

Spring 2023 Volume 80, Issue 4

The Alabama

MUNICIPAL

Official publication of the Alabama League of Municipalities

Journal



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Alabama's Interests in D.C.

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The Alabama League of Municipalities is a nonpartisan membership association of over 450 incorporated cities and towns. Since 1935, the League has worked to strengthen municipal government through advocacy, training and the advancement of effective local leadership. As the recognized voice of Alabama's cities and towns, ALM's member municipalities benefit from a variety of member programs, services and activities that are impossible to accomplish alone.



Photo Credit: Jamie Martin

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On the Cover:

Members and staff of the Alabama League of Municipalities met with U.S. Sen. Tommy Tuberville on March 28, 2023 in front of the U.S. Capitol in Washington, D.C. during the National League of Cities' Congressional City Conference.

(Photo credit: Sen. Tommy Tuberville's Office)

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A Message from the Editor

Lori Jhons • Communications Director

Greetings, I am honored to join the Alabama League of Municipalities as its new communications director! I want to extend a huge thank you to my incredible new teammates for making me feel so welcomed. These first three months have flown by, and I am having fun learning something new each day about the role our municipalities play in our society. Before I list off a few requests, let me tell you just a little about me.

I am a country girl raised on my family's farm in Browntown, Alabama in Autauga County. My parents, both Army veterans, made sure they instilled in me the values of hard work, keeping my word and helping others when there is a need. I thank them, my husband and my closest friends and mentors along the way for helping me to become who I am today. The biggest transformation in my life occurred last May, when I became a mother, and now it is my goal to raise up my daughter with this same foundation.

Over the past six and a half years, I have been fortunate to serve in the communications department as an appointee of two governors' administrations. I have seen firsthand the impact public officials and their staffs make in our state. Public service is important to me and is a major part of why I accepted this position. I am impressed by all the trainings and types of resources the League offers our members. My predecessor did an exceptional job of telling the League's story for over two decades. As with any passing of the torch, I seek to continue the League's legacy of providing quality and timely resources to our municipalities. I want to help amplify all the great opportunities the League affords our membership while also elevating our presence within the public and reminding our fellow citizens of how important local government is to our nation's democracy.

I am excited to work with our members in this capacity, and I am always open to collaboration and innovative ideas. Everything we aim to do at the League is purpose driven with a deep focus on how it can benefit local government and our citizens. If you ever have any ideas for a story that can help the membership, please share your pitch with me. I want all our publications - our weekly *This Week* newsletter, our quarterly *The Alabama Municipal Journal* magazine, our *State House Advocate*, social media posts and more - to be based on **YOUR** needs and interests.

I want to hear from **YOU**. Tell me about your city's upcoming milestone anniversary. Tell me about the process you took to land a once in a generation economic development project. Tell me about how our Alabama Communities of Excellence, Certified Municipal Official and Economic Development Academy programs have impacted you and your city. Tell me about a big issue your city faced and overcame. Our organization wants to know, and we want to share these kinds of stories across the board.

I am thrilled to take on this role, and I am eager to build strong relationships with each of you. Please reach out if I can ever be helpful to you at: ljhons@almonline.org or 334-430-0009.



Sincerely,

Lori Davis Jhons

Executive Director's First Quarter Report

Gregory D. Cochran • Executive Director



I hope everyone is having an exciting Spring! The Alabama Legislature kicked-off a new quadrennium with the Regular Legislative Session in early-March, and Gov. Kay Ivey immediately called them into a special session to allocate the state's second tranche of American Rescue Plan Act (ARPA) funds. Municipalities and counties fared very well in this second round of distributions with the majority of the \$1 billion going to local drinking water and wastewater infrastructure expansion and broadband infrastructure deployment.

Additionally, I am proud to report that Alabama's economy remains strong! According to the Alabama Department of Revenue's latest report for February 2023, brick and mortar sales tax collections increased 13.5% year over year and have increased 6.60% year-to-date (YTD); Simplified Sellers Use Tax (online sales taxes) collections increased 17.39% year over year and have increased 18.29% YTD; lodgings tax collections increased 18.15% year over year and increased 11.95% YTD; and gasoline tax collections increased 3.30% year over year and increased .30% YTD.

In a recent interview, Gov. Ivey shared how the Rebuild Alabama Act motor fuel funds have fueled millions of dollars into road resurfacing and new road construction after it was implemented four years ago. She went on to say, "Rebuild Alabama has accounted for record investment across our state, with 234 projects in all 67 counties and \$170 million in state transportation funding awarded to cities and counties." The Alabama Port of Mobile has also benefited from our investment of Rebuild Alabama funds. The improvements to our port in Mobile, along with the in-state expansion of intermodal networks will bring additional jobs and economic investment into Alabama, making the Port of Mobile a top destination for importing and exporting agricultural, raw materials and products across the world.

With all of the positive economic news, we still have challenges in workforce deployment and supply chain shortages of materials. Our team is working feverishly with the Alabama Community College Systems (ACCS), the Economic Development Association of Alabama (EDAA), and other economic specialists to create streamlined workforce training opportunities around our state. Alabama has an incredible 2.3% unemployment rate (the lowest ever), yet our workforce participation rate continues to hover at 56%, according to the Alabama Department of Labor. This is an opportunity for us to provide workforce training to those currently not employed. Creating gainful employment and eventual careers for our current citizens brings immeasurable benefits to our communities.

In closing, we had a successful meeting in Washington, D.C. with more than 180 municipal officials attending the National League of Cities' (NLC) Congressional City Conference in late March. In addition to the sessions hosted by NLC, the League hosted several meetings during the conference for our Alabama municipal officials and congressional delegation. We had visits with U.S. Senators Tuberville and Britt and each of our U.S. representatives. Each of these events were intentionally planned to allow our municipal officials time to interact with their federal policy makers to discuss issues and concerns within their communities. We appreciate our sponsors, partners and municipal officials for joining us in D.C.

In closing, the League's Annual Convention will be held May 10-13 at the Birmingham Jefferson Convention Center (BJCC). During the convention, delegates will elect the League's 2023-2024 president, vice-president and board of directors. Attendees will also hear from a national financial advisor looking outward on our economic status; Dr. Arturo Menefee will be discussing the importance of building strategic plans for intentional community growth; the Port of Mobile and how it is impacting economic growth across Alabama; a panel consisting of Alabama Communities of Excellence (ACE), Main Street Alabama, and DesignAlabama, which will discuss creating community improvement initiatives; and a yearly favorite, Municipal Round Table and "Ask Your Attorney" sessions. As you can see, we have selected timely speakers and topics in hopes of providing you with the best resources and tools to take back to your communities.

We appreciate and value our members, your engagement and leadership in our organization and your communities. If we can be of assistance to you, please reach out to us. It is our pleasure and honor to serve you.

Peace be with you. ■

Leadership Perspective

Mayor Lawrence "Tony" Haygood Jr. • Tuskegee • ALM President



When I became vice president of the Alabama League of Municipalities, we were recovering from the impact of COVID-19 and in the process of returning to full operations. Following my installation as president, it was particularly interesting to see the new energy and involvement of the League during the first full post-Covid year. Our staff, mayors and city councilmembers all seemed ready and anxious to move full speed ahead on the League's business and agenda.

Serving this past year as president of the League has proved to be a very interesting and rewarding experience. In this capacity, I have been fortunate to observe and witness the tremendous amount of work and coordination our Director Greg Cochran and the ALM team perform on behalf of our cities and towns each day. Everything from the annual convention, regional congressional and legislative meetings, Certified Municipal Official Program trainings, Advocacy Day to the quarterly board meetings are performed in an efficient and effective manner with specific purposes and goals in mind.

One of the highlights of this year was Tuskegee's participation in the inaugural class of the ALM Economic Development Academy, which was led by Bryan Parker, director of governmental affairs, and former Alabama Development Office Director Neal Wade. The information and insights we received were very beneficial for us to successfully negotiate our first major industrial prospect, Samkee Automotive, in our commerce park. We are proud this South Korean company chose Tuskegee for their first U.S. plant!

A second major highlight was participating in Advocacy Day, where we heard from Gov. Kay Ivey and key state leaders. We also connected with legislators from across the state to discuss our concerns and explore possibilities. The biggest highlight may have been joining the ALM team and members attending the January events relating to the swearing-in of our newly elected U.S. Sen. Katie Britt in Washington, D.C.

As we venture on further into the year, I encourage our members to take full advantage of the information and opportunities provided through the League. This year was a great learning experience for me because I participated in most of the events and activities the League offers. I witnessed people from all regions of Alabama, from larger cities like Huntsville to smaller towns like Gordonville, working together and sharing ideas, experiences, and best practices in a common effort to provide the best quality of life for the citizens of our communities.

I have thoroughly enjoyed this year as president, and I look forward to contributing whatever I can offer to the continued growth and progress of the Alabama League of Municipalities. ■





Councilmember Adam Bourne • Chickasaw • ALM Vice President

Our annual Alabama League of Municipalities convention is fast approaching. From May 10 through May 13, we will assemble in the great city of Birmingham to learn from one another and build connections and friendships to last a lifetime. This year’s convention will include sessions on emotional intelligence and leadership, the impact of the Mobile Port Authority, insight on public information officers’ roles and affordable housing, among others. It will also include old favorites, such as the “Ask Your Attorney” session and roundtable discussions. There will be fun too, with several receptions each night, which includes a closing event with music by “Party on the Moon!”

I encourage you to renew old relationships at the convention, but also to spend time engaging with people you have not met before. A useful approach that I have learned over the years is to choose tables at which to sit without others from your municipality, especially at meals. You will be very likely to make new friends and forge new relationships to help your efforts back home.

The convention will follow a year of outstanding League events, including five legislative dinners, congressional luncheons, Certified Municipal Official regional trainings, Economic Development Academy activities and the Municipal Leadership Institute. I had the opportunity to attend several of these events, including an additional one offered to municipal attorneys. I found each event to be useful and well managed.

On a personal note, as my term as vice president draws to a close, I would like to thank each of you for the opportunity to serve. I have learned so much about the operations of our great organization, which continues to provide excellent training and advocacy for municipal officials throughout Alabama. I hope I have been able to play a small role in making the League an even stronger organization. I look forward to seeing you in May. ■

2023 CMO Regional Training

February 16 – Spanish Fort • April 13 – Vestavia Hills • June 22 – Dothan
July 13 – Athens • July 27 – Montgomery

www.almonline.org

Join other elected officials and municipal personnel for one of the remaining 2023 CMO Regional Training sessions. The League’s Legal Team will lead three more training sessions on fundamental topics in municipal government, a legislative update and additional presentations. You can view the agenda and additional information here: almonline.org/UpcomingTraining. The registration fee for each event is \$150. Officials should only register for one of the regional training sessions as the agenda is the same for each event.



Alabama Takes on CONGRESSIONAL CITY CONFERENCE

A few weeks ago, 180 Alabama mayors, councilmembers and their staffs converged in Washington, D.C. for the annual National League of Cities' Congressional City Conference. We were proud to have the largest group of attendees there to receive updates from NLC staff, network with counterparts from other states and advocate for small government policies with our federal leaders. Likewise, we enjoyed seeing several Alabamians represent us on various NLC committees, and we even had two ALM members, Birmingham City Councilmember Darrell O'Quinn and Lincoln Mayor Lew Watson, serve on the NLC Board of Directors this year.

During the conference, our advocacy team met one-on-one with U.S. Sen. Tommy Tuberville and U.S. Rep. Dale Strong to discuss several issues including the impact of potential legislation that would allow the U.S. Department of Housing and Urban Development (HUD) to determine where federal housing projects could be placed. We are working to get more insight and will keep our members updated. Additionally, attendees had an opportunity to hear U.S. Sen. Katie Britt give an update on her first few months in office and on several issues ranging from banking to homeland security and the fentanyl crisis. She also said that her team is adding offices in Dothan and Anniston, which will give Alabamians more access to her staff.

Furthermore, our members had a chance to meet with our congressional leaders, strategic partners and event sponsors during our nightly receptions and dinners. We appreciate U.S. Representatives Terri Sewell, Mike Rogers, Robert Aderholt, Gary Palmer, Jerry Carl and Barry Moore for speaking at our dinners and engaging with those in attendance. Thank you to everyone that worked on making our trip a success! ■



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Advocacy Day Opens New Doors

Advocacy is at the heart of everything we do at the Alabama League of Municipalities, and as a team, we put a lot of effort into making sure our members are educated and have opportunities to voice their ideas and concerns with elected officials. Last month, the League was thrilled to host our annual Advocacy Day in the capital city on March 8, 2023. We were honored to be the first group Gov. Kay Ivey spoke to after delivering her state of the state address the night before. She laid out her plans for this legislative session including calling a special session to address disbursement of the remaining \$1 billion in American Rescues Plan Act (ARPA) funding, giving families a rebate from surplus money, paying off debt to the Alabama Trust Fund, creating a new health care school in Demopolis and renewing the Alabama Jobs Act, among others.

We also heard from Lt. Gov. Will Ainsworth, House Speaker Nathaniel Ledbetter, Rep. Scott Stadthagen, Rep. Anthony Daniels, Rep. Rex Reynolds, Rep. Danny Garrett, Sen. Greg Albritton and Sen. Arthur Orr. They talked about their priorities and discussed various issues, such as mental health, broadband, the opioid crisis, public safety and economic development incentives. We sincerely appreciate our constitutional officers and legislative leaders for spending time with our members to provide insight on these issues.

When we gather together and consistently interact with our lawmakers, we have a better chance of influencing legislation that can be beneficial to our cities and towns. In fact, some of the legislators at the event recommended setting up meetings with them and their colleagues at least twice a year to build better relationships. This year, the Alabama Legislature has six new senators and 31 new representatives. That is over a quarter of the full legislative body, and it presents a great opportunity for our members, the people closest to the citizens, to engage with them on issues dear to their hearts and communities. Let us step up and make those connections. Together, we will continue working to find ways to keep growing our communities. ■



Photo: Governor's Office, Hal Yeager



Photo: Governor's Office, Hal Yeager



Navigating the Grant Process with Help from the Alabama Association of Regional Councils

Dennis Stripling • President • Alabama Association of Regional Councils

Grant requirements and reporting are becoming stricter and more complicated with each passing day and can feel like an overwhelming, daunting task. However, did you know there is a useful resource available to members of local government to help navigate the challenging world of grants? The Alabama Association of Regional Councils (AARC) employs staff who are knowledgeable and can assist local governments in managing their grants in compliance with many complicated federal restrictions. Regional councils routinely prepare applications for entities such as the Appalachian Regional Commission (ARC), the state of Alabama Community Development Block Program (CDBG), the Delta Regional Authority (DRA), the Economic Development Administration (EDA), the Department of Housing and Urban Development (HUD), the United States Department of Agriculture Rural Development Division, the Environmental Protection Agency (EPA) and the Small Business Administration.

The Community and Economic Development Department at the West Alabama Regional Commission has created a grant checklist. This tool breaks down the process into seven steps:

Coordinate Between Agencies and Other Partners

Within your local government ensure that finance, procurement, planning and public works departments are working in alignment to submit grant applications; successfully execute grant agreements and deliver projects. This requires early and continuous coordination between local government and community stakeholders and with regional and state or other third-party implementation partners such as grant writers to ensure that projects are set up for success.

Understand Funding Opportunities and Their Grant Cycle

Each Program's Notice of Funding Opportunity (NOFO) typically provides additional resources, webinars, and frequently asked questions specific to that program's eligibility, grant application requirements and other useful information. Review NOFOs carefully. Look also for information on past grant recipients to help better understand the types of projects and applications selected for funding in previous years.

Prioritize and align projects and applications. It may not serve your community well to submit multiple applications for a single notice of funding opportunity such that you are competing against yourself. Think about which projects are most ready for funding, which may be the highest priority based on locally-defined needs or are the best fit for federal funding versus other types of local or state funding.

Procure Professional Services as Needed

Use of architects, engineers, grant consultants or other professional service providers requires selection through a documented COMPETITIVE PROCUREMENT PROCESS for these services to be eligible for payment under the grant you are seeking. The time to procure these services is PRIOR to the firms or individuals beginning work on your grant application. Professional services provided from Councils of Government (COGs) are NOT required to be competitively procured.

Budget For and Secure Your Non-Federal Matching Share

In preparing and finalizing city or agency budgets, think about the needs that may arise during the coming year. Applicants should develop a budget that demonstrates how the project will be funded in full. As a condition for receiving funding, most programs require a 10% or 20% or higher non-federal match.

Where will match funding come from? What processes and timing are needed to confirm financial commitments

as part of grant applications or if selected for a grant award? What steps can be taken in advance to ensure this process goes smoothly and your community doesn't miss out on the chance to apply or find itself unable to finalize a grant award? Cities or agencies should consider these issues carefully when trying to secure a non-federal match.

Look at program specific NOFOs. Each program's NOFO describes its specific match requirements, including the percentage required; what can be considered as non-federal match; and if there are any waivers. If the NOFO has not yet been published, check the previous year's NOFO as it is likely to be unchanged for the coming year since Congress often dictates these requirements.



Ensure Your Project Fits the Funder's Priorities

Review the funder's website for applicable strategic plans that outline goals and eligible activities under the program you are interested in.

Get Ready to Apply for and to Administer Federal Funding

Ensure that your organization is registered with Grants.gov and the System for Award Management (SAM) and has an active Unique Entity Identifier (UEI) number. Is the information provided to Sam.gov current? If there have been personnel changes in your agency, be sure that staff contact, phone number and email are up to date. Start the registration process early, as the SAM.gov process can take many weeks.

If you receive funding, be familiar with the Federal 2 CFR 200 uniform administrative requirements, cost principles and audit requirements that govern federal awards. This includes specifics for reporting, tracking and monitoring financial systems and grant activities that differ from state or local requirements.

G R A N T S

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1. Northwest Alabama Council of Local Governments

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2. West Alabama Regional Commission

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3. Regional Planning Commission of Greater Birmingham

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Birmingham, AL 35203

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4. East Alabama Regional Planning and Development Commission

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6. Alabama-Tombigbee Regional Commission

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7. Southeast Alabama Regional Planning and Development Commission

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8. South Alabama Regional Planning Commission

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Updated 3/9/2023

Be prepared for additional requirements. Some grants are reimbursable funding, so plan and budget accordingly. Each program may have additional restrictions on eligible and allowable costs and activities. For example, lobbying is not an allowable cost.

Involve small and disadvantaged business enterprises in projects and applications. Are there opportunities to strengthen the participation of these types of firms in your grant application to help build community wealth? Are you familiar with your state's Disadvantaged Business Enterprise (DBE) program? Learn more about DBE resources at <https://www.dot.state.al.us/programs/DBE.html>. Do these types of businesses need additional support within your community to have the capacity necessary to administer or receive federal funding (i.e., they are also subject to 2 CFR 200)?

Understand NEPA and Other Federal Requirements

Most all projects that receive federal funding must comply with the National Environmental Protection Act of 1969 (NEPA). This process involves several environmental planning policies and regulations that must be followed for construction projects in particular, and before the purchase of any right of way or other real estate.

Grant recipients must comply with a number of important civil rights and labor requirements, such as Title VI, the Americans with Disabilities Act, and, for capital projects, the Davis-Bacon Act and Buy American Act are especially important federal provisions that may have different standards than state or local wage or procurement requirements.

Regional commissions are valuable, hidden community resources. When you reach out for grant assistance, their staff will walk with you through the process from start to finish. Regional commissions not only help with grants, but also work with the mission of doing all they can to help local governments and communities be successful.

While there are several different funding sources, they are not available to everyone statewide so it is important to check with your local regional commission to see which grants you may qualify for. A map is included with contact information for each of the 12 Regional Councils in Alabama. You can also visit www.adeca.alabama.gov for a list of funding programs and additional information. For more information about AARC please visit www.alarc.org, or contact Sharon Darrington at (334) 277-2221. ■

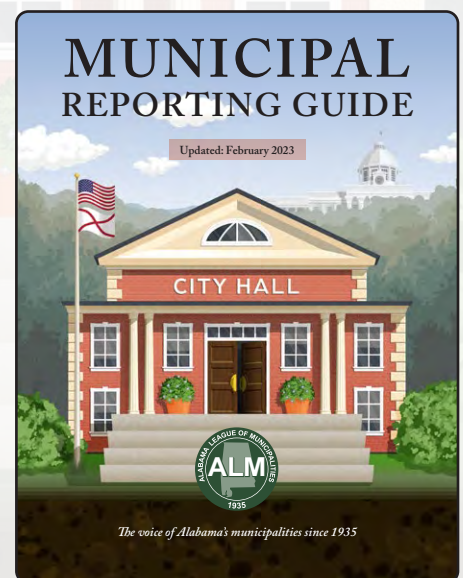
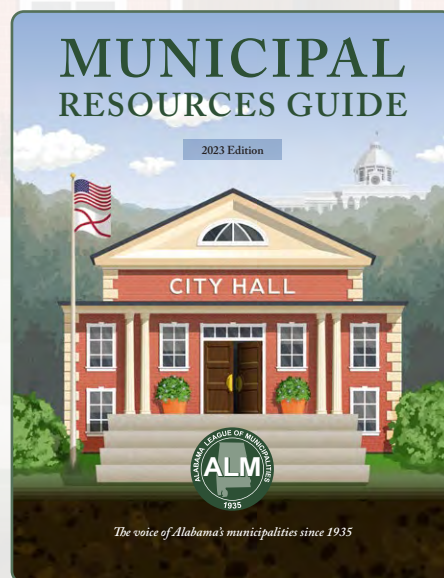
ALM Launches New

MUNICIPAL REPORTING GUIDE

The Alabama League of Municipalities proudly launched the first edition of our Municipal Reporting Guide in March! We realized that the state lacked a central directory for municipal reporting requirements. As part of our mission to support our members, the League created this one-stop guide to ensure our municipalities are aware of various state laws that require local governments to provide annual reports on specific municipal operations. While this guide does not include all the information about each law, it does provide an overview of the requirements, contact information and deadlines. Please reach out to any member of our legal team at (334) 262-2566, if you need any assistance with completing reporting requirements.

In addition, we would like to remind our members that we released our third edition of our Municipal Resources Guide in the fall. It provides dozens of grant opportunities for local governments provided by several state agencies. We recognized the challenge of navigating these resources a few years ago and are continually working to make it more comprehensive. We commend Baker Allen, our director of policy and research, for his vision and for spearheading these two projects alongside our communications team.

Both guides are living documents that will be updated each year. Members, legislators and other elected officials are encouraged to share these great resources. They can be accessed online at almonline.org.



Entertainment Districts Offer

Lori Jhons • Communications Director • ALM

In 2012, retired state Rep. James Buskey and state Rep. Terri Collins sponsored the initial legislation allowing municipalities to create entertainment districts in the state of Alabama. Since then, several laws have expanded the parameters of entertainment districts, allowing for more to be developed across the state. Last year, two bills allowed Montgomery and Huntsville to increase their limit of entertainment districts from five to nine and for Birmingham from five to 15.

Giving people the option to sip and shop off premise or to casually drink an alcoholic beverage while attending an outside sporting event, festival, farmers' market or concert helps cities increase foot traffic from locals and visitors alike. Many cities and towns, of various sizes, find them to be an economic driver and a way to revive downtowns.

In summary, Section 28-3A-17.1, Code of Alabama 1975 allows Class 1-5 and certain Class 8 municipalities to create and establish entertainment districts for retail alcoholic beverage licenses. Municipalities with an incorporated arts council, main street program or downtown development entity, regardless of class size, may also create an entertainment district.

Municipalities are limited to the number of entertainment districts they can create and there are also restrictions on the size and shape of entertainment districts.

Lee Sentell, director of the Alabama Tourism Department, said, "We have the Legislature to thank for the flexibility that towns and cities now have in establishing entertainment districts that not only improve the economy of their areas through tourism but boost the quality of life for the residents."

A state database on the number of entertainment districts in operation in Alabama does not exist nor does a statewide economic impact study. However, Sentell told AL.com in an article published on January 29, 2023, "Without this support, we could not have doubled tourist spending in just 10 years to more than \$23 billion."

Municipalities choosing to establish an entertainment district are authorized to define the type of licensing and hours of operation of those establishments allowed to operate and sell alcoholic beverages within the district.

The Alabama Alcoholic Beverage Control Board, through its civilian inspectors, inspect the entertainment districts and businesses licensed to sell alcoholic beverages. The ABC Board said these areas are treated no differently than any other location licensed to sell alcoholic beverages.

I reached out to two of our member cities – Enterprise and Birmingham – to get their perspectives on what the process was like for them. Enterprise is a Class 6 municipality with a main street designation. They have one entertainment district, called the Downtown Enterprise Entertainment District (DEED), which was established in July of 2021. Birmingham on the other hand is a Class 1 municipality and has created four entertainment districts (Uptown, Pepper Place, Five Points South and Avondale) so far and have the authority to create up to 15.

Jonathan Tullos, city administrator for the city of Enterprise, and Mariah Montgomery, director of Main Street Enterprise shared insight about the DEED. Tullos, who formally served as the executive director of the Wiregrass Economic Development Corporation, said the process began when he was contacted by Erin Grantham, the Enterprise Chamber of Commerce president,



New Revenue Boost for Cities

to discuss the possibility of an entertainment district in their city. The two of them reached out to the city tourism and main street directors to develop a working-group to gather information and determine the feasibility of an entertainment district.

Tullos explained, “Multiple stakeholders had a variety of opinions on the matter. It was important to us to reach out to communities in Alabama who had already adopted an entertainment district and discuss the impact of the district on their communities. This was especially true for law enforcement. Ultimately, we hoped to provide the council and public with facts over feelings on the impact the district was likely to make in our community.”

Enterprise’s entertainment district ordinance was introduced at the July 6, 2021 meeting of the Enterprise City Council and was adopted on July 20, 2021. The ordinance established that no more than two entertainment districts could be allowed within the corporate limits. The ordinance also reads, in part, that patrons may exit the licensed premises with open containers and consume said alcoholic beverages anywhere within the confines of the DEED but may not enter another licensed premise with alcoholic beverages acquired elsewhere.

The DEED is only operational and in effect from 11 a.m. to midnight on Fridays and Saturdays, and 5 p.m. to 11 p.m. Monday through Thursday. The DEED is not operative on Sundays. The city council has the ability to include Sundays if they ever want to but chose not to primarily because of church activities. Alcohol sales start at 10 a.m. on Sundays in Enterprise but several of their businesses, especially those with liquor licenses, are closed on Sundays.

Tullos said, “The DEED has contributed to the success of our downtown events. In fact, one of the first large downtown events, the Fall Festival, experienced record attendance following the adoption of the ordinance. Additionally, we have added another



Photo credit: Ryleigh Esco



*Concert in Avondale Entertainment District.
Photo credit: Birmingham City Council*





*Five Points South Entertainment District businesses.
Photo credit: Birmingham City Council*

business with a liquor license within the district and understand that the DEED was a factor in this business owner choosing to locate in downtown Enterprise. Business owners say this attracts more patrons and also provides a unique marketing opportunity, as their logos are featured on the cups that are utilized, potentially encouraging others to visit their establishments.”

While Enterprise has one of the newest entertainment districts, Birmingham has one of the oldest among its four. Wardine Alexander, president of the Birmingham City Council, previously served as a board member of the Greater Birmingham

Convention and Visitors Bureau. She said it has been a goal of the city to make Birmingham an “entertainment destination.”

The Birmingham City Council passed their entertainment district ordinance on October 1, 2013, and the Uptown Entertainment District was the initial one established on September 3, 2015. The second, Pepper Place, was authorized January 15, 2019. Five Points South Entertainment District was authorized December 17, 2019, and Avondale Entertainment District was authorized June 23, 2020. Each offers their own ambiance and incentives for visitors. Most of them operate daily but have different hours of operation.

Gaining the support of a community’s citizens is a key part of the process of forming an entertainment district.



*UAB Blazer football fans enjoy pregame festivities, food and drink in the Uptown Entertainment District before kickoff at Protective Stadium.
Photo credit: Katy Knauss, BJCC*

Alexander said, “The city took an approach to ensure that its entertainment districts were viewed as a family-friendly, economic resource, rather than a party zone. As well as setting forth a plan that took into consideration for public safety and to promote mixed-use neighborhoods, instead of nightlife strips. The process of approval for each ordinance that designates an area as an entertainment district includes a public hearing to foster public input and education as part of the approval process.”

Cities have many factors to consider when determining if they want to create an entertainment district, but among the most important, is public safety.



Shoppers visit booths at the Farmers Market at Pepper Place. Photo credit: Melinda Shelton

Enterprise said that they have not had any concerns for public safety issues. They give credit to their business owners and event organizers for understanding the ordinance and clearly communicating it to the public.

“Effective policing of entertainment districts begins at the district planning and design stage by engineering out features that promote proactive policing, adequate manpower, assuring pedestrian flow, preventing congregation and stopping unwanted activity that can lead to higher incidence of crime. So far, crime statistics do not show any uptick of crime or offences in those designated areas,” Alexander added.

The ABC Board also said they have not seen an increase in licensing violations in the areas that have them.

Both cities want to make sure people understand that creating an entertainment district is less about people drinking alcohol and more about the economic opportunities and dynamic atmosphere it provides.

Alexander offers this advice to municipalities teetering with the idea, “This is an excellent method of growing revenue and interest in travel, entertainment, sports and the arts within a city. I suggest that municipalities start with a strategic economic development plan and incorporate a model that includes collaboration with community partners and residents to ensure that needs are considered and met for all entities.”

Contact the legal department of the Alabama League of Municipalities to learn more about whether a municipality qualifies for an entertainment district or visit almonline.org to view the Selected Readings available on this topic. ■



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with Thomasville Mayor Sheldon Day on Economic Development Academy Experience

Two years ago, the Alabama League of Municipalities launched our Economic Development Academy (EDA) to educate and engage municipal officials on the essential elements and phases of economic development while highlighting their vital role in economic initiatives and projects within their communities. This program is led by Bryan Parker, our director of governmental affairs, and Neal Wade, former director of the Alabama Development Office. We are proud to partner with the Alabama Community College System (ACCS) to provide this training. Thirty municipalities graduated from our first class, and we currently have 10 more cities and towns participating in this year's class. Due to a high demand for further learning, we have established an advanced second year course for previous participants.

Beginning with this issue of our magazine, we are going to start spotlighting one EDA class participant each quarter. We are excited to kick off this series beginning with the city of Thomasville, which is located in Clarke County.

Thomasville is a graduate of our first EDA class and is currently participating in the advanced class. Thomasville was established in November of 1888 and presently has a population of more than 6,000. Mayor Sheldon Day became the mayor of Thomasville in 1996 after serving on the city council from 1991 to 1995. He said the city is at the center of Alabama's vast timber industry, and it draws commerce from a 30-mile radius to its shopping hub. The city boasts a vibrant arts program, a fantastic year-round parks and recreation program, one of the largest splash pads in Alabama and is truly a destination place for families to visit.



Why did you apply to EDA?

We wanted our entire economic development team and our elected leaders to go through the course to assist each member of our team in understanding the many facets of a comprehensive and healthy economic development program. We felt this would greatly enhance our ability to have our elected leaders and our economic development professionals on the same page and enable us to maximize our ability to attract new and expanding businesses and industries to our rural region.



Who all participated from your city?

Mayor Sheldon Day, Economic Development Assistant Alex Woodard, Councilman Reid Smith, Councilman Bill Davis, Councilman Roy Madison and our Clarke County Economic Developer Roselyn Sales.

Were you surprised by the results of the community economic vitality survey?

It was everything we hoped for and more. Naturally, I have been in office a long time and have been fortunate to attract many businesses and industries to our city. However, we have several new councilmembers and others who have not been exposed to the full realm of economic development tools and training that helps them fully understand the procedures and best practices of economic development.

What did your approved project consist of?

Our approved project consisted of revamping our city of Thomasville Planning Commission process by setting up and appointing a new commission and bringing in the University of Alabama's rural development team to assist us in setting goals and best practices for the new commission. We also agreed once that was done we would move on to beginning the development of a new comprehensive plan. We are now in that phase and making great progress!

How has EDA impacted your decision-making process for the city when it comes to recruiting new business and retaining old businesses?

The EDA has assisted us in getting everyone on the same page by giving our entire team



Left to right: Councilman Reid Smith, Mayor Sheldon Day, Economic Development Assistant Alex Woodard, Councilman Bill Davis, Councilman Roy Madison



the knowledge and training needed to implement best practices. Since attending EDA, our little city has seen a huge increase in economic development activity. We are putting our EDA training to work, and we will soon make several announcements of new businesses coming to Thomasville.

What did you enjoy the most about the EDA?

I enjoyed the retail recruitment portion as well as refreshing my knowledge of all the other tools available to communities by state and federal sources to assist us in our economic development efforts.



What were some skills that you learned or topics you were able to get help with?

Amendment 772 usage as well as other legal aspects and best practices in the offering of incentives, including when to do so and when not.

What advice do you have for cities that are interested in applying?

I strongly suggest you apply for the program. Make sure you include those on your city council or economic development team that may be skeptical of whether your current economic development program is effective. The EDA gives all of you and your team a litmus test and offers a great opportunity for everyone on your team to come away on the same page and with a focus on how to maximize the potential of your economic development team going forward.



What are your city's future plans when it comes to economic development?

Pedal to the metal! We have many new business projects we are working on now as well as working closely with our existing businesses to create new opportunities to grow a very vibrant and healthy economy for Thomasville. ■

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Selma Tornado Recovery Q&A



According to the National Weather Service, 21 counties were affected by the 15 tornadoes that hit the state on January 12, 2023. Seven people were killed in the Browntown and Old Kingston communities in Autauga County. The severe weather event mostly impacted rural, unincorporated areas, however, an EF-2 tornado struck the historic city of Selma. Learn more about the devastating impact on the city from Mayor James Perkins Jr. below.

What impact did the tornado have on Selma?

3,280 structures were affected, over 1,800 families were displaced and more than 470 businesses were affected. The areas in the path of the storm account for 40% of residential neighborhoods in Selma.

How has the recovery been so far, and what type of assistance has the city received?

The recovery process is both challenging and successful. It is challenging because of the size of the disaster area; number of families and people that are displaced; and the lack of housing pre-disaster. We are successful because within three days power was restored to all facilities that could receive power. I give thanks to President Joe Biden, Sen. Tommy Tuberville and Congresswoman Terri Sewell, for helping us receive a 100% Federal Emergency Management Agency reimbursement declaration and federal assistance. Thanks to Gov. Kay Ivey and her team, we successfully partnered with the Alabama Department of Transportation contractors for debris removal and monitoring, and we continue to work together through recovery. Over 300,000 cubic yards of debris was removed from the city. The Long-Term Recovery Group has been formed and is functioning. Mutual aid assistance for public safety and public works has flowed in from cities and towns all over the region, and we cannot say ‘thank you’ enough to the mayors for their help.

What advice do you have for other cities in making storm preparations?

First, it is not a matter of whether you will need an advance disaster plan, it is when will you need to execute it. Set up a restricted fund and put a little aside each month. Develop a preparedness alert plan that is automatically executed each time a weather alert is sounded. Develop a close relationship with your county EMA director; you will need it. Check your insurance policies and be sure your city has replacement coverage. Constantly pray.

What is your vision for the city going forward?

We are ‘Selma Strong,’ and we will ‘Build Back Better’ our human capacity by strengthening internal relationships, being more inviting and sharing opportunities. We will ‘Build Back Better’ our neighborhoods, especially affordable and accessible housing; our local living spaces and our code enforcement strategy.

Can you share any information on where people can go to help assist your city?

Recovery will be a long-term process taking several years. If you desire to provide individual and family assistance, the Long-Term Recovery Group is a great place to plug in. If you desire to get in on development opportunities and institution-level assistance, the city of Selma Planning and Development Office is the plug in point. To reach either, give us a call at 334-874-2111, or email dwooten@selma-al.gov.

More than 5,400 individuals impacted across Alabama registered for FEMA assistance, and more than \$7.6 million has been approved. The U.S. Small Business Administration has also approved more than \$8.2 million in low-interest disaster loans to homeowners, renters and businesses. ■

Photo at top: Mayor James Perkins Jr. provides a storm update to Gov. Kay Ivey, U.S. Rep. Terri Sewell, U.S. Sen. Katie Britt and legislators on Jan. 13, 2023, in Selma. Photo credit: Hal Yeager, Governor's Office

ACE Spotlight: Celebrating Haleyville 20 Years Later

By Lori Jhons • Communications Director • ALM

The Alabama League of Municipalities is elated to have recently acquired the responsibility of overseeing the Alabama Communities of Excellence (ACE) program. ACE was established in 2002 and is focused on providing municipalities with community development programs and tools needed to ensure their long-term success, especially targeting those that fall within the population range of 2,000 to 18,000. Through a comprehensive, three-phased approach, ACE uses the collective expertise of its partner organizations – ranging from state agencies and associations to banks, utilities, universities and others – to foster unique community development programs. Most communities that are selected earn the ACE community designation within two to three years, depending on how quickly they complete each phase – assessment, leadership development and strategic planning, and implementation and comprehensive planning.

In honor of ACE becoming an official program of the League, we are thrilled to start highlighting an ACE community every quarter in our magazine. To begin this series, we reached out to Haleyville Mayor Ken Sunseri to see how the program impacted his city since they were selected as part of the inaugural class in 2003. Haleyville is located in the northwest corner of Winston County. It may only have a population of a little more than

4,300, but its history has impacted the entire nation. The first 911 call in the United States was made at Haleyville City Hall on February 16, 1968. Today, 55 years later, over 400 million calls are made each year for emergency services. The citizens of Haleyville take great pride in their history and host an annual 911 festival every June to recognize first responders.

The city started out as a railroad community then transitioned to manufacturing and is now home to several major companies including: Exxel Outdoors, Masonite, Kith Kitchens, Universal Forest Products, Bassett Outdoor Furniture, Rowe Machinery and Fontaine Trailers. Mayor Sunseri has a unique perspective on the ACE program because he was the ACE local coordinator when the city was selected for ACE in 2003. He has continued to build upon that foundation since becoming mayor in 2008 with the help of Melinda Weaver, the current ACE local coordinator, the city council and the community.

Mayor Sunseri said, “The success that we have achieved



in our community is a direct result of our ACE participation. The planning for our community has relied on the structure we learned during our ACE training.”



Haleyville has completed four strategic plans since graduating from ACE in 2005 and is in the process of developing their fifth, with community participation, to guide the city with specific goals. One of the four pillars of ACE focuses on developing leaders. The mayor told us they have had numerous youth and adult leadership programs over the years that have provided a basis for sustained growth and that they still utilize the technical and personnel resources that ACE has afforded them.



Mayor Sunseri continued, “The ACE program is a valuable asset for small communities. The program identifies opportunities for citizens to participate in a sustainable program for community development. The Alabama Community of Excellence program provides the necessary tools for economic development and community growth.”

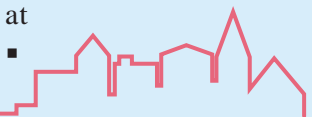
We are glad to hear that ACE has made a lasting impact in this historic town. In recent years, through grant writing and strategic planning, the city of Haleyville has constructed a \$17 million National Guard Armory; a sports complex with four baseball/softball fields and a walking track around it; water slides at the city pool; and a pocket park in downtown to provide movie nights, school events and live musical entertainment. These additions along with Freedom Fiber broadband are setting the city up for future growth.



Mary Jackson, our education and ACE coordinator, said, “As a former city clerk, I have seen firsthand the positive impact the ACE program can have on a community that is willing to invest its time in developing a comprehensive plan. I am so proud to see Haleyville thriving and making strategic decisions to enhance the quality of life for the community’s future.”



To date, 43 municipalities have earned the ACE designation and four others are currently going through the process. If you are an ACE community that needs assistance with updating your strategic plan, reach out to Mary Jackson at mjackson@almonline.org. Learn more about the ACE program at www.alabamacommunitiesofexcellence.org. ■



Ken Sunseri, the mayor of Haleyville, was elected in November of 2008. He served as an Infantry Platoon Leader with the First Infantry Division in Vietnam and retired from combined military service as a Colonel. He was the 2004 Haleyville Civitan’s Citizen of the Year recipient. He served as the local coordinator for Haleyville through the Alabama Communities of Excellence (ACE) program, where he was named the 2005 Outstanding ACE Volunteer. He was also awarded the 2011 Haleyville High School Alumni Association Service and Dedication Award. He has held numerous board positions and received many awards, including the 2015 Outstanding ACE Mayor Award. In 2017, he was named the Alabama Resource, Conservation and Development Council (RC&D) Council Member of the Year.

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WHO IS MUSCLE

Mayor Mike Lockhart 🎵 City of Muscle Shoals

Located in the eastern portion of Colbert County, Muscle Shoals is part of the region known as “The Shoals” along with the cities of Sheffield, Tuscumbia and Florence. Muscle Shoals is in the northwest corner of Alabama and is nestled along the Tennessee River, which is the source for much of the rich history of the city. April 24, 2023 marks the 100th anniversary of the city of Muscle Shoals. In honor of the centennial celebration of the city, let’s take a moment to reflect on the events through the years that have helped form its rich, vibrant characteristics of today.

Indians first inhabited the lands bordered by the Tennessee River that we call the Shoals area today. No one knows when the name Muscle Shoals was first used for this area, however, there are many theories of where the name originated. One theory is that at one time there were piles of mussel shells found along the shoals in the Tennessee River. Another theory is that the shape of the river looks like the muscle in a man’s arm, therefore, Muscle Shoals. The last theory comes from several

booklets that were published before Muscle Shoals incorporated. This theory states: “Muscle Shoals, the Niagara of the South, derives its name from the Indians, who, attempting to navigate upstream, found the task almost impossible because of the strong current.” Thus came the word muscle, symbolic of the strength required to “paddle a canoe up the rapids.” The Shoals area, including Florence, Sheffield, and Tuscumbia, was first known as the Muscle Shoals district.

In the early 1900s, the land that is now Muscle Shoals was farm land with farm houses scattered among the cotton fields. In 1918, a year after the United

States entered World War I, the building of Wilson Dam began. The United States needed nitrates for ammunition and explosives, prompting President Woodrow Wilson to approve the building of two nitrate plants and a dam to supply needed electricity for the plants. At its peak, the building of Wilson Dam employed more than 18,000 workers, including some from what is now Muscle Shoals. The construction site consisted of 1,700 temporary buildings, 236 permanent buildings, 185 residential units and 685 miles of electrical cable. There were also 23 mess halls, a school for 850 students, an 85 bed hospital and 3 barber shops.

The actual construction for nitrates began in the Muscle Shoals plant in February of 1918, and the first nitrates were produced in November of 1918. Since the war ended two weeks earlier on November 11, 1918, there was controversy over what to do with the uncompleted Wilson Dam which was named after President Woodrow Wilson. The key question was whether to retain government ownership of the complex or to sell the dam to a private industry.



SHOALS?

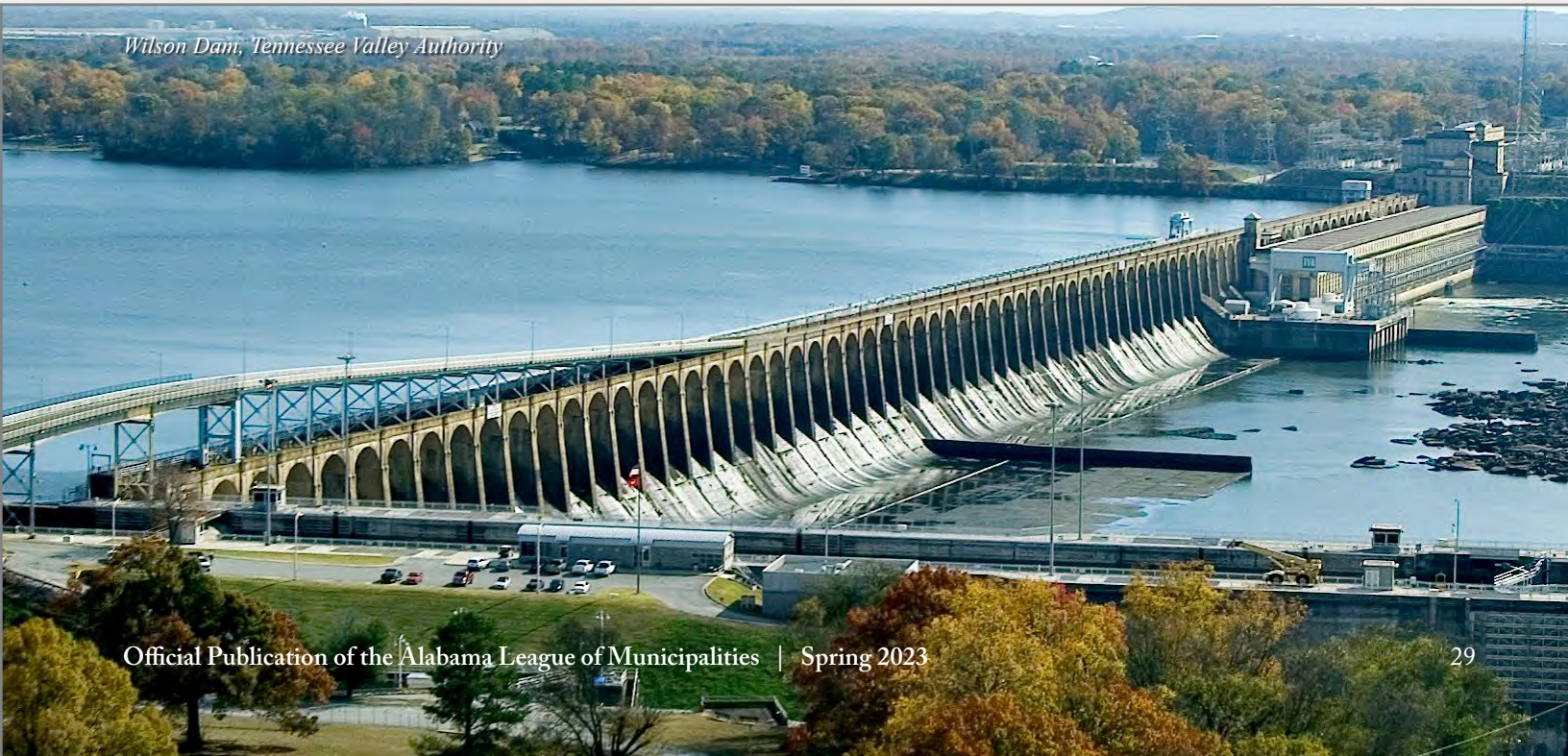
In 1921, automotive tycoon Henry Ford, accompanied by Thomas Edison, came to Muscle Shoals with a vision of transforming this area into a metropolis. “I will employ one million workers at Muscle Shoals, and I will build a city 75 miles long at Muscle Shoals,” stated Ford. The instant rumors of Ford’s plan hit the streets; real estate speculators began buying up land and parceling it out in 25-foot lots and putting in sidewalks and street lights. People from all over the United States bought lots, sight unseen, during this time. Ford’s offer to buy Wilson Dam for \$5 million was turned down by Congress (the initial cost of the construction of the dam was \$46.5 million). Instead, Congress, under the influence of Sen. George Norris of Nebraska, later formed the Tennessee Valley Authority to develop the dam as well as the entire river valley. Sen. Norris felt strongly that the public, rather than private companies, should receive the benefits from the government’s investments in Muscle Shoals. Although Ford’s plans did not turn Muscle Shoals into a huge city, it did lay the foundation for the city of Muscle Shoals.

As the area now known as the city of Muscle Shoals became more populated, there became a desire by men of the area to incorporate. On March 7, 1923, a petition was presented to the probate judge of Colbert County to incorporate the town of Muscle Shoals. The incorporation of the “Town of Muscle Shoals” was made official on April 24, 1923. An order also called for the election of a mayor and five alderman for Muscle Shoals. On May 28, 1923, George McBride was elected as the first mayor of Muscle Shoals with a total of 26 votes.

After the incorporation of Muscle Shoals, the town began to grow. It was in 1933, with the formation of the Tennessee Valley Authority, that a comprehensive program of river and dam development began. This contributed to the conservation and utilization of natural resources. With this, the town began plans for an elementary school, water works, electric power system and the installation of a telephone system.



Wilson Dam, Tennessee Valley Authority



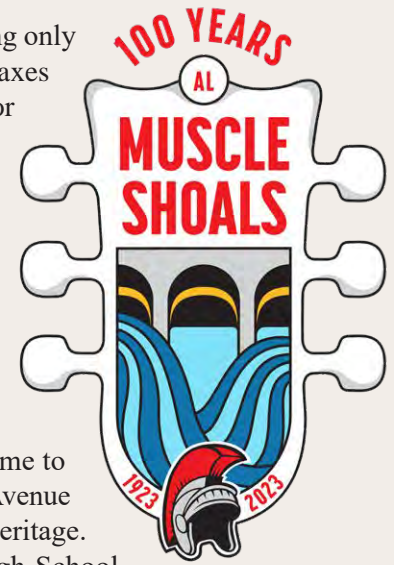
During the first 20 years of incorporation, the town development was very slow having only 1,113 people in 1940. By this time, some of the residential property had been sold for taxes and some at the local market value. This change to local ownership opened the way for growth and development of the new city.

The 1950s decade, under a commission form of government and a recognized area chamber of commerce, became an industrial growth time for Muscle Shoals. Reynolds Metals Company and Union Carbide Metals were quick to convert to peace time production. Diversification came with Diamond Shamrock Company, Ford Motor Company and many others locating in Colbert County.

In the 1960s, Rick Hall, a legend in the music industry, risked locating a major industry of another kind in the city of Muscle Shoals. This industry, FAME Recording Studio, made Muscle Shoals known as “The Hit Recording Capital of the World.” Famous bands and singers, including Aretha Franklin, the Osmonds, Mac Davis, and Duane Allman, came to Muscle Shoals to record hit songs at FAME. FAME Recording Studio is located on Avalon Avenue in Muscle Shoals. In 1998, it was added to the Alabama Register of Landmarks and Heritage. The Muscle Shoals Board of Education Building, formerly Howell Graves Junior High School is also on the Alabama Register of Landmarks and Heritage.

The 1990s brought major change to the city of Muscle Shoals. In 1992, Muscle Shoals became the last city in the state of Alabama to abandon the commission form of government for the mayor/council form of government. During the 1990s, the city made significant progress with a new post office, a new city library, a comprehensive flood control plan, a state-of-the-art early warning weather siren system and many miles of newly paved streets.

As we moved into a new decade and the 21st century, change and growth continued with the opening of a new 17,000 square foot city hall. Progress continued throughout the city with infrastructure development including the development of



an industrial park. It is the current home to over 2,000 employees representing several companies. Muscle Shoals is also the home to Northwest Regional Airport, which provides vital air travel services to the entire Shoals area.

The 2020 census identified Muscle Shoals as the 13th fastest growing city in the state. Its population rose to 16,275 reflecting a growth of 23.8% during the 10-year period. That growth continues to be steady and was approaching 17,000 by the end of 2022.

Muscle Shoals is also proud of the outstanding accomplishments and growth of the Muscle Shoals School System, which have

resulted in state and national recognition for the system. Muscle Shoals continues to rank among the top 10 systems in the state and continues to score above the national average on testing.

As we reflect on the city’s first one hundred years, it is exciting to see how far it has come during that time. We have been blessed by stakeholders and community leaders that have laid a strong foundation that has prepared us for a bright and exciting future. The challenge ahead is to keep the momentum going.

The city of Muscle Shoals has long welcomed and engaged newcomers, emerging as a cultural and economic hub of northwest Alabama. We are a community that celebrates family and faith and reaches outward in service to others. People here recognize the unifying power of potential and work hard to develop it. Let us always be known as a city “Where Rhythm Lives.” ■



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Throughout the year, Main Street Alabama (MSA) offers educational webinars, workshops and an annual conference on district revitalization strategies that is open to all Alabama communities.

To spur economic growth and be on the cutting edge of community revitalization, it is beneficial that main street directors and other community representatives understand how to work closely with real estate developers, attract investment and assist in closing deals. On May 9, MSA will host the webinar, *Working with Developers: Strategies to Attract Real Estate Investment* with Joi Austin, senior program officer of economic vitality with Main Street America, to offer tips on getting development ready.

On August 16-18, MSA will host its annual conference, LAB, in south Huntsville, which is a 2018 Designated Main Street District. The annual conference brings economic development professionals, planners and revitalization experts from across the state to learn the latest trends in topics bridging the Main Street Four Point Approach in organization, design, promotion and economic vitality.

Hosting promotional activities and events is another component of a community's economic development strategy.

Kathy LaPlante, director of coordinating programs for Main Street America, will present a workshop on October 18 in Athens. This event will focus on effective promotional strategies including engaging local business owners, crafting an effective event calendar, and sharing examples of activities to increase foot traffic and sales in the district. Attendees will also have an opportunity to learn more about Athens' district and the various successes since introducing the Main Street Approach in 2008.

Landscaping will be the focus for the last training opportunity of 2023, which will take place on December 5. Brantley Snipes, Main Street Greenwood (MS) executive director and landscape architect, will present the new Landscaping Design Guide commissioned by MSA. This resource will address appropriate plantings and trees for Alabama districts as well as tips on maximizing the wow factor in landscaping design.

Information on educational opportunities can be found by visiting the "Training and Resources" page on MSA's website, www.mainstreetalabama.org.

Main Street Alabama is a 501(c)(3) nonprofit and focuses on bringing jobs, dollars and people back to Alabama's historic downtowns and neighborhood commercial districts. ■

MAIN STREET
* ALABAMA *

Working with Developers: Strategies to Attract Real Estate Investment Webinar

Joi Austin
Senior Program Officer, Economic Vitality,
Main Street America

May 9
10 a.m. - 11:30 a.m.

Visit www.mainstreetalabama.org for more information.



Municipal Debt Financing

Every municipality, from time to time, must borrow money for various municipal uses. This article will give officials a general knowledge of the legal authority for municipal financing, but it should not be construed as specific instructions in this field. Municipalities should always seek the advice of municipal financing professionals, such as bond counsel, when looking for specific guidance and assistance with financing.

The threshold question municipalities must answer is who will borrow the money and issue the securities? Will the municipality do it directly, or will it work through a separate public agency, authority or corporation? Once it is determined who will borrow the money, it is then necessary to determine what legal authority there is to borrow the money and what, if any, limitations exist.

Authority to Finance: Directly by Municipality

Section 11-81-51, Code of Alabama 1975, begins with the following language: “All municipalities shall have full and continuing power and authority within the limits of the Constitution now in effect or that may be hereafter provided to issue and sell bonds...for the following named purposes...” The purposes enumerated (herein greatly condensed) are for work on public buildings, sanitary and storm sewers, streets, alleys, bridges, schools; or for building or purchasing utility systems; purchasing needed real estate; equipping and furnishing buildings; building garbage and disposal plants; building hospitals, prisons and police stations; providing for marketplaces, auditoriums, water works, lighting plants, cemeteries, libraries, public baths, wharves and levees, parks, fire houses and equipment, water storage facilities, and abattoirs.

Under this statute, the Alabama Legislature gave municipalities a broad and almost all-inclusive range of public projects, which could be financed through the issuance of bonds. This statute should be examined

carefully to ensure that the contemplated use is included. Section 11-81-51, Code of Alabama 1975.

Sections 11-81-3 and 11-81-4, Code of Alabama 1975, authorize municipalities to issue, without an election, securities to fund or refund outstanding certificates of indebtedness, warrants or notes of such municipality issued under the provisions of Article 5 of Chapter 81 of Title 11, as amended, or a predecessor statute or combination thereof, whether the same are due at the time of such funding or refunding or at a later date. Such securities may also be issued to refund or discharge any judgment or judgments based upon such obligation. Such securities shall mature at the time or times as the governing body may determine, not exceeding 30 years from the respective dates of issuance. Taxes, licenses or certain other revenues may be pledged to payment of same.

Under the provisions of Section 11-47-1, municipalities have the right to borrow money and may issue notes or non-negotiable warrants. These debts must be payable within 12 months of issue and may be renewed. Section 11-47-1, Code of Alabama 1975. License taxes, ad valorem taxes or other revenues due or to become due within 12 months from the date of the note or warrant, may be pledged to secure their payment. Section 11-47-1, Code of Alabama 1975.

Alabama law provides that money may be borrowed for temporary or any other lawful purpose or use. Sections 11-47-1 and 11-47-2, Code of Alabama 1975. Warrants and notes may be issued as evidence of such indebtedness under the provisions of Sections 11-47-2 and 11-47-3, Code of Alabama 1975. These loans must not be for a period of time exceeding 30 years. Section 11-47-2, Code of Alabama 1975. A municipality may agree to levy annually any special tax or license authorized to be levied and to apply the proceeds of same to the payment of the notes or warrants. Section 11-47-2, Code of Alabama 1975.

The city council may also contract for the construction, extension or repair of municipal buildings, water and electric plants or systems, execute notes and warrants secured by mortgages or deeds of trust on the buildings

or systems. No election is required. Section 11-47-3, Code of Alabama 1975. Warrants issued under Sections 11-47-2 and 11-47-3 may be general obligations or they may be payable solely from the rents or revenues of the project financed or improved. *State v. Mobile*, 229 Ala. 93, 155 So. 872 (Ala. 1934).

Constitutional Debt Limit

Amendment 268 (Section 225) of the Alabama Constitution of 1901, states that no municipality shall become indebted in an amount, including present indebtedness, exceeding 20 percent of the assessed value of the property therein. The amendment exempts from the debt limit those obligations issued for certain specified purposes. Additional exemptions from the debt limit are found in Amendments 107 (Section 222.01 - revenue bonds), 108 (Section 222.02 - bonds issued by incorporated municipal boards), 126 (Section 225.01 - utilities in municipalities with less than 6,000 people), and 228 (Section 224.04 - industrial development). Amendment 268 (Section 225) Alabama Constitution of 1901. If the securities to be issued are chargeable to the debt limit, an investigation is required to determine if the new debt will fall within allowable constitutional limits.

Education warrants issued by the county to fund a grant program for local school districts to fund capital improvements or retire debt were not chargeable against the county's constitutional debt limit, where the county secured the warrants with a pledge of education taxes, which was a new source of funding that was not available to the general fund. School buildings that were to be acquired with proceeds of the education warrants were "public facilities" within the meaning of the statute authorizing counties to issue warrants for acquisition of public facilities, even if the county did not ultimately own the buildings. The Legislature included school buildings in the definition of public facilities, the Legislature knew that school buildings were operated by local school boards, and the statute permitted the county to acquire public facilities not only for itself, but also for general benefit of the public. *Chism v. Jefferson County*, 954 So.2d 1058 (Ala. 2006).

Although this opinion was issued to a county, the ruling would apply to municipalities as well. Bonds issued by a municipality of six thousand or more for the

construction of a school building do not count against the municipality's debt limit. AGO 1998-181.

Necessity for Election

In certain cases, an election must be held to authorize the issuance of securities. Section 222 and Amendment 107 (Section 222.01) and various special and local amendments to the Alabama Constitution of 1901, control whether or not an election is held. Generally, all general obligation bonds, other than assessment and refunding bonds must be voted upon, whereas most revenue bonds do not require prior approval by the electorate. Warrants, as distinguished from bonds, do not require approval by election. *See, Littlejohn v. Littlejohn*, 195 Ala. 614, 71 So. 448 (Ala. 1916) and *O'Grady v. Hoover*, 519 So.2d 1292 (Ala. 1987), for distinctions and definitions of warrants and bonds.

Election Procedures

All elections, other than those held in Class 1 municipalities, whether regular or special, are conducted pursuant to the general municipal election laws codified



at Sections 11-46-20 through 11-46-74, Code of Alabama 1975, as amended. Section 11-46-22, states that special elections shall be held on the second or fourth Tuesday of any month. The mayor is required to publish notice of any such special election at least two months prior to the date of the election in any municipality organized under the mayor-council form of government. In *Bouldin v. Homewood*, 174 So.2d 306 (1965), the Alabama Supreme Court held that the notice provisions of Sections 11-46-22 and 11-46-93, must be given primacy and full effect in considering whether proper notice was given of any municipal election, notwithstanding other Code provisions.

Municipal bond elections should, as much as possible, conform to municipal election laws found in Chapter 46 of Title 11, Code of Alabama 1975, and to the election provisions relating to the issuance of bonds found at Sections 11-81-50 through 11-81-68, Code of Alabama 1975. The attorney general reached a similar conclusion in AGO to Hon. W. M. Bouldin, dated May 3, 1968.

Revenues

The city council must also consider the availability of funds needed to pay and retire the bonded debt as installments become due. Always an individual local problem, this decision requires planning by responsible officials. Naturally, the availability of funds, the certainty of collecting such funds and the amount which can be devoted to debt retirement are among the factors considered when deciding upon the amount of money to be borrowed.

Bonds or Warrants?

Bonds are negotiable promises to pay which may be sued upon directly. Warrants are nonnegotiable orders upon the city treasury. Generally, a general obligation bond issue must be approved by municipal voters. Warrants and revenue bonds are not subject to voter approval as a general rule. Both general obligation bonds and warrants are chargeable against the municipal debt limit.

If bonds are issued they may be sold at public or private sale as the governing body determines. If the bonds are sold at public sale, the public sale shall be either by sealed bids or at auction. The notice of the public sale must recite the proposed method of sale, the amounts to be sold, maturities, data on interest, etc. *See*, Section 11-81-11, Code of Alabama 1975, for details on the contents of notice and the manner of publication. Other exceptions may be found in specific enabling statutes authorizing the issuance of bonds for specified purposes.

Specific statutory requirements as to maturities are found in Section 11-81-6, Code of Alabama 1975. Generally, bonds, with the exception of those dealing with revenue, must be payable in 30 years. Revenue bonds must be payable in 50 years. If bonds are issued to acquire property or to make improvements, then the last installment shall be payable within the period of usefulness of the improvement.

Generally, the interest rate on bonds will be more favorable to a municipality than if the financing is done through the sale of warrants.

Warrants may be issued under the authority of Sections 11-47-1 through 11-47-4 and Section 11-81-4, Code of Alabama 1975. Warrants may be sold at a negotiated price

without meeting the statutory requirements of a public sale. The maturity of warrants sold under the provisions of Sections 11-47-2 and 11-47-3 is 30 years. The maturity of refunding warrants authorized by Section 11-81-4 is limited to 30 years.

Temporary Financing

Municipalities are authorized under Section 11-47-1 through 11-47-4, Code of Alabama 1975, to borrow money for temporary use. The purpose of the loan and the size of the municipality determines whether the debt is chargeable to the debt limit. *See*, Amendments 268 (Section 225) and 126 (Section 225.01), Alabama Constitution of 1901. If the loan is for 12 months or less and on a promissory note, no election is required. If the evidence of the loan is in the form of a warrant, no election is required. Bond attorneys recommend that all temporary loans be evidenced by warrants instead of a note if due dates exceed 12 months.

Frequently, municipalities will borrow money on a temporary basis and, before repaying all of it, will issue refunding warrants maturing over a period of time. No election is required for this type of financing. The chargeability of such debts against the debt limit is determined by the constitutional provisions mentioned before.

Bond Anticipation Notes

After bonds have been favorably approved, the governing body may issue negotiable notes for the purpose for which the bonds were authorized but not exceeding the maximum authorized amounts of the bonds. Such notes shall be general obligations and shall be payable in 12 months. The notes may be refunded by the issue of new negotiable notes as long as the final date of payment shall not be longer than three years from the date of the original borrowing. The notes may be sold at public or private sale and such notes may be repaid out of the proceeds of the sale of the bonds. Authority for such notes is found in Section 11-81-28, Code of Alabama 1975.

Authority to Finance: By Local Public Agencies, Boards or Corporations

As a result of limitations outlined above, such as municipal debt limits, a municipality may decide financing would be a better option through a local public agency, board or corporation which has statutory power to issue securities. Many municipalities have already organized such agencies, but if none exists, then the initial step is to organize the agency. Statutory provisions exist for the organization of municipal utility boards, municipal public

housing authorities, municipal industrial development boards, municipal public building authorities, hospitals, libraries, medical clinic boards, recreation boards and other similar incorporated entities. See the article titled “Municipal Boards in Alabama” in the *Selected Readings for the Municipal Official* for information on procedures for forming boards and authorities in Alabama.

Effect on Constitutional Debt Limit

Amendment 108 (Section 222.02) of the Alabama Constitution states that each public authority organized by any municipality shall, for the purposes of Sections 225, 222 and 224 of the Alabama Constitution, be deemed a separate entity and bonds issued shall not be deemed to constitute an indebtedness of the municipality. Thus bonds issued by incorporated municipal boards generally do not have to be voted upon and are not chargeable to the debt limit of the parent municipality.

Advantages and Disadvantages

Clearly, avoiding the depletion of a city’s borrowing capacity is a major advantage of using a public agency to finance needed projects. Management may be selected for special talents and on a nonpolitical basis. The governing body can be insulated, to an extent, from the responsibility of making unpopular decisions. That being said, a governing body cannot exercise complete control and surplus reserves are not unconditionally available for general municipal use. Also interest rates may be higher under this system of financing.

Plan of Financing

The local public agency, board or corporation, not the town or city, issues the securities and builds the project. If the project is a utility such as a water, gas, sewer or electric system, the authority will own and operate the system. If the project is a public building, the authority may lease the project to the “parent” city or lease it to authorized lessees other than the parent city. Leases to the parent city are on an annual basis but may be renewed. Lease rentals are fixed in an amount sufficient to retire the bonds. The bonds do not have to be voted on and may be sold at negotiated sale without offering the bonds for public sale.

Conclusion

This article has hopefully provided municipal officials with a general knowledge of the existing legal authority under Alabama law relating to financing options available to municipalities. While it provides a broad overview, it is by no means a “how to manual” for financing. If your municipality is in need of financing, whether to finance capital improvement or infrastructure projects, purchase needed vehicles or equipment, or refinance existing debt, you are advised and encouraged to seek the advice of financial professionals who have experience working with Alabama municipalities. The Alabama League of Municipalities has established the AMFund program (www.amfund.com/) to assist Alabama’s municipalities with needed financing. For more information contact Richard Buttenshaw, AMFund president, at 334-262-2566 or rbuttenshaw@almonline.org. ■

Further Reading:

- The full Code of Alabama can be accessed on the Alabama Legislature’s website: <https://alison.legislature.state.al.us/code-of-alabama>
- The full list of Selected Readings for the Municipal Official can be found on our website: <https://almonline.org/SelectedReadingsfortheMunicipalOfficial>



Lori Lein joined the League’s legal department in 2001, bringing with her a solid background in local government issues after practicing law in Montgomery, Alabama, where her primary clients were county officials. In addition, she gained in-depth experience working with the state legislature while serving as a legislative analyst for the Alabama Legislative Reference Service for two years. Lori presently serves as the League’s general counsel and is responsible for advising municipal officials and employees from over 450 member cities and towns.

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Who is eligible to use the MIS system?

Only municipal entities within Alabama are eligible to use the MIS system. This includes cities, towns, certain utility boards, housing authorities and hospitals. **For more information, visit: www.alintercept.org.**

Why are Insurance Premiums Going Up?



Sean Duke • President • Alabama Municipal Insurance Corporation

There are a number of factors used to determine the amount of premiums charged for any given risk. Since no two risks are identical there is no universal answer that will explain what every insured entity is experiencing. In general, insurance premiums have been increasing globally and in the U.S., since the fourth quarter of 2017. Global premiums spiked at 22% in the fourth quarter of 2020 while U.S. premiums peaked at 18% in quarter two of 2020.

Auto Rates

The two factors having the most significant impact on auto premiums have been labor shortages and supply chain issues. Currently, the labor force participation rate is approximately 62%, a level not seen since the late 1970s. Labor shortages, combined with pandemic related raw material and production delays, created supply chain disruptions that drastically reduced inventories. At the same time, consumer demand for vehicles and repair services remained high. Simply put, there were too many consumers vying for too few goods and services causing prices for automobiles and repair services to spike. As a result, insurers paid more to settle claims. The auto insurance industry, in general, has increased rates multiple times in an attempt to keep pace with rising claim costs. At one point, in certain parts of the nation, insurers were raising annual rates by as much as 25% in an effort to gain ground on their rising claims costs.

Property Rates

Property premiums are determined based on rate and insured value. Assuming a structure is insured on a replacement cost value (RCV) basis, premiums will change as construction costs fluctuate regardless of any changes in rate. Insurers conduct periodic appraisals to verify insured value and ensure proper pricing of the risk. The same labor and supply chain issues that impacted the auto industry also impacted the construction industry. The cost of construction materials and labor drove up replacement costs resulting in higher appraised values. To put that in perspective, the annual construction inflation rate has not exceeded 5% in the past 32 years. For the end of 2021, the annual construction inflation rate for the Southeast was approximately 13%.

Liability Rates

On the liability side, law enforcement liability continues to be a concern. The market continues to harden limiting coverage and increasing rates. Demonstrations, civil unrest, and rising excessive force allegations against police officers have made it increasingly difficult to predict settlements and jury verdicts. Because of the uncertainty, some insurers tightened their underwriting or elected to withdraw from the



market altogether. Those that remained continue to raise rates in an attempt to adequately price the risk.

The difficulty of predicting settlements and jury verdicts in law enforcement cases discussed above also applies to all governmental entity liability coverage lines, including general liability. General liability for municipal risks is rated based on expenditures. As inflation drove the cost of goods and services up municipalities were forced to expend more to maintain their existing operations and services. The increased expenditures resulted in increased premiums.

Cyber liability seems to exist in a world all of its own. It is a complex risk that few insurers understood when the product was first introduced. As the risk has evolved and data has been gathered, fewer companies have continued to offer the product resulting in an extremely hard market where underwriting standards continue to evolve, and it is common to experience 50% reductions in coverage combined with 100% rate increases.

Reinsurance Rates

The reinsurance market is currently in a hard cycle. New and challenging risks have tightened the supply of capital as investors look for alternatives with less exposure to the current social inflation issues. This tightening has reduced the availability of reinsurance and increased competition putting upward pressure on premiums as insurers are forced to pay higher reinsurance costs that are passed on to the insured during the rate making process.

What the experts predict for 2023 and beyond

Assuming similar exposure and loss history, most experts predict rates to continue to rise in 2023 with commercial coverages experiencing increases ranging from 5% to 10%. The one outlier being cyber liability insurance which continues to be extremely volatile. Experts predict the cyber market will experience increases of 25% to 100%. Continued hardening of the market is expected to take place over the next five years; so, it is possible this trend may continue beyond 2023. ■

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What is DesignAlabama?

Gina Clifford • Executive Director • DesignAlabama

“If DesignAlabama does nothing more than get the facts before the public, that good architecture, landscape architecture, interior design, graphic design, industrial design and the rest are essential to quality of life in the state, it will have done something very important,” said DesignAlabama Board Chair Philip Morris in the 1988 premiere issue of DesignAlabama’s journal.

Thirty-five years later, DesignAlabama has achieved this and much more. Founded in 1987 through the Alabama State Council on the Arts, the nonprofit, citizen-led organization is stronger than ever in its support of the design arts and how they enrich Alabama communities.

Today, I am proud to lead our efforts as executive director as we continue to develop initiatives that spotlight how the design profession can improve our environment. Each program involves planning and citizen involvement, while bringing together policymakers, planners and design professionals to guide goals to fruition.

DesignAlabama holds its annual Philip A. Morris Mayors Design Summit, a program that allows participating mayors to submit a design issue facing their community and get advice from design professionals. Communities that take part in the summit can apply to participate in DesignPlace, the next step in the community-enhancement process. DesignPlace brings a team of experts into a community to demonstrate how quality of life increases when the design arts are put into action. Citizens, design professionals and local officials brainstorm ideas, generate solutions and build on community assets.

DesignAlabama also launched the one-day DesignDash, and much is accomplished in this single day design blitz. A facilitator leads discussions among community members and design professionals who focus on one design and planning issue. During the second half of the day, the design professionals work alone and present their findings to the community.

Another program is DesignVision, a workshop held in partnership with Auburn University’s Urban Studio. City officials and community stakeholders join a design team consisting of Urban Studio students and a design professional who serves as facilitator. The two-day workshop coincides with the Urban Studio’s fall curriculum.

Programs like DesignDash and DesignVision are stepping stones to introduce communities to the impact design can have, without a large time or monetary investment. The hope is they will get ‘hooked’ and want to participate in the Mayors Design Summit and DesignPlace; then branch out and participate in some of the other programs that are offered statewide.

With so many great places to visit in Alabama, DesignAlabama created ConnectLivity, an initiative that makes it easier to locate and experience them all. A set of maps, bound in a coffee table-style book, is available that identifies extraordinary destinations in each region of the state. View it at: <https://www.designalabama.org/connectlivity/>. ■



As part of DesignVision, students from Auburn University’s Urban Studio engage with community stakeholders to create design solutions.



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ALM Hosts Women in Government Luncheon

Determining Where to Amplify Self-Awareness

The women of the Alabama League of Municipalities were honored to host the third annual Women in Government Luncheon, at the Capital City Club in downtown Montgomery, on March 1, 2023. Tasha Scott, owner of Maximized Growth, LLC., delivered the perfect message to kick off the Women's History Month celebration. She said, "Sometimes in leadership, we are everything to everybody else, but sometimes it's hard to just stand in our power and stop running by camouflaging it with workaholism or numbing ourselves with different things. Sometimes we have to stand in the true essence of who we are and understand the power that we possess."

She challenged the group to evaluate their self-awareness, take action and hold themselves accountable to become more effective leaders.

The event was attended by members of the governor's cabinet and staff, legislators, municipal officials, strategic partners and various association representatives. We applaud these leaders for all that they do for our state through their agencies and associations. ■





2023 CONVENTION QUICK GUIDE

Birmingham Jefferson Convention Complex • Birmingham, AL • May 10 – 13

Schedule subject to change. See www.almonline.org/AnnualConvention for up to date information.

CMO credits can be earned at this event. See convention app for complete details. *

WEDNESDAY, MAY 10

- 9:00 a.m. - 5:00 p.m. **Registration**
- 2:00 - 3:30 p.m. **Opening Session:** President’s Address, Municipal Service Awards
- 2:00 - 5:00 p.m. **Ask Your Attorney Booths**
- 3:45 - 4:45 p.m. **General Session:** Economic Outlook
- 5:30 - 8:00 p.m. **Welcome Reception** (*Hosted by the city of Birmingham at Sloss Furnaces*)

THURSDAY, MAY 11

CITY SHIRT DAY

Wear your city shirt today with pride!

- 8:00 a.m. - 5:00 p.m. **Registration**
- 8:00 a.m. - 5:00 p.m. **Clerks Meeting** (*see note below*)
- 8:30 - 9:30 a.m. **General Session:** Emotional Intelligence and the Municipal Leader
- 9:45 - 10:45 a.m. **Concurrent Sessions:** Building a Strong Business Community; The Impact of the Mobile Port Authority on Alabama’s Municipalities; Public Information Officers – Who Are They and How Can They Benefit Your City?
- 11:00 a.m. - Noon **AMIC Annual Business Meeting**
- Noon - 2:00 p.m. **Lunch on your own** (*Refer to the Lunch Information quicklink on the ALM convention page*)
- 2:00 - 3:15 p.m. **Roundtable Discussions by Population** (Break service included)
- 3:30 - 4:45 p.m. **Roundtable Discussions by Population, continued**
- 5:30 - 7:00 p.m. **Municipal Marketplace Reception**
- 6:30 - 8:00 p.m. **Volkert Rooftop Reception** (*Free event, but RSVP is required.*)
- 8:00 - 10:00 p.m. **ABC-LEO Reception** (*Free event, but RSVP is required.*)

FRIDAY, MAY 12

- 8:00 a.m. - 5:00 p.m. **Registration**
- 7:30 - 10:30 a.m. **Municipal Marketplace Breakfast**
- 10:30 a.m. - Noon **General Session:** Ask Your Attorney
- Noon - 2:00 p.m. **Lunch on your own** (*Refer to the Lunch Information quicklink on the ALM convention page*)
- 2:00 - 3:00 p.m. **Concurrent Sessions:** Programs to Strengthen Your Community; Sweet Grown Alabama: Supporting Locally Grown in Your Municipality; Affordable Housing in Your Municipality
- 3:30 - 5:00 p.m. **Annual Business Session:** President’s Speech, Director’s and Board Reports, Officer Elections
- 6:30 - 8:00 p.m. **President’s Dinner**
- 8:00 p.m. - Until **Closing Reception:** Party on the Moon

Download our FREE convention app!* For the complete convention schedule, locations, speaker bios and links to Municipal Marketplace vendors, download the Yapp app from your app store. **Additional download details on page 36!**

Clerks: The Alabama Association of Municipal Clerks and Administrators will meet Thursday, May 11, from 8:00 a.m. until 5:00 p.m. See the Yapp app for more detailed information.

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