of September 30, 2025 was \$178,078,174. The governmental activities net position was \$95,748,821, and the business-type activities net position was \$82,329,353.

##### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

|                                     | Governmental Activities             |                | Business - Type Activities          |               | Totals                              |                |
|-------------------------------------|-------------------------------------|----------------|-------------------------------------|---------------|-------------------------------------|----------------|
|                                     | For the Year Ended<br>September 30, |                | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |                |
|                                     | 2025                                | 2024           | 2025                                | 2024          | 2025                                | 2024           |
| Current and other assets            | \$ 110,665,591                      | \$ 112,400,426 | \$ 19,144,841                       | \$ 19,455,367 | \$ 129,810,432                      | \$ 131,855,793 |
| Capital Assets                      | 96,563,219                          | 87,858,003     | 87,842,016                          | 84,582,805    | 184,405,235                         | 172,440,808    |
| Total assets                        | 207,228,810                         | 200,258,429    | 106,986,857                         | 104,038,172   | 314,215,667                         | 304,296,601    |
| Deferred Outflows of<br>resources   | 13,326,475                          | 16,808,162     | 1,709,642                           | 2,084,129     | 15,036,117                          | 18,892,291     |
| Other liabilities                   | 10,029,710                          | 14,147,749     | 3,828,015                           | 4,183,326     | 13,857,725                          | 18,331,075     |
| Long-term liabilities               | 97,250,380                          | 107,927,134    | 21,660,096                          | 23,261,157    | 118,910,476                         | 131,188,291    |
| Total liabilities                   | 107,280,090                         | 122,074,883    | 25,488,111                          | 27,444,483    | 132,768,201                         | 149,519,366    |
| Deferred inflows of<br>resources    | 17,526,374                          | 13,173,572     | 879,035                             | 35,600        | 18,405,409                          | 13,209,172     |
| <b>Net position</b>                 |                                     |                |                                     |               |                                     |                |
| Net investment in<br>capital assets | 81,309,556                          | 71,529,183     | 71,449,304                          | 72,161,379    | 152,758,860                         | 143,690,562    |
| Restricted                          | 9,882,321                           | 9,072,016      | -                                   | -             | 9,882,321                           | 9,072,016      |
| Unrestricted                        | 4,556,944                           | 1,216,937      | 10,880,049                          | 6,480,839     | 15,436,993                          | 7,697,776      |
| Total net position                  | \$ 95,748,821                       | \$ 81,818,136  | \$ 82,329,353                       | \$ 78,642,218 | \$ 178,078,174                      | \$ 160,460,354 |

**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

For more detailed information, see the Statement of Net Position on pages 14-15.

The City's combined net position increased to \$178,078,174 from \$160,460,354 or 11%.

**Changes in Net Position**

The City's total revenues increased by approximately 4% to \$98,495,437. For governmental activities, sales and property taxes account for approximately 76% of revenues. The majority of the remaining governmental activities revenues come from fees and charges for services, other taxes, and capital grants and contributions.

The total cost of all programs and services increased by \$1,159,572, or approximately 1%. Expenses of business-type activities decreased by (\$227,810) and the cost of governmental activities increased by \$1,387,382.

The table on the following page reflects the condensed Statement of Activities.

**City of Pelham, Alabama**  
**Management's Discussion and Analysis**  
**September 30, 2025**

|                                                                                      | Governmental Activities             |               | Business - Type Activities          |               | Totals                              |                |
|--------------------------------------------------------------------------------------|-------------------------------------|---------------|-------------------------------------|---------------|-------------------------------------|----------------|
|                                                                                      | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |                |
|                                                                                      | 2025                                | 2024          | 2025                                | 2024          | 2025                                | 2024           |
| <b>REVENUES</b>                                                                      |                                     |               |                                     |               |                                     |                |
| Program Revenues                                                                     |                                     |               |                                     |               |                                     |                |
| Fees, fines, and charges<br>for services                                             | \$ 8,667,104                        | \$ 8,103,955  | \$ 25,816,928                       | \$ 23,775,905 | \$ 34,484,032                       | \$ 31,879,860  |
| Operating grants and<br>contributions                                                | 1,414,939                           | 1,476,303     | -                                   | -             | 1,414,939                           | 1,476,303      |
| Capital grants and<br>contributions                                                  | 3,052,644                           | 3,272,608     | -                                   | -             | 3,052,644                           | 3,272,608      |
| General Revenues                                                                     |                                     |               |                                     |               |                                     |                |
| Sales taxes                                                                          | 45,087,625                          | 43,798,732    | -                                   | -             | 45,087,625                          | 43,798,732     |
| Property taxes                                                                       | 9,809,638                           | 9,219,316     | -                                   | -             | 9,809,638                           | 9,219,316      |
| Other taxes                                                                          | 604,937                             | 481,639       | -                                   | -             | 604,937                             | 481,639        |
| Interest income                                                                      | 3,488,328                           | 3,461,415     | 485,794                             | 543,784       | 3,974,122                           | 4,005,199      |
| Other income                                                                         | 55,167                              | 134,081       | 12,330                              | 3,328         | 67,497                              | 137,409        |
| Total Revenues                                                                       | 72,180,382                          | 69,948,049    | 26,315,052                          | 24,323,017    | 98,495,434                          | 94,271,066     |
| <b>EXPENSES</b>                                                                      |                                     |               |                                     |               |                                     |                |
| General Administration                                                               | 16,201,018                          | 16,591,931    | -                                   | -             | 16,201,018                          | 16,591,931     |
| Public Safety                                                                        | 26,785,720                          | 25,509,366    | -                                   | -             | 26,785,720                          | 25,509,366     |
| Public Works                                                                         | 6,083,962                           | 5,258,946     | -                                   | -             | 6,083,962                           | 5,258,946      |
| Culture and recreation                                                               | 4,937,556                           | 5,106,593     | -                                   | -             | 4,937,556                           | 5,106,593      |
| Interest                                                                             | 1,197,216                           | 1,351,254     | -                                   | -             | 1,197,216                           | 1,351,254      |
| Water and Sewer                                                                      | -                                   | -             | 11,605,528                          | 11,669,122    | 11,605,528                          | 11,669,122     |
| Civic Complex                                                                        | -                                   | -             | 4,900,601                           | 5,114,386     | 4,900,601                           | 5,114,386      |
| Ballantrae Golf Club                                                                 | -                                   | -             | 3,609,831                           | 3,574,755     | 3,609,831                           | 3,574,755      |
| Pelham Racquet Club                                                                  | -                                   | -             | 1,822,112                           | 1,857,552     | 1,822,112                           | 1,857,552      |
| Other proprietary funds                                                              | -                                   | -             | 2,895,081                           | 2,845,148     | 2,895,081                           | 2,845,148      |
| Total Expenses                                                                       | 55,205,472                          | 53,818,090    | 24,833,153                          | 25,060,963    | 80,038,625                          | 78,879,053     |
| Excess (deficiency)<br>before transfers &<br>capital contributions<br>& special item | 16,974,910                          | 16,129,959    | 1,481,899                           | (737,946)     | 18,456,809                          | 15,392,013     |
| Transfers                                                                            | (2,311,196)                         | (9,275,254)   | 2,311,196                           | 9,275,254     | -                                   | -              |
| Change in net position                                                               | 14,663,714                          | 6,854,705     | 3,793,095                           | 8,537,308     | 18,456,809                          | 15,392,013     |
| Beginning net position,<br>as originally reported                                    | 81,818,136                          | 74,963,431    | 78,642,218                          | 70,104,910    | 160,460,354                         | 145,068,341    |
| Prior period adjustment                                                              | (733,029)                           | -             | (105,960)                           | -             | (838,989)                           | -              |
| Beginning net position,<br>as restated                                               | 81,085,107                          | 74,963,431    | 78,536,258                          | 70,104,910    | 159,621,365                         | 145,068,341    |
| Ending net position                                                                  | \$ 95,748,821                       | \$ 81,818,136 | \$ 82,329,353                       | \$ 78,642,218 | \$ 178,078,174                      | \$ 160,460,354 |

**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

**THE CITY'S FUNDS**

**Governmental Funds**

As of the year-end, the Governmental Funds reported a combined fund balance of \$97,356,629, which is \$3,114,793 more than the beginning of the year. The General Fund experienced a net increase of \$2,540,955, resulting primarily from excess of revenues over expenditures. The Capital Projects Fund experienced a net increase of \$1,015,974, resulting primarily from transfers from other funds. These projects were funded by transfers from primarily the General Fund of \$4,168,534 and the Nonmajor Governmental Funds of \$1,073,166.

**Proprietary Funds**

As of the year-end, the Proprietary Funds reported net position of \$82,329,353, which is approximately 5% more than the beginning of the year. The Water and Sewer Fund experienced a net increase of \$2,848,389. The Civic Complex experienced a net increase of \$607,304 after interfund transfers from the General Fund of \$1,166,524. Ballantrae Golf experienced a net increase of \$175,137 after interfund transfers from the General Fund of \$90,249. The Pelham Racquet Club experienced a net decrease of (\$78,102) after interfund transfers from the General Fund of \$904,423. The Garbage Fund experienced a net increase of \$240,367 after interfund transfers from the General Fund of \$150,000.

**General Fund Budgetary Highlights**

General Fund revenues exceeded budgeted revenues by \$3,986,812. Actual sales tax revenues exceeded budgeted sales tax revenues.

General Fund expenditures were less than budgeted amounts by \$913,934.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At September 30, 2025, the City had \$184,405,235 invested in a broad range of capital assets, including the Water and Sewer System, Civic Complex and Ice Arena, Racquet Club, Ballantrae Golf Club, land, roadways, fire and police equipment and vehicles, buildings, library, a senior citizen center, park facilities, streets and roads. This amount represents a net increase (including additions, disposals and depreciation) of \$11,964,427, or approximately 7% over last year. The increase can be attributed to capital asset additions offset by depreciation expense and the sale of surplus and other capital assets.

The table on the following page is a schedule of capital assets as of September 30:

**City of Pelham, Alabama**  
**Management's Discussion and Analysis**  
**September 30, 2025**

**CAPITAL ASSETS**

|                                 | Governmental Activities             |               | Business - Type Activities          |               | Totals                              |                |
|---------------------------------|-------------------------------------|---------------|-------------------------------------|---------------|-------------------------------------|----------------|
|                                 | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |                |
|                                 | 2025                                | 2024          | 2025                                | 2024          | 2025                                | 2024           |
| Land                            | \$ 20,067,132                       | \$ 14,767,168 | \$ 8,801,321                        | \$ 8,801,321  | \$ 28,868,453                       | \$ 23,568,489  |
| Construction in progress        | 5,493,607                           | 4,675,824     | 10,762,142                          | 15,014,415    | 16,255,749                          | 19,690,239     |
| Infrastructure, net             | 38,039,898                          | 34,475,869    |                                     |               | 38,039,898                          | 34,475,869     |
| Systems and facilities, net     | -                                   | -             | 65,318,724                          | 57,836,306    | 65,318,724                          | 57,836,306     |
| Buildings and improvements, net | 25,210,111                          | 25,959,714    | 754,396                             | 760,862       | 25,964,507                          | 26,720,576     |
| Equipment, net                  | 7,398,726                           | 7,979,428     | 1,634,844                           | 1,808,036     | 9,033,570                           | 9,787,464      |
| Right of use assets, net        | 353,745                             | -             | 570,589                             | 361,865       | 924,334                             | 361,865        |
| Total capital assets, net       | \$ 96,563,219                       | \$ 87,858,003 | \$ 87,842,016                       | \$ 84,582,805 | \$ 184,405,235                      | \$ 172,440,808 |

**Long-Term Debt**

At September 30, 2025, the City had \$68,107,057 in warrants and leases payable outstanding versus \$72,966,431 at September 30, 2024, a decrease of 7%. This decrease results from principal payments.

The following is a schedule of long-term debt as of September 30:

**DEBT**

|                             | Governmental Activities             |               | Business - Type Activities          |               | Totals                              |               |
|-----------------------------|-------------------------------------|---------------|-------------------------------------|---------------|-------------------------------------|---------------|
|                             | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |               | For the Year Ended<br>September 30, |               |
|                             | 2025                                | 2024          | 2025                                | 2024          | 2025                                | 2024          |
| General obligation warrants | \$ 50,655,764                       | \$ 55,042,843 | \$ 15,730,631                       | \$ 16,566,320 | \$ 66,386,395                       | \$ 71,609,163 |
| Capital lease payable       | 791,718                             | 984,010       | 6,509                               | 18,281        | 798,227                             | 1,002,291     |
| Right of use liability      | 351,755                             | -             | 570,680                             | 354,977       | 922,435                             | 354,977       |
| Total LT liabilities        | \$ 51,799,237                       | \$ 56,026,853 | \$ 16,307,820                       | \$ 16,939,578 | \$ 68,107,057                       | \$ 72,966,431 |

**City of Pelham, Alabama**  
Management's Discussion and Analysis  
September 30, 2025

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City Manager, after consulting with the Mayor, City Clerk/Treasurer, Finance Director, department heads and supervisors, considered many factors when setting the budget for the fiscal year ending September 30, 2025. The City Council took the City Manager's proposed budget under consideration and, after further review and evaluation, adopted the fiscal year 2025 budget. Tax rates, anticipated sales tax collections, anticipated expenditures/expenses, prior year actual revenues/expenditures, and the overall economy were some of these factors.

Pelham's local economy consists of commercial, retail, and light industrial business. Some of Pelham's largest businesses are the Walmart Supercenter, Publix, Home Depot, Holiday Inn, Hampton Inn, and numerous restaurants and auto dealerships.

The City continued to see an increase in commercial development in the area in 2025, and the population continues to grow. The City of Pelham's population increased from 21,352 in the 2010 census to 24,318 in the 2020 census. The City continues its emphasis on retail, lodging, industrial and residential sectors of the economy.

These indicators were taken into account when adopting the General Fund budget for the fiscal year ended September 30, 2025. Amounts available for expenditure in the General Fund budget totaled \$64.4 million for the fiscal year 2026. The City took into consideration the current year increase in revenue and its effect on the City when budgeting expenditures for the fiscal year 2026. If these estimates are realized, the City's budgetary fund balance is expected to increase by the close of fiscal year 2026.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need additional information, contact the City Clerk/Treasurer at the City of Pelham, P.O. Box 1419, Pelham, AL 35124.



**City of Pelham, Alabama**  
**Statement of Net Position**  
**September 30, 2025**

|                                       | Primary Government         |                             |                    |
|---------------------------------------|----------------------------|-----------------------------|--------------------|
|                                       | Governmental<br>Activities | Business-Type<br>Activities | Total              |
| <b>Assets</b>                         |                            |                             |                    |
| Current assets                        |                            |                             |                    |
| Cash and cash equivalents             | \$ 24,471,379              | \$ 15,414,226               | \$ 39,885,605      |
| Deposit and investments               | 25,531,285                 | -                           | 25,531,285         |
| Accounts receivable, net              | 13,470,523                 | 2,367,605                   | 15,838,128         |
| Due from other funds                  | -                          | 38,169                      | 38,169             |
| Inventory                             | -                          | 631,823                     | 631,823            |
| Prepaid expenses                      | 605,023                    | 223,875                     | 828,898            |
| Restricted assets:                    |                            |                             |                    |
| Cash and cash equivalents             | 16,529,047                 | 469,143                     | 16,998,190         |
| Notes receivable                      | 30,058,334                 | -                           | 30,058,334         |
| Nondepreciable capital assets         | 25,560,739                 | 19,563,462                  | 45,124,201         |
| Depreciable capital assets, net       | 71,002,480                 | 68,278,554                  | 139,281,034        |
|                                       | <u>207,228,810</u>         | <u>106,986,857</u>          | <u>314,215,667</u> |
| <b>Deferred outflows of resources</b> |                            |                             |                    |
| Pension                               | 9,989,494                  | 1,709,642                   | 11,699,136         |
| Other post employment benefits        | 2,974,249                  | -                           | 2,974,249          |
| Deferred charge on refunding          | 362,732                    | -                           | 362,732            |
| Total deferred outflows of resource   | <u>13,326,475</u>          | <u>1,709,642</u>            | <u>15,036,117</u>  |
| <b>Liabilities</b>                    |                            |                             |                    |
| Accounts payable                      | 1,156,068                  | 1,561,094                   | 2,717,162          |
| Unearned revenue                      | 465,536                    | 214,576                     | 680,112            |
| Accrued expenses                      | 1,564,021                  | 168,502                     | 1,732,523          |
| Accrued interest payable              | 254,137                    | 84,892                      | 339,029            |
| Payable from restricted assets:       |                            |                             |                    |
| Accounts payable                      | 227,160                    | -                           | 227,160            |
| Deposits                              | 61,246                     | 480,381                     | 541,627            |
| Due to other funds                    | 38,169                     | -                           | 38,169             |
| Noncurrent liabilities                |                            |                             |                    |
| Due within one year                   | 6,263,373                  | 1,318,570                   | 7,581,943          |
| Due in more than one year             | 97,250,380                 | 21,660,096                  | 118,910,476        |
| Total liabilities                     | <u>107,280,090</u>         | <u>25,488,111</u>           | <u>132,768,201</u> |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
Statement of Net Position - Continued  
September 30, 2025

|                                               | Primary Government         |                             |                       |
|-----------------------------------------------|----------------------------|-----------------------------|-----------------------|
|                                               | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
| <b>Deferred inflows of resources</b>          |                            |                             |                       |
| Property taxes levied for<br>subsequent years | \$ 9,796,762               | \$ -                        | \$ 9,796,762          |
| Pension                                       | 4,753,863                  | 879,035                     | 5,632,898             |
| Other post employment benefits                | 2,975,749                  | -                           | 2,975,749             |
|                                               | <u>17,526,374</u>          | <u>879,035</u>              | <u>18,405,409</u>     |
| <b>Net position (deficit)</b>                 |                            |                             |                       |
| Net investment in capital assets              | 81,309,556                 | 71,449,304                  | 152,758,860           |
| Restricted for:                               |                            |                             |                       |
| Capital projects                              | 3,169,101                  | -                           | 3,169,101             |
| Street improvements                           | 344,150                    | -                           | 344,150               |
| Municipal court                               | 1,082,663                  | -                           | 1,082,663             |
| Police/municipal corrections                  | 177,852                    | -                           | 177,852               |
| Library                                       | 98,236                     | -                           | 98,236                |
| Community programs                            | 755,229                    | -                           | 755,229               |
| Debt service                                  | 4,255,090                  | -                           | 4,255,090             |
| Unrestricted                                  | <u>4,556,944</u>           | <u>10,880,049</u>           | <u>15,436,993</u>     |
| Total net position                            | <u>\$ 95,748,821</u>       | <u>\$ 82,329,353</u>        | <u>\$ 178,078,174</u> |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Activities**  
**For the Year Ended September 30, 2025**

| Function/Programs                                        | Expenses             | Program Revenues     |                                |                              | Net (Expense) Revenue and Changes in Net Assets |                          |                        |
|----------------------------------------------------------|----------------------|----------------------|--------------------------------|------------------------------|-------------------------------------------------|--------------------------|------------------------|
|                                                          |                      | Charges for Services | Operating Grants/Contributions | Capital Grants/Contributions | Primary Government                              |                          |                        |
|                                                          |                      |                      |                                |                              | Governmental Activities                         | Business-type Activities | Total                  |
| <b>Primary government</b>                                |                      |                      |                                |                              |                                                 |                          |                        |
| <b>Governmental activities</b>                           |                      |                      |                                |                              |                                                 |                          |                        |
| General administration                                   | \$ 16,201,018        | \$ 8,180,831         | \$ 226,111                     | \$ -                         | \$ (7,794,076)                                  | \$ -                     | \$ (7,794,076)         |
| Public safety                                            | 26,785,720           | 12,353               | 149,055                        | -                            | (26,624,312)                                    | -                        | (26,624,312)           |
| Public works                                             | 6,083,962            | 4,500                | 971,335                        | 2,889,771                    | (2,218,356)                                     | -                        | (2,218,356)            |
| Culture and recreation                                   | 4,937,556            | 469,420              | 68,438                         | 162,873                      | (4,236,825)                                     | -                        | (4,236,825)            |
| Interest and fees                                        | 1,197,216            | -                    | -                              | -                            | (1,197,216)                                     | -                        | (1,197,216)            |
| <b>Total primary government</b>                          | <b>55,205,472</b>    | <b>8,667,104</b>     | <b>1,414,939</b>               | <b>3,052,644</b>             | <b>(42,070,785)</b>                             | <b>-</b>                 | <b>(42,070,785)</b>    |
| <b>Business-type Activities</b>                          |                      |                      |                                |                              |                                                 |                          |                        |
| Water and Sewer                                          | 11,605,528           | 13,992,707           | -                              | -                            | -                                               | 2,387,179                | 2,387,179              |
| Civic Complex and Ice Arena                              | 4,900,601            | 4,341,109            | -                              | -                            | -                                               | (559,492)                | (559,492)              |
| Ballantree Golf                                          | 3,609,831            | 3,679,710            | -                              | -                            | -                                               | 69,879                   | 69,879                 |
| Pelham Racquet Club                                      | 1,822,112            | 836,920              | -                              | -                            | -                                               | (985,192)                | (985,192)              |
| Other Proprietary Funds                                  | 2,895,081            | 2,966,482            | -                              | -                            | -                                               | 71,401                   | 71,401                 |
| <b>Total Business-type Activities</b>                    | <b>24,833,153</b>    | <b>25,816,928</b>    | <b>-</b>                       | <b>-</b>                     | <b>-</b>                                        | <b>983,775</b>           | <b>983,775</b>         |
| <b>Total Primary Government</b>                          | <b>\$ 80,038,625</b> | <b>\$ 34,484,032</b> | <b>\$ 1,414,939</b>            | <b>\$ 3,052,644</b>          | <b>\$ (42,070,785)</b>                          | <b>\$ 983,775</b>        | <b>\$ (41,087,010)</b> |
| <b>General revenues and other items</b>                  |                      |                      |                                |                              |                                                 |                          |                        |
| <b>Taxes:</b>                                            |                      |                      |                                |                              |                                                 |                          |                        |
| Sales                                                    |                      |                      |                                |                              | 45,087,625                                      | -                        | 45,087,625             |
| Property                                                 |                      |                      |                                |                              | 9,809,638                                       | -                        | 9,809,638              |
| Other                                                    |                      |                      |                                |                              | 604,937                                         | -                        | 604,937                |
| Interest earnings                                        |                      |                      |                                |                              | 3,488,328                                       | 485,794                  | 3,974,122              |
| Other income                                             |                      |                      |                                |                              | -                                               | -                        | -                      |
| Gain on disposal of capital assets                       |                      |                      |                                |                              | 55,167                                          | 12,330                   | 67,497                 |
| Transfers                                                |                      |                      |                                |                              | (2,311,196)                                     | 2,311,196                | -                      |
| Total general revenues and other items                   |                      |                      |                                |                              | 56,734,499                                      | 2,809,320                | 59,543,819             |
| <b>Change in net position</b>                            |                      |                      |                                |                              |                                                 |                          |                        |
| Change in net position                                   |                      |                      |                                |                              | 14,663,714                                      | 3,793,095                | 18,456,809             |
| Net position - beginning of year, as previously reported |                      |                      |                                |                              | 81,818,136                                      | 78,642,218               | 160,460,354            |
| Prior period adjustment - implementation of GASB 101     |                      |                      |                                |                              | (733,029)                                       | (105,960)                | (838,989)              |
| Net position - beginning of year, as restated            |                      |                      |                                |                              | 81,085,107                                      | 78,536,258               | 159,621,365            |
| Net position - end of year                               |                      |                      |                                |                              | \$ 95,748,821                                   | \$ 82,329,353            | \$ 178,078,174         |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Balance Sheet - Governmental Funds**  
**September 30, 2025**

|                                                                   | General               | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------|-----------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                     |                       |                             |                                   |                                |
| Cash and cash equivalents                                         | \$ 24,471,379         | \$ -                        | \$ -                              | \$ 24,471,379                  |
| Deposits and investments                                          | 25,531,285            | -                           | -                                 | 25,531,285                     |
| Accounts receivable                                               | 13,449,207            | 21,316                      | -                                 | 13,470,523                     |
| Due from other funds                                              | -                     | 68,353                      | -                                 | 68,353                         |
| Prepaid expenses                                                  | 605,023               | -                           | -                                 | 605,023                        |
| Notes receivable                                                  | 30,058,334            | -                           | -                                 | 30,058,334                     |
| Restricted assets:                                                |                       |                             |                                   |                                |
| Cash                                                              | 11,502,415            | 3,248,344                   | 1,778,288                         | 16,529,047                     |
| Total assets                                                      | <u>\$ 105,617,643</u> | <u>\$ 3,338,013</u>         | <u>\$ 1,778,288</u>               | <u>\$ 110,733,944</u>          |
| <b>Liabilities</b>                                                |                       |                             |                                   |                                |
| Accounts payable                                                  | \$ 1,156,068          | \$ -                        | \$ -                              | \$ 1,156,068                   |
| Unearned revenue                                                  | 465,536               | -                           | -                                 | 465,536                        |
| Accrued expenses                                                  | 1,564,021             | -                           | -                                 | 1,564,021                      |
| Payable from restricted assets                                    |                       |                             |                                   | -                              |
| Accounts payable                                                  | -                     | 220,466                     | 6,694                             | 227,160                        |
| Due to other funds                                                | 89,314                | -                           | 17,208                            | 106,522                        |
| Deposits                                                          | -                     | -                           | 61,246                            | 61,246                         |
| Total liabilities                                                 | <u>3,274,939</u>      | <u>220,466</u>              | <u>85,148</u>                     | <u>3,580,553</u>               |
| <b>Deferred inflows of resources</b>                              |                       |                             |                                   |                                |
| Property taxes levied for subsequent year                         | 9,796,762             | -                           | -                                 | 9,796,762                      |
| Total deferred inflows of resources                               | <u>9,796,762</u>      | <u>-</u>                    | <u>-</u>                          | <u>9,796,762</u>               |
| <b>Fund balance (deficit)</b>                                     |                       |                             |                                   |                                |
| Non-spendable                                                     |                       |                             |                                   |                                |
| Notes receivable                                                  | 30,058,334            | -                           | -                                 | 30,058,334                     |
| Prepaid expenses                                                  | 605,023               | -                           | -                                 | 605,023                        |
| Restricted for                                                    |                       |                             |                                   |                                |
| Street improvements                                               | -                     | -                           | 344,150                           | 344,150                        |
| Municipal court                                                   | 816,544               | -                           | 266,119                           | 1,082,663                      |
| Police/municipal corrections                                      | -                     | -                           | 177,852                           | 177,852                        |
| Library                                                           | -                     | -                           | 98,236                            | 98,236                         |
| Community programs                                                | -                     | -                           | 755,229                           | 755,229                        |
| Debt service                                                      | 4,255,090             | -                           | -                                 | 4,255,090                      |
| Capital projects                                                  | 6,430,781             | 3,117,547                   | 51,554                            | 9,599,882                      |
| Committed for                                                     |                       |                             |                                   |                                |
| Capital assets                                                    | 8,782,097             | -                           | -                                 | 8,782,097                      |
| Emergency response                                                | 1,000,000             | -                           | -                                 | 1,000,000                      |
| Unassigned                                                        | 40,598,073            | -                           | -                                 | 40,598,073                     |
|                                                                   | <u>92,545,942</u>     | <u>3,117,547</u>            | <u>1,693,140</u>                  | <u>97,356,629</u>              |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 105,617,643</u> | <u>\$ 3,338,013</u>         | <u>\$ 1,778,288</u>               | <u>\$ 110,733,944</u>          |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**September 30, 2025**

**Total fund balances - governmental funds** \$ 97,356,629

Amounts reported for governmental activities in the statement of net 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   | 142,121,984  |            |
| Less accumulated depreciation | (45,558,765) | 96,563,219 |

Deferred outflows and deferred inflows related to the net pension liability and other post employment benefit payable are not reported in the governmental funds

|                                           |             |           |
|-------------------------------------------|-------------|-----------|
| Deferred outflow of resources for pension | 9,989,494   |           |
| Deferred outflow of resources for OPEB    | 2,974,249   |           |
| Deferred inflows of resources for pension | (4,753,863) |           |
| Deferred inflows of resources for OPEB    | (2,975,749) | 5,234,131 |

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

|                                        |              |               |
|----------------------------------------|--------------|---------------|
| Warrants payable                       | (48,297,421) |               |
| Discounts (premiums)                   | (2,358,343)  |               |
| Deferred charges on refunding          | 362,732      |               |
| Capital lease payable                  | (791,718)    |               |
| Right of use lease payable             | (351,755)    |               |
| Net pension liability                  | (34,352,548) |               |
| Other post employment benefits payable | (14,321,834) |               |
| Compensated absences                   | (3,040,134)  | (103,151,021) |

Interest payable is not recognized as an expenditure in governmental funds, but rather is recognized when an expenditure is paid.

(254,137)

**Total net position - governmental activities**

\$ 95,748,821

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended September 30, 2025**

|                                                              | General           | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|-------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                              |                   |                             |                                   |                                |
| Taxes                                                        |                   |                             |                                   |                                |
| Sales                                                        | \$ 45,087,625     | \$ -                        | \$ -                              | \$ 45,087,625                  |
| Property                                                     | 9,809,638         | -                           | -                                 | 9,809,638                      |
| Motor vehicle/gas                                            | 537,688           | -                           | 433,647                           | 971,335                        |
| Other                                                        | 604,937           | -                           | -                                 | 604,937                        |
| Licenses and permits                                         | 6,141,668         | -                           | -                                 | 6,141,668                      |
| Fines and forfeits                                           | 289,403           | -                           | 571,796                           | 861,199                        |
| Charges for services                                         | 1,230,409         | -                           | 37,903                            | 1,268,312                      |
| Interest                                                     | 3,167,350         | 104,899                     | 216,079                           | 3,488,328                      |
| Other                                                        | 405,695           | 114,840                     | 481,865                           | 1,002,400                      |
|                                                              | <u>67,274,413</u> | <u>219,739</u>              | <u>1,741,290</u>                  | <u>69,235,442</u>              |
| <b>Expenditures</b>                                          |                   |                             |                                   |                                |
| General administration                                       | 15,824,286        | -                           | 110,245                           | 15,934,531                     |
| Public safety                                                | 23,285,519        | -                           | -                                 | 23,285,519                     |
| Public works                                                 | 4,327,772         | -                           | -                                 | 4,327,772                      |
| Culture and recreation                                       | 3,896,947         | -                           | -                                 | 3,896,947                      |
| Capital outlay                                               |                   |                             |                                   |                                |
| Capital                                                      | 6,159,259         | 4,444,702                   | -                                 | 10,603,961                     |
| Non-capital                                                  | 103,895           | 763                         | -                                 | 104,658                        |
| Debt service                                                 |                   |                             |                                   |                                |
| Principal retirement                                         | 4,253,389         | -                           | -                                 | 4,253,389                      |
| Interest and fees                                            | 1,501,760         | -                           | -                                 | 1,501,760                      |
|                                                              | <u>59,352,827</u> | <u>4,445,465</u>            | <u>110,245</u>                    | <u>63,908,537</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>7,921,586</u>  | <u>(4,225,726)</u>          | <u>1,631,045</u>                  | <u>5,326,905</u>               |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds - Continued**  
**For the Year Ended September 30, 2025**

|                                             | General              | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Other financing sources (uses)</b>       |                      |                             |                                   |                                |
| Proceeds from sale of capital assets        | 77,772               | -                           | -                                 | 77,772                         |
| Proceeds from capital lease                 | 21,312               | -                           | -                                 | 21,312                         |
| Transfers (to)/from nonmajor govt funds     | 1,000,015            | 1,073,166                   | (2,073,181)                       | -                              |
| Transfers (to)/from capital projects fund   | (4,168,534)          | 4,168,534                   | -                                 | -                              |
| Transfers (to)/from civic complex fund      | (1,166,524)          | -                           | -                                 | (1,166,524)                    |
| Transfers (to)/from Ballantrae golf fund    | (90,249)             | -                           | -                                 | (90,249)                       |
| Transfers (to)/from pelham racquet club     | (904,423)            | -                           | -                                 | (904,423)                      |
| Transfers (to)/from other proprietary funds | (150,000)            | -                           | -                                 | (150,000)                      |
|                                             | <u>(5,380,631)</u>   | <u>5,241,700</u>            | <u>(2,073,181)</u>                | <u>(2,212,112)</u>             |
| Net change in fund balance                  | 2,540,955            | 1,015,974                   | (442,136)                         | 3,114,793                      |
| Fund balance (deficit) - beginning of year  | 90,004,987           | 2,101,573                   | 2,135,276                         | 94,241,836                     |
| Fund balance (deficit) - end of year        | <u>\$ 92,545,942</u> | <u>\$ 3,117,547</u>         | <u>\$ 1,693,140</u>               | <u>\$ 97,356,629</u>           |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
**For the year ended September 30, 2025**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| <b>Net changes in fund balances - governmental funds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    | \$ 3,114,793         |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10,603,961         |                      |
| Less depreciation expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>(5,137,028)</u> | 5,466,933            |
| Donations of capital assets do not provide current financial resources and are not recorded in governmental funds. However, donations of capital assets increase net position.                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    | 2,889,771            |
| The proceeds from the sale of capital assets (\$77,772) are reported as other financing sources in the governmental funds. However, the net book value of the capital assets (\$22,605) is removed from the capital assets account in the Statement of Net Position and offsets against the sales proceeds resulting in a gain in the Statement of Activities of (\$55,167)                                                                                                                                                                                                                                   |                    |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    | (22,605)             |
| The proceeds from a capital lease are reported as revenue in the governmental funds. However, the lease is reported as a sale of a capital asset in the Statement of Net Position and unearned revenue related to the transaction is amortized over the life of the lease and reported as lease income in the Statement of Activities                                                                                                                                                                                                                                                                         |                    |                      |
| Proceeds from capital leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    | (21,312)             |
| 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 assets. 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 4,253,389          |                      |
| Payment on right of use leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 19,360             |                      |
| Deferred amount on refunding amortization                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (69,863)           |                      |
| Premium and discount amortization                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>347,295</u>     | 4,550,181            |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                      |
| Increase in accrued compensated absences                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | (596,361)          |                      |
| Increase in pension expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (1,196,510)        |                      |
| Decrease in other post employment benefit payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 450,342            |                      |
| Decrease in accrued interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>28,482</u>      | (1,314,047)          |
| <b>Change in net position - governmental activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    | <u>\$ 14,663,714</u> |

The notes to the financial statements are an integral part of this statement.



**City of Pelham, Alabama**  
**Statement of Proprietary Fund Net Position**  
**September 30, 2025**

|                                              | Water and<br>Sewer | Civic<br>Complex and<br>Ice Arena | Ballantrae<br>Golf | Pelham<br>Racquet<br>Club | Garbage<br>Fund | Total<br>Proprietary<br>Funds |
|----------------------------------------------|--------------------|-----------------------------------|--------------------|---------------------------|-----------------|-------------------------------|
| <b>Assets</b>                                |                    |                                   |                    |                           |                 |                               |
| <b>Current assets</b>                        |                    |                                   |                    |                           |                 |                               |
| Cash and cash equivalents                    | \$ 13,236,833      | \$ 562,528                        | \$ 787,765         | \$ 80,256                 | \$ 746,844      | \$ 15,414,226                 |
| Accounts receivable, net                     | 1,723,196          | 245,649                           | 60,094             | (1,190)                   | 339,856         | 2,367,605                     |
| Due from other funds                         | -                  | -                                 | -                  | -                         | 246,093         | 246,093                       |
| Inventory                                    | 151,716            | 353,934                           | 79,455             | 46,718                    | -               | 631,823                       |
| Prepaid expenses                             | 29,665             | 79,018                            | 104,196            | 10,996                    | -               | 223,875                       |
| Restricted cash                              | 469,143            | -                                 | -                  | -                         | -               | 469,143                       |
| Total current assets                         | 15,610,553         | 1,241,129                         | 1,031,510          | 136,780                   | 1,332,793       | 19,352,765                    |
| <b>Noncurrent assets</b>                     |                    |                                   |                    |                           |                 |                               |
| Nondepreciable assets                        | 7,725,742          | 3,144,603                         | 7,549,577          | 1,143,540                 | -               | 19,563,462                    |
| Depreciable capital assets, net              | 46,670,082         | 14,812,302                        | 4,643,798          | 2,152,372                 | -               | 68,278,554                    |
| Total noncurrent assets                      | 54,395,824         | 17,956,905                        | 12,193,375         | 3,295,912                 | -               | 87,842,016                    |
| Total assets                                 | 70,006,377         | 19,198,034                        | 13,224,885         | 3,432,692                 | 1,332,793       | 107,194,781                   |
| <b>Deferred outflows of resources</b>        |                    |                                   |                    |                           |                 |                               |
| Pension                                      | 915,405            | -                                 | 483,931            | 310,306                   | -               | 1,709,642                     |
| Total deferred outflows of resources         | 915,405            | -                                 | 483,931            | 310,306                   | -               | 1,709,642                     |
| <b>Liabilities</b>                           |                    |                                   |                    |                           |                 |                               |
| <b>Current liabilities</b>                   |                    |                                   |                    |                           |                 |                               |
| Accounts payable                             | 844,363            | 448,613                           | 17,154             | 8,030                     | 242,934         | 1,561,094                     |
| Due to other funds                           | 194,565            | 7,639                             | 4,666              | 1,054                     | -               | 207,924                       |
| Unearned revenue                             | -                  | 142,010                           | 72,566             | -                         | -               | 214,576                       |
| Accrued expenses                             | 84,735             | -                                 | 53,170             | 30,597                    | -               | 168,502                       |
| Accrued interest                             | 79,287             | 3,363                             | 2,242              | -                         | -               | 84,892                        |
| Compensated absences, current portion        | 89,878             | -                                 | 83,216             | 75,221                    | -               | 248,315                       |
| Current portion of warrants payable, net     | 792,296            | 33,522                            | 22,348             | -                         | -               | 848,166                       |
| Current portion of leases                    | 83,091             | -                                 | 138,998            | -                         | -               | 222,089                       |
| Payable from restricted assets               | -                  | -                                 | -                  | -                         | -               | -                             |
| Customer deposits                            | 480,381            | -                                 | -                  | -                         | -               | 480,381                       |
| Total current liabilities                    | 2,648,596          | 635,147                           | 394,360            | 114,902                   | 242,934         | 4,035,939                     |
| <b>Noncurrent liabilities</b>                |                    |                                   |                    |                           |                 |                               |
| Compensated absences, net of current portion | 89,879             | -                                 | 83,215             | 75,220                    | -               | 248,314                       |
| Net pension liability                        | 3,419,242          | -                                 | 1,710,514          | 1,044,461                 | -               | 6,174,217                     |
| Warrants payable, net of current portion     | 13,900,764         | 589,012                           | 392,689            | -                         | -               | 14,882,465                    |
| Leases, net of current portion               | 209,367            | -                                 | 145,733            | -                         | -               | 355,100                       |
| Total noncurrent liabilities                 | 17,619,252         | 589,012                           | 2,332,151          | 1,119,681                 | -               | 21,660,096                    |
| Total liabilities                            | 20,267,848         | 1,224,159                         | 2,726,511          | 1,234,583                 | 242,934         | 25,696,035                    |
| <b>Deferred inflows of resources</b>         |                    |                                   |                    |                           |                 |                               |
| Pension                                      | 462,978            | -                                 | 241,411            | 174,646                   | -               | 879,035                       |
| Total deferred inflows of resources          | 462,978            | -                                 | 241,411            | 174,646                   | -               | 879,035                       |
| <b>Net position</b>                          |                    |                                   |                    |                           |                 |                               |
| Net investment in capital assets             | 39,331,019         | 17,331,008                        | 11,491,365         | 3,295,912                 | -               | 71,449,304                    |
| Unrestricted                                 | 10,859,937         | 642,867                           | (750,471)          | (962,143)                 | 1,089,859       | 10,880,049                    |
| Total net position                           | \$ 50,190,956      | \$ 17,973,875                     | \$ 10,740,894      | \$ 2,333,769              | \$ 1,089,859    | \$ 82,329,353                 |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Revenues, Expenses, and Changes in Proprietary Fund Net Position**  
**September 30, 2025**

|                                                                                 | Water and<br>Sewer | Civic<br>Complex and<br>Ice Arena | Ballantrae<br>Golf | Pelham<br>Racquet<br>Club | Garbage<br>Fund | Total<br>Proprietary<br>Funds |
|---------------------------------------------------------------------------------|--------------------|-----------------------------------|--------------------|---------------------------|-----------------|-------------------------------|
| <b>Operating Revenues</b>                                                       |                    |                                   |                    |                           |                 |                               |
| Charges for services                                                            | \$ 13,992,707      | \$ 4,341,109                      | \$ 3,679,710       | \$ 836,920                | \$ 2,966,482    | \$ 25,816,928                 |
| Total operating revenues                                                        | 13,992,707         | 4,341,109                         | 3,679,710          | 836,920                   | 2,966,482       | 25,816,928                    |
| <b>Operating Expenses</b>                                                       |                    |                                   |                    |                           |                 |                               |
| Water purchases                                                                 | 2,511,593          | -                                 | -                  | -                         | -               | 2,511,593                     |
| Concessions                                                                     | -                  | 771,336                           | -                  | -                         | -               | 771,336                       |
| Personnel services                                                              | 2,595,254          | 2,204,342                         | 1,950,746          | 989,013                   | -               | 7,739,355                     |
| Contract services - garbage pickup                                              | -                  | -                                 | -                  | -                         | 2,893,278       | 2,893,278                     |
| Programs and events                                                             | -                  | 963,599                           | -                  | 104,281                   | -               | 1,067,880                     |
| Utilities and telephone                                                         | 781,222            | -                                 | 86,705             | 37,720                    | -               | 905,647                       |
| Supplies expense                                                                | 646,083            | -                                 | 744,377            | 60,960                    | -               | 1,451,420                     |
| Repairs and maintenance                                                         | 737,955            | -                                 | 158,887            | 120,518                   | -               | 1,017,360                     |
| Insurance                                                                       | 285,858            | -                                 | 69,171             | 25,151                    | -               | 380,180                       |
| Depreciation                                                                    | 2,857,553          | 723,956                           | 412,423            | 126,165                   | -               | 4,120,097                     |
| Other expenses                                                                  | 838,847            | 223,979                           | 146,186            | 358,304                   | 1,803           | 1,569,119                     |
| Total operating expenses                                                        | 11,254,365         | 4,887,212                         | 3,568,495          | 1,822,112                 | 2,895,081       | 24,427,265                    |
| Operating income (loss)                                                         | 2,738,342          | (546,103)                         | 111,215            | (985,192)                 | 71,401          | 1,389,663                     |
| <b>Non Operating Revenues (Expenses)</b>                                        |                    |                                   |                    |                           |                 |                               |
| Gain (loss) on sale of capital assets                                           | 12,330             | -                                 | -                  | -                         | -               | 12,330                        |
| Interest income                                                                 | 448,880            | 272                               | 15,009             | 2,667                     | 18,966          | 485,794                       |
| Interest and fiscal charges                                                     | (351,163)          | (13,389)                          | (41,336)           | -                         | -               | (405,888)                     |
| Total non operating revenues (expenses)                                         | 110,047            | (13,117)                          | (26,327)           | 2,667                     | 18,966          | 92,236                        |
| Income (loss) before capital contributions<br>and interfund operating transfers | 2,848,389          | (559,220)                         | 84,888             | (982,525)                 | 90,367          | 1,481,899                     |
| Interfund operating transfers                                                   | -                  | 1,166,524                         | 90,249             | 904,423                   | 150,000         | 2,311,196                     |
| Change in net position                                                          | 2,848,389          | 607,304                           | 175,137            | (78,102)                  | 240,367         | 3,793,095                     |
| Net position - beginning of year, as previously reported                        | 47,381,827         | 17,366,571                        | 10,602,153         | 2,442,175                 | 849,492         | 78,642,218                    |
| Prior period adjustment - Implementation of GASB 101                            | (39,260)           | -                                 | (36,396)           | (30,304)                  | -               | (105,960)                     |
| Net position - beginning of year, as restated                                   | 47,342,567         | 17,366,571                        | 10,565,757         | 2,411,871                 | 849,492         | 78,536,258                    |
| Net position - end of year                                                      | \$ 50,190,956      | \$ 17,973,875                     | \$ 10,740,894      | \$ 2,333,769              | \$ 1,089,859    | \$ 82,329,353                 |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Proprietary Fund Cash Flows**  
**September 30, 2025**

|                                                                 | Water and<br>Sewer | Civic<br>Complex and<br>Ice Arena | Ballantrae<br>Golf | Pelham<br>Racquet<br>Club | Garbage<br>Fund | Total<br>Proprietary<br>Funds |
|-----------------------------------------------------------------|--------------------|-----------------------------------|--------------------|---------------------------|-----------------|-------------------------------|
| <b>Cash Flows from Operating Activities</b>                     |                    |                                   |                    |                           |                 |                               |
| Cash received from customers                                    | \$ 13,753,629      | \$ 4,222,686                      | \$ 3,686,460       | \$ 838,110                | \$ 2,938,678    | \$ 25,439,563                 |
| Cash paid to employees                                          | (2,466,671)        | (2,204,343)                       | (1,844,103)        | (890,158)                 | -               | (7,405,275)                   |
| Cash paid to suppliers for goods and services                   | (6,025,168)        | (2,259,062)                       | (1,338,947)        | (740,975)                 | (2,881,331)     | (13,245,483)                  |
| Net cash provided by (used in) operating activities             | 5,261,790          | (240,719)                         | 503,410            | (793,023)                 | 57,347          | 4,788,805                     |
| <b>Cash Flows from Noncapital Financing Activities</b>          |                    |                                   |                    |                           |                 |                               |
| Transfers (to)/from other funds                                 | 4,536,160          | 1,174,163                         | 94,915             | 905,477                   | 142,890         | 6,853,605                     |
| Net cash provided by noncapital financing activities            | 4,536,160          | 1,174,163                         | 94,915             | 905,477                   | 142,890         | 6,853,605                     |
| <b>Cash Flows from Capital and Related Financing Activities</b> |                    |                                   |                    |                           |                 |                               |
| Acquisition and construction of property, plant and equipment   | (6,299,482)        | (527,556)                         | (96,849)           | (73,612)                  | -               | (6,997,499)                   |
| Proceeds from sale of capital assets                            | 12,330             | -                                 | -                  | -                         | -               | 12,330                        |
| Principal payments on debt and leases                           | (584,895)          | (24,509)                          | (187,073)          | -                         | -               | (796,477)                     |
| Interest payments on debt                                       | (557,424)          | (22,161)                          | (47,183)           | -                         | -               | (626,768)                     |
| Net cash used in capital and related financing activities       | (7,429,471)        | (574,226)                         | (331,105)          | (73,612)                  | -               | (8,408,414)                   |
| <b>Cash Flows from Investing Activities</b>                     |                    |                                   |                    |                           |                 |                               |
| Interest on cash and investments                                | 448,880            | 272                               | 15,009             | 2,667                     | 18,966          | 485,794                       |
| Net cash provided by investing activities                       | 448,880            | 272                               | 15,009             | 2,667                     | 18,966          | 485,794                       |
| Net (decrease) increase in cash and cash equivalents            | 2,817,359          | 359,490                           | 282,229            | 41,509                    | 219,203         | 3,719,790                     |
| Cash and cash equivalents - beginning of year                   | 10,888,617         | 203,038                           | 505,536            | 38,747                    | 527,641         | 12,163,579                    |
| Cash and cash equivalents - end of year                         | \$ 13,705,976      | \$ 562,528                        | \$ 787,765         | \$ 80,256                 | \$ 746,844      | \$ 15,883,369                 |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
**Statement of Proprietary Fund Cash Flows (continued)**  
**September 30, 2025**

|                                                                                           | Water and<br>Sewer | Civic<br>Complex and<br>Ice Arena | Ballantrae<br>Golf | Pelham<br>Racquet<br>Club | Garbage<br>Fund | Total<br>Proprietary<br>Funds |
|-------------------------------------------------------------------------------------------|--------------------|-----------------------------------|--------------------|---------------------------|-----------------|-------------------------------|
| Operating income (loss)                                                                   | \$ 2,738,342       | \$ (546,103)                      | \$ 111,215         | \$ (985,192)              | \$ 71,401       | \$ 1,389,663                  |
| Adjustments to reconcile operating income to<br>net cash provided by operating activities |                    |                                   |                    |                           |                 |                               |
| Depreciation                                                                              | 2,857,553          | 723,956                           | 412,423            | 126,165                   | -               | 4,120,097                     |
| Special item                                                                              |                    |                                   |                    |                           |                 |                               |
| (Increase) decrease in                                                                    |                    |                                   |                    |                           |                 |                               |
| Accounts receivable                                                                       | (250,316)          | (60,956)                          | (3,400)            | 1,190                     | (27,804)        | (341,286)                     |
| Inventory                                                                                 | (12,181)           | (8,672)                           | (18,823)           | 1,450                     | -               | (38,226)                      |
| Prepaid expenses                                                                          | 3,158              | (56,867)                          | (76,753)           | (2,120)                   | -               | (132,582)                     |
| Deferred outflows                                                                         | 187,112            | -                                 | 107,131            | 80,244                    | -               | 374,487                       |
| Increase (decrease) in                                                                    |                    |                                   |                    |                           |                 |                               |
| Accounts payable                                                                          | (216,666)          | (234,610)                         | (46,382)           | (39,645)                  | 13,750          | (523,553)                     |
| Unearned revenue                                                                          | -                  | (57,467)                          | 10,150             | -                         | -               | (47,317)                      |
| Customer deposits                                                                         | 11,238             | -                                 | -                  | -                         | -               | 11,238                        |
| Compensated absences                                                                      | 17,384             | -                                 | 43,104             | 51,746                    | -               | 112,234                       |
| Accrued expenses                                                                          | 2,079              | -                                 | 8,337              | 6,274                     | -               | 16,690                        |
| Deferred inflows                                                                          | 419,480            | -                                 | 240,871            | 183,084                   | -               | 843,435                       |
| Net pension liability                                                                     | (495,393)          | -                                 | (284,463)          | (216,219)                 | -               | (996,075)                     |
| Net cash provided by (used in) operating activities                                       | \$ 5,261,790       | \$ (240,719)                      | \$ 503,410         | \$ (793,023)              | \$ 57,347       | \$ 4,788,805                  |

**Noncash Investing, Capital, and Financing Activities**

Pelham Water and Sewer had, amortization of warrant premiums of \$202,720 during the year ended September 30, 2025.

Pelham Civic Center had amortization of warrant premiums of \$8,622 during the year ended September 30, 2025.

Ballantrae Golf Club has amortization of warrant premiums of \$5,748 during the year ended September 30, 2025.

**Reconciliation of Cash and Cash Equivalents to Statement of Net Position**

Cash and cash equivalents on the Statement of Cash Flows are composed of the following balances from the Statement of Proprietary Net Position:

|                           | Water and<br>Sewer | Civic<br>Complex and<br>Ice Arena | Ballantrae<br>Golf | Pelham<br>Racquet<br>Club | Garbage<br>Fund | Total<br>Proprietary<br>Funds |
|---------------------------|--------------------|-----------------------------------|--------------------|---------------------------|-----------------|-------------------------------|
| Cash                      | \$ 13,236,833      | \$ 562,528                        | \$ 787,765         | \$ 80,256                 | \$ 746,844      | \$ 15,414,226                 |
| Restricted cash           | 469,143            | -                                 | -                  | -                         | -               | 469,143                       |
| Cash and cash equivalents | \$ 13,705,976      | \$ 562,528                        | \$ 787,765         | \$ 80,256                 | \$ 746,844      | \$ 15,883,369                 |

The notes to the financial statements are an integral part of this statement.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The City of Pelham (the "City"), an Alabama Municipal Corporation, was incorporated in 1964. The governing body is an elected Mayor and a five-member elected City Council.

The financial statements of the City are prepared in accordance with U.S. generally accepted accounting principles (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.

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity include whether:

- The organization is legal separate (can sue and be sued in its own name);
- The City holds the corporate powers of the organization;
- The City appoints a voting majority of the organization's board;
- The City is able to impose its will on the organization;
- The organization has the potential to impose a financial benefit/burden on the City; and
- There is fiscal dependency by the organization on the City.

Based on these criteria, the City has no component units.

**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.

*Government-Wide Financial Statements* display information about the City as a whole. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. These aggregate statements consist of the statement of net position and the statement of activities.

The *Statement of Net Position* measurement focus is full accrual basis of accounting and economic resource measurement, and the statement presents information on all of the City's assets, deferred outflows, and liabilities (including long-term assets and receivables as well as long-term debt and obligations), with the difference being reported as net position.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Government-Wide and Fund Financial Statements Continued**

The *Statement of Activities* demonstrates the degree to which direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items (property, sales and use taxes, certain intergovernmental revenues, etc.) not attributable to a specific program are reported as 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.

*Fund Financial Statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental and proprietary funds in the basic financial statements. Major individual governmental funds are reported in separate columns in the basic financial statements. Nonmajor funds (by category or fund type) are consolidated into a single column of the basic financial statements.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded. The government-wide financial statements and proprietary fund financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on an entity or fund's net position.

All transactions and events that affect the total economic resources (net position) during the period are reported. Economic resources measurement focus is connected with the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

**City of Pelham, Alabama**  
**Notes to Financial Statements**  
**September 30, 2025**

**1. Summary of Significant Accounting Policies (continued)**

**Measurement Focus and Basis of Accounting - Continued**

Governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Current resources measurement is connected with the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). Measurable means the amount of the transaction can be determined and revenues are considered available when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes and intergovernmental revenues. 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.

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 adjustment necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net financial position and cash flows. All assets and liabilities are included on the Statement of Net Position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Accounting principles generally accepted in the United States of America 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.

Governmental funds are those through which general government functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

City of Pelham, Alabama  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

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

The City reports the following major governmental 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.

**Capital Projects Fund** - To account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, specifically the acquisition or construction of capital facilities and other capital assets usually funded by general obligation warrant proceeds (other than those financed by proprietary funds). Transactions funded by general fund revenues are not accounted for in the Capital Projects Fund.

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

**Special Revenue Funds** - To account for the proceeds of specific revenue resources that are legally restricted or designated for expenditures with specified purposes.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net position, financial position, and cash flows. All assets and liabilities are included on the Statement of Net Position.

The City reports the following major proprietary funds:

**Water and Sewer System** - The Water and Sewer System is used to account for the provision of water and sewer services to the residents and businesses of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt.

**Pelham Civic Complex and Ice Arena** - The Pelham Civic Complex and Ice Arena is used to account for the provision of goods and services mainly as part of recreation to the residents and businesses of the City. The Complex can be used for skating, ice events, trade shows, banquets, and other events. Activities of the fund include administration, operations, and maintenance of the complex and ice arena, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for Civic Complex and Ice Arena debt.

**Ballantrae Golf Club** - The Ballantrae Golf Club is used to account for the provision of goods and services mainly as part of recreation to the residents and businesses of the City. Ballantrae Golf Club is a full service golf course. Activities of the fund include administration, operations, and maintenance of the golf course and facilities, billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for Golf Club debt.



**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

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

**Pelham Racquet Club** - The Pelham Racquet Club is used to account for the provision of goods and services mainly as part of recreation to the residents and businesses of the City. The Racquet Club is a full service tennis facility. Activities of the fund include administration, operations, and maintenance of the facilities, billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for Racquet Club debt.

**Garbage Fund** - The Garbage Fund is used to account for the provision of garbage services primarily to the residents of the City. Activities of the fund include administration and billing and collections of fees related to the garbage services provided.

**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 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.

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.

**Restricted Assets**

The use of restricted assets is limited by legal requirements or restrictions imposed externally by creditors or contributors. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted, as they are needed.

**City of Pelham, Alabama**  
**Notes to Financial Statements**  
**September 30, 2025**

**1. Summary of Significant Accounting Policies (continued)**

**Allowance for Uncollectible Accounts**

Proprietary fund accounts receivable are uncollateralized customer obligations due from normal customer transactions and are stated at the amount billed to customers for services rendered. Management reviews all accounts receivable balances and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that may not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances deemed uncollectible are written off. At September 30, 2025, management has recorded an allowance for doubtful accounts of \$136,721.

**Inventory**

Inventory consists of various pro shop merchandise, food and beverage supplies, and water and sewer supplies. Inventory is recorded at the lower of cost or market, determined by first in, first out method. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

**Prepaid Expenses**

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

**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 and in the fund financial statements for proprietary funds. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives 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: system and facilities, 30 to 40 years; building and improvements, 20 to 40 years; machinery and equipment, 5 to 25 years; and infrastructure, 25 to 50 years.

Depreciation is provided in the proprietary funds in amounts sufficient to relate the cost of the depreciable assets to operate over their estimated service lives on the straight-line basis.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Fair Value**

The established framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is the price the City would expect to receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

**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 are 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, other deferred charges related to the pension and other post-employment benefit liability as well as deferred amounts arising from the refunding of warrants payable. The deferred refunding amounts are being amortized over the shorter of the life of the refunded or refunding warrants as part of interest expense.

**Unearned revenue**

Governmental and Proprietary funds report unearned revenue in connection with resources that have been received but are not yet recognizable.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Long-term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities columns of the statement of net position. Warrant premiums and discounts are deferred and amortized over the life of the warrants using the warrants outstanding method. Warrants payable are reported net of the applicable warrant premium or discount. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize warrant 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**

The City's employees earn vacation leave in accordance with their years of service. Vacation leave earned, but not used, during the calendar year may be accumulated up to a maximum of forty days. Vacation leave earned in excess of forty days not used by December 31 shall be forfeited. An employee who resigns or retires in good standing shall be paid for earned vacation leave up to a maximum of forty days.

The City's employees are permitted to accrue compensatory time in lieu of monetary overtime compensation for hours worked in excess of a normal week. It is granted at a rate of one and one half hours of compensatory time for each hour of overtime worked.

Employees may accrue up to 80 hours of compensatory time. All compensatory time earned is immediately 100% vested.

Upon completion of twelve months of service, an employee may use sick leave. Sick leave is earned at a rate of one work day for each month of service. Sick leave earned during the year but not used may be accumulated up to a maximum of 60 days. Employees are not paid for unused sick leave upon termination of employment. Sick leave has been accrued at 35% of the total liability, consistent with the historical utilization rate.

The accrued amounts of vacation leave, compensatory time, and sick leave are recorded as noncurrent liabilities, net of current portion in proprietary funds. The accrued amounts of vacation leave and compensatory time earned by employees whose salaries are charged to the General Fund are recorded as noncurrent liabilities in the government-wide financial statements, net of estimated current portion.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Pensions**

The Employees' Retirement System of Alabama (the Plan or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with the requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report. The last year for which actuarial information is available is for the fiscal year ended September 30, 2024, and, therefore, this actuarial information is reported in the 2024 financial statements.

**Other Postemployment Benefit Obligations**

In accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the City is required to report the City's actuarially determined net OPEB obligation as a long-term liability in the government-wide financial statements.

**Deferred Inflows of Resources**

The City's statement of net position and its governmental fund balance sheet reports 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, difference between projected and actual earnings on the other post-employment benefit plan 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 warrants, 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.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Net Position (continued)**

*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.

**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.

**Interfund Operating Transfers, Receivables, and Payables**

During the normal course of operations, the City has numerous transactions between funds to provide services, construct assets, and service debt. These receivables and payables are classified as "Due to/from other funds," as they are all short-term in nature. These amounts have been eliminated on the government-wide financial statements except for those amounts outstanding between the general fund and business type activities.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**1. Summary of Significant Accounting Policies (continued)**

**Interfund Operating Transfers, Receivables, and Payables (continued)**

Routine transfers of resources between City funds that are not intended to be repaid are classified separately from revenues and expenditures. Such interfund operating transfers are identified as "Interfund operating transfers in/(out)" in the accompanying financial statements.

**Property Taxes**

Property taxes are collected and remitted to the City by the Shelby County government. Taxes are levied annually on October 1 and are due October 1 of the following year. Major tax payments are received October through January and are recognized as revenue in the year received.

**Subsequent Events**

Management has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued. There are no subsequent events requiring disclosure.

**2. Deposits and Investments**

**Deposits**

All of the City's demand deposits and time deposits are insured and collateralized in accordance with the Security for Alabama Funds Enhancement (SAFE) Program, which is encompassed in Title 41, Chapter 14A, Code of Alabama 1975, as amended, which is a multiple financial institutions collateral pool. The statute provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by this collateral pool are considered to be fully insured. The City's certificates of deposit are covered by the SAFE program.

**Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain U.S. agency obligations, State of Alabama obligations, county obligations, and other municipal obligations, as well as bank certificates of deposit and bank public investment accounts.

As of September 30, 2025, the City had the following investments, which were reported at fair value in governmental activities:

| Type of Investment   | Investment Maturities (in years) |      |      |              |
|----------------------|----------------------------------|------|------|--------------|
|                      | Fair Value                       | 1-5  | 6-10 | More than 10 |
| Government National  |                                  |      |      |              |
| Mortgage Association | \$ 3,750,000                     | \$ - | \$ - | \$ 3,750,000 |



**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**2. Deposits and Investments (continued)**

At September 30, 2025, the City had non-negotiable certificates of deposit as follows:

|                                         | Amount        | Maturity  | Valuation<br>Method |
|-----------------------------------------|---------------|-----------|---------------------|
| Certificate of Deposit - non-negotiable | \$ 17,451,958 | 4 months  | Amortized Cost      |
| Certificate of Deposit - non-negotiable | 4,329,327     | 10 months | Amortized Cost      |
|                                         | \$ 21,781,285 |           |                     |

The City does not have a formal investment policy that limits its allowable deposits or investments, other than those imposed by statutes discussed above, or that addresses the specific type of risks that the government is exposed to through its deposits or investments.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City does not have a formal investment policy that limits investment choices other than those imposed by statutes discussed above, but all of the investments carry a Standard & Poor's rating of AAA or are covered by the SAFE program.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments. All of the City's investments at September 30, 2025 were insured.



**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**3. Receivables and Payables**

Receivables consisted of the following at September 30, 2025:

|                                               | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>activities</b> | <b>Total</b>         |
|-----------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| Taxes                                         |                                    |                                     |                      |
| Sales                                         | \$ 3,951,204                       | \$ -                                | \$ 3,951,204         |
| Property                                      | 9,363,432                          | -                                   | 9,363,432            |
| Motor vehicle/gas                             | 124,008                            | -                                   | 124,008              |
| Customers                                     | -                                  | 2,504,326                           | 2,504,326            |
| Other                                         | 31,879                             | -                                   | 31,879               |
| Gross receivables                             | 13,470,523                         | 2,504,326                           | 15,974,849           |
| Less: allowance for uncollectible<br>accounts | -                                  | (136,721)                           | (136,721)            |
| Net receivables                               | <u>\$ 13,470,523</u>               | <u>\$ 2,367,605</u>                 | <u>\$ 15,838,128</u> |

Payables consisted of the following at September 30, 2025:

|                | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>        |
|----------------|------------------------------------|-------------------------------------|---------------------|
| Trade          | \$ 1,224,896                       | \$ 723,405                          | \$ 1,948,301        |
| Capital assets | 158,332                            | 837,689                             | 996,021             |
| Net payables   | <u>\$ 1,383,228</u>                | <u>\$ 1,561,094</u>                 | <u>\$ 2,944,322</u> |

**4. Notes Receivable**

On July 19, 2016, the City entered into a note receivable agreement with the City of Pelham Commercial Development Authority (the Authority) to provide the Authority with funding for the purchase and development of property within the City. The City agreed to advance the Authority up to \$1,000,000. As of September 30, 2025, the balance on the note receivable totaled \$0 and has been repaid in full.

On September 2, 2016, the City entered into a note receivable agreement with the City of Pelham Board of Education (the Board) to provide the Board with funding for the purchase and development of property within the City for new schools. The City agreed to advance the Board \$43,570,000. As of September 30, 2025, the balance on the note receivable totaled \$9,635,000. Principal and interest are due monthly on the unpaid balance at a variable rate of 2% to 5% per year. The note is secured by 1% sales tax revenues earned by the City.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**4. Notes Receivable (continued)**

On August 27, 2018, the City entered into a note receivable agreement with the City of Pelham Board of Education (the Board) for the purchase of the City of Pelham Library building in the amount of \$1,300,000. As of September 30, 2025, the balance on the note receivable totaled \$440,000. Principal payments of \$10,000 are due monthly on the unpaid balance at a rate of 0% interest. The note is secured by the City of Pelham Library building.

On February 1, 2021, the City entered into a note receivable agreement with the City of Pelham Board of Education (the Board) to provide the Board with funding for the purchase of capital items within the City. The City agreed to advance the Board \$22,445,000. As of September 30, 2025, the balance on the note receivable totaled \$19,983,334. Principal and interest are due monthly on the unpaid balance at a variable rate of 2% to 5% per year. The note is secured by 1% sales tax revenues earned by the City.

Future principal payments related to notes receivable consist of the following for the years ending September 30:

|           |                      |
|-----------|----------------------|
| 2026      | \$ 2,447,500         |
| 2027      | 2,602,500            |
| 2028      | 2,488,333            |
| 2029      | 2,511,667            |
| 2030      | 2,495,000            |
| 2031-2040 | 17,513,334           |
|           | <u>\$ 30,058,334</u> |

**5. Interfund Receivables, Payables, and Transfers**

Interfund receivables and payables consisted of the following at September 30, 2025:

|                             | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|-----------------------------|----------------------------------|-------------------------------|
| General Fund                | \$ -                             | \$ 89,314                     |
| Special Revenue Funds       | -                                | 17,208                        |
| Capital Projects            | 68,353                           | -                             |
| Water and Sewer             | -                                | 194,565                       |
| Civic Complex and Ice Arena | -                                | 7,639                         |
| Ballantrae Golf             | -                                | 4,666                         |
| Pelham Racquet Club         |                                  | 1,054                         |
| Garbage Fund                | 246,093                          | -                             |
|                             | <u>\$ 314,446</u>                | <u>\$ 314,446</u>             |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**5. Interfund Receivables, Payables, and Transfers (continued)**

Interfund receivables and payables resulted from general obligation warrant borrowings cash housed in separate funds than where the debt is recognized, capital project invoices and operating expenses liquidated from the general fund's cash accounts and subsequently reimbursed from business-type cash accounts.

Transfers between funds consisted of the following during the year ended September 30, 2025:

| Transfers Out         | Transfers In |                       |                             |                 |                     |                         | Total        |
|-----------------------|--------------|-----------------------|-----------------------------|-----------------|---------------------|-------------------------|--------------|
|                       | General Fund | Capital Projects Fund | Civic Complex and Ice Arena | Ballantrae Golf | Pelham Racquet Club | Other Proprietary Funds |              |
| General Fund          | \$ -         | \$ 4,168,534          | \$ 1,166,524                | \$ 90,249       | \$ 904,423          | \$ 150,000              | \$ 6,479,730 |
| Special Revenue Funds | 1,000,015    | 1,073,166             | -                           | -               | -                   | -                       | 2,073,181    |
| Total                 | \$ 1,000,015 | \$ 5,241,700          | \$ 1,166,524                | \$ 90,249       | \$ 904,423          | \$ 150,000              | \$ 8,552,911 |

**6. Capital Assets**

Capital asset activity for consisted of the following for the year ended September 30, 2025:

| Governmental Activities       | October 1, 2024 | Additions     | Disposals      | September 30, 2025 |
|-------------------------------|-----------------|---------------|----------------|--------------------|
| <b>Depreciable assets</b>     |                 |               |                |                    |
| Infrastructure                | \$ 50,984,257   | \$ 5,277,312  | \$ -           | \$ 56,261,569      |
| Buildings and improvements    | 38,028,521      | 318,337       | -              | 38,346,858         |
| Machinery and equipment       | 20,102,894      | 1,780,338     | (301,529)      | 21,581,703         |
| Right of use assets           | -               | 371,115       | -              | 371,115            |
|                               | 109,115,672     | 7,747,102     | (301,529)      | 116,561,245        |
| Less accumulated depreciation |                 |               |                |                    |
| Infrastructure                | 16,508,388      | 1,713,283     | -              | 18,221,671         |
| Buildings and improvements    | 12,068,807      | 1,067,940     | -              | 13,136,747         |
| Machinery and equipment       | 12,123,466      | 2,338,435     | (278,924)      | 14,182,977         |
| Right of use assets           | -               | 17,370        | -              | 17,370             |
|                               | 40,700,661      | 5,137,028     | (278,924)      | 45,558,765         |
|                               | 68,415,011      | 2,610,074     | (22,605)       | 71,002,480         |
| <b>Non-depreciable assets</b> |                 |               |                |                    |
| Land and improvements         | 14,767,168      | 5,299,964     | -              | 20,067,132         |
| Construction in progress      | 4,675,824       | 4,435,094     | (3,617,311)    | 5,493,607          |
|                               | 19,442,992      | 9,735,058     | (3,617,311)    | 25,560,739         |
|                               | \$ 87,858,003   | \$ 12,345,132 | \$ (3,639,916) | \$ 96,563,219      |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**6. Capital Assets (continued)**

| Business-type activities      | October 1,<br>2024   | Additions            | Disposals              | September 30,<br>2025 |
|-------------------------------|----------------------|----------------------|------------------------|-----------------------|
| <b>Depreciable assets</b>     |                      |                      |                        |                       |
| Systems and facilities        | \$ 141,788,628       | \$ 11,052,025        | \$ -                   | \$ 152,840,653        |
| Water and Sewer               |                      |                      |                        |                       |
| Buildings and improvements    | 1,545,032            | 47,857               | -                      | 1,592,889             |
| Machinery and equipment       | 4,467,966            | 149,891              | (72,862)               | 4,544,995             |
| Right of use assets           | 633,639              | 381,809              | -                      | 1,015,448             |
|                               | <u>148,435,265</u>   | <u>11,631,582</u>    | <u>(72,862)</u>        | <u>159,993,985</u>    |
| Less accumulated depreciation |                      |                      |                        |                       |
| Systems and facilities        | 83,952,322           | 3,569,607            | -                      | 87,521,929            |
| Water and Sewer               |                      |                      |                        |                       |
| Buildings and improvements    | 784,170              | 54,323               | -                      | 838,493               |
| Machinery and equipment       | 2,659,930            | 323,082              | (72,862)               | 2,910,150             |
| Right of use assets           | 271,774              | 173,085              | -                      | 444,859               |
|                               | <u>87,668,196</u>    | <u>4,120,097</u>     | <u>(72,862)</u>        | <u>91,715,431</u>     |
|                               | <u>60,767,069</u>    | <u>7,511,485</u>     | <u>-</u>               | <u>68,278,554</u>     |
| <b>Non-depreciable assets</b> |                      |                      |                        |                       |
| Land and improvements         | 8,801,321            | -                    | -                      | 8,801,321             |
| Construction in progress      | 15,014,415           | 6,507,388            | (10,759,662)           | 10,762,141            |
|                               | <u>23,815,736</u>    | <u>6,507,388</u>     | <u>(10,759,662)</u>    | <u>19,563,462</u>     |
|                               | <u>\$ 84,582,805</u> | <u>\$ 14,018,873</u> | <u>\$ (10,759,662)</u> | <u>\$ 87,842,016</u>  |

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

|                        | Governmental<br>Activities | Business-type<br>Activities |
|------------------------|----------------------------|-----------------------------|
| General administration | \$ 438,785                 | \$ -                        |
| Public safety          | 2,220,661                  | -                           |
| Public works           | 1,552,657                  | -                           |
| Culture and recreation | 924,925                    | -                           |
| Water and Sewer        | -                          | 2,857,553                   |
| Civic Complex          | -                          | 723,956                     |
| Ballantrae Golf Club   | -                          | 412,423                     |
| Pelham Racquet Club    | -                          | 126,165                     |
|                        | <u>\$ 5,137,028</u>        | <u>\$ 4,120,097</u>         |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**7. Long-term Debt**

Primary government general obligation warrants payable consisted of the following at September 30, 2025:

| Primary Government                                                                                                                                              | Governmental<br>Activities | Business-type<br>Activities |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| Series 2013-C General Obligation Warrants, dated August 2013, due in semi-annual installments through August 2029, bearing an interest rate of 2.47%            | \$ 2,374,535               | \$ -                        |
| Series 2014 General Obligation Warrants, dated August 2014, due in semi-annual installments through February 2035, bearing interest rates of 3.00% to 5.00%     | 6,265,000                  | -                           |
| Series 2015 General Obligation Warrants, dated December 2015, due in semi-annual installments through February 2040, bearing interest rates of 2.00% to 5.00%   | 4,190,000                  | -                           |
| Series 2021-A General Obligation Warrants, dated February 2021, due in semi-annual installments through February 2041, bearing interest rates of 3.00% to 4.00% | 14,367,886                 | 13,857,115                  |
| Series 2021-B General Obligation Warrants, dated February 2021, due in semi-annual installments through February 2038, bearing interest rates of 0.26% to 2.39% | 21,100,000                 | -                           |
|                                                                                                                                                                 | 48,297,421                 | 13,857,115                  |
| Plus (less) deferred amounts for:                                                                                                                               |                            |                             |
| Unamortized premiums (2014)                                                                                                                                     | 239,929                    | -                           |
| Unamortized premiums (2015)                                                                                                                                     | 179,803                    | -                           |
| Unamortized discounts (2021-A)                                                                                                                                  | 1,938,611                  | 1,873,516                   |
|                                                                                                                                                                 | <u>\$ 50,655,764</u>       | <u>\$ 15,730,631</u>        |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**7. Long-term Debt (continued)**

Future principal and interest requirements of the general obligation warrants and notes payable consist of the following at September 30:

|           | <b>Governmental Activities</b>     |                      | <b>Business-type Activities</b>    |                     |
|-----------|------------------------------------|----------------------|------------------------------------|---------------------|
|           | <b>General Obligation Warrants</b> |                      | <b>General Obligation Warrants</b> |                     |
|           | <b>Principal</b>                   | <b>Interest</b>      | <b>Principal</b>                   | <b>Interest</b>     |
| 2026      | \$ 4,114,324                       | \$ 1,321,404         | \$ 638,237                         | \$ 530,621          |
| 2027      | 3,581,306                          | 1,217,142            | 660,330                            | 507,841             |
| 2028      | 3,674,583                          | 1,124,051            | 687,332                            | 480,887             |
| 2029      | 3,716,633                          | 1,027,142            | 716,790                            | 452,805             |
| 2030      | 3,228,753                          | 919,938              | 746,247                            | 423,544             |
| 2031-2035 | 17,439,366                         | 3,438,223            | 4,170,635                          | 1,673,777           |
| 2036-2040 | 11,353,830                         | 1,287,217            | 5,091,170                          | 754,789             |
| 2041      | 1,188,626                          | 23,773               | 1,146,374                          | 22,927              |
|           | <u>\$ 48,297,421</u>               | <u>\$ 10,358,890</u> | <u>\$ 13,857,115</u>               | <u>\$ 4,847,191</u> |

Changes in long-term liabilities for governmental activities consisted of the following at September 30, 2025:

| <b>Governmental Activities</b>       | <b>October 1,<br/>2024</b> | <b>Additions</b>    | <b>Retirements</b>   | <b>September 30,<br/>2025</b> | <b>Due within<br/>one year</b> |
|--------------------------------------|----------------------------|---------------------|----------------------|-------------------------------|--------------------------------|
| Warrants and leases:                 |                            |                     |                      |                               |                                |
| General Obligation Warrants          | \$ 52,337,205              | \$ -                | \$ 4,039,784         | \$ 48,297,421                 | \$ 4,114,324                   |
| Unamortized premiums/<br>(discounts) | 2,705,638                  | -                   | 347,295              | 2,358,343                     | 325,206                        |
|                                      | <u>55,042,843</u>          | <u>-</u>            | <u>4,387,079</u>     | <u>50,655,764</u>             | <u>4,439,530</u>               |
| Capital leases                       | 984,010                    | 21,312              | 213,604              | 791,718                       | 220,685                        |
| Right of use leases                  | -                          | 371,115             | 19,360               | 351,755                       | 83,091                         |
| Total warrants and capital leases    | <u>56,026,853</u>          | <u>392,427</u>      | <u>4,620,043</u>     | <u>51,799,237</u>             | <u>4,743,306</u>               |
| Other liabilities:                   |                            |                     |                      |                               |                                |
| Pension                              | 39,984,901                 | -                   | 5,632,353            | 34,352,548                    | -                              |
| Other post employment benefits       | 15,606,731                 | -                   | 1,284,897            | 14,321,834                    | -                              |
| Compensated absences                 | 1,710,744                  | 1,329,390           | -                    | 3,040,134                     | 1,520,067                      |
|                                      | <u>\$ 113,329,229</u>      | <u>\$ 1,721,817</u> | <u>\$ 11,537,293</u> | <u>\$ 103,513,753</u>         | <u>\$ 6,263,373</u>            |

For governmental activities, general obligation warrants, capital leases payable, net pension liability, other post-employment benefits payable and compensated absences are liquidated by the general fund.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**7. Long-term Debt (continued)**

Changes in long-term liabilities for business-type activities consisted of the following at September 30, 2025:

| <b>Business-type Activities</b>      | <b>October 1,<br/>2024</b> | <b>Additions</b>  | <b>Retirements</b>  | <b>September 30,<br/>2025</b> | <b>Due within<br/>one year</b> |
|--------------------------------------|----------------------------|-------------------|---------------------|-------------------------------|--------------------------------|
| Warrants and leases:                 |                            |                   |                     |                               |                                |
| General Obligation Warrants          | \$ 14,475,715              | \$ -              | \$ 618,600          | \$ 13,857,115                 | \$ 638,238                     |
| Unamortized premiums/<br>(discounts) | 2,090,605                  | -                 | 217,089             | 1,873,516                     | 209,928                        |
| Total warrants payable               | 16,566,320                 | -                 | 835,689             | 15,730,631                    | 848,166                        |
| Capital leases                       | 18,281                     | -                 | 11,772              | 6,509                         | 6,509                          |
| Right of use leases                  | 354,977                    | 381,809           | 166,106             | 570,680                       | 215,580                        |
| Total warrants and leases            | 16,939,578                 | 381,809           | 1,013,567           | 16,307,820                    | 1,070,255                      |
| Other liabilities:                   |                            |                   |                     |                               |                                |
| Pension                              | 7,170,292                  | -                 | 996,075             | 6,174,217                     | -                              |
| Compensated absences                 | 278,435                    | 218,193           | -                   | 496,628                       | 248,315                        |
|                                      | <u>\$ 24,388,305</u>       | <u>\$ 600,002</u> | <u>\$ 2,009,642</u> | <u>\$ 22,978,665</u>          | <u>\$ 1,318,570</u>            |

**8. Leases**

Capital Leases

The City has entered into capital lease agreements to finance the purchase of facilities maintenance equipment. As of September 30, 2025, the future minimum lease payments under the capital lease agreements consist of the following:

|                                         | <b>Primary Government</b> | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> |
|-----------------------------------------|---------------------------|------------------------------------|-------------------------------------|
| 2026                                    |                           | \$ 270,166                         | \$ 7,250                            |
| 2027                                    |                           | 270,166                            | -                                   |
| 2028                                    |                           | 95,627                             | -                                   |
| 2029                                    |                           | 79,518                             | -                                   |
| 2030                                    |                           | 74,724                             | -                                   |
| Thereafter                              |                           | 149,448                            | -                                   |
| Future minimum lease payments           |                           | 939,649                            | 7,250                               |
| Less: amount representing interest      |                           | 147,931                            | 741                                 |
| Present value of minimum lease payments |                           | 791,718                            | 6,509                               |
| Less: current portion                   |                           | 220,685                            | 6,509                               |
| Long-term capital lease obligation      |                           | <u>\$ 571,033</u>                  | <u>-</u>                            |

As of September 30, 2025, the governmental activities leases had capitalized costs totaling \$1,520,446 and accumulated depreciation of \$818,569 with a net book value of \$701,877. Interest expense paid under the capital leases totaled \$61,209 during the year ended September 30, 2025.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**8. Leases (continued)**

Operating Leases

The City's General Fund (governmental activities) has obtained public safety equipment through long-term operating leases. The terms and conditions for these leases varies. These operating leases have fixed, periodic payments over the lease term, which ranges between 1 and 5 years.

The City's Water and Sewer and Ballantrae Golf Funds (business-type activities) have obtained water and sewer equipment and golf equipment through long-term operating leases. The terms and conditions for these leases varies. These operating leases have fixed, periodic payments over the lease term, which ranges between 1 and 5 years.

At September 30, 2025, operating leases consisted of the following:

|                                 | October 1,<br>2024 | Additions  | Retirements | September 30,<br>2025 |
|---------------------------------|--------------------|------------|-------------|-----------------------|
| <b>Governmental Activities</b>  |                    |            |             |                       |
| Right of use leases - equipment | \$ -               | \$ 371,115 | \$ 19,360   | \$ 351,755            |
| <b>Business-type Activities</b> |                    |            |             |                       |
| Right of use leases - equipment | \$ 354,977         | \$ 381,809 | \$ 166,106  | \$ 570,680            |

Principal and interest requirements for the right of use lease liabilities at September 30, 2025 are as follows:

|      | <b>Governmental Activities</b> |                  | <b>Business-type Activities</b> |                   |
|------|--------------------------------|------------------|---------------------------------|-------------------|
|      | <b>Principal</b>               | <b>Interest</b>  | <b>Principal</b>                | <b>Interest</b>   |
| 2026 | \$ 83,091                      | \$ 16,119        | \$ 215,580                      | \$ 29,189         |
| 2027 | 77,608                         | 15,460           | 174,456                         | 22,731            |
| 2028 | 73,868                         | 15,460           | 77,533                          | 13,375            |
| 2029 | 67,714                         | 15,460           | 72,422                          | 18,484            |
| 2030 | 49,474                         | 17,736           | 30,689                          | 18,736            |
|      | <u>\$ 351,755</u>              | <u>\$ 80,235</u> | <u>\$ 570,680</u>               | <u>\$ 102,515</u> |



**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. 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 the ERS is vested in its Board of Control which consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 197, 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 15 trustees as follows:

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

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

***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 (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.

Act 351 of the Legislature of 2022 provides that any Tier 2 member who withdraw from service after the completion of at least 30 years of service is entitled to an annual retirement benefit.

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.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to Code of Alabama 1975, Section 36-27-6 to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 628 employers adopted Act 2019-132 as of September 30, 2024.

Act 2019-132 was amended by Act 348 of the Legislature of 2022. Act 2022-348 amended Act 2019-132 by removing the date limitation for any local participating employer to submit its resolution electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members. Act 2022-348 also amended Act 2019-132 by removing the date limitation for a local participating employer to petition the ERS Board of Control for a reconsideration if the ERS Board of Control denied its election to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 890 local participating employers. The ERS membership includes approximately 117,309 participants. As of September 30, 2024, membership consisted of:

|                                                                 |                |
|-----------------------------------------------------------------|----------------|
| Retirees and beneficiaries currently receiving benefits         | 32,477         |
| Terminated employees entitled to but not yet receiving benefits | 2,425          |
| Terminated employees not entitled to a benefit                  | 22,097         |
| Active members                                                  | 60,279         |
| Post-DROP participants who are still in active service          | 31             |
|                                                                 | <u>117,309</u> |

The City's membership as of the measurement date of September 30, 2024 consisted of:

|                                                         |            |
|---------------------------------------------------------|------------|
| Retirees and beneficiaries currently receiving benefits | 182        |
| Vested inactive members                                 | 18         |
| Non-vested inactive members                             | 52         |
| Active members                                          | 307        |
|                                                         | <u>559</u> |

**Contributions**

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.

Employers participating in the ERS pursuant to Code of Alabama 1975, Section 36-27-6 were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

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, 2025, the City's active employee contribution rate was 6.81% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 18.07% of pensionable payroll.

City's contractually required contribution rate for the year ended September 30, 2025, was 19.39% of pensionable pay for Tier 1 employees, and 17.53% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2022, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$4,381,113 for the year ended September 30, 2025.

**City of Pelham, Alabama**  
**Notes to Financial Statements**  
**September 30, 2025**

**9. Pension Plan - Continued**

***Net Pension Liability***

The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2023, rolled forward to September 30, 2024, using standard roll-forward techniques as shown in the following table:

|                                                                                                             | Expected              | Actual Before<br>Plan Changes | Actual After<br>Plan Changes |
|-------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|------------------------------|
| (a) Total Pension Liability as of September 30, 2023                                                        | \$ 120,064,871        | \$ 122,299,480                | \$ 122,299,480               |
| (b) Discount Rate                                                                                           | 7.45%                 | 7.45%                         | 7.45%                        |
| (c) Entry Age Normal Cost for the period October 1, 2023<br>- September 30, 2024                            | 2,178,901             | 2,178,901                     | 2,178,901                    |
| (d) Transfers Among Employers                                                                               |                       | 87,941                        | 87,941                       |
| (e) Actual Benefit Payments and Refunds for the period<br>October 1, 2023 - September 30, 2024              | (7,426,001)           | (7,426,001)                   | (7,426,001)                  |
| (f) Total Pension Liability as of September 30, 2024<br>[(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))] | <u>\$ 123,485,985</u> | <u>\$ 125,975,013</u>         | <u>\$ 125,975,013</u>        |
| (g) Difference between Expected and Actual                                                                  |                       | \$ 2,489,028                  |                              |
| (h) Less Liability Transferred for Immediate Recognition                                                    |                       | <u>87,941</u>                 |                              |
| (i) Difference between Expected and Actual -<br>Experience (Gain)/Loss                                      |                       | <u>\$ 2,401,087</u>           |                              |
| (j) Difference between Actual TPL Before and<br>After Plan Changes - Benefit Change<br>(Gain)/ Loss         |                       |                               | <u>\$ -</u>                  |

***Actuarial Assumptions***

The total pension liability as of September 30, 2024 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2023. The key actuarial assumptions are summarized below:

|                             |                            |
|-----------------------------|----------------------------|
| Inflation                   | 2.50%                      |
| Projected Salary Increases  | 3.25% - 6.00%              |
| Investment Rate of Return * | 7.45%, including inflation |

\*Net of pension plan investment expense

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

Mortality rates were based on the Pub 2010 Below Median Tables, projected generationally using the MP 2020 scale, which is adjusted by 66 2/3% beginning with year 2019:

| Group                              | Membership Totals                  | Set Forward (+)/ Setback (-) | Adjustment to Rates                                              |
|------------------------------------|------------------------------------|------------------------------|------------------------------------------------------------------|
|                                    |                                    |                              | Male: 90% ages < 65;<br>96% ages >= 65;<br>Females: 96% all ages |
| Non-FLC Service Retirees           | General Healthy Below Median       | Male: +2, Female +2          |                                                                  |
| FLC/State police Service Retirees  | Public Safety Healthy Below Median | Male: +1, Female None        | None                                                             |
| Beneficiaries                      | Contingent Survivor Below Median   | Male: +2, Female +2          | None                                                             |
| Non-FLC Disabled Retirees          | General Disability                 | Male: +7, Female +3          | None                                                             |
| FLC/State Police Disabled Retirees | Public Safety Disability           | Male: +7, Female None        | None                                                             |

The actuarial assumptions used in the actuarial valuation as of September 30, 2022, were based on the results of an actuarial experience study for the period of October 1, 2015 – September 30, 2020.

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

The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

|                                       | Target Allocation | Long-Term Expected Rate of Return* |
|---------------------------------------|-------------------|------------------------------------|
| Fixed income                          | 15.00%            | 2.80%                              |
| U.S. large stocks                     | 32.00%            | 8.00%                              |
| U.S. mid stocks                       | 9.00%             | 10.00%                             |
| U.S. small stocks                     | 4.00%             | 11.00%                             |
| International developed market stocks | 12.00%            | 9.50%                              |
| International emerging market stocks  | 3.00%             | 11.00%                             |
| Alternatives                          | 10.00%            | 9.00%                              |
| Real estate                           | 10.00%            | 6.50%                              |
| Cash                                  | 5.00%             | 1.50%                              |
|                                       | <u>100.00%</u>    |                                    |

\*Includes assumed rate of inflation of 2.00%.

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the City's net pension liability consisted of the following at September 30, 2023:

|                                                                   | <b>Total Pension<br/>Liability<br/>(a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability (Asset)<br/>(a) - (b)</b> |
|-------------------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------------|
| Balances at September 30, 2023                                    | \$ 120,064,871                             | \$ 72,909,677                                  | \$ 47,155,194                                          |
| Changes for the year:                                             |                                            |                                                |                                                        |
| Service cost                                                      | 2,178,901                                  | -                                              | 2,178,901                                              |
| Interest                                                          | 8,668,214                                  | -                                              | 8,668,214                                              |
| Changes of benefit terms                                          | -                                          | -                                              | -                                                      |
| Differences between expected and actual experience                | 2,401,087                                  | -                                              | 2,401,087                                              |
| Contributions - employer                                          | -                                          | 3,335,602                                      | (3,335,602)                                            |
| Contributions - employee                                          | -                                          | 1,417,160                                      | (1,417,160)                                            |
| Net investment income                                             | -                                          | 15,123,869                                     | (15,123,869)                                           |
| Benefits of payments, including refunds of employee contributions | (7,426,001)                                | (7,426,001)                                    | -                                                      |
| Transfers among employers                                         | 87,941                                     | 87,941                                         | -                                                      |
| Net changes:                                                      | 5,910,142                                  | 12,538,571                                     | (6,628,429)                                            |
| Balances at September 30, 2024                                    | \$ 125,975,013                             | \$ 85,448,248                                  | \$ 40,526,765                                          |

City of Pelham, Alabama  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the City's net pension liability calculated using the discount rate of 7.45%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

|                                      | 1% Decrease<br>(6.45%) | Current<br>Discount<br>Rate (7.45%) | 1% Increase<br>(8.45%) |
|--------------------------------------|------------------------|-------------------------------------|------------------------|
| Plan's Net Pension Liability (Asset) | \$ 55,696,754          | \$ 40,526,765                       | \$ 27,830,455          |

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes detail by employer and in aggregate additional information needed to comply with GASB 68. 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, 2025, the City recognized pension expense of \$5,721,261. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

|                                                                                     | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|-------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                  | \$ 5,626,129                         | \$ -                                |
| Changes of assumptions                                                              | 1,691,874                            | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | -                                    | 5,632,898                           |
| Employer contributions subsequent to the measurement<br>date                        | 4,381,133                            | -                                   |
|                                                                                     | <u>\$ 11,699,136</u>                 | <u>\$ 5,632,898</u>                 |



**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**9. Pension Plan (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

|      | Deferred<br>Outflows (Inflows)<br>of Resources |
|------|------------------------------------------------|
| 2026 | \$ 1,072,522                                   |
| 2027 | 2,536,252                                      |
| 2028 | (1,130,872)                                    |
| 2029 | (1,048,228)                                    |
| 2030 | 255,431                                        |

**10. Other Post-Employment Benefits**

**General Information about the OPEB Plan**

*Plan description* – The City of Pelham (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Pelham's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

*Benefits Provided* – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier I members"). Employees hired on and after January 1, 2013 (called "Tier II" members) are eligible to retire only after attainment of age 62 or later completion of 10 years of service. Effective October 1, 2022, Tier I retirement eligibility was extended to Tier II employees.

*Employees covered by benefit terms* – As of the measurement date September 30, 2025, the following employees were covered by the benefit terms:

|                                                                             |            |
|-----------------------------------------------------------------------------|------------|
| Active participants                                                         | 127        |
| Inactive employees entitled to but not<br>yet receiving benefit payments    | -          |
| Inactive employees or beneficiaries<br>currently receiving benefit payments | 269        |
|                                                                             | <u>396</u> |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**10. Other Post-Employment Benefits (continued)**

**Total OPEB Liability**

The City's total OPEB liability of \$14,321,834 was measured as of September 30, 2025, the end of the fiscal year.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the September 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                                                                                   |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Valuation date              | 10/1/2024                                                                                                                         |
| Actuarial cost method       | Individual Entry Age Normal                                                                                                       |
| Amortization method         | Level dollar, open                                                                                                                |
| Amortization period         | 30 years                                                                                                                          |
| Asset valuation method      | Market value                                                                                                                      |
| Inflation                   | 2.50%                                                                                                                             |
| Salary increases            | 4.0%, including inflation                                                                                                         |
| Discount rate               | 3.81% annually (Beginning of Year to Determine ADC)                                                                               |
|                             | 4.90% annually (As of End of Year Measurement Date)                                                                               |
| Retirement age              | Attainment of age 55 and 25 years of service; attainment of age 60 and 10 years of service and employment with the City of Pelham |
| Healthcare cost trend rates | Zero Trend                                                                                                                        |
| Mortality                   | RP-2000 Table without projection                                                                                                  |

The discount rate was based on the Bond Buyers' 20-year general obligation municipal bond index as of September 30, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2024.

**Changes in the Total OPEB Liability**

|                                                    |                      |
|----------------------------------------------------|----------------------|
| Balance at September 30, 2024                      | \$ 15,606,731        |
| Changes for the year:                              |                      |
| Service cost                                       | 279,075              |
| Interest                                           | 572,517              |
| Changes of benefit terms                           | -                    |
| Differences between expected and actual experience | 404,643              |
| Changes in assumptions                             | (1,381,051)          |
| Benefit payments and net transfers                 | (1,160,081)          |
| Net changes                                        | (1,284,897)          |
| Balance at September 30, 2025                      | <u>\$ 14,321,834</u> |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**10. Other Post-Employment Benefits (continued)**

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current discount rate:

|                            | 1% Decrease<br>(3.90%) | Current<br>Discount<br>Rate (4.90%) | 1% Increase<br>(5.90%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability (Asset) | \$ 17,374,342          | \$ 14,321,834                       | \$ 11,960,600          |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – Not applicable since zero trend.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to OPEB**

For the year ended September 30, 2025, the City recognized OPEB expense of \$709,739. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|----------------------------------|--------------------------------------|-------------------------------------|
| Economic/demographic (gain)/loss | \$ 1,329,192                         | \$ 828,225                          |
| Changes of assumptions           | 1,645,057                            | 2,147,524                           |
|                                  | <u>\$ 2,974,249</u>                  | <u>\$ 2,975,749</u>                 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|            | Deferred<br>Outflows (Inflows)<br>of Resources |
|------------|------------------------------------------------|
| 2026       | \$ (1,187,499)                                 |
| 2027       | 283,293                                        |
| 2028       | 132,775                                        |
| 2029       | 192,486                                        |
| 2030       | 192,486                                        |
| Thereafter | 384,959                                        |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**11. 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 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; natural disasters for which the City carries commercial insurance.

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.

**12. Fair Value**

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used during the year ended September 30, 2025.

- U.S. Government Sponsored Enterprise: Valued based on issuance price and secondary trade data provided by recognized broker dealers.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the investments at fair value as of September 30, 2025:

|                                          | Quoted Prices in |                   |                  |
|------------------------------------------|------------------|-------------------|------------------|
|                                          | Active Markets   | Significant Other | Significant      |
|                                          | for Identical    | Observable        | Unobservable     |
| Fair Value                               | Assets (Level 1) | Inputs (Level 2)  | Inputs (Level 3) |
| U.S Government Sponsored Enterprise      |                  |                   |                  |
| Government National Mortgage Association | \$ 3,750,000     | \$ -              | \$ -             |

**City of Pelham, Alabama**  
Notes to Financial Statements  
September 30, 2025

**13. 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, 2025, the City abated taxes totaling \$66,603 under this Act, as summarized below:

| Purpose                          | Type of Taxes Abated (Non-education) | Percentage of Taxes Abated during the Fiscal Year | Amount of Taxes Abated during the Fiscal Year |
|----------------------------------|--------------------------------------|---------------------------------------------------|-----------------------------------------------|
| Addition to an existing facility | Sales and Property                   | 53% up to cap                                     | \$ 1,328                                      |
| To build a new facility          | Sales and Property                   | 45% up to cap                                     | 2,955                                         |
| To build a new facility          | Sales and Property                   | 100% up to cap                                    | 10,774                                        |
| Addition to an existing facility | Sales and Property                   | 2% up to cap                                      | 241                                           |
| Addition to an existing facility | Sales and Property                   | 3% up to cap and 80% of property taxes            | 51,305                                        |
|                                  |                                      |                                                   | <u>\$ 66,603</u>                              |

**14. Prior Period Adjustment – Implementation of GASB Statement No. 101**

During the fiscal year ended September 30, 2025, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for liabilities related to compensated absences and replaces the previous guidance in GASB Statement No. 16.

As a result of implementing GASB Statement No. 101, the City re-evaluated its compensated absences liabilities and recognized additional obligations related to leave balances that are attributable to services already rendered and are more likely than not to be paid. The implementation of this standard required a prior period adjustment to beginning net position as of October 1, 2024.

The effect of adopting GASB Statement No. 101 resulted in an increase in compensated absences liabilities of \$733,029 for governmental activities and \$105,960 for business-type activities, for a total increase of \$838,989. As a result, beginning net position decreased by \$733,029 for governmental activities and \$105,960 for business-type activities, resulting in a total decrease in beginning net position of \$838,989. Beginning net position as of October 1, 2024 has been restated to reflect the cumulative effect of adopting GASB Statement No. 101.

DRAFT  
PENDING APPROVAL

REQUIRED SUPPLEMENTARY INFORMATION

**City of Pelham, Alabama**  
**Budgetary Comparison Schedule - General Fund**  
**September 30, 2025**

|                                             | General Fund           |                   |               |                                        |
|---------------------------------------------|------------------------|-------------------|---------------|----------------------------------------|
|                                             | Budgeted -<br>Original | Budgeted<br>Final | Actual        | Variance w/<br>Final Budgeted<br>Basis |
| <b>Revenues</b>                             |                        |                   |               |                                        |
| Taxes                                       |                        |                   |               |                                        |
| Sales                                       | \$ 43,722,126          | \$ 43,722,281     | \$ 45,087,625 | \$ 1,365,344                           |
| Property                                    | 10,238,186             | 10,238,186        | 9,809,638     | (428,548)                              |
| Motor vehicle/gas                           | 529,508                | 529,508           | 537,688       | 8,180                                  |
| Other                                       | 254,254                | 254,254           | 604,937       | 350,683                                |
| Licenses and permits                        | 5,433,300              | 5,433,300         | 6,141,668     | 708,368                                |
| Fines and forfeits                          | 305,000                | 305,000           | 289,403       | (15,597)                               |
| Charges for services                        | 716,615                | 716,615           | 1,230,409     | 513,794                                |
| Interest                                    | 1,550,000              | 1,550,000         | 3,167,350     | 1,617,350                              |
| Other                                       | 2,421,680              | 538,457           | 405,695       | (132,762)                              |
|                                             | 65,170,669             | 63,287,601        | 67,274,413    | 3,986,812                              |
| <b>Expenditures</b>                         |                        |                   |               |                                        |
| General administration                      | 13,272,032             | 13,535,382        | 15,824,286    | 2,288,904                              |
| Public safety                               | 24,686,665             | 24,731,505        | 23,285,519    | (1,445,986)                            |
| Public works                                | 5,205,632              | 5,241,889         | 4,327,772     | (914,117)                              |
| Culture and recreation                      | 4,206,624              | 4,192,085         | 3,896,947     | (295,138)                              |
| Capital outlay                              |                        |                   |               |                                        |
| Capital                                     | 18,750,053             | 6,661,605         | 6,159,259     | (502,346)                              |
| Non-capital                                 | -                      | -                 | 103,895       | 103,895                                |
| Debt service                                |                        |                   |               |                                        |
| Principal                                   | 4,463,295              | 4,463,295         | 4,253,389     | (209,906)                              |
| Interest and fees                           | 1,441,000              | 1,441,000         | 1,501,760     | 60,760                                 |
| Total expenditures                          | 72,025,301             | 60,266,761        | 59,352,827    | (913,934)                              |
| Excess revenue over expenditures            | (6,854,632)            | 3,020,840         | 7,921,586     | 4,900,746                              |
| <b>Other financing sources (uses)</b>       |                        |                   |               |                                        |
| Proceeds from sale of capital assets        | -                      | -                 | 77,772        | 77,772                                 |
| Proceeds from capital lease                 | -                      | -                 | 21,312        |                                        |
| Transfers from nonmajor govt funds          | 897,181                | 1,100,952         | 1,000,015     | (100,937)                              |
| Transfers (to) capital project fund         | 10,401,405             | (28,693,172)      | (4,168,534)   | 24,524,638                             |
| Transfers (to)/from water and sewer fund    | -                      | -                 | -             | -                                      |
| Transfers (to)/from civic complex fund      | (1,542,699)            | (1,612,000)       | (1,166,524)   | 445,476                                |
| Transfers (to)/from Ballantrae golf fund    | -                      | -                 | (90,249)      | (90,249)                               |
| Transfers (to)/from Pelham racquet club     | -                      | -                 | (904,423)     | (904,423)                              |
| Transfers (to)/from other proprietary funds | -                      | -                 | (150,000)     | (150,000)                              |
|                                             | 9,755,887              | (29,204,220)      | (5,380,631)   | 23,802,277                             |
| Net change in fund balance                  | \$ 2,901,255           | \$ (26,183,380)   | \$ 2,540,955  | \$ 28,703,023                          |

See notes to required supplementary information.

**City of Pelham, Alabama**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Last Ten Years Ended September 30,**

|                                                                                   | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|-----------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total pension liability</b>                                                    |               |               |               |               |               |               |               |               |               |               |
| Service cost                                                                      | \$ 2,178,901  | \$ 2,034,219  | \$ 1,974,771  | \$ 1,726,063  | \$ 1,635,820  | \$ 1,640,736  | \$ 1,608,609  | \$ 1,584,388  | \$ 1,544,506  | \$ 1,527,047  |
| Interest                                                                          | 8,668,214     | 8,159,279     | 7,831,130     | 7,491,447     | 6,974,488     | 6,641,295     | 6,241,092     | 6,032,403     | 5,650,936     | 5,297,430     |
| Changes of benefit terms                                                          | -             | -             | 52,021        | -             | 821,568       | -             | -             | -             | -             | -             |
| Differences between expected and actual experience                                | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Changes of assumptions                                                            | 2,401,087     | 3,359,190     | 997,364       | 526,871       | 2,624,035     | 1,259,117     | 1,640,817     | (696,818)     | 741,123       | 1,455,825     |
| Benefit payments, including refunds of employee contributions                     | -             | -             | -             | 4,398,871     | -             | -             | 491,887       | -             | 3,515,573     | -             |
| Transfers among employers                                                         | (7,426,001)   | (6,882,102)   | (6,400,334)   | (5,605,035)   | (5,148,171)   | (4,779,811)   | (4,206,950)   | (4,063,665)   | (4,247,332)   | (3,475,609)   |
| <b>Net change in total pension liability</b>                                      | 87,941        | 432,706       | 190,625       | (316,252)     | 34,448        | (289,983)     | 231,352       | (91,916)      | (95,878)      | -             |
| <b>Total pension liability - beginning</b>                                        | 5,910,142     | 7,103,292     | 4,545,577     | 8,221,965     | 6,942,188     | 4,511,354     | 4,006,807     | 2,764,392     | 7,108,928     | 4,804,693     |
| <b>Total pension liability - ending (a)</b>                                       | 120,064,871   | 112,961,579   | 108,315,002   | 100,094,037   | 93,151,849    | 88,640,495    | 82,633,688    | 79,869,296    | 72,760,368    | 67,955,675    |
|                                                                                   | \$125,975,013 | \$120,064,871 | \$112,961,579 | \$108,315,002 | \$100,094,037 | \$93,151,849  | \$88,640,495  | \$82,633,688  | \$79,869,296  | \$72,760,368  |
| <b>Plan fiduciary net position</b>                                                |               |               |               |               |               |               |               |               |               |               |
| Contributions - employer                                                          | \$ 3,335,602  | \$ 3,135,297  | \$ 2,922,474  | \$ 2,641,606  | \$ 2,368,519  | \$ 2,350,335  | \$ 2,148,149  | \$ 2,077,833  | \$ 1,985,261  | \$ 1,885,223  |
| Contributions - member                                                            | 1,417,160     | 1,373,812     | 1,383,698     | 1,243,377     | 1,168,071     | 1,175,997     | 1,095,707     | 1,046,834     | 1,053,668     | 996,630       |
| Net investment income                                                             | 15,123,869    | 8,489,281     | (9,870,932)   | 14,383,206    | 13,598,744    | 1,616,108     | 5,428,909     | 6,758,473     | 4,945,320     | 543,034       |
| Benefit payments, including refunds of employee contributions                     | (7,426,001)   | (6,882,102)   | (6,400,334)   | (5,605,035)   | (5,148,171)   | (4,779,811)   | (4,206,950)   | (4,063,665)   | (4,247,332)   | (3,475,609)   |
| Transfers among employers                                                         | 87,941        | 432,706       | 190,625       | (316,252)     | 34,448        | (289,983)     | 231,352       | (91,916)      | (95,878)      | 231,807       |
| <b>Net change in plan fiduciary net position</b>                                  | 12,538,571    | 6,548,994     | (11,774,469)  | 12,346,902    | 2,021,611     | 42,646        | 4,697,167     | 5,727,559     | 3,641,039     | 181,085       |
| <b>Plan net position - beginning</b>                                              | 72,909,677    | 66,401,330    | 78,175,799    | 65,828,897    | 63,807,286    | 63,764,640    | 59,067,473    | 53,339,914    | 49,698,875    | 49,517,790    |
| <b>Plan net position - ending (b)</b>                                             | \$ 85,448,248 | \$ 72,950,324 | \$ 66,401,330 | \$ 78,175,799 | \$ 65,828,897 | \$ 63,807,286 | \$ 63,764,640 | \$ 59,067,473 | \$ 53,339,914 | \$ 49,698,875 |
| <b>Net pension liability (a) - (b)</b>                                            | \$ 40,526,765 | \$ 47,114,547 | \$ 46,560,249 | \$ 30,140,203 | \$ 34,265,140 | \$ 29,344,563 | \$ 24,875,855 | \$ 23,566,215 | \$ 26,529,382 | \$ 23,061,493 |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 67.83%        | 60.76%        | 58.78%        | 72.17%        | 65.77%        | 68.50%        | 71.94%        | 71.48%        | 66.78%        | 68.30%        |
| <b>Covered-employee payroll</b>                                                   | \$ 21,147,582 | \$ 20,173,228 | \$ 19,156,881 | \$ 19,124,530 | \$ 20,596,640 | \$ 18,626,224 | \$ 18,308,059 | \$ 18,412,041 | \$ 17,595,089 | \$ 17,534,690 |
| <b>Net pension liability as a percentage of covered-employee payroll</b>          | 191.64%       | 233.55%       | 243.05%       | 157.60%       | 166.36%       | 157.54%       | 135.87%       | 127.99%       | 150.78%       | 131.52%       |

See notes to required supplementary information.



**City of Pelham, Alabama**  
**Schedule of Employer Contributions - Pension**  
**For the Last Ten Years Ended September 30,**

|                                                                       | 2025          | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
|-----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                                   |               |               |               |               |               |               |               |               |               |               |
| Contributions in relation to the actuarially determined contributions | \$ 4,293,229  | \$ 3,335,602  | \$ 3,135,296  | \$ 2,818,232  | \$ 2,641,606  | \$ 2,368,519  | \$ 2,320,335  | \$ 2,080,281  | \$ 2,077,833  | \$ 1,985,261  |
|                                                                       | 4,293,229     | 3,335,602     | 3,135,296     | 2,818,232     | 2,641,606     | 2,368,519     | 2,320,335     | 2,080,281     | 2,077,833     | 1,985,261     |
| Contributions deficiency (excess)                                     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| <b>Covered-employee payroll</b>                                       | \$ 23,752,730 | \$ 21,147,582 | \$ 20,173,228 | \$ 19,156,881 | \$ 20,173,228 | \$ 19,124,530 | \$ 20,596,640 | \$ 18,626,224 | \$ 18,308,059 | \$ 18,412,041 |
| <b>Contributions as a percentage of covered-employee payroll</b>      | 18.07%        | 15.77%        | 15.54%        | 14.71%        | 13.09%        | 12.38%        | 11.27%        | 11.17%        | 11.35%        | 10.78%        |

See notes to required supplementary information.

**City of Pelham, Alabama**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Last Eight Years Ended September 30,**

| <b>Total OPEB Liability</b>                           | <b>2025</b>   | <b>2024</b>   | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   |
|-------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Service cost                                          | \$ 279,075    | \$ 252,568    | \$ 271,835    | \$ 346,705    | \$ 363,357    | \$ 162,087    | \$ 156,525    | \$ 166,076    |
| Interest                                              | 572,517       | 590,574       | 561,064       | 462,501       | 439,248       | 420,081       | 527,724       | 481,191       |
| Differences between expected and actual experience    | 404,643       | 569,133       | 862,179       | (4,141,119)   | 1,393,917     | 3,117,208     | 354,745       | 347,114       |
| Changes in assumptions                                | (1,381,051)   | 352,822       | (109,590)     | (3,212,841)   | 301,765       | 1,121,850     | 2,866,732     | (911,419)     |
| Benefit payments                                      | (1,160,081)   | (1,195,634)   | (1,010,081)   | (1,010,081)   | (714,151)     | (762,395)     | (713,933)     | (713,933)     |
| Net change in total OPEB liability                    | (1,284,897)   | 569,463       | 575,407       | (7,554,835)   | 1,784,136     | 4,058,831     | 3,191,793     | (630,971)     |
| Total OPEB liability - beginning of year              | 15,606,731    | 15,037,268    | 14,461,861    | 22,016,696    | 20,232,560    | 16,173,729    | 12,981,936    | 13,612,907    |
| Total OPEB liability - end of year                    | \$ 14,321,834 | \$ 15,606,731 | \$ 15,037,268 | \$ 14,461,861 | \$ 22,016,696 | \$ 20,232,560 | \$ 16,173,729 | \$ 12,981,936 |
| Covered-employee payroll                              | \$ 18,849,286 | \$ 18,523,244 | \$ 18,523,244 | \$ 17,551,196 | \$ 18,452,726 | \$ 17,743,006 | \$ 17,755,828 | \$ 17,072,911 |
| Net OPEB liability as a percentage of covered payroll | 75.98%        | 84.25%        | 81.18%        | 82.40%        | 119.31%       | 114.03%       | 91.09%        | 76.04%        |

**Notes to Schedule:**

|                        |         |         |         |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Benefit changes        | None    | None    | None    | None    | None    | None    | None    | None    |
| Changes of assumptions | None    | None    | None    | None    | None    | None    | None    | None    |
| Discount rate          | 5.20%   | 3.81%   | 4.09%   | 4.02%   | 2.15%   | 2.21%   | 2.66%   | 4.18%   |
| Mortality              | RP-2000 | RP-2000 | RP-2000 | RP-2000 | RP-2000 | RP-2000 | RP-2000 | RP-2000 |
| Trend                  | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   | 0.00%   |

See notes to required supplementary information.

**City of Pelham, Alabama**  
Notes to Required Supplementary Information  
September 30, 2025

**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 and adopted in conformity with accounting principles generally accepted in the United States of America. Reported budget amounts are as originally adopted or as amended by the Council by resolution. Actual amounts are reported in accordance with accounting principles generally accepted in the United States of America.

Revenues are budgeted by source. Expenditures are budgeted by department and class as listed in the Budgetary Comparison Schedule – General Fund. 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 60 reflects most departments are spending within budgeted limits. The City amends its budget each month as necessary.

**2. 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 2025 were based on the September 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2024 to September 30, 2025:

|                               |                                                                   |
|-------------------------------|-------------------------------------------------------------------|
| Actuarial cost method         | Entry age                                                         |
| Amortization method           | Level percent closed                                              |
| Remaining amortization period | 20.8 years                                                        |
| Asset valuation method        | Five-year smoothed market                                         |
| Inflation                     | 2.50%                                                             |
| Salary increases              | 3.25 - 6.00%, including inflation                                 |
| Investment rate of return     | 7.45% of net pension plan investment expense, including inflation |

**City of Pelham, Alabama**  
Notes to Required Supplementary Information  
September 30, 2025

**3. Summary of Significant OPEB Plan Practices**

Methods and assumptions used to determine contribution rates for the period October 1, 2024 to September 30, 2025 consisted of the following:

|                        |                                                                                                                                                                         |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date         | 10/1/2024                                                                                                                                                               |
| Actuarial cost method  | Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported                                           |
| Amortization method    | Individual Entry Age Normal                                                                                                                                             |
| Amortization period    | Level dollar, open                                                                                                                                                      |
| Asset valuation method | 30 years                                                                                                                                                                |
| Inflation              | Market value                                                                                                                                                            |
| Healthcare trend       | 2.50% annually                                                                                                                                                          |
| Salary increases       | Zero trend; flat cap of \$1,100 monthly single and \$1,850 family applies                                                                                               |
| Discount rate          | 4.00% annually                                                                                                                                                          |
| Retirement Age         | 3.81% annually (Beginning of Year to Determine ADC)<br>4.90% annually (As of End of Year Measurement Date)                                                              |
| Mortality              | Attainment of age 55 and 25 years of service; attainment of age 60 and 10 years of service; at least 10 years of continuous employment with the City of Pelham required |
| Turnover               | RP-2000 Table without projection<br>Age specific table with an average of 10% when applied to the active census                                                         |

PENDING APPROVAL

DRAFT

#### SUPPLEMENTARY INFORMATION

**City of Pelham, Alabama**  
Assessed Value of Taxable Property (Unaudited)  
For the Year Ended September 30, 2025

|      | Property<br>Assessed Value<br>(after<br>exemptions) | Motor Vehicles | Total          |
|------|-----------------------------------------------------|----------------|----------------|
| 2025 | \$ 666,522,320                                      | \$ 93,748,518  | \$ 760,270,838 |
| 2024 | \$ 661,758,780                                      | \$ 90,527,067  | \$ 752,285,847 |
| 2023 | \$ 591,220,660                                      | \$ 83,904,279  | \$ 675,124,939 |
| 2022 | \$ 534,734,360                                      | \$ 70,950,779  | \$ 605,685,139 |
| 2021 | \$ 484,921,020                                      | \$ 62,659,702  | \$ 547,580,722 |
| 2020 | \$ 465,559,020                                      | \$ 57,971,600  | \$ 523,530,620 |
| 2019 | \$ 447,694,080                                      | \$ 55,611,700  | \$ 503,305,780 |
| 2018 | \$ 422,274,640                                      | \$ 56,273,540  | \$ 478,548,180 |
| 2017 | \$ 407,500,860                                      | \$ 56,725,380  | \$ 464,226,240 |
| 2016 | \$ 394,291,020                                      | \$ 59,426,580  | \$ 453,717,600 |
| 2015 | \$ 381,133,040                                      | \$ 55,199,840  | \$ 436,332,880 |
| 2014 | \$ 365,149,760                                      | \$ 54,011,360  | \$ 419,161,120 |
| 2013 | \$ 361,211,000                                      | \$ 55,104,830  | \$ 416,315,830 |
| 2012 | \$ 343,448,440                                      | \$ 52,680,940  | \$ 396,129,380 |

See independent auditors' report

**City of Pelham, Alabama**  
Gross Receipts and Use Tax Receipts (Unaudited)  
For the Year Ended September 30, 2025

|      | <b>Gross Receipts</b> |                |               |
|------|-----------------------|----------------|---------------|
|      | <b>Tax</b>            | <b>Use Tax</b> | <b>Total</b>  |
| 2025 | \$ 39,613,848         | \$ 3,308,511   | \$ 42,922,359 |
| 2024 | \$ 38,766,850         | \$ 3,298,919   | \$ 42,065,769 |
| 2023 | \$ 34,747,824         | \$ 2,625,478   | \$ 37,373,302 |
| 2022 | \$ 33,424,124         | \$ 2,432,790   | \$ 35,856,914 |
| 2021 | \$ 30,044,648         | \$ 2,028,892   | \$ 32,073,540 |

DRAFT  
PENDING APPROVAL

See independent auditors' report

**City of Pelham, Alabama**  
Business License Receipts (Unaudited)  
For the Year Ended September 30, 2025

|      | <b>Business License<br/>Receipts</b> |
|------|--------------------------------------|
| 2025 | \$ 5,427,291                         |
| 2024 | \$ 5,184,734                         |
| 2023 | \$ 5,116,488                         |
| 2022 | \$ 4,816,233                         |
| 2021 | \$ 4,488,011                         |

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PENDING APPROVAL

See independent auditors' report



**City of Pelham, Alabama**  
Fourteen Mill Ad Valorem Tax Receipts (Unaudited)  
For the Year Ended September 30, 2025

|      | <b>Fourteen Mill Ad<br/>Valorem Tax<br/>Receipts</b> |
|------|------------------------------------------------------|
| 2025 | \$ 8,900,088                                         |
| 2024 | \$ 8,063,028                                         |
| 2023 | \$ 7,250,284                                         |
| 2022 | \$ 6,584,794                                         |
| 2021 | \$ 6,300,673                                         |

DRAFT  
PENDING APPROVAL

See independent auditors' report

## RESOLUTION 2026-03-05-07

### Authorizing the Purchase and Installation of a New Main Arena Lighting System at the Pelham Civic Complex & Ice Arena

**WHEREAS**, the existing Main Arena lighting system at the Pelham Civic Complex & Ice Arena is approximately 10 years old and no longer provides the lighting levels required for hockey events and other activities due to age; and

**WHEREAS**, after evaluation with the Pelham Civic Complex & Ice Arena staff and the lighting manufacturer, full replacement of the lighting system is necessary; and

**WHEREAS**, the manufacturer will provide a prorated warranty credit of \$30,000.00 toward the new system and a new 10-year warranty; and

**WHEREAS**, Rexel USA, Inc. d/b/a Mayer has submitted a proposal in the amount of \$159,330.00 under TIPS Lighting Contract No. 24060301 for the lighting system and controls, and 1-Call Contractors has submitted a proposal in the amount of \$16,426.86 for installation, for a total project cost of \$175,756.86; and

**WHEREAS**, sufficient funds are available within the FY2026 Civic Complex Renovations Project budget to cover the cost of this project.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham that that the proposals from Rexel USA, Inc. d/b/a Mayer in the amount of \$159,330.00 and 1-Call Contractors in the amount of \$16,426.86 are hereby approved, and the Mayor, on behalf of the City, is authorized to execute all documents necessary to complete the purchase and installation, with funding to be paid from the FY2026 Civic Complex Renovations Project budget.

**BE IT FURTHER RESOLVED** by the City Council of the City of Pelham, Alabama that the City Council hereby approves a budget amendment to the FY2026 Civic Complex Renovations Project budget as necessary to appropriate funds and properly account for the expenditure associated with this project, and the City Manager and Finance Director are authorized to make all necessary budgetary and accounting entries, as needed.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-07 be given vote, and said Resolution passed by unanimous vote of the Council present, and the President of the Council declared the same passed and adopted.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

---

Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City of Pelham, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC City Clerk/Treasurer

[SEAL]



**Pelham**

A path apart.

**MEMORANDUM**

**TO: Gretchen DiFante, City Manager**  
**FROM: Andre' Bittas, DSPW Director**  
**DATE: February 20, 2026**  
**RE: Civic Complex – Main Arena lighting replacement**

Attached are the proposals from Rexel USA, Inc. d/b/a Mayor and 1-Call Contractors for the replacement of the main arena lighting system. The current lighting system, which was installed ten years ago, most of the light fixtures due to age and burnout of the LED diodes cannot provide the required lighting level for Hockey events. After thorough evaluation and discussion with the Civic Complex and the lighting manufacturer, it was determined that full replacement of the lighting system will be required to provide the needed lighting levels and the functionality required to support the Hockey program and other events in the arena.

When the system was originally installed, it had a ten-year warranty for the fixtures which expires in August 2026. The manufacturers will provide a prorated warranty in the amount of \$30,000 applied to the purchase of the new system and will give the city an additional ten-year warranty.

The Cost of the new lighting system and controls provided by Rexel USA is \$159,330.00 and will be procured under the TIPS lighting contract#24060301. Also included is the proposal from 1-Call Contractor for the installation of the light fixture for \$16,426.86. The total cost of the project is \$175,756.86

Even though this project was not anticipated or budgeted in the FY26 budget, there are available funds in the Civic Complex renovations project that is currently budgeted in the FY26 budget to cover the cost of this project.



# Rexel USA, Inc. d/b/a Mayer

2158 Highway 31 South Pelham AL 35124-1868

Br #: 202500

205-988-8942

Fax: 205-985-0680

## Quotation #: 2456599

"Purchaser"

Date:

February 16, 2026

To: CITY OF PELHAM ALABAMA  
PO BOX 1419  
PELHAM, AL 35124-5419  
CITY HALL ACCOUNT

Ship To: Mayer - Pelham  
2158 Highway 31 South  
Pelham, AL 35124-1868

Project Name:

Customer Contact: ANDRE

Job: PELHAM ICE RINK

Mayer Contact: Griffith, Jason

Internet: [www.mayerelectric.com](http://www.mayerelectric.com)

Quantities may be limited to normally purchased amounts through stock. Mayer reserves the right to void quotation for purchase quantities that exceed current shelf stock at time of shipment. Direct Shipment Quotes are valid based on terms provided by manufacturer.

| Line | Quantity | Item Number               | Description | Type | Price        | Per | Total      |
|------|----------|---------------------------|-------------|------|--------------|-----|------------|
| 1    | 29       | EPH VN 03 E XV BK WHT PND | EPHESUSSP   |      |              | EA  |            |
| 2    | 37       | EPH VN 06 E XV BK WHT PND | EPHESUSSP   |      |              | EA  |            |
| 3    | 12       | EPH LS 08 500PL BLK RGB   | EPHESUSSP   |      |              | EA  |            |
| 4    | 1        | CBSSW 450 002E DB AIR MES | EPHESUSSP   |      |              | EA  |            |
| 5    | 1        | REMOT BASE INTIAL REMOTE  | EPHESUSSP   |      |              | EA  |            |
| 6    | 3        | SER REMOTEDEV AIRMESH     | EPHESUSSP   |      |              | EA  |            |
| 7    | 1        | SER COLOR RGB CX          | EPHESUSSP   |      |              | EA  |            |
| 8    | 1        | LM BASE 10YR SUB          | EPHESUSSP   |      |              | EA  |            |
| 9    | 1        | EPH PSU EPHESUS START UP  | EPHESUSSP   |      |              | EA  |            |
| 10   |          | TIPS MRO# 240501          |             |      |              | EA  |            |
| 11   |          | TIPS LIGHTING# 24060301   |             |      |              | EA  |            |
| 12   | 1        | TOTAL                     |             |      | 159,330.0000 | EA  | 159,330.00 |

Freight Terms: FOB Shipping Point

Quotation Total:

159,330.00

Freight Terms:

Prepaid & Allowed: ☐ N

Prepaid & Charged: ☐ N

Spare Parts Included: ☐ N

Prices are subject to change at any time prior to shipment unless agreed to otherwise in writing signed by an authorized Seller representative. Orders related to this quotation must be received, accepted and released by Seller within 48 hours of issuance of the quotation and are subject to availability. Seller reserves the right to pass through any changes in delivery date, price, scope and quantity of supply arising from actions of Seller's manufacturing partners or vendors and/or resulting from any Force Majeure event including any imposition of new or additional tariffs that occurs after the issuance of the quotation. Delivery dates are estimated only. Seller shall not be liable for failure to meet such dates resulting from product shortages or manufacturing delays. Be advised that Seller considers any changes imposed by its manufacturing partners and other vendors or government agencies outside of Seller's reasonable control and therefore subject to Force Majeure provisions or similar common law doctrines such as "frustration" or "impossibility".

Seller's Standard Terms and Conditions of Sale are incorporated by reference into this quotation. A copy of the most current version of Seller's Standard Terms and Conditions of Sale is available at <https://www.rexelusa.com/terms>  
Full phone support at (888) 739-3577

Mayer Contact: 101439

Jason Griffith

ACCEPTANCE

Date:

Rexel USA, Inc. d/b/a Mayer

email: [jgriffith@mayerelectric.com](mailto:jgriffith@mayerelectric.com)

Form Effective Date: February 1, 2017

1- Call Contractors  
204 Fox Valley Highland Dr  
Alabaster, AL 35114 USA  
2052964271  
1callelectricalservice@gmail.com

## Estimate

### ADDRESS

Pelham Civic Complex  
500 Amphitheater Rd  
Pelham  
AL  
35124

ESTIMATE # 1351

DATE 02/14/2026

---

| ACTIVITY                                   | QTY | RATE      | AMOUNT    |
|--------------------------------------------|-----|-----------|-----------|
| Electrical service<br>Civic complex lights | 1   | 16,426.86 | 16,426.86 |

Install owner provided lights over ice and seating  
area 37 ice rink lights 29 seating lights and 12  
RGB fixtures

Install new control system in electrical room

Lift included in quote 1 scissor lift and 1  
articulating lift for over seating area

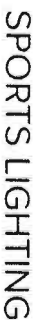
Remove and dispose of old lights

TOTAL

**\$16,426.86**

Accepted By

Accepted Date



## PHOTOMETRIC DRAWINGS FOR:

Project #: 2501411  
2/6/2026  
2501411r1-Pelham Civic Center Ice Arena.AGI

Prepared By:

**EPHESUS LIGHTING**  
125 E JEFFERSON ST  
SYRACUSE NY 13202  
315-579-2873

This drawing represents expected light levels if the lighting system is correctly ordered and installed exactly as designed. Actual results may vary.

Photometric design: Light level calculations extracted from software models. Illumination software models are constructed using information provided to Cooper or asked from third party electrical designers and estimated reflectance values of the alarm obstructions of site layout, structure locations and dimensions, luminaires locations and lighting, reflectance values, and observations with respect to the site.

and corrections will affect the actual light levels obtained

Any obstructions in the light paths such as structural steel, HVAC ductwork, banners, trees, structures or other items may affect illumination levels on the playing surface. Copper Lighting is not responsible for deviations from design due to incorrect data provided such as mounting heights, location dimensions, reflectance values, or obstructions. Unless otherwise noted, mounting heights and aiming points listed on photometric drawings are 3-dimensional coordinates (X, Y, Z) in feet. Origin (0,0,0) origin is normally center of playing area for symmetrical fields such as hockey/football, and back point for asymmetrical fields. Any variations of grade/elevation at base of pole locations relative to origin should be factored into pole or structure heights.

Buyer is responsible to verify photometric design meets all desired project specifications

Cooper Lighting is not responsible for any design considerations not submitted with the photometric design request and/or not listed as part of the Basis of Design, such as seating areas, warm-up zones, adjacent areas, etc.

Page 1 of 6

**LIGHTING DESIGN FOR:**

Pelham Civic Center  
Ice Arena  
Pelham, AL

**Horizontal  
Illuminance  
Summary**

MHI  
Reflectances:  
LI/FI  
Calc Grid:  
Notes:

28'  
N/A  
0.92  
10' x 10'

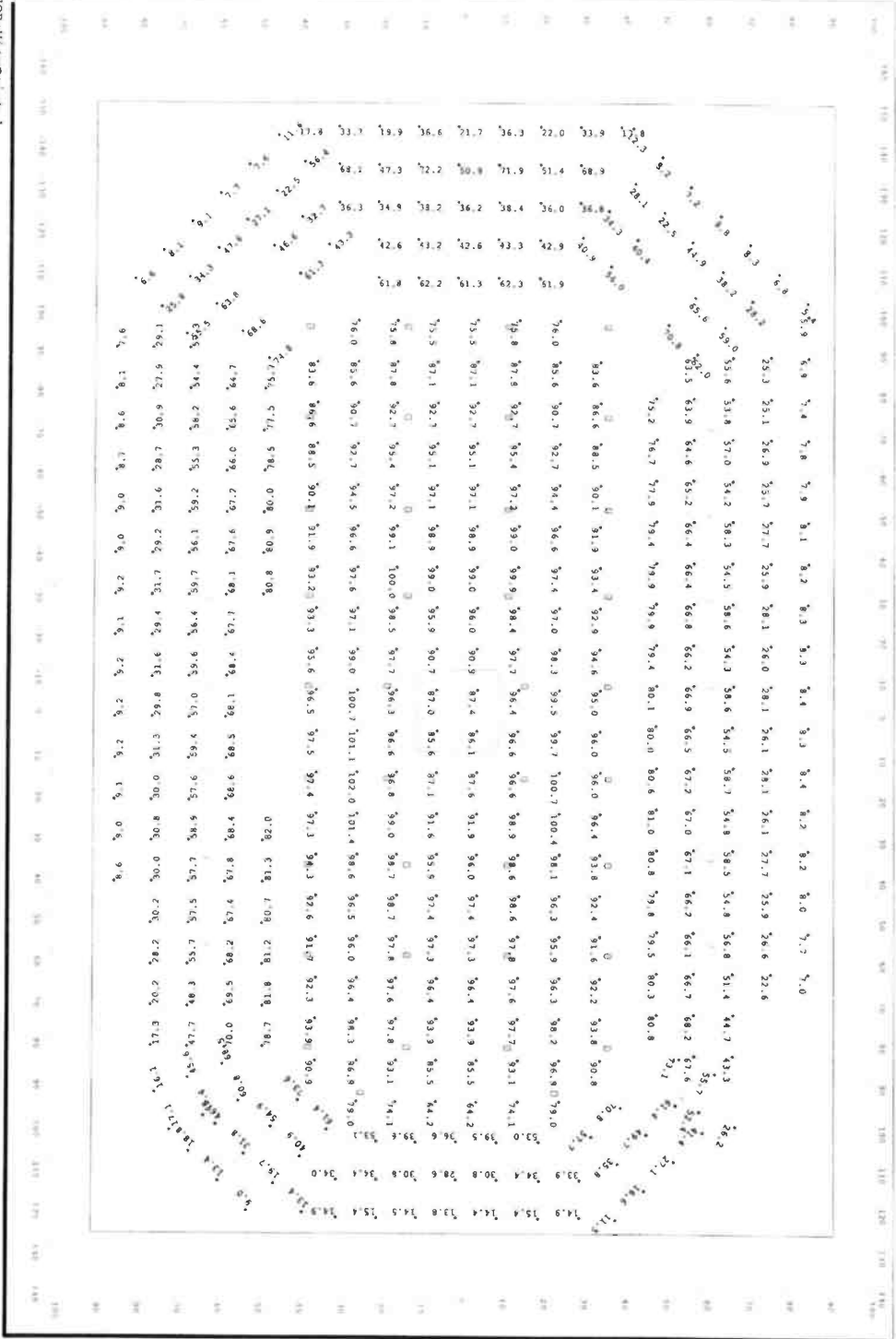
DRAWN  
**M. Thorma**

CHECKED  
**D. Couch**

REVISION  
**2**

PROJECT  
**2501411**

Revision Notes:  
- Use LV 5 squares for play area.  
- Use LV 3 squares for stands.  
- Reduce RGB fixture counts.



HOR: ViewPoint\_1  
Scale: 1 inch= 20 Ft.

**Calculation Summary**

| Category                | Unit        | Value |
|-------------------------|-------------|-------|
| 01 Fixture Illuminance  | Foot-candle | 100.0 |
| 02 Fixture Illuminance  | Foot-candle | 100.0 |
| 03 Fixture Illuminance  | Foot-candle | 100.0 |
| 04 Fixture Illuminance  | Foot-candle | 100.0 |
| 05 Fixture Illuminance  | Foot-candle | 100.0 |
| 06 Fixture Illuminance  | Foot-candle | 100.0 |
| 07 Fixture Illuminance  | Foot-candle | 100.0 |
| 08 Fixture Illuminance  | Foot-candle | 100.0 |
| 09 Fixture Illuminance  | Foot-candle | 100.0 |
| 10 Fixture Illuminance  | Foot-candle | 100.0 |
| 11 Fixture Illuminance  | Foot-candle | 100.0 |
| 12 Fixture Illuminance  | Foot-candle | 100.0 |
| 13 Fixture Illuminance  | Foot-candle | 100.0 |
| 14 Fixture Illuminance  | Foot-candle | 100.0 |
| 15 Fixture Illuminance  | Foot-candle | 100.0 |
| 16 Fixture Illuminance  | Foot-candle | 100.0 |
| 17 Fixture Illuminance  | Foot-candle | 100.0 |
| 18 Fixture Illuminance  | Foot-candle | 100.0 |
| 19 Fixture Illuminance  | Foot-candle | 100.0 |
| 20 Fixture Illuminance  | Foot-candle | 100.0 |
| 21 Fixture Illuminance  | Foot-candle | 100.0 |
| 22 Fixture Illuminance  | Foot-candle | 100.0 |
| 23 Fixture Illuminance  | Foot-candle | 100.0 |
| 24 Fixture Illuminance  | Foot-candle | 100.0 |
| 25 Fixture Illuminance  | Foot-candle | 100.0 |
| 26 Fixture Illuminance  | Foot-candle | 100.0 |
| 27 Fixture Illuminance  | Foot-candle | 100.0 |
| 28 Fixture Illuminance  | Foot-candle | 100.0 |
| 29 Fixture Illuminance  | Foot-candle | 100.0 |
| 30 Fixture Illuminance  | Foot-candle | 100.0 |
| 31 Fixture Illuminance  | Foot-candle | 100.0 |
| 32 Fixture Illuminance  | Foot-candle | 100.0 |
| 33 Fixture Illuminance  | Foot-candle | 100.0 |
| 34 Fixture Illuminance  | Foot-candle | 100.0 |
| 35 Fixture Illuminance  | Foot-candle | 100.0 |
| 36 Fixture Illuminance  | Foot-candle | 100.0 |
| 37 Fixture Illuminance  | Foot-candle | 100.0 |
| 38 Fixture Illuminance  | Foot-candle | 100.0 |
| 39 Fixture Illuminance  | Foot-candle | 100.0 |
| 40 Fixture Illuminance  | Foot-candle | 100.0 |
| 41 Fixture Illuminance  | Foot-candle | 100.0 |
| 42 Fixture Illuminance  | Foot-candle | 100.0 |
| 43 Fixture Illuminance  | Foot-candle | 100.0 |
| 44 Fixture Illuminance  | Foot-candle | 100.0 |
| 45 Fixture Illuminance  | Foot-candle | 100.0 |
| 46 Fixture Illuminance  | Foot-candle | 100.0 |
| 47 Fixture Illuminance  | Foot-candle | 100.0 |
| 48 Fixture Illuminance  | Foot-candle | 100.0 |
| 49 Fixture Illuminance  | Foot-candle | 100.0 |
| 50 Fixture Illuminance  | Foot-candle | 100.0 |
| 51 Fixture Illuminance  | Foot-candle | 100.0 |
| 52 Fixture Illuminance  | Foot-candle | 100.0 |
| 53 Fixture Illuminance  | Foot-candle | 100.0 |
| 54 Fixture Illuminance  | Foot-candle | 100.0 |
| 55 Fixture Illuminance  | Foot-candle | 100.0 |
| 56 Fixture Illuminance  | Foot-candle | 100.0 |
| 57 Fixture Illuminance  | Foot-candle | 100.0 |
| 58 Fixture Illuminance  | Foot-candle | 100.0 |
| 59 Fixture Illuminance  | Foot-candle | 100.0 |
| 60 Fixture Illuminance  | Foot-candle | 100.0 |
| 61 Fixture Illuminance  | Foot-candle | 100.0 |
| 62 Fixture Illuminance  | Foot-candle | 100.0 |
| 63 Fixture Illuminance  | Foot-candle | 100.0 |
| 64 Fixture Illuminance  | Foot-candle | 100.0 |
| 65 Fixture Illuminance  | Foot-candle | 100.0 |
| 66 Fixture Illuminance  | Foot-candle | 100.0 |
| 67 Fixture Illuminance  | Foot-candle | 100.0 |
| 68 Fixture Illuminance  | Foot-candle | 100.0 |
| 69 Fixture Illuminance  | Foot-candle | 100.0 |
| 70 Fixture Illuminance  | Foot-candle | 100.0 |
| 71 Fixture Illuminance  | Foot-candle | 100.0 |
| 72 Fixture Illuminance  | Foot-candle | 100.0 |
| 73 Fixture Illuminance  | Foot-candle | 100.0 |
| 74 Fixture Illuminance  | Foot-candle | 100.0 |
| 75 Fixture Illuminance  | Foot-candle | 100.0 |
| 76 Fixture Illuminance  | Foot-candle | 100.0 |
| 77 Fixture Illuminance  | Foot-candle | 100.0 |
| 78 Fixture Illuminance  | Foot-candle | 100.0 |
| 79 Fixture Illuminance  | Foot-candle | 100.0 |
| 80 Fixture Illuminance  | Foot-candle | 100.0 |
| 81 Fixture Illuminance  | Foot-candle | 100.0 |
| 82 Fixture Illuminance  | Foot-candle | 100.0 |
| 83 Fixture Illuminance  | Foot-candle | 100.0 |
| 84 Fixture Illuminance  | Foot-candle | 100.0 |
| 85 Fixture Illuminance  | Foot-candle | 100.0 |
| 86 Fixture Illuminance  | Foot-candle | 100.0 |
| 87 Fixture Illuminance  | Foot-candle | 100.0 |
| 88 Fixture Illuminance  | Foot-candle | 100.0 |
| 89 Fixture Illuminance  | Foot-candle | 100.0 |
| 90 Fixture Illuminance  | Foot-candle | 100.0 |
| 91 Fixture Illuminance  | Foot-candle | 100.0 |
| 92 Fixture Illuminance  | Foot-candle | 100.0 |
| 93 Fixture Illuminance  | Foot-candle | 100.0 |
| 94 Fixture Illuminance  | Foot-candle | 100.0 |
| 95 Fixture Illuminance  | Foot-candle | 100.0 |
| 96 Fixture Illuminance  | Foot-candle | 100.0 |
| 97 Fixture Illuminance  | Foot-candle | 100.0 |
| 98 Fixture Illuminance  | Foot-candle | 100.0 |
| 99 Fixture Illuminance  | Foot-candle | 100.0 |
| 100 Fixture Illuminance | Foot-candle | 100.0 |



LIGHTING DESIGN FOR:

Pelham Civic Center  
Ice Arena  
Pelham, AL

Vertical  
Illuminance  
Summary

MH: 28"  
Ref: N/A  
Calc Grid: 10' x 10'  
Notes:

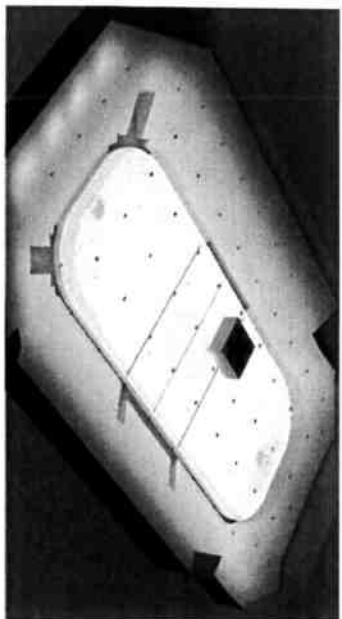
DRAWN  
M. Thorne

CHECKED  
D. Couch

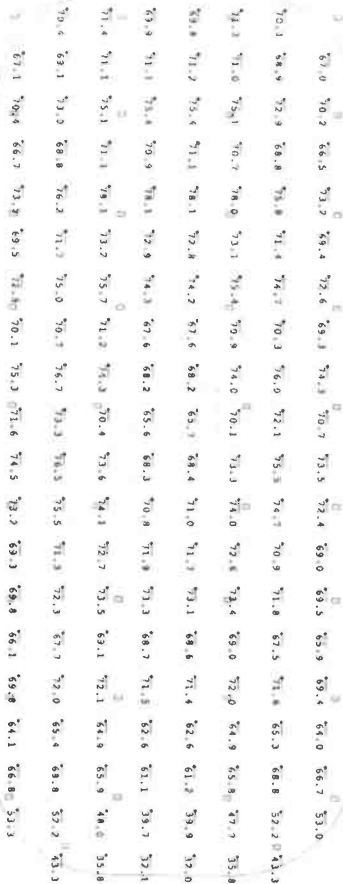
REVISION  
2

PROJECT  
2501411

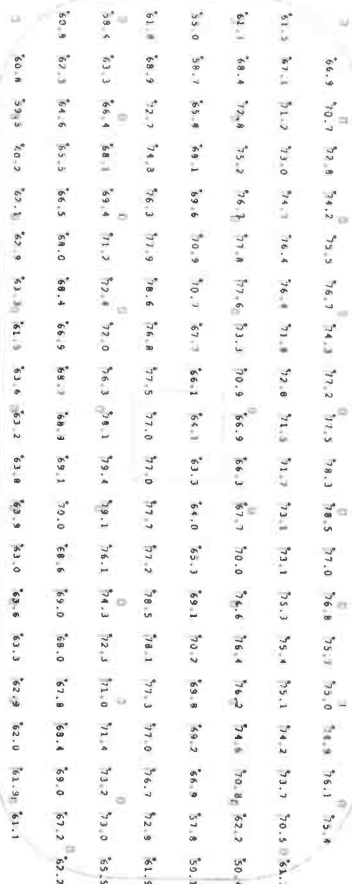
Revision Notes:  
Use 10' x 10' square for play area.  
Use 10' x 10' square for stands.  
Reduce RCR fixture counts.



VE: Viewpoint 2  
Scale: 1 inch= 20 ft.



VM: Viewpoint 2  
Scale: 1 inch= 20 ft.



| Calculation Summary    |           |       |      |      |      |      |      |      |      |
|------------------------|-----------|-------|------|------|------|------|------|------|------|
| Calculation II         |           |       |      |      |      |      |      |      |      |
| 01 Hockey-Illuminance  | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 02 Hockey-Illuminance  | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 03 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 04 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 05 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 06 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 07 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 08 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 09 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |
| 10 Hockey-Vertical End | Calc Type | Units | Area | Area | Area | Area | Area | Area | Area |

LIGHTING DESIGN FOR:  
  
Pelham Civic Center  
Ice Arena  
Pelham, AL

RGB  
Render  
Summary

MH: 28"  
Ref: N/A  
LRF: 0.92  
Calc Grid: 10' x 10'  
Notes:

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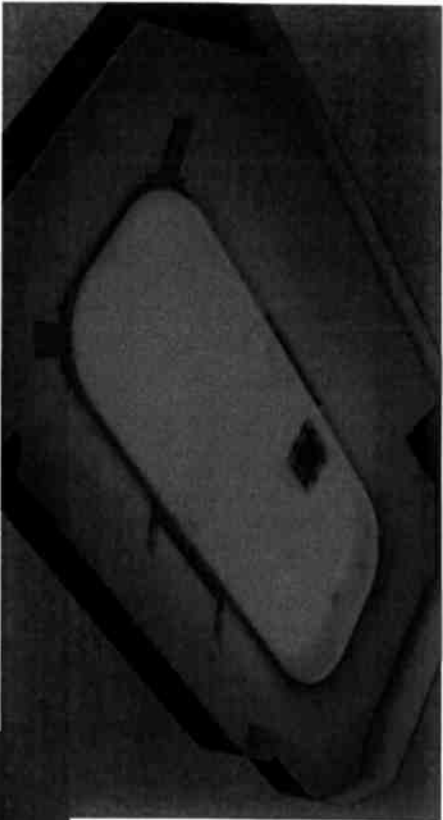
DRAWN  
**M Thorna**

CHECKED  
**D Couch**

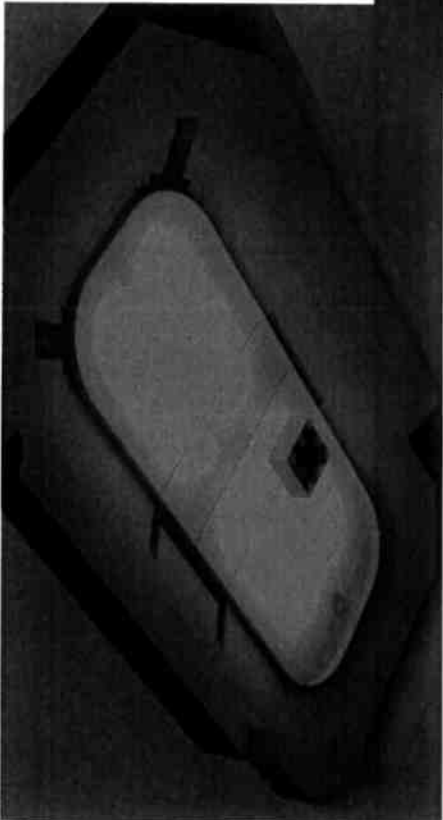
REVISION  
**2**

PROJECT  
**2501411**

REVISION NOTES:  
-See LV 6 square for play area.  
-See LV 3 square for entrance.  
-Addition RGB fixture counts



Render Image - Red 7.5 fc avg. On Ice



Render Image - Green 6.5fc avg. On Ice



Render Image - 1.7fc avg. On Ice

**LIGHTING DESIGN FOR:**  
Pelham Civic Center  
Ice Arena  
Pelham, AL

**Luminaire  
Aiming  
Schematic**

Mt: 28'  
Ref. Dist.: 100'  
Calc. Grid: 10' x 10'  
Notes:

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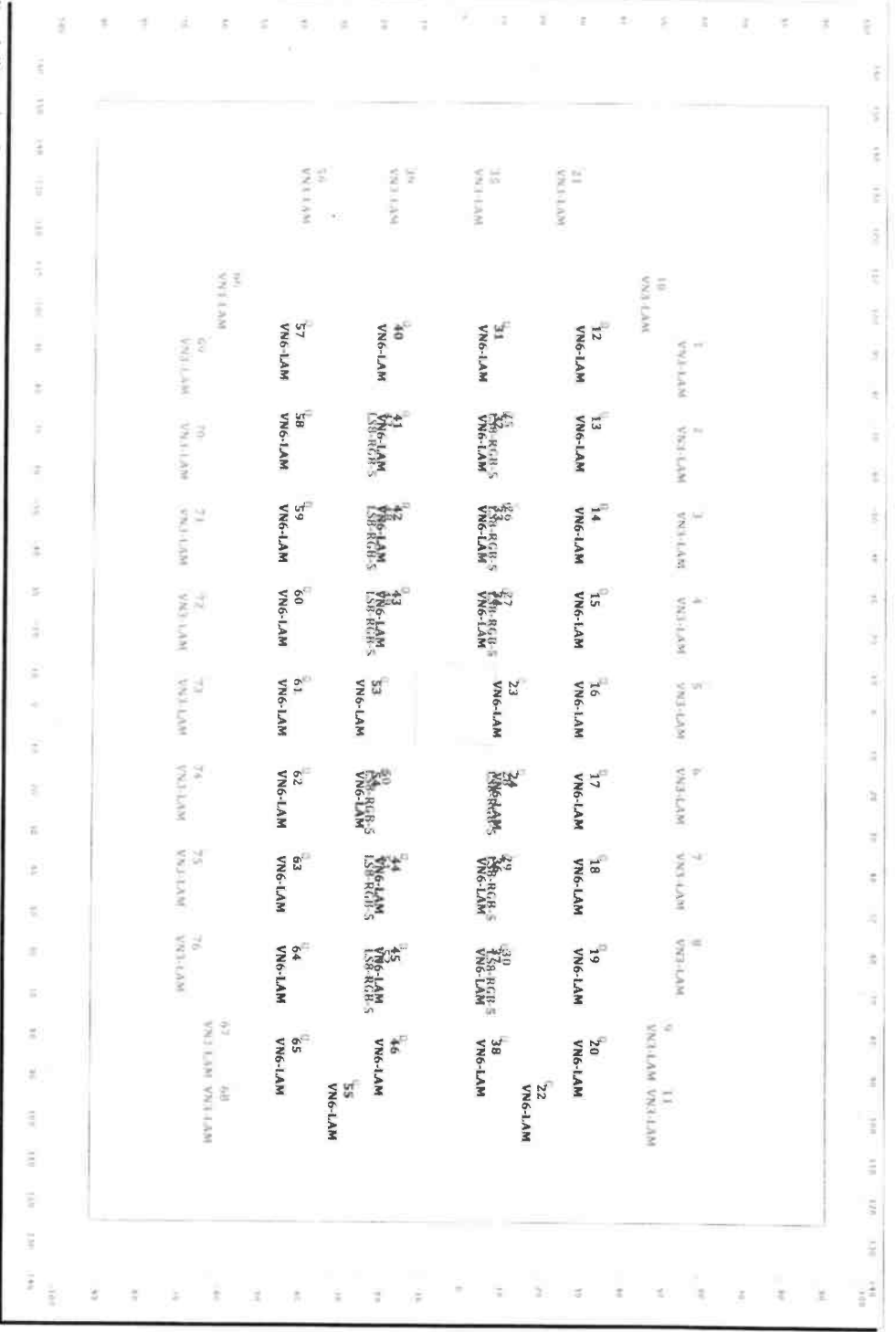
NAME  
**M. Thorne**

CHECKED  
**D. Couch**

NOV/2010  
**2**

PROJECT  
**2501411**

Revision Notes:  
1. 28' x 100' square for play area.  
2. 10' x 10' grid for stands.  
3. Reduce Rm. fixture counts.



| Luminaire Schedule |                                    |                                 |                  |
|--------------------|------------------------------------|---------------------------------|------------------|
| Qty                | Label                              | Description                     | Notes            |
| 24                 | EPH-VN-03-E-760-U-LAM 28407 lumens | EPH-VN-03-E-760-U-LAM           |                  |
| 24                 | EPH-VN-06-E-760-U-LAM 55723 lumens | EPH-VN-06-E-760-U-LAM           |                  |
| 12                 | LS-08 PR-S5 ALL RGB                | EPH-L2-08PR-0500L RGB-S5 ALL ON |                  |
|                    |                                    | LUM                             | Luminaire Lumens |
|                    |                                    | 24                              | 1000             |
|                    |                                    | 24                              | 16950            |
|                    |                                    | 12                              | 5108             |
|                    |                                    | 12                              | 6128.8           |
|                    |                                    | TOTAL WATTS                     |                  |
|                    |                                    | 24                              | 6034.6           |
|                    |                                    | 24                              | 55704            |
|                    |                                    | 12                              | 5108             |
|                    |                                    | 12                              | 6128.8           |

| Luminaire Schedule |     |                                    |                                    | Luminaire Location Summary |       |                        |         |
|--------------------|-----|------------------------------------|------------------------------------|----------------------------|-------|------------------------|---------|
| Symbol             | Qty | Label                              | Label                              | Lum. Lumens                | UFC   | Description            | Channel |
| 20                 | 1   | EPH-VN-03-E-760-U-LAM 28407 lumens | EPH-VN-03-E-760-U-LAM 28407 lumens | 55726                      | 0.020 | EPH-VN-03-E-760-U-LAM  | H       |
| 30                 | 1   | EPH-VN-06-E-760-U-LAM 55725 lumens | EPH-VN-06-E-760-U-LAM 55725 lumens | 55726                      | 0.020 | EPH-VN-06-E-760-U-LAM  | H       |
| 12                 | 1   | LS-08 PR-SS ALL RCH                | LS-08 PR-SS ALL RCH                | 16900                      | 1.000 | EPH-LS-08PR-SS-ALL RCH | H       |

#### Luminaire Location Summary

| Luminaire                                  | Label                              | X    | Y  | Z  | Orient | Tilt | Channel |
|--------------------------------------------|------------------------------------|------|----|----|--------|------|---------|
| 1                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -70  | 62 | 26 | 0      | 0    | H       |
| 2                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -40  | 62 | 26 | 0      | 0    | H       |
| 3                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -40  | 62 | 26 | 0      | 0    | H       |
| 4                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -27  | 62 | 26 | 0      | 0    | H       |
| 5                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 62 | 26 | 0      | 0    | H       |
| 6                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | 15   | 62 | 26 | 0      | 0    | H       |
| 7                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | 36   | 62 | 26 | 0      | 0    | H       |
| 8                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 62 | 26 | 0      | 0    | H       |
| 9                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 53 | 26 | 0      | 0    | H       |
| 10                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 53 | 26 | 0      | 0    | H       |
| 11                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 53 | 26 | 0      | 0    | H       |
| 12                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 37 | 26 | 0      | 0    | H       |
| 13                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 37 | 26 | 0      | 0    | H       |
| 14                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 37 | 26 | 0      | 0    | H       |
| 15                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 37 | 26 | 0      | 0    | H       |
| 16                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 37 | 26 | 0      | 0    | H       |
| 17                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 37 | 26 | 0      | 0    | H       |
| 18                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 37 | 26 | 0      | 0    | H       |
| 19                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 37 | 26 | 0      | 0    | H       |
| 20                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 37 | 26 | 0      | 0    | H       |
| 21                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 24 | 26 | 0      | 0    | H       |
| 22                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 24 | 26 | 0      | 0    | H       |
| 23                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 24 | 26 | 0      | 0    | H       |
| 24                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 24 | 26 | 0      | 0    | H       |
| 25                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 24 | 26 | 0      | 0    | H       |
| 26                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 24 | 26 | 0      | 0    | H       |
| 27                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 24 | 26 | 0      | 0    | H       |
| 28                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 24 | 26 | 0      | 0    | H       |
| 29                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 24 | 26 | 0      | 0    | H       |
| 30                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 11 | 26 | 0      | 0    | H       |
| 31                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 11 | 26 | 0      | 0    | H       |
| 32                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 11 | 26 | 0      | 0    | H       |
| 33                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 11 | 26 | 0      | 0    | H       |
| 34                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 11 | 26 | 0      | 0    | H       |
| 35                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 11 | 26 | 0      | 0    | H       |
| 36                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 11 | 26 | 0      | 0    | H       |
| 37                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 11 | 26 | 0      | 0    | H       |
| 38                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 11 | 26 | 0      | 0    | H       |
| 39                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 11 | 26 | 0      | 0    | H       |
| 40                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 11 | 26 | 0      | 0    | H       |
| 41                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 11 | 26 | 0      | 0    | H       |
| 42                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 11 | 26 | 0      | 0    | H       |
| 43                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 11 | 26 | 0      | 0    | H       |
| 44                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 11 | 26 | 0      | 0    | H       |
| 45                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 11 | 26 | 0      | 0    | H       |
| 46                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 11 | 26 | 0      | 0    | H       |
| 47                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 11 | 26 | 0      | 0    | H       |
| 48                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 11 | 26 | 0      | 0    | H       |
| 49                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 11 | 26 | 0      | 0    | H       |
| 50                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 11 | 26 | 0      | 0    | H       |
| 51                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 11 | 26 | 0      | 0    | H       |
| 52                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 11 | 26 | 0      | 0    | H       |
| 53                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 11 | 26 | 0      | 0    | H       |
| 54                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 11 | 26 | 0      | 0    | H       |
| 55                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 11 | 26 | 0      | 0    | H       |
| 56                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 11 | 26 | 0      | 0    | H       |
| 57                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 11 | 26 | 0      | 0    | H       |
| 58                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 11 | 26 | 0      | 0    | H       |
| 59                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 11 | 26 | 0      | 0    | H       |
| 60                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 11 | 26 | 0      | 0    | H       |
| 61                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 11 | 26 | 0      | 0    | H       |
| 62                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 11 | 26 | 0      | 0    | H       |
| 63                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 11 | 26 | 0      | 0    | H       |
| 64                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 11 | 26 | 0      | 0    | H       |
| 65                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 11 | 26 | 0      | 0    | H       |
| 66                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -715 | 11 | 26 | 0      | 0    | H       |
| 67                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -28  | 11 | 26 | 0      | 0    | H       |
| 68                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -6   | 11 | 26 | 0      | 0    | H       |
| 69                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 16.5 | 11 | 26 | 0      | 0    | H       |
| 70                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 37   | 11 | 26 | 0      | 0    | H       |
| 71                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 78   | 11 | 26 | 0      | 0    | H       |
| 72                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | 94   | 11 | 26 | 0      | 0    | H       |
| 73                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -106 | 11 | 26 | 0      | 0    | H       |
| 74                                         | EPH-VN-03-E-760-U-LAM 28407 lumens | -915 | 11 | 26 | 0      | 0    | H       |
| Total Quantity 76 (74 shown, 1 through 74) |                                    |      |    |    |        |      |         |

#### Luminaire Location Summary

| Luminaire                                   | Label                              | X   | Y   | Z  | Orient | Tilt | Channel |
|---------------------------------------------|------------------------------------|-----|-----|----|--------|------|---------|
| 75                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | -36 | -62 | 26 | 0      | 0    | H       |
| 76                                          | EPH-VN-03-E-760-U-LAM 28407 lumens | 57  | -62 | 26 | 0      | 0    | H       |
| Total Quantity 76 (74 shown, 75 through 76) |                                    |     |     |    |        |      |         |

Image File : L508-PRISM



#### LIGHTING DESIGN FOR:

Pelham Civic Center  
Ice Arena  
Pelham, AL

#### Luminaire Location Summary

MH:  
Ref: 28°  
Calc Grid: 10' x 10'  
Notes: 10' x 10' grid

THIS DOCUMENT, DRAWING AND CONTENTS ARE THE PROPERTY OF EPHESUS LIGHTING, INC. AND ARE NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF EPHESUS LIGHTING, INC.

DRAWN  
M Thorne

CHECKED  
D Couch

REVISION  
2

PROJECT  
2501411

Revision Notes:  
1. Added 2' x 2' grid for play area.  
2. Added 2' x 2' grid for seating area.

## RESOLUTION 2026-03-05-08

### Authorizing a Lease Agreement for the Purchase of In-Vehicles Camera Systems for the Pelham Police Department

**WHEREAS**, the Pelham City Council finds it desirable and in the public interest of the City of Pelham to enter into an agreement for the purchase of in-vehicle camera systems for the Pelham Police Department.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pelham to approve a contract with Axon Enterprise, Inc. and authorizes the Mayor, on behalf of the City of Pelham, to execute said Contract to provide five (5) in-vehicle camera systems for the Pelham Police Department at pricing referenced in this Resolution and attached documentation.

#### Agreement (Quote Q-758354-46056TR)

- \$50,239.00 total, paid in five (5) annual installments of \$10,047.00 for new 2025 Chevrolet Tahoe Police Vehicles; Term: March 2026 – March 2030.
- Purchase and installation of five (5) in-vehicle camera systems.
- Cloud storage for date and videos.
- The first annual payment will be due thirty (30) days from completion of the installation, expected to occur in March or April 2026.

**THEREUPON** \_\_\_\_\_, a councilmember, moved and \_\_\_\_\_, a councilmember, seconded the motion that Resolution 2026-03-05-08 be given vote, and said Resolution passed by unanimous vote of the Council present, and the President of the Council declared the same passed and adopted.

**ADOPTED** this 5th day of March 2026.

---

Chad Leverett, President of the Council

[SEAL]

ATTEST

---

Jonathan Seale, CMC, City Clerk/Treasurer

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City Council of the City of Pelham, at a regular meeting of such Council held on the 5th day of March 2026 and that such Resolution is on file in the office of the City Clerk/Treasurer and that no action has been taken to rescind or modify said Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this 5th day of March 2026.

---

Jonathan Seale, CMC City Clerk/Treasurer

[SEAL]



# Pelham

A path apart.

---

## MEMORANDUM

TO: Gretchen DiFante, City Manager

FROM: Ed Delmore, Chief of Police

DATE: 02/16/2026

SUBJECT: Budgeted Agreement with Axon Enterprises for the acquisition of in-vehicle cameras.

Pelham PD has taken delivery of 8 previously approved 2025 Chevrolet Tahoes, the Police Department will need to equip five of these vehicles with new Axon Fleet 3 in-car video camera systems (the other three will be removed from units that will be taken out of service). We have obtained a quote from Axon to acquire these additional in-car camera systems. These systems are identical to the upgrade of 43 patrol Tahoes in September 2023, the installation of 10 additional systems in the Durangos in the spring of 2024, and the 4 new systems installed in 2025. This will bring the total to 62 units with the same in-car systems. This will also allow all in-car cameras to be identical for the first time in more than 5 years.

The Agreement (Quote Q-758354-46056TR) is for the following:

- \$50,239.00 total, paid in (5) annual installments of \$10,047. March 2026-March 2030.
- Purchase and installation of five (5) in-vehicle camera systems.
- Cloud storage for data and videos.
- The first annual payment will be due thirty (30) days from completion of the installation, expected to occur in March/April 2026.

The first year (FY2026) payment of \$10,047.00 has been budgeted for in the Department's FY2026 budget. The account with these funds is 1003510-550450, New Vehicle Upfitting.

The quote is identical to the previous two quotes which were reviewed and approved by City Attorney Josh Arnold.

We would like to request that a resolution be added to the City Council's agenda as soon as possible to proceed with this purchase.

Thank you for your assistance in this matter. Please let me know if you need any additional information.



Axon Enterprise, Inc.  
17800 N 85th St  
Scottsdale, Arizona 85255  
United States  
VAT: 86-0741227  
Domestic: (800) 978-2737  
International: +1.800.978.2737



Q-758354-46056TR  
Issued: 02/03/2026  
Quote Expiration: 02/15/2026  
Estimated Contract Start Date: 04/15/2026  
Account Number: 326012  
Payment Terms: N30  
Mode of Delivery: UPS-GND  
Credit/Debit Amount: \$0.00

| SHIP TO                                                                              | BILL TO                                                                                       |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Pelham Police Dept. - AL<br>32 Philip Davis St<br>Pelham,<br>AL<br>35124-2236<br>USA | Pelham Police Dept. - AL<br>32 Philip Davis St<br>Pelham<br>AL<br>35124-2236<br>USA<br>Email: |

| SALES REPRESENTATIVE                                                 | PRIMARY CONTACT                                                                           |
|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Thomas Radoslovich<br>Phone:<br>Email: tradoslovich@axon.com<br>Fax: | Joey Pitts<br>Phone: 2056206436<br>Email: jpitts@pelhamalabama.gov<br>Fax: (205) 620-6549 |

### Quote Summary

|                        |             |
|------------------------|-------------|
| Program Length         | 60 Months   |
| TOTAL COST             | \$50,239.00 |
| ESTIMATED TOTAL W/ TAX | \$50,239.00 |

### Discount Summary

|                          |            |
|--------------------------|------------|
| Average Savings Per Year | \$1,914.92 |
| TOTAL SAVINGS            | \$9,574.60 |



Payment Summary

| Date     | Subtotal    | Tax    | Total       |
|----------|-------------|--------|-------------|
| Mar 2026 | \$10,047.80 | \$0.00 | \$10,047.80 |
| Mar 2027 | \$10,047.80 | \$0.00 | \$10,047.80 |
| Mar 2028 | \$10,047.80 | \$0.00 | \$10,047.80 |
| Mar 2029 | \$10,047.80 | \$0.00 | \$10,047.80 |
| Mar 2030 | \$10,047.80 | \$0.00 | \$10,047.80 |
| Total    | \$50,239.00 | \$0.00 | \$50,239.00 |

Quote Unbundled Price: \$59,812.00  
 Quote List Price: \$55,120.00  
 Quote Subtotal: \$50,239.00

## Pricing

### All deliverables are detailed in Delivery Schedules section lower in proposal

| Item                       | Description                                                     | Qty | Term | Unbundled | List Price | Net Price | Subtotal           | Tax           | Total              |
|----------------------------|-----------------------------------------------------------------|-----|------|-----------|------------|-----------|--------------------|---------------|--------------------|
| <b>Program</b>             |                                                                 |     |      |           |            |           |                    |               |                    |
| Fleet3B                    | Fleet 3 Basic                                                   | 5   | 60   | \$182.46  | \$166.82   | \$166.82  | \$50,046.00        | \$0.00        | \$50,046.00        |
| <b>A la Carte Hardware</b> |                                                                 |     |      |           |            |           |                    |               |                    |
| 71210                      | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5   |      |           | \$18.60    | \$18.60   | \$93.00            | \$0.00        | \$93.00            |
| 100764                     | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK        | 5   |      |           | \$20.00    | \$20.00   | \$100.00           | \$0.00        | \$100.00           |
| <b>A la Carte Software</b> |                                                                 |     |      |           |            |           |                    |               |                    |
| 80402                      | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5   | 60   |           | \$16.27    | \$0.00    | \$0.00             | \$0.00        | \$0.00             |
| <b>Total</b>               |                                                                 |     |      |           |            |           | <b>\$50,239.00</b> | <b>\$0.00</b> | <b>\$50,239.00</b> |

## Delivery Schedule

### Hardware

| Bundle        | Item   | Description                                               | QTY | Shipping Location | Estimated Delivery Date |
|---------------|--------|-----------------------------------------------------------|-----|-------------------|-------------------------|
| Fleet 3 Basic | 100469 | AXON FLEET 3 - SIM INSERTION - ATT FIRSTNET               | 5   | 1                 | 03/15/2026              |
| Fleet 3 Basic | 101675 | AXON FLEET - ERICSSON CRADLEPOINT R980-5GD-A+5YR NETCLOUD | 5   | 1                 | 03/15/2026              |
| Fleet 3 Basic | 101924 | AXON FLEET - TAOGLAS ANT - 7-IN-1 4GCELL 2WIFI 1GNSS INT  | 5   | 1                 | 03/15/2026              |
| Fleet 3 Basic | 70112  | AXON SIGNAL - VEHICLE                                     | 5   | 1                 | 03/15/2026              |
| Fleet 3 Basic | 72036  | AXON FLEET 3 - STANDARD 2 CAMERA KIT                      | 5   | 1                 | 03/15/2026              |
| A la Carte    | 100764 | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK  | 5   | 1                 | 03/15/2026              |
| A la Carte    | 71210  | AXON FLEET - DOOR TRIGGER HARDWARE - US                   | 5   | 1                 | 03/15/2026              |

### Software

| Bundle        | Item  | Description                                                     | QTY | Estimated Start Date | Estimated End Date |
|---------------|-------|-----------------------------------------------------------------|-----|----------------------|--------------------|
| Fleet 3 Basic | 80400 | AXON EVIDENCE - FLEET VEHICLE LICENSE                           | 5   | 04/15/2026           | 04/14/2031         |
| Fleet 3 Basic | 80410 | AXON EVIDENCE - STORAGE - FLEET 1 CAMERA UNLIMITED              | 10  | 04/15/2026           | 04/14/2031         |
| A la Carte    | 80402 | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5   | 04/15/2026           | 04/14/2031         |

### Services

| Bundle        | Item  | Description                                           | QTY |
|---------------|-------|-------------------------------------------------------|-----|
| Fleet 3 Basic | 73391 | AXON FLEET 3 - DEPLOYMENT PER VEHICLE - NOT OVERSIZED | 5   |

# Warranties

| Bundle        | Item  | Description                                | QTY | Estimated Start Date | Estimated End Date |
|---------------|-------|--------------------------------------------|-----|----------------------|--------------------|
| Fleet 3 Basic | 80379 | AXON SIGNAL - EXT WARRANTY - SIGNAL UNIT   | 5   | 03/15/2027           | 04/14/2031         |
| Fleet 3 Basic | 80495 | AXON FLEET 3 - EXT WARRANTY - 2 CAMERA KIT | 5   | 03/15/2027           | 04/14/2031         |

## Shipping Locations

| Location Number | Street             | City   | State | Zip        | Country |
|-----------------|--------------------|--------|-------|------------|---------|
| 1               | 32 Philip Davis St | Pelham | AL    | 35124-2236 | USA     |

## Payment Details

|                     |  |             |                                                                 |            |                    |                  |
|---------------------|--|-------------|-----------------------------------------------------------------|------------|--------------------|------------------|
| <b>Mar 2026</b>     |  |             |                                                                 |            |                    |                  |
| <b>Invoice Plan</b> |  | <b>Item</b> | <b>Description</b>                                              | <b>Qty</b> | <b>Subtotal</b>    | <b>Tax Total</b> |
| Year 1              |  | 100764      | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK        | 5          | \$20.00            | \$20.00          |
| Year 1              |  | 71210       | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5          | \$18.60            | \$18.60          |
| Year 1              |  | 80402       | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5          | \$0.00             | \$0.00           |
| Year 1              |  | Fleet3B     | Fleet 3 Basic                                                   | 5          | \$10,009.20        | \$10,009.20      |
| <b>Total</b>        |  |             |                                                                 |            | <b>\$10,047.80</b> | <b>\$0.00</b>    |

|                          |  |             |                    |            |                 |                  |
|--------------------------|--|-------------|--------------------|------------|-----------------|------------------|
| <b>Apr 2026</b>          |  |             |                    |            |                 |                  |
| <b>Invoice Plan</b>      |  | <b>Item</b> | <b>Description</b> | <b>Qty</b> | <b>Subtotal</b> | <b>Tax Total</b> |
| Invoice Upon Fulfillment |  | Fleet3B     | Fleet 3 Basic      | 5          | \$0.00          | \$0.00           |
| <b>Total</b>             |  |             |                    |            | <b>\$0.00</b>   | <b>\$0.00</b>    |

|                     |  |             |                                                                 |            |                    |                  |
|---------------------|--|-------------|-----------------------------------------------------------------|------------|--------------------|------------------|
| <b>Mar 2027</b>     |  |             |                                                                 |            |                    |                  |
| <b>Invoice Plan</b> |  | <b>Item</b> | <b>Description</b>                                              | <b>Qty</b> | <b>Subtotal</b>    | <b>Tax Total</b> |
| Year 2              |  | 100764      | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK        | 5          | \$20.00            | \$20.00          |
| Year 2              |  | 71210       | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5          | \$18.60            | \$18.60          |
| Year 2              |  | 80402       | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5          | \$0.00             | \$0.00           |
| Year 2              |  | Fleet3B     | Fleet 3 Basic                                                   | 5          | \$10,009.20        | \$10,009.20      |
| <b>Total</b>        |  |             |                                                                 |            | <b>\$10,047.80</b> | <b>\$0.00</b>    |

|                     |  |             |                                                                 |            |                    |                  |
|---------------------|--|-------------|-----------------------------------------------------------------|------------|--------------------|------------------|
| <b>Mar 2028</b>     |  |             |                                                                 |            |                    |                  |
| <b>Invoice Plan</b> |  | <b>Item</b> | <b>Description</b>                                              | <b>Qty</b> | <b>Subtotal</b>    | <b>Tax Total</b> |
| Year 3              |  | 100764      | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK        | 5          | \$20.00            | \$20.00          |
| Year 3              |  | 71210       | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5          | \$18.60            | \$18.60          |
| Year 3              |  | 80402       | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5          | \$0.00             | \$0.00           |
| Year 3              |  | Fleet3B     | Fleet 3 Basic                                                   | 5          | \$10,009.20        | \$10,009.20      |
| <b>Total</b>        |  |             |                                                                 |            | <b>\$10,047.80</b> | <b>\$0.00</b>    |

|                     |  |             |                                                                 |            |                    |                  |
|---------------------|--|-------------|-----------------------------------------------------------------|------------|--------------------|------------------|
| <b>Mar 2029</b>     |  |             |                                                                 |            |                    |                  |
| <b>Invoice Plan</b> |  | <b>Item</b> | <b>Description</b>                                              | <b>Qty</b> | <b>Subtotal</b>    | <b>Tax Total</b> |
| Year 4              |  | 100764      | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK        | 5          | \$20.00            | \$20.00          |
| Year 4              |  | 71210       | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5          | \$18.60            | \$18.60          |
| Year 4              |  | 80402       | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5          | \$0.00             | \$0.00           |
| Year 4              |  | Fleet3B     | Fleet 3 Basic                                                   | 5          | \$10,009.20        | \$10,009.20      |
| <b>Total</b>        |  |             |                                                                 |            | <b>\$10,047.80</b> | <b>\$0.00</b>    |

|                     |  |             |                                                          |            |                 |                  |
|---------------------|--|-------------|----------------------------------------------------------|------------|-----------------|------------------|
| <b>Mar 2030</b>     |  |             |                                                          |            |                 |                  |
| <b>Invoice Plan</b> |  | <b>Item</b> | <b>Description</b>                                       | <b>Qty</b> | <b>Subtotal</b> | <b>Tax Total</b> |
| Year 5              |  | 100764      | AXON FLEET 3 - DUAL VIEW CAMERA MOUNT - WINDSHIELD BLACK | 5          | \$20.00         | \$20.00          |

| Mar 2030     |  |         |                                                                 |     |             |             |
|--------------|--|---------|-----------------------------------------------------------------|-----|-------------|-------------|
| Invoice Plan |  | Item    | Description                                                     | Qty | Subtotal    | Tax Total   |
| Year 5       |  | 71210   | AXON FLEET - DOOR TRIGGER HARDWARE - US                         | 5   | \$18.60     | \$18.60     |
| Year 5       |  | 80402   | AXON FLEET - LICENSE - REAL-TIME LOCATION, ALERTS, & LIVESTREAM | 5   | \$0.00      | \$0.00      |
| Year 5       |  | Fleet3B | Fleet 3 Basic                                                   | 5   | \$10,009.20 | \$10,009.20 |
| Total        |  |         |                                                                 |     | \$10,047.80 | \$0.00      |
|              |  |         |                                                                 |     |             | \$10,047.80 |

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

## Standard Terms and Conditions

### Axon Enterprise Inc. Sales Terms and Conditions

#### Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at <https://www.axon.com/sales-terms-and-conditions>), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

#### ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

#### Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Exceptions to Standard Terms and Conditions

Shipment Timing

Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Refresh Shipment Timing

Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Rewrite Estimates

Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Signature

Date Signed

2/3/2026





## **ORDINANCE NO. 324-07**

### **AN ORDINANCE TO REPEAL SECTION 5-34.4 OF THE CITY OF PELHAM, ALABAMA CODE OF ORDINANCES REGARDING SALES AND USE TAX COLLECTION PROCEDURES AS ADOPTED BY ORDINANCE NO. 324-04**

**WHEREAS**, on July 21, 2014, the City Council of the City of Pelham, Alabama adopted Ordinance No. 324-04, which added Section 10, entitled "Collection Procedures," to the City's Sales and Use Tax Ordinance; and

**WHEREAS**, said provision is currently codified as Chapter 5, Article II, Section 5-34.4 of the City of Pelham, Alabama Municipal Code; and

**WHEREAS**, Section 5-34.4 establishes a series of mandatory, time-specific collection steps to be undertaken by the City's Finance Department in the event of delinquent sales and use tax payments; and

**WHEREAS**, the City Council has determined the prescribed procedures are impractical as written and impose an undue and affirmative administrative burden on Finance Department staff by requiring specific enforcement actions within fixed timelines; and

**WHEREAS**, the City Council further finds maintaining such rigid procedures diminishes the City's flexibility and may impair its ability to efficiently utilize the remedies otherwise available under the City's ordinances and the laws of the State of Alabama to collect delinquent taxes; and

**WHEREAS**, the City Council finds it is in the best interest of the City to repeal Section 5-34.4 in its entirety in order to provide greater administrative flexibility and preserve the full range of enforcement options available to the City.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PELHAM, ALABAMA, AS FOLLOWS:**

**Section 1.** Chapter 5, Article II, Section 5-34.4 of the City of Pelham Municipal Code, entitled "Collection Procedures," as adopted by Ordinance No. 324-04 on July 21, 2014, is hereby repealed in its entirety.

**Section 2.** The repeal of Section 5-34.4 shall not be construed to limit, waive, or otherwise impair the City's authority to assess, collect, enforce, or pursue penalties, interest, business license revocation, or any other remedies authorized under the City's Sales and Use Tax Ordinances, the City of Pelham, Alabama Municipal Code, or applicable provisions of Alabama law.

**Section 3.** If any part, section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such holding shall not affect the remaining portions of this Ordinance.

**Section 4.** This Ordinance shall become effective immediately upon adoption and publication as required by law.

**REMAINDER OF PAGE LEFT INTENTIONALLY BLANK**

**THEREUPON** \_\_\_\_\_, a councilmember moved and \_\_\_\_\_, a councilmember seconded the motion that Ordinance No. 324-07 be given vote. The roll call vote on said motion was recorded as follows:

Chad Leverett, Council President \_\_\_\_\_

Michelle Power, Council Member \_\_\_\_\_

Christine Townes, Council Member \_\_\_\_\_

Markus Hal Snowden, Council Member \_\_\_\_\_

Michael Harris, Council Member \_\_\_\_\_

Ordinance No. 324-07 passed by a unanimous vote of those members of the Council present and the Council President declared the same passed.

**REMAINDER OF PAGE LEFT INTENTIONALLY BLANK**

**ADOPTED** this the 19th day of March 2026.

\_\_\_\_\_  
Chad Leverett, Council President

\_\_\_\_\_  
Michelle Power, Council Member

\_\_\_\_\_  
Christine Townes, Council Member

\_\_\_\_\_  
Markus Hal Snowden, Council Member

\_\_\_\_\_  
Michael Harris, Council Member

[SEAL]

ATTEST

APPROVED

\_\_\_\_\_  
Jonathan Seale, CMC, City Clerk/Treasurer

\_\_\_\_\_  
Rick Wash, Mayor

\_\_\_\_\_  
Date

#### **POSTING AFFIDAVIT**

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing **ORDINANCE NO. 324-07** was duly ordained, adopted, and passed by the City Council of the City of Pelham, Alabama at a regular meeting of such Council held on the 19th day of March 2026 and duly published by posting an exact copy thereof on the 20th day of March 2026 at four public places within the City of Pelham, including the Mayor's Office at City Hall, Park & Recreation Center, Library, Pelham Water Works and [www.pelhamalabama.gov](http://www.pelhamalabama.gov). I further certify that said ordinance is on file in the office of the City Clerk/Treasurer and a copy of the full ordinance may be obtained from the office of the City Clerk/Treasurer during normal business hours.

\_\_\_\_\_  
Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]