

**CITY OF SPANISH FORT  
CITY COUNCIL MEETING  
AGENDA**

Regular Meeting  
June 3, 2024  
Spanish Fort Community Center  
6:00 p.m.

- I. CALL TO ORDER
- II. ROLL CALL
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE
- V. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETINGS

Work Session May 20, 2024  
Regular Meeting May 20, 2024

- VI. REPORTS OF COMMITTEES AND OFFICERS
- VII. PUBLIC PARTICIPATION
- VIII. ANNOUNCEMENTS

Congressman Jerry Carl has sent out a survey to Spanish Fort residents asking for feedback about our postal service. Please check your email inbox and fill out the survey. If you did not receive a survey, please send your comments to [jerry.carl@mail.house.gov](mailto:jerry.carl@mail.house.gov). It is important the Congressman and his staff receive your feedback.

The annual spring “Tidy the City” event will be held June 6-9, 2024, at Spirit Park, located on Emily Francis Lane directly across from the Spanish Fort Community Center. This event provides an opportunity for Spanish Fort residents to "Tidy the City" by cleaning out accumulated items and clutter from around the house. Two dumpsters will be placed in the gravel parking area at Spirit Park for the collection of unwanted items. Items must be placed inside the dumpsters and not in the surrounding area. Items not accepted include household garbage, tires, electronic items and hazardous chemicals.

The Spanish Fort Public Library Summer Reading Program began June 1, 2024. For information and registration for Summer Reading events, go to the Spanish Fort Public Library website at: <https://www.spanishfortpubliclibrary.org/srregistration>. There are lots of exciting opportunities to read and fantastic events each week!

ALDOT announces the start of construction for the widening of US-31 in Baldwin County to add a center turn lane for motorists. Construction is scheduled to begin Monday, June 3, 2024, and will primarily take place during daytime hours. During lane closures, northbound US-31 traffic will be directed to use Old Highway 31 as a detour route to bypass the construction area. The re-routing of northbound US-31 traffic is expected to last a couple of weeks until widening efforts are completed. Southbound traffic will continue to use US-31 during construction. For updates and information on the project’s progress, visit [ALDOTNews.com](http://ALDOTNews.com) and download the ALGO app.

- IX. OLD BUSINESS
- X. NEW BUSINESS

Public Hearings on Audits for Fiscal Year ending September 30, 2023, as follows:

- The City of Spanish Fort
- The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities
- The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities

Ordinance No. 668-2024-----An Ordinance Granting a Non-exclusive Franchise to Mediacom Southeast, LLC, for the Purpose of Maintaining Distribution Lines for the Provision of Cable Television within the Public Rights-of-Way of the City of Spanish Fort

Ordinance No. 669-2024-----An Ordinance Establishing Rules for Loyalty Park in the City of Spanish Fort, Alabama

**Public Hearing on Ordinance No. 670-2024 for the City of Spanish Fort as follows:**

Ordinance No. 670-2024----An Ordinance Granting a Non-exclusive Franchise to Comcast of Alabama, LLC, for the Purpose of Maintaining Distribution Lines for the Provision of Cable Television within the Public Rights-of-Way within the City of Spanish Fort, Alabama

**Public Hearing on Ordinance No. 671-2024 for the City of Spanish Fort as follows:**

Ordinance No. 671-2024-----An Ordinance Amending Ordinance No. 51-96 of the City of Spanish Fort Establishing the Zoning Classification of Certain Property as B-2 Local Business District

Resolution No. 1409-2024---A Resolution Amending the Personnel Manual of the City of Spanish Fort

Resolution No. 1410-2024---A Resolution Authorizing the Mayor to Execute a Contract for Services between the City of Spanish Fort and Uniti Fiber

Resolution No. 1411-2024---A Resolution Amending the Personnel Manual of the City of Spanish Fort

Resolution No. 1413-2024---A Resolution Appointing Members to the City of Spanish Fort Junior City Council

Resolution No. 1414-2024---A Resolution Authorizing the Mayor to Enter into an Agreement with Sunset Contracting, Inc., for Repairs at Mendota Drive

Resolution No. 1415-2024---A Resolution Amending the Employee Pay Classification Guidelines

Resolution No. 1416-2024---A Resolution Authorizing the Mayor to Enter into an Agreement with Emergency Networking for Cloud-based EMS and Fire Reporting Software

Resolution No. 1417-2024---A Resolution Disposing of Surplus Property

Resolution No. 1418-2024----A Resolution Authorizing the Mayor to Enter into an Agreement with Citizenserve

XI. ADJOURN TO NEXT MEETING  
Work Session and Regular Meeting, June 17, 2024

**Spanish Fort City Council  
Minutes, Regular Meeting, May 20, 2024**

**CALL TO ORDER**

The City Council of the City of Spanish Fort, Alabama, met Monday, May 20, 2024, at 6:00 p.m., at the Spanish Fort Community Center, that being the scheduled date, time and place of such meeting.

**ROLL CALL**

The following Councilmembers were present: Carl Gustafson, Shane Perry, J. R. Smith, Mary Brabner and Mayor McMillan. Councilmember Curt Smith was absent.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation and Pledge of Allegiance was led by Councilmember Shane Perry.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

The minutes of the Meeting and Work Session of May 6, 2024, were distributed to each member, and Mayor McMillan called for any corrections. No corrections being offered, Mayor McMillan declared the minutes approved as written.

**REPORTS OF COMMITTEES AND OFFICERS**

City Clerk Rebecca Gaines reminded the Council of the work session scheduled for Tuesday, May 21, 2024.

**PUBLIC PARTICIPATION**

There was none.

**ANNOUNCEMENTS**

Congressman Jerry Carl has sent out a survey to Spanish Fort residents asking for feedback about our postal service. Please check your email inbox and fill out the survey. If you did not receive a survey, please send your comments to [jerry.carl@mail.house.gov](mailto:jerry.carl@mail.house.gov). It is important the Congressman and his staff receive your feedback.

Mayor McMillan announced that Congressman Carl met with the United States Postmaster General regarding the post office situation in Spanish Fort. The Postmaster General promised to look into the situation. Mayor McMillan also announced that he recently met with Congressman Moore to discuss the lack of a post office in Spanish Fort.

The City of Spanish Fort and the Spanish Fort Public Library will be closed on Monday, May 27, 2024, to celebrate the Memorial Day Holiday.

The annual spring "Tidy the City" event will be held June 6-9, 2024, at Spirit Park, located on Emily Francis Lane directly across from the Spanish Fort Community Center. This event provides an opportunity for Spanish Fort residents to "Tidy the City" by cleaning out accumulated items and clutter from around the house. Two dumpsters will be placed in the gravel parking area at Spirit Park for the collection of unwanted items. Items must be placed inside the dumpsters and not in the surrounding area. Items not accepted include household garbage, tires, electronic items and hazardous chemicals.

Mayor McMillan thanked Representative Matt Simpson and Senator Chris Elliot for their assistance in the passage of Senate Bill 327, allowing for the expansion of Capital Improvement Cooperative Districts.

**OLD BUSINESS**

There was none.

## **NEW BUSINESS**

### ***Proclamation of the Week of May 19-25 as Emergency Medical Services Week in the City of Spanish Fort***

Mayor McMillan announced a proclamation proclaiming the week of May 19-25 as Emergency Medical Services Week in the City of Spanish Fort. David Conner read the proclamation. Mayor McMillan presented the proclamation to Dewayne Tullos on behalf of MedStar.

### ***Audits for Fiscal Year 2022-2023***

Carly Corte, Earl Blackmon and Rachel Young from Avizo Group presented audits for Fiscal Year ending September 30, 2023, as follows:

- The City of Spanish Fort
- The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities
- The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities

Mayor McMillan announced that public hearings will be held at the Monday, June 3, 2024, City Council meeting to hear comments in favor of or in opposition to the audits.

### ***Ordinance No. 666-2024***

Mayor McMillan presented Ordinance No. 666-2024, an ordinance adopting Baldwin County 9-1-1 GIS/Addressing Office Street Name Standards and Addressing Standards within the City of Spanish Fort, Alabama. David Conner explained the proposed resolution. Discussion followed.

A motion was made by Councilmember J. R. Smith and seconded by Councilmember Brabner to adopt Ordinance No. 666-2024. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Gustafson, Perry, Brabner, J. R. Smith and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

### ***Ordinance No. 667-2024***

Mayor McMillan presented Ordinance No. 667-2024, an ordinance levying a business license fee and fixing the annual rate of business or privilege licenses in the City of Spanish Fort, Alabama. David Conner explained the proposed resolution. Discussion followed. Mayor McMillan announced a public hearing will be held at the Monday, June 3, 2024, City Council meeting to hear comments from those in favor of or in opposition to the proposed ordinance.

A motion was made by Councilmember Brabner and seconded by Councilmember J. R. Smith to adopt Ordinance No. 667-2024. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Gustafson, Perry, Brabner, J. R. Smith and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Ordinance adopted.

### ***Ordinance No. 668-2024***

Mayor McMillan presented Ordinance No. 668-2024, an Ordinance granting a non-exclusive franchise to Mediacom Southeast, LLC, for the purpose of maintaining distribution lines for the provision of cable television within the public rights-of-way of the City of Spanish Fort. David Conner explained the proposed resolution. Discussion followed.

Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing. Discussion followed.

***Ordinance No. 669-2024***

Mayor McMillan introduced Ordinance No. 669-2024, an Ordinance establishing rules for Loyalty Park in the City of Spanish Fort. David Conner explained the proposed resolution. Discussion followed.

***Ordinance No. 670-2024***

Mayor McMillan introduced Ordinance No. 670-2024, an Ordinance granting a non-exclusive franchise to Comcast of Alabama, LLC, for the purpose of maintaining distribution lines for the provision of cable television within the public rights-of-way of the City of Spanish Fort. David Conner explained the proposed resolution. Discussion followed.

Mayor McMillan announced a public hearing will be held at the Monday, June 3, 2024, City Council meeting to hear comments from those in favor of or in opposition to the proposed ordinance.

***Ordinance No. 671-2024***

Mayor McMillan introduced Ordinance No. 671-2024, an Ordinance amending Ordinance No. 51-96 of the City of Spanish Fort establishing the zoning classification of certain property as B-2 Local Business District. David Conner explained the proposed resolution. Discussion followed.

Mayor McMillan announced a public hearing will be held at the Monday, June 3, 2024, City Council meeting to hear comments from those in favor of or in opposition to the proposed ordinance.

***Resolution No. 1409-2024***

Mayor McMillan introduced Resolution No. 1409-2024, a resolution amending the Personnel Manual of the City of Spanish Fort. David Conner explained the proposed resolution. Discussion followed.

***Resolution No. 1410-2024***

Mayor McMillan introduced Resolution No. 1410-2024, a resolution authorizing the Mayor to Execute a Contract for services between the City of Spanish Fort and Uniti Fiber. David Conner explained the proposed resolution. Discussion followed.

***Resolution No. 1411-2024***

Mayor McMillan introduced Resolution No. 1411-2024, a resolution amending the Personnel Manual of the City of Spanish Fort. David Conner explained the proposed resolution. Discussion followed.

***Resolution No. 1412-2024***

Mayor McMillan presented Resolution No. 1411-2024, a resolution in support of a Mega Grant application to assist in funding the I-10 Mobile River Bridge and Bayway Project. David Conner explained the proposed resolution. Discussion followed.

A motion was made by Councilmember J. R. Smith and seconded by Councilmember Brabner to adopt Resolution No. 1412-2024. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Gustafson, Perry, Brabner, J. R. Smith and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

***Liquor License Request***

Mayor McMillan presented a request for a 020 – Restaurant Retail Liquor License, requested by Nerco, LLC d/b/a The Bull, 30500 State Highway 181 Ste. 134, Spanish Fort, Alabama 36527. David Conner explained the request. Discussion followed.

A motion was made by Councilmember J. R. Smith and seconded by Councilmember Brabner to approve the request for a 020 – Restaurant Retail Liquor License, requested by Nerco, LLC d/b/a The Bull, 30500 State Highway 181 Ste. 134, Spanish Fort, Alabama 36527. Discussion followed.

Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Gustafson, Perry, Brabner, J. R. Smith and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the license request approved.

## **ADJOURNMENT**

There being no further business before the Council, the meeting adjourned at 6:33 p.m.

*Approved this \_\_\_\_ day of June, 2024.*

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Rebecca A. Gaines  
City Clerk.

## Spanish Fort City Council

### Minutes, Work Session, Monday, May 20, 2024

The City Council of the City of Spanish Fort, Alabama, met Monday, May 20, 2024, at 4:03 p.m., at the Spanish Fort Community Center, that being the scheduled date, time and place of such meeting.

The following Councilmembers were present: Curt Smith, Carl Gustafson, Shane Perry, J. R. Smith, Mary Brabner and Mayor McMillan. A quorum being present, the work session proceeded.

The Council discussed general municipal business.

City Attorney David Conner made a recommendation that the City Council go into executive session in accordance with the Alabama Open Meetings Act to discuss the general reputation and character of certain individuals and, subject to the limitations set out therein, to discuss the job performance of certain public employees; and to discuss the legal ramifications of and legal options for pending litigation, controversies not yet being litigated, but imminently likely to be litigated, or imminently likely to be litigated if the governmental body pursues a proposed course of action. Mr. Conner made an oral declaration that the exceptions under the Open Meetings Act are applicable to the planned discussion. A motion was made by Councilmember J. R. Smith and seconded by Councilmember Curt Smith to go into executive session at 4:05 p.m. to discuss the aforementioned matters. Mayor McMillan called for the polling of votes. Voting “aye” were Councilmembers Curt Smith, Gustafson, Perry, J. R. Smith, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan announced that the executive session would last approximately 30 minutes and that the Work Session would resume upon the conclusion of the executive session. At 4:35 p.m., City Clerk Rebecca Gaines announced the executive session would continue for approximately 30 minutes. At 5:05 p.m., City Attorney David Conner announced the work session would continue for approximately 10 minutes.

The Council reconvened at 5:10 p.m.

The Council discussed general municipal business.

Councilmember Curt Smith left the work session at 5:34 p.m.

The Council discussed general municipal business.

Carly Corte from Avizo Group presented the municipal audits for the 2022-2023 fiscal year.

There being no further business before the Council, the work session adjourned at 5:54 p.m.

***Approved this \_\_\_\_\_ day of June 2024.***

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Rebecca A. Gaines, CMC  
City Clerk

CITY OF SPANISH FORT, ALABAMA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF SPANISH FORT, ALABAMA  
GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the City Council  
City of Spanish Fort, Alabama

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Spanish Fort, Alabama as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Spanish Fort, Alabama, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

### **Other Matters**

#### *Required Supplementary Information*

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

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

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Governmental Auditing Standards*, we have also issued our report dated April 17, 2024, on our consideration of the City of Spanish Fort, Alabama's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Spanish Fort, Alabama's internal control over financial reporting and compliance.

Certified Public Accountants

April 17, 2024  
Fairhope, Alabama

## **BASIC FINANCIAL STATEMENTS**

CITY OF SPANISH FORT, ALABAMA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 33,285,534
Earnest money deposit	25,000
Loan proceeds receivable	16,101
Receivables, net	435,304
Capital assets, net	<u>44,584,580</u>
Total assets	<u>78,346,519</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Employer retirement contributions and net difference between projected and actual earnings on plan investments	<u>2,135,137</u>
Total deferred outflows of resources	<u>2,135,137</u>
Total assets and deferred outflows of resources	<u><u>\$ 80,481,656</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 597,715
Long-term liabilities	
Due within one year	1,410,759
Due in more than one year, net	<u>21,423,160</u>
Total liabilities	<u>23,431,634</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net difference between projected and actual earnings on plan investments	<u>66,023</u>
Total deferred inflows of resources	<u>66,023</u>
Total liabilities and deferred inflows of resources	<u>23,497,657</u>
<b>NET POSITION</b>	
Net investment in capital assets	24,457,971
Restricted for:	
Construction and road maintenance	15,648,221
Unrestricted	<u>16,877,807</u>
Total net position	<u>56,983,999</u>
Total liabilities and net position	<u><u>\$ 80,481,656</u></u>

See independent auditors' report and notes to the financial statements.

CITY OF SPANISH FORT, ALABAMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in Net Position
			Contributions	Contributions	Primary Government
					Governmental
					Activities
<b>Primary Government</b>					
Governmental activities:					
General	\$ 3,453,170	\$ 1,346,351	\$ -	\$ 394,069	\$ (1,712,750)
Police	3,457,902	225,929	72,814	-	(3,159,159)
Fire	2,299,430	294,887	-	-	(2,004,543)
Public works	564,590	-	-	-	(564,590)
Library	288,615	-	18,000	-	(270,615)
Building	343,347	229,451	-	-	(113,896)
Senior Center	64,285	-	-	-	(64,285)
Interest on long term debt	506,827	-	-	-	(506,827)
Total governmental activities	<u>\$ 10,978,166</u>	<u>\$ 2,096,618</u>	<u>\$ 90,814</u>	<u>\$ 394,069</u>	<u>(8,396,665)</u>
General revenues:					
Taxes					
Sales					6,938,081
Real estate					766,889
Liquor					218,019
Other					89,785
Intergovernmental					385,371
Investment earnings					423,334
Other					372,740
Total general revenues					<u>9,194,219</u>
Change in net position					797,554
Net position, beginning					56,186,445
Net position, ending					<u>\$ 56,983,999</u>

See independent auditors' report and notes to the financial statements.

CITY OF SPANISH FORT, ALABAMA

FUND BALANCE SHEETS  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Major Fund		Nonmajor Funds	Total Governmental Funds
	General	Public Improvement Projects Fund	Other Governmental	
<b>ASSETS</b>				
Cash	\$ 17,614,240	\$ 14,450,466	\$ 1,220,828	\$ 33,285,534
Earnest money deposit	25,000	-	-	25,000
Receivables - Intergovernmental	435,304	-	-	435,304
Loan proceeds receivable	16,101	-	-	16,101
<b>TOTAL ASSETS</b>	<u>\$ 18,090,645</u>	<u>\$ 14,450,466</u>	<u>\$ 1,220,828</u>	<u>\$ 33,761,939</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 364,875	\$ -	\$ -	\$ 364,875
<b>TOTAL LIABILITIES</b>	<u>364,875</u>	<u>-</u>	<u>-</u>	<u>364,875</u>
<b>FUND BALANCES</b>				
Restricted				
Construction and road maintenance	-	14,450,466	1,197,755	15,648,221
Assigned	5,926,701	-	-	5,926,701
Unassigned	11,799,069	-	23,073	11,822,142
<b>TOTAL FUND BALANCES</b>	<u>17,725,770</u>	<u>14,450,466</u>	<u>1,220,828</u>	<u>33,397,064</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,090,645</u>	<u>\$ 14,450,466</u>	<u>\$ 1,220,828</u>	<u>\$ 33,761,939</u>

See independent auditors' report and notes to the financial statements.

CITY OF SPANISH FORT, ALABAMA

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 2023

<b>Fund balances as reported on page 6</b>	<b>\$ 33,397,064</b>
Net Position reported for governmental activities in the Statement of Net Position (page 4) are different from Fund Balances for governmental activities because:	
Capital assets used in governmental activities are financial resources and are not reported in fund financial financial statements	53,951,610
Depreciation is provided for the above capital assets in government-wide reporting, but not in fund financial statements	(9,367,030)
Long-term liabilities, including warrants payable, capital lease obligations and notes payable are not due and payable in the current period and are not reported in fund financial statements	
Obligations under capital leases	(76,388)
Warrants payable	(20,050,221)
Net pension liability	(2,707,310)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds	2,069,114
Accrued interest payable is not due and payable in the current period and therefore not reported in fund financial statements	<u>(232,840)</u>
<b>Net Position of Governmental Activities as reported on page 4</b>	<b><u><u>\$ 56,983,999</u></u></b>

See independent auditors' report and notes to the financial statements.

CITY OF SPANISH FORT, ALABAMA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Fund		Non Major Funds	Total
	General	Public Improvement Projects Fund	Other Governmental	Governmental Funds
REVENUES				
Local taxes	\$ 8,277,603	\$ -	\$ 30,058	\$ 8,307,661
Licenses, permits and fees	1,575,803	-	-	1,575,803
Fines	225,929	-	-	225,929
State of Alabama	151,497	-	233,873	385,370
Grants	484,883	-	-	484,883
Other revenues	626,502	169,202	370	796,074
Total revenues	11,342,217	169,202	264,301	11,775,720
EXPENDITURES				
General government	2,426,996	-	2,294	2,429,290
Building department	313,459	-	-	313,459
Police department	3,240,841	-	-	3,240,841
Public works	500,000	3,600	-	503,600
Library	288,615	-	-	288,615
Senior Center	64,285	-	-	64,285
Fire department	1,801,340	459	-	1,801,799
Capital outlay	1,078,382	714,677	-	1,793,059
Contributions	115,177	-	-	115,177
Debt service				
Principal	528,032	-	384,616	912,648
Interest	97,915	-	49,445	147,360
Total expenditures	10,455,042	718,736	436,355	11,610,133
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES BEFORE OTHER FINANCING SOURCES (USES)	887,175	(549,534)	(172,054)	165,587
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	15,000,000	-	15,000,000
Transfers (to) from other funds	(434,061)	-	434,061	-
Total other financing sources (uses)	(434,061)	15,000,000	434,061	15,000,000
NET CHANGE IN FUND BALANCES	453,114	14,450,466	262,007	15,165,587
Fund balances, beginning of year	17,272,656	-	958,821	18,231,477
FUND BALANCES, END OF YEAR	\$ 17,725,770	\$ 14,450,466	\$ 1,220,828	\$ 33,397,064

See independent auditors' report and notes to the financial statements.

CITY OF SPANISH FORT, ALABAMA

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Net change in fund balances - total governmental funds, page 8** **\$ 15,165,587**

Amounts reported for governmental activities in the Statement of Activities  
are different from the Statements of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds because:

Governmental funds report capital outlays as expenditures while governmental  
activities report depreciation and amortization expense to allocate those  
expenditures over the life of the assets.

Capital outlays for the year	1,793,059
Depreciation expense for the year	(1,448,500)

Bond and other debt proceeds provide current financial resources to governmental  
funds, but issuing debt increases long-term liabilities in the Statement of Net Position.  
Repayment of long-term liabilities is an expenditure in governmental funds, but  
the repayment reduces long-term liabilities in the Statement of Net Position.

Principal payments on long term debt	912,648
Issuance of debt	(15,000,000)

Some expenditures reported in governmental funds are to be paid on a long-term  
basis and therefore are not reported as expenses in the Statement of Activities

Change in deferred outflows of resources- loss on defeasance	(168,690)
Pension expense	(265,770)
Accrued interest	(190,780)

**Change in Net Position of Governmental Activities, page 5** **\$ 797,554**

## **NOTES TO THE FINANCIAL STATEMENTS**

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Spanish Fort, Alabama (the City) was incorporated on July 19, 1993. The City operates under a Mayor - Council form of government and its members are elected by district.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to municipal governments. The following is a summary of the more significant policies.

A. REPORTING ENTITY

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States of America as specified by the Governmental Accounting Standards Board (GASB). In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. The Statement was developed to make annual reports easier to understand and more useful to the people who use government financial information to make decisions.

The criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships and/or a significant economic benefit exists, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, this report includes financial statements of the funds and account groups required to account for those financial activities for which the City has the ability to influence and control through its legislative processes and/or with which special financing relationships exist.

**Potential Component Units**

The following entities were considered for inclusion in the City's financial statements as potential component units. However, the City has determined they do not meet all the criteria currently required by Governmental Accounting Standards for inclusion as component units. Thus, the City has chosen not to present the entities within its financial statements. However, separately issued audited financial statements are available for each entity and may be obtained from the City Clerk's office.

The Cooperative District of the City of Spanish Fort- Hwy. 181 Public Facilities is a legally separate, tax exempt entity. The District encompasses a retail area called the "The Eastern Shore Centre", and it collects a fee that is assessed on all retail sales in the District. The fee will repay warrants used to finance the construction of certain public infrastructure in the District. In the event that the debt is satisfied, the fee will be used as directed by the governing body of the City. Under any circumstance, the fee is to be used to support the District and its properties.

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Cooperative District of the City of Spanish Fort- Hwy. 98 Public Facilities is a legally separate, tax exempt entity. The District encompasses a retail area called the “Spanish Fort Town Center” and collects a fee that is assessed on all retail transactions in the District. The fee will repay warrants used to finance the construction of certain public infrastructure in the District. In the event that the debt is satisfied, the fee will be used as directed by the governing body of the City. Under any circumstance, the fee is to be used to support the District and its properties.

The City of Spanish Fort has no legal obligation for debts of the Districts and receives no direct financial benefit from the Districts. Each District issues a separate financial statement available from the City Clerk of the City of Spanish Fort.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND LEVEL

Government-wide

The basic financial statements include government-wide and fund financial statements. The previous reporting model emphasized fund types, while the new model focuses on the City as a whole and major funds. Government-wide and fund financial statements categorize primary activities as governmental or business type. In the Statement of Net Position, governmental and business-type activities (a) are presented on a consolidated basis, and (b) reflect full accrual accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. Receivables and payables between activities are eliminated in the government-wide presentation through the caption “Internal Balances” on the Statement of Net Position.

The Statement of Activities reflects both the gross and net cost per functional category (public works, police, etc.) which are otherwise being supported by general government revenues (taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses, including depreciation, by related program revenues. The program revenues must be directly associated with a function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Level

The governmental fund level financial statements are presented on a current financial resource and modified accrual basis of accounting. Since governmental fund level financial statements are presented on a different basis of accounting and measurement focus than governmental activities in the government-wide presentation, a summary is presented to explain adjustments necessary to reconcile fund level statements to the government-wide presentation.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into broad fund categories as follows:

**Governmental Funds:**

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of city government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund. The General Fund will be a major fund.

Public Improvement Projects Fund – The Public Improvement Projects Fund is used to account for the financial resources designated for improvements and other capital projects funded from the proceeds of the 2023 General Obligation Warrant. This fund will be a major fund.

Capital Projects Athletic Fund - Capital Project Funds are used to account for the financial resources designated to construct major improvements other than those financed by special assessments.

Special Revenue Fund – The Special Revenue Fund is an operating fund for which the use of revenues is restricted or designated by outside sources.

Capital Projects Fund – Capital Project Funds are used to account for the financial resources designated to construct major improvements other than those financed by special assessments.

C. CAPITAL ASSETS

The accounting treatment over capital assets depends on whether the assets are used by governmental funds or proprietary funds and in fund level or government-wide reporting.

In government-wide reporting, all capital assets are reported as capital assets for governmental-type activities. The City has not established a minimum capitalization threshold at this time. Depreciation is provided on all capital assets at the government-wide level.

In fund level reporting, capital assets are reported as expenditures by governmental funds.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is allocated as an expense in the Statement of Activities (government-wide level) and accumulated depreciation is reflected in the Statement of Net Position (government-wide level). Depreciation has been provided over the estimated useful lives using the straight line rates as follows:

Buildings	40 years
Streets	40 years
Vehicles	5 years
Other equipment	5 – 10 years

Cost of fixed assets includes interest during the construction period.

D. BASIS OF ACCOUNTING

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual, when they become both "measurable" and "available" to finance expenditures of the current period. The City uses a 60-day availability period except for FEMA disaster recovery grants which are recognized using a 12-month availability period.

Taxes collected by an intermediary are considered "measurable" when in the hand of the intermediary collecting governments and may be recognized as revenue at that time.

Expenditures other than interest on general long-term debt are recorded at the time liabilities are incurred. Revenues susceptible to accrual are those which are measurable and available to finance expenditures of the current period.

E. IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

*Recently Issued Accounting Principles*

GASB Statement 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) note disclosures regarding a SBITA. The requirements of GASB Statement No. 96 are effective for the fiscal year 2023. The City implemented GASB 96 in fiscal year 2023 with no significant impact to its financial statements.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, was issued to define *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes, along with the accounting, reporting, and disclosures relating to these changes. The requirements of GASB Statement No. 100 are effective for the fiscal year 2024. The City is currently evaluating the impact that this statement may have on its financial statements.

F. DEFERRED INFLOWS OF RESOURCES AND DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS

Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from the difference between projected and actual earnings on the respective pension plan investments are amortized to pension expense over a closed five-year period. Deferred inflows of resources and deferred outflows of resources related to pensions that are derived from differences between expected and actual experience with regard to economic or demographic factors (difference between expected and actual experience) in the measurement of the respective pension plan's total pension liability are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension plan from the employer subsequent to the measurement date of net pension liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions and amortized over twelve months. This contribution is included as an increase in the respective pension plan fiduciary net position in the subsequent fiscal year.

G. DEFERRED OUTFLOWS OF RESOURCES FROM CURRENT REFUNDING OR ADVANCE REFUNDING OF DEBT

For the governmental activities, in the government-wide statements, the difference between the reacquisition price (new debt) and the carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and amortized over the shorter of the remaining life of the old debt or the life of the new debt.

H. PROPERTY TAX

All ad valorem taxes levied by the state, county and any municipality in Baldwin County are assessed and collected by the Revenue Commissioner of Baldwin County. The Baldwin County property tax calendar requires the Revenue Commissioner to assess and attach taxes as enforceable liens on property as of September 30 and taxes are due October 1 through December 31. Property taxes not paid by January 1 are considered delinquent. Tax

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

collections received by the County Revenue Commissioner are remitted to the City on a monthly basis. In accordance with implementation of GASB Statement No. 33, revenue is recorded based upon taxes assessed and considered available.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. NET POSITION AND EQUITY CLASSIFICATIONS

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations.
- Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund equity of the governmental fund financial statements is classified as fund balance. In March 2009, GASB adopted a standard that establishes a hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Fund balance is classified into one of the following four components:

- Restricted fund balance – Consists of fund balances with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City’s own laws through its enabling legislation and other provisions of its laws and regulations.
- Committed fund balance – Consists of fund balances that are useable only for specific purposes by formal action of the government’s highest level of decision making authority. The City’s highest level of decision making lies with the Mayor and the members of the governing body. In order to establish, modify or rescind a fund balance commitment, the Mayor and governing body must pass a law by formal action committing the funds, by passage of a resolution.
- Assigned fund balance – Consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself, or (2) a subordinate high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The Mayor and governing body have the power to assign fund balance amounts to specific purposes. The governing body must vote to grant authorization of assigned fund balances to specific purposes.
- Unassigned fund balances – All other fund balances that do not meet the definition of “restricted, committed or assigned fund balances.”

The City considers unrestricted amounts to have been spent when an expenditure is incurred for the purpose for which restricted or unrestricted fund balance is available. The City considers unassigned amounts to have been spent when an expenditure is incurred for the purpose for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 2 CAPITAL ASSETS

Changes in capital assets, during the fiscal year, were as follows:

Governmental Activities	Balance 10/1/2022	Additions	Reclassifications/ Retirements	Balance 9/30/2023
<b>Capital assets not subject to depreciation</b>				
Land	\$ 14,604,146	\$ -	\$ -	\$ 14,604,146
Construction in progress	5,396,096	344,662	(1,312,175)	4,428,583
	<u>20,000,242</u>	<u>344,662</u>	<u>(1,312,175)</u>	<u>19,032,729</u>
<b>Capital assets subject to depreciation</b>				
Buildings and improvements	15,067,629	1,814,450	-	16,882,079
Streets and drainage	10,556,263	408,551	-	10,964,814
Equipment and vehicles	6,562,440	537,570	(28,022)	7,071,988
Total	<u>32,186,332</u>	<u>2,760,571</u>	<u>(28,022)</u>	<u>34,918,881</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(3,001,628)	(403,784)	-	(3,405,412)
Streets and drainage	(2,141,826)	(231,605)	-	(2,373,431)
Equipment and vehicles	(2,803,098)	(813,111)	28,022	(3,588,187)
Total accumulated depreciation	<u>(7,946,552)</u>	<u>(1,448,500)</u>	<u>28,022</u>	<u>(9,367,030)</u>
Capital assets subject to depreciation, net	<u>24,239,780</u>	<u>1,312,071</u>	<u>-</u>	<u>25,551,851</u>
 Total capital assets, net	 <u>\$ 44,240,022</u>	 <u>\$ 1,656,733</u>	 <u>\$ (1,312,175)</u>	 <u>\$ 44,584,580</u>
 Depreciation was charged to governmental activities as follows:				
General government				\$ 466,510
Capital projects				180,734
Building				29,888
Fire				497,630
Police				217,061
Public works				56,677
Total				<u>\$ 1,448,500</u>

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 3 LONG TERM DEBT

The City has the following general obligation debt outstanding at September 30, 2023:

General obligation refunding warrants 2014A dated January 15, 2014, at fixed interest rate of 2.86%, payable monthly, principal payable February 15, 2014 through December 15, 2028.	\$ 2,897,144
General obligation warrant, 2012 dated October 19, 2012, at a fixed interest rate of 2.29%, payable semi-annually, principal payable October 15, 2015 through October 15, 2027.	1,923,077
General obligation warrant, 2021-CWSRF-DL (Partial Principal Forgiveness Loan), dated January 1, 2021, at a per annum rate interest rate of 2.20%, payable semi-annually, principal payable in annual installments from February 15, 2022 through February 15, 2041.	230,000
General obligation warrants 2023 dated May 17, 2023, at fixed interest rate of 4.40%, payable semi-annually, principal payable in annual installments from May 1, 2024 through May 1, 2043.	15,000,000
	<u>\$ 20,050,221</u>

The changes in general long term debt during the fiscal year were:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due Within One Year
General Obligation					
Warrants	\$ 5,940,542	\$ 15,000,000	\$ 890,321	\$ 20,050,221	\$ 1,387,888
Net pension liability	907,171	1,800,139	-	2,707,310	-
Obligations under capital lease	98,715	-	22,327	76,388	22,871
Total	<u>\$ 6,946,428</u>	<u>\$ 16,800,139</u>	<u>\$ 912,648</u>	<u>\$ 22,833,919</u>	<u>\$ 1,410,759</u>

The following is a summary of the debt service requirements to maturity as of September 30, 2023, including interest payments:

September 30,	Principal	Interest	Total
2024	\$ 1,387,888	\$ 755,243	\$ 2,143,131
2025	1,423,929	736,173	2,160,102
2026	1,461,334	689,618	2,150,952
2027	1,500,156	641,646	2,141,802
2028	1,540,452	592,200	2,132,652
2029-2033	3,526,231	2,463,315	5,989,546
2034-2038	4,132,723	1,668,861	5,801,584
2039-2043	5,077,508	685,986	5,763,494
Total	<u>\$ 20,050,221</u>	<u>\$ 8,233,042</u>	<u>\$ 28,283,263</u>

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 4 CAPITAL LEASES

As of September 30, 2023, the City has one capital lease obligation through one bank for the purchase of a stormwater camera. Total minimum lease payments are as follows:

Year	Total
2024	\$ 24,460
2025	24,460
2026	24,460
2027	6,115
Total minimum lease payments	79,495
Less amount representing interest	(3,107)
Present value of minimum lease payments	<u>\$ 76,388</u>

The assets acquired through outstanding capital leases are shown below.

	Total
Buildings	\$ 115,111
Less: accumulated depreciation	(20,144)
Total	<u>\$ 94,967</u>

NOTE 5 PENSION PLAN

Plan Description

The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

The ERS Board of Control consists of 15 trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

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

*Benefits Provided*

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

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

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

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

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 608 employers adopted Act 2019-132 as of September 30, 2022.

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

The ERS serves approximately 886 local participating employers. The ERS membership includes approximately 108,890 participants. As of September 30, 2022, membership consisted of:

	<u>Number</u>
Retired members or their beneficiaries currently receiving benefits	11
Vested inactive members	4
Non-vested inactive members	25
Active members	<u>70</u>
Total	<u><u>110</u></u>

*Contributions*

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

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

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with additional amounts to finance any unfunded accrued liability, the preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2023 the City's active employee contribution rate was 5% for Tier 1 – Regular, 6% for Tier 1 – FLC, 7.5% for Tier 2 – Regular and 8.5% for Tier 2 - FLC of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 7.12% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2023, was 8.53% of pensionable pay for Tier 1 employees, and 6.45% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2020, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$549,665 for the year ended September 30, 2023.

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

*Net Pension Liability*

The City's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2021, rolled forward to September 30, 2022, using standard roll-forward techniques as shown in the following table:

	<u>Expected</u>	<u>Actual Before Plan Changes</u>	<u>Actual After Plan Changes</u>
(a) Total Pension Liability as of September 30, 2021	\$ 7,388,000	\$ 7,694,635	\$ 7,699,410
(b) Discount rate	7.45%	7.45%	7.45%
(c) Entry Age Normal Cost for the period October 1, 2021 to September 30, 2022	389,499	389,499	389,709
(d) Transfers Among Employers:	-	(34,669)	(34,669)
(e) Actual Benefit Payments and Refunds for the period October 1, 2021 to September 30, 2022	<u>(391,178)</u>	<u>(391,178)</u>	<u>(391,178)</u>
(f) Total Pension Liability as of September 30, 2022 [(a) x (1+(b))] + (c) + (d) + [(e) x (1/.05*(b))]	<u>\$ 7,922,156</u>	<u>\$ 8,216,966</u>	<u>\$ 8,222,307</u>
(g) Difference between Expected and Actual		\$ 294,810	
(h) Less Liability Transferred for Immediate Recognition:		<u>(34,669)</u>	
(i) Difference between Expected and Actual - Experience (Gain)/Loss		<u>\$ 329,479</u>	
(j) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			<u>\$ 5,341</u>

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

*Actuarial Assumptions* - The total pension liability in the September 30, 2022, was determined on the annual actuarial funding valuation reported prepared as of September 30, 2021. The key actuarial assumptions are summarized below:

Inflation	2.50%
Projected salary increase	3.25% - 6.00% for State and Local Employees and 4.00% - 7.75% for State Police, including inflation
Investment rate of return*	7.45%
*Net of pension plan investment expense	

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

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

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 20, 2020.

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	15.0%	2.8%
U.S. Large Stocks	32.0%	8.0%
U.S. Mid Stocks	9.0%	10.0%
U.S. Small Stocks	4.0%	11.0%
Inter'ntl Developed Mkt Stks	12.0%	9.5%
Inter'ntl Emerging Mkt Stks	3.0%	11.0%
Alternatives	10.0%	9.0%
Real Estate	10.0%	6.5%
Cash	5.0%	1.5%

\*Includes assumed rate of inflation of 2.0%

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

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2021	\$ 7,388,000	\$ 6,299,494	\$ 1,088,506
Changes for the year:			
Service cost	389,499	-	389,499
Interest	535,835	-	535,835
Changes of benefit terms	5,341		5,341
Changes of assumptions	-	-	-
Differences between expected and actual experience	329,479	-	329,479
Contributions - employer	-	203,925	(203,925)
Contributions - employee	-	244,507	(244,507)
Net investment income	-	(807,082)	807,082
Benefit payments, including refunds of employee contributions	(391,178)	(391,178)	-
Administrative expense	-	-	-
Transfers among employers	(34,669)	(34,669)	-
Net Changes	<u>834,307</u>	<u>(784,497)</u>	<u>1,618,804</u>
Balances at September 30, 2022	<u><u>\$ 8,222,307</u></u>	<u><u>\$ 5,514,997</u></u>	<u><u>\$ 2,707,310</u></u>

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

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
Net pension liability	<u>\$ 3,868,949</u>	<u>\$ 2,707,310</u>	<u>\$ 1,744,612</u>

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2022. The supporting actuarial information is included in the GASB Statement No. 68 Report for the RSA prepared as of September 30, 2022. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

CITY OF SPANISH FORT, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023

NOTE 5 PENSION PLAN (CONTINUED)

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

For the year ended September 30, 2023, the City recognized pension expense of \$549,665. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 773,255	\$ 66,023
Changes of assumptions	422,086	-
Net difference between projected and actual earnings on plan investments	659,818	-
Employer contributions subsequent to measurement date *	279,978	-
Total	<u>\$ 2,135,137</u>	<u>\$ 66,023</u>

\* \$279,978 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending September 30,	
2024	\$ 389,845
2025	339,817
2026	298,155
2027	428,180
2028	139,033
Thereafter	194,106
	<u>\$ 1,789,136</u>

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 6 RISK MANAGEMENT AND CONTINGENCIES

Various lawsuits are pending against the City. City management believes that the potential adverse impact of these claims is mitigated by insurance and will not be material to the financial statements of the City.

The City receives Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. City management believes such disallowances, if any, will be immaterial.

NOTE 7 SUBSEQUENT EVENTS

The City has evaluated subsequent events through April 17, 2024, the date which the financial statements were available to be issued. There were no material subsequent events which require disclosure at September 30, 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF SPANISH FORT, ALABAMA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Local taxes	\$ 7,677,439	\$ 7,677,439	\$ 8,277,603	\$ 600,164
Licenses, permits and fees	1,376,300	1,376,300	1,575,803	199,503
Fines	192,000	192,000	225,929	33,929
State of Alabama	125,100	125,100	151,497	26,397
Grants	1,997,500	1,997,500	484,883	(1,512,617)
Other revenues	357,123	357,123	626,502	269,379
TOTAL REVENUES	11,725,462	11,725,462	11,342,217	(383,245)
EXPENDITURES				
General government	3,803,705	3,803,705	2,426,996	(1,376,709)
Building department	406,270	406,270	313,459	(92,811)
Police department	2,979,533	2,979,533	3,240,841	261,308
Public works	698,304	698,304	500,000	(198,304)
Library department	297,846	297,846	288,615	(9,231)
Senior Center	66,878	66,878	64,285	(2,593)
Fire department	-	-	1,801,340	1,801,340
Contributions	-	-	115,177	115,177
Capital outlays	5,904,630	5,904,630	1,078,382	(4,826,248)
Debt service	1,088,000	1,088,000	625,947	(462,053)
TOTAL EXPENDITURES	15,245,166	15,245,166	10,455,042	(4,790,124)
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES BEFORE OTHER FINANCING SOURCES (USES)	(3,519,704)	(3,519,704)	887,175	4,406,879
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	-	(434,061)	(434,061)
Total other financing sources (uses)	-	-	(434,061)	(434,061)
NET CHANGE IN FUND BALANCE	\$ (3,519,704)	\$ (3,519,704)	453,114	\$ 3,972,818
Fund Balance, beginning of year			17,272,656	
FUND BALANCE, END OF YEAR			\$ 17,725,770	

See independent auditors' report and note to budgetary comparison schedule.

CITY OF SPANISH FORT, ALABAMA

NOTE TO BUDGETARY COMPARISON SCHEDULE

SEPTEMBER 30, 2023

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Each September the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. Line item budgets are used for administrative control. The level of control for the detailed budgets is at the function level.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) The budget is legally enacted through passage of a resolution.
- (4) Reports are submitted to the City Council showing approved budget and actual operations.
- (5) The Mayor is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures must be approved by the City Council.
- (6) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

CITY OF SPANISH FORT, ALABAMA

SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY

LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

<b>Total pension liability</b>	2022	2021	2020
Service cost	\$ 389,499	\$ 191,457	\$ 173,590
Interest	535,835	404,944	387,902
Changes of benefit terms	5,341	180,162	-
Differences between expected and actual experience	329,479	398,287	(129,666)
Changes of assumptions	-	347,547	-
Benefit payments, including refunds of employee contributions	(391,178)	(224,767)	(253,437)
Transfer among employees	(34,669)	(54,564)	28,595
<b>Net change in total pension liability</b>	834,307	1,243,066	206,984
<b>Total pension liability- beginning</b>	6,614,460	5,371,394	5,164,410
<b>Prior Fire Department liability from RSA included in City's after merger</b>	773,540	-	-
<b>Total pension liability- ending (a)</b>	<u>\$ 8,222,307</u>	<u>\$ 6,614,460</u>	<u>\$ 5,371,394</u>
<b>Plan fiduciary net position</b>			
Contributions- employer	\$ 203,925	\$ 147,244	\$ 125,667
Contributions- member	244,507	150,917	152,200
Net investment income	(807,082)	1,035,379	250,086
Benefit payments, including refunds of employee	(391,178)	(224,767)	(253,437)
Transfers among employers	(34,669)	(54,564)	28,595
<b>Net change in plan fiduciary net position</b>	(784,497)	1,054,209	303,111
<b>Plan net position- beginning</b>	5,707,289	4,653,080	4,349,969
<b>Prior Fire Department net position from RSA included in City's after merger</b>	592,205	-	-
<b>Plan net position- ending (b)</b>	<u>\$ 5,514,997</u>	<u>\$ 5,707,289</u>	<u>\$ 4,653,080</u>
<b>Net pension liability (asset)- ending (a) - (b)</b>	\$ 2,707,310	\$ 907,171	\$ 718,314
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.07%	86.29%	86.63%
<b>Covered-employee payroll *</b>	\$ 2,719,564	\$ 2,486,586	\$ 2,111,352
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	99.55%	36.48%	34.02%

\*Employer's covered payroll during the measurement period is the total covered payroll. For FY 2023 the measurement period is October 1, 2021 - September 30, 2022. GASB issued a Statement "Pension Issues" in March 2016 to redefine covered payroll for FY 2017.

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditors' report.

2019	2018	2017	2016	2015	2014
\$ 179,680	\$ 181,308	\$ 180,401	\$ 156,891	\$ 138,724	\$ 146,624
355,905	319,980	281,739	242,829	216,441	193,855
-	-	-	-	-	-
64,297	71,064	126,451	30,239	43,112	-
-	30,170	-	220,075	-	-
(188,000)	(74,716)	(72,633)	(83,882)	(52,971)	(63,336)
36,384	22,209	(21,485)	28,202		
448,266	550,015	494,473	594,354	345,306	277,143
4,716,144	4,166,129	3,671,656	3,077,302	2,731,996	2,454,853
-	-	-	-	-	-
<u>\$ 5,164,410</u>	<u>\$ 4,716,144</u>	<u>\$ 4,166,129</u>	<u>\$ 3,671,656</u>	<u>\$ 3,077,302</u>	<u>\$ 2,731,996</u>
\$ 120,746	\$ 105,373	\$ 116,650	\$ 106,559	\$ 96,150	\$ 91,797
212,621	141,459	197,979	104,143	88,741	83,111
106,627	335,818	388,331	262,967	28,538	244,167
(188,000)	(74,716)	(72,633)	(83,882)	(52,971)	(63,336)
36,384	22,209	(21,485)	28,202	9,237	-
288,378	530,143	608,842	417,989	169,695	355,739
4,061,591	3,531,448	2,922,606	2,504,617	2,334,922	1,979,183
-	-	-	-	-	-
<u>\$ 4,349,969</u>	<u>\$ 4,061,591</u>	<u>\$ 3,531,448</u>	<u>\$ 2,922,606</u>	<u>\$ 2,504,617</u>	<u>\$ 2,334,922</u>
\$ 814,441	\$ 654,553	\$ 634,681	\$ 749,050	\$ 572,685	\$ 397,074
84.23%	86.12%	84.77%	79.60%	81.39%	85.47%
\$ 1,957,253	\$ 1,892,593	\$ 1,860,752	\$ 1,824,951	\$ 1,562,554	\$ 1,562,554
41.61%	34.58%	34.11%	41.04%	36.65%	25.41%

CITY OF SPANISH FORT, ALABAMA

SCHEDULES OF EMPLOYER CONTRIBUTIONS

LAST 10 FISCAL YEARS ENDING SEPTEMBER 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution*	\$ 279,978	\$ 157,342	\$ 147,244	\$ 125,667	\$ 127,988	\$ 112,375	\$ 114,011	\$ 106,555	\$ 96,055
Contributions in relation to the actuarially determind contribution*	279,978	157,342	147,244	125,667	127,988	112,375	114,011	106,555	96,055
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll**	\$ 4,092,225	\$ 2,719,564	\$ 2,486,586	\$ 2,111,352	\$ 1,957,253	\$ 1,892,593	\$ 1,860,752	\$ 1,824,951	\$ 1,562,554
Contributions as a percentage of covered- employee payroll	6.84%	5.79%	5.92%	5.95%	6.54%	5.94%	6.13%	5.84%	6.15%

\* The amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12-month period of the underlying financial statement.

\*\*Employer's covered payroll for FY2023 is the total covered payroll for the 12-month period of the underlying financial statements.

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year 2023 were based on the September 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	17.6 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25- 5.00 %, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

## **COMPLIANCE AND INTERNAL CONTROL SECTION**



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members  
of the City Council  
City of Spanish Fort, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Spanish Fort, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Spanish Fort, Alabama's basic financial statements, and have issued our report thereon dated April 17, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Spanish Fort, Alabama's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Spanish Fort, Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Spanish Fort, Alabama's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Spanish Fort, Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants

April 17, 2024  
Fairhope, Alabama

THE COOPERATIVE DISTRICT OF THE CITY OF  
SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2023

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cooperative District of the  
City of Spanish Fort  
Highway 98 Public Facilities  
Spanish Fort, Alabama

### **Opinions**

We have audited the accompanying financial statements of the governmental activities of The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibility**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Cooperative District of the City of Spanish Fort – Highway 98 Public Facilities' ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### *Required Supplementary Information*

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

Certified Public Accountants

April 17, 2024  
Fairhope, Alabama

## **BASIC FINANCIAL STATEMENTS**

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

**ASSETS**

Investments	\$ 1,236,260
Receivables	61,043
Capital assets, net	<u>15,398,010</u>
Total assets	<u><u>\$ 16,695,313</u></u>

**LIABILITIES**

Accrued expenses	\$ 544,364
Long-term liabilities	
Due within one year	425,829
Due in more than one year, net	<u>24,909,171</u>
Total liabilities	<u>25,879,364</u>

**NET POSITION**

Net investment in capital assets	(9,936,990)
Restricted for:	
Debt service	<u>752,939</u>
Total net position	<u>(9,184,051)</u>
Total liabilities and net position	<u><u>\$ 16,695,313</u></u>

See independent auditors' report and notes to the financial statements.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES

Charges for services- district license fees	\$ 2,043,513
General revenues- investment earnings	41,325
Total revenues	<u>2,084,838</u>

GENERAL GOVERNMENTAL EXPENSES

Depreciation	472,869
General expenses	27,943
Interest expense	1,609,680
Total general governmental expenses	<u>2,110,492</u>

Change in net position	(25,654)
------------------------	----------

Net position, beginning of year	<u>(9,158,397)</u>
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Net position, end of year	<u><u>\$ (9,184,051)</u></u>
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See independent auditors' report and notes to the financial statements.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

FUND BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

ASSETS

Investments	\$ 1,236,260
Receivables	<u>61,043</u>

TOTAL ASSETS	<u>\$ 1,297,303</u>
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FUND BALANCES

Fund Balance - restricted for:	
Debt service	<u>\$ 1,297,303</u>

TOTAL FUND BALANCES	<u>\$ 1,297,303</u>
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See independent auditors' report and notes to the financial statements.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 2023

<b>Fund balances as reported on page 4</b>	<b>\$ 1,297,303</b>
Net Position reported for governmental activities in the Statement of Net Position (page 2) are different from Fund Balances for governmental activities because:	
Capital assets used in governmental activities are financial resources and are not reported in fund financial financial statements	22,507,035
Depreciation is provided for the above capital assets in government-wide reporting, but not in fund financials statements	(7,109,025)
Long-term liabilities are not due and payable in the current period and are not reported in fund financial statements	(25,335,000)
Accrued interest payable is not due and payable in the current period and therefore not reported in fund financial statements	<u>(544,364)</u>
<b>Net Position of Governmental Activities as reported on page 2</b>	<b><u><u>\$ (9,184,051)</u></u></b>

See independent auditors' report and notes to the financial statements.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

REVENUES	
License fees	\$ 2,043,513
Interest income	41,325
Total revenues	<u>2,084,838</u>
EXPENDITURES	
General government	27,943
Debt service	
Principal	495,000
Interest	1,618,154
Total expenditures	<u>2,141,097</u>
EXCESS OF REVENUES OVER (UNDER)	
EXPENDITURES	(56,259)
NET CHANGE IN FUND BALANCES	(56,259)
Fund balances, beginning of year	<u>1,353,562</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,297,303</u>

See independent auditors' report and notes to the financial statements.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Net change in fund balances - total governmental funds, page 6** \$ (56,259)

Amounts reported for governmental activities in the Statement of Activities are different from the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets.

Depreciation (472,869)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal payments on long term debt 495,000

Accrued interest expense is not due and payable in the current period and therefore not reported in fund financial statements

8,474

**Change in Net Position of Governmental Activities, page 3** \$ (25,654)

See independent auditors' report and notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cooperative District of the City of Spanish Fort- Highway 98 Public Facilities, (the District), was incorporated on March 9, 2007. The District operates under an agreement with The Spanish Fort Redevelopment Authority, (the Authority), and the City of Spanish Fort, Alabama. The Authority has a board of directors appointed by the Mayor of the City of Spanish Fort.

The District approved a percentage of certain taxes collected by the City in the Cooperative District to be remitted monthly from the City to the District (1.5% of sales taxes).

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to municipal governments. The following is a summary of the more significant policies.

A. REPORTING ENTITY

The financial statements of the District have been prepared in conformity with the accounting principles generally accepted in the United States of America as specified by the Governmental Accounting Standards Board (GASB). In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the District prepares and presents financial information. The Statement was developed to make annual reports easier to understand and more useful to the people who use government financial information to make decisions.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND LEVEL

The basic financial statements include government-wide and fund financial statements. The previous reporting model emphasized fund types, while the new model focuses on the District as a whole and major funds. Government-wide and fund financial statements categorize primary activities as governmental or business type.

Government-wide

Government-wide financial statements (statement of net position and statement of activities) report information on all activities of the District. The statement of net position, is (a) presented on a consolidated basis, and (b) reflects, full accrual accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The statement of activities reflects the degree to which direct expenses are offset by program revenues and then presents general revenues (license fees and investment earnings) to support remaining direct and indirect expenses.

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Level

The governmental fund level financial statements are presented on a current financial resource and modified accrual basis of accounting. Since governmental fund level financial statements are presented on a different basis of accounting and measurement focus than governmental activities in the government-wide presentation, a summary is presented to explain adjustments necessary to reconcile fund level statements to the government-wide presentation.

A single General Fund is used to account for all revenues and expenditures applicable to the general operations of the District.

C. CAPITAL ASSETS

In government-wide reporting, all capital assets are reported as capital assets. The District has not established a minimum capitalization threshold at this time. Depreciation is provided on all capital assets at the government-wide level.

In fund level reporting, capital assets are reported as expenditures by governmental funds.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

All assets relating to the construction in the District are considered assets of the District. The Warrant documents specifically state that all infrastructure be maintained by the District, thus giving full ownership of those assets to the District.

Depreciation is allocated as an expense in the Statement of Activities (government-wide level) and accumulated depreciation is reflected in the Statement of Net Position (government-wide level). Depreciation has been provided over the estimated useful lives using the straight-line rates as follows:

Streets and Drainage	40 years
Electrical Components	40 years
Landscaping	15 years
Traffic Equipment	15 years

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (current and noncurrent) are included in the statement of net position and the operating statements present the changes in total net position. Accrual basis accounting recognizes revenues when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are presented using current financial resources measurement focus and are accounted for under the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual, when they become both "measurable" and "available" to finance expenditures of the current period. License fees collected by an intermediary are considered "measurable" when in the hand of the intermediary collecting governments and may be recognized as revenue at that time. Expenditures other than interest on general long-term debt are recorded at the time liabilities are incurred. Revenues susceptible to accrual are those which are measurable and available to finance expenditures of the current period.

E. IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Recently Issued and Adopted Accounting Principles

GASB Statement No. 86, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) note disclosures regarding a SBITA. The requirements of GASB Statement No. 96 are effective for the fiscal year 2023. The District implemented GASB 96 in fiscal year 2023 with no significant impact to its financial statements.

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Principles

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, was issued to define *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes, along with the accounting, reporting, and disclosures relating to these changes. The requirements of GASB Statement No. 100 are effective for the reporting periods beginning after June 15, 2023. The District is currently evaluating the impact that this statement may have on its financial statements.

F. DEBT ISSUE COST

In the government-wide financial statements, bond discounts and premiums are deferred and amortized over the term of the bonds using the bonds outstanding method. Bond discounts and premiums are presented as a reduction or addition to the face amount of the bonds payable whereas issuance costs are expensed as incurred. Deferred losses associated with the issuance of long-term debt are presented as Deferred Outflows of Resources and are amortized on the straight-line method over the term of the bond.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. NET POSITION AND EQUITY CLASSIFICATIONS

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) the District's own laws through its enabling legislation and other provisions of its laws and regulations.
- Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund equity of the governmental fund financial statements is classified as fund balance.

Fund balance is classified into one of the following four components:

- Restricted fund balance - Consists of fund balances with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the District's own laws through its enabling legislation and other provisions of its laws and regulations.
- Committed fund balance - Consists of fund balances that are useable only for specific purposes by formal action of the government's highest level of decision making authority. The District's highest level of decision making lies with the board. In order to establish, modify or rescind a fund balance commitment, the board must pass a law by formal action committing the funds, by passage of a resolution.
- Assigned fund balance - Consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself, or (2) a subordinate high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The District has the power to assign fund balance amounts to specific purposes. The District must vote to grant authorization of assigned fund balances to specific purposes.
- Unassigned fund balance - All other fund balances that do not meet the definition of "restricted, committed or assigned fund balances."

The District considers restricted fund balances to have been spent when both restricted and unrestricted fund balances are available. Also, the District considers assigned and committed fund balances to have been spent when unassigned or unrestricted amounts are available.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 2 CAPITAL ASSETS

Changes in the District's capital assets are as follows at September 30, 2023:

<u>Governmental Activities</u>	<u>Balance 10/1/22</u>	<u>Additions</u>	<u>Reclassifications/ Retirements</u>	<u>Balance 9/30/23</u>
<b>Capital assets not subject to depreciation</b>				
Land	\$ 3,592,293	\$ -	\$ -	\$ 3,592,293
<b>Capital assets subject to depreciation</b>				
Infrastructure	18,914,742	-	-	18,914,742
<b>Less accumulated depreciation</b>				
Infrastructure	<u>(6,636,156)</u>	<u>(472,869)</u>	<u>-</u>	<u>(7,109,025)</u>
Capital assets, net	<u>\$ 15,870,879</u>	<u>\$ (472,869)</u>	<u>\$ -</u>	<u>\$ 15,398,010</u>
Depreciation was charged to governmental activities as follows:				
General government				<u>\$ 472,869</u>

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 3 LONG TERM DEBT

The District has the following general obligation debt outstanding at September 30, 2023:

Public Improvement Revenue Bond, Series 2018  
(\$27,170,000) dated October 30, 2018, interest rate  
of 6.30%, payable semi-annually, principal payable  
December 1, 2019 through December 1, 2048 \$ 25,335,000

The changes in general long term debt during the fiscal year were:

	Balance 10/1/22	Additions	Reductions	Balance 9/30/23	Due within One Year
General Obligation Warrants	<u>\$ 25,830,000</u>	<u>\$ -</u>	<u>\$ 495,000</u>	<u>\$ 25,335,000</u>	<u>\$ 425,829</u>

Maturities of long term debt including estimated interest are:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 425,829	\$ 1,612,992	\$ 2,038,821
2025	453,078	1,585,742	2,038,820
2026	482,072	1,556,748	2,038,820
2027	512,921	1,525,899	2,038,820
2028	545,744	1,493,077	2,038,821
2029-2033	3,299,467	7,093,076	10,392,543
2034-2038	4,499,208	5,965,492	10,464,700
2039-2043	6,135,196	4,427,898	10,563,094
2044-2048	8,366,055	2,331,210	10,697,265
2049	615,430	31,131	646,561
Total	<u>\$ 25,335,000</u>	<u>\$ 27,623,265</u>	<u>\$ 52,958,265</u>

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 4 DEPOSIT AND INVESTMENT RISK

At September 30, 2023, the District had investments in U.S. Treasury money market mutual funds through its trustee agreement for debt service. The fair value of the investments as of September 30, 2023 was \$1,236,260.

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

**Credit Risk** - State statutes authorize the District's investments. The District is authorized to invest in U.S. Government obligations and its agencies or instrumentalities; direct obligations of the state, SEC registered mutual funds holding like securities. The District has no investment policy that further limits investment choices. The District's mutual fund investments were rated AAA by Standard & Poor's.

**Custodial Credit Risk** - The District may participate in the Security for Alabama Funds Enhancement (SAFE) Program, a multiple financial institution collateral pool, administered by the State of Alabama. The program, by law, provides administration of pledged collateral coverage for all governments and agencies in the state and requires qualified financial institutions to provide collateral to the administrator adequate to secure all deposits of public funds in that financial institution. The State guarantees deposits identified as "public funds" will be adequately secured by insurance or collateral. Any collateral shortages of one financial institution are assessed to other member financial institutions.

NOTE 5 FAIR VALUE DISCLOSURES

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation input used to measure as asset's fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at September 30, 2023:

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 98 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 5 FAIR VALUE DISCLOSURES (CONTINUED)

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasuries Money Market	\$ 1,236,260	\$ 1,236,260	\$ -	\$ -
	<u>\$ 1,236,260</u>	<u>\$ 1,236,260</u>	<u>\$ -</u>	<u>\$ -</u>

Debt securities categorized as Level 1 are based on prices quoted in active markets for those securities. There are no Level 2 or 3 investments.

NOTE 6 SUBSEQUENT EVENTS

The District board has evaluated subsequent events through April 17, 2024, the date which the financial statements were available to be issued. There were no material subsequent events identified which require disclosure at September 30, 2023.

THE COOPERATIVE DISTRICT OF THE CITY OF  
SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2023

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cooperative District of the  
City of Spanish Fort  
Highway 181 Public Facilities  
Spanish Fort, Alabama

### **Opinions**

We have audited the accompanying financial statements of the governmental activities of The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibility**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Cooperative District of the City of Spanish Fort – Highway 181 Public Facilities' ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### *Required Supplementary Information*

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

Certified Public Accountants

April 17, 2024  
Fairhope, Alabama

## **BASIC FINANCIAL STATEMENTS**

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

**ASSETS**

Investments	\$ 1,939,092
Receivable	123,375
Capital assets, net	<u>11,740,700</u>
Total assets	<u><u>\$ 13,803,167</u></u>

**NET POSITION**

Net investment in capital assets	\$ 11,740,700
Unrestricted	<u>2,062,467</u>
Total net position	<u><u>\$ 13,803,167</u></u>

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**REVENUES**

Charges for services- district license fees	\$ 1,629,931
Interest	69,424
Total revenues	<u>1,699,355</u>

**GENERAL GOVERNMENTAL EXPENSES**

Depreciation	313,969
Trustee and professional fees	8,118
General expenses	647
Total general governmental expenses	<u>322,734</u>

Change in net position	1,376,621
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Net position, beginning of year	<u>12,426,546</u>
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<b>Net position, end of year</b>	<u><u>\$ 13,803,167</u></u>
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THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

FUND BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

**ASSETS**

Investments	\$ 1,939,092
Receivables	<u>123,375</u>

**TOTAL ASSETS**

\$ 2,062,467

**FUND BALANCES**

Fund Balance - unassigned	<u>\$ 2,062,467</u>
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**TOTAL FUND BALANCES**

\$ 2,062,467

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 2023

<b>Fund balances as reported on page 4</b>	<b>\$ 2,062,467</b>
Net Position reported for governmental activities in the Statement of Net Position (page 2) are different from Fund Balances for governmental activities because:	
Capital assets used in governmental activities are financial resources and are not reported in fund financial financial statements	18,859,053
Depreciation is provided for the above capital assets in government-wide reporting, but not in fund financial statements	<u>(7,118,353)</u>
<b>Net Position of Governmental Activities as reported on page 2</b>	<b><u><u>\$ 13,803,167</u></u></b>

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**REVENUES**

License fees	\$ 1,629,931
Interest	69,424
Total Revenue	<u>1,699,355</u>

**EXPENDITURES**

Capital outlay	3,233,004
Utility expense	647
General government	8,118
Total expenditures	<u>3,241,769</u>

NET CHANGE IN FUND BALANCES (1,542,414)

Fund balances, beginning of year 3,604,881

**FUND BALANCES, END OF YEAR** \$ 2,062,467

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

<b>Net change in fund balances - total governmental funds, page 6</b>	<b>\$ (1,542,414)</b>
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Amounts reported for governmental activities in the Statement of Activities are different from the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets.

Capital outlays	3,233,004
Depreciation	<u>(313,969)</u>

<b>Change in Net Position of Governmental Activities, page 3</b>	<b><u><u>\$ 1,376,621</u></u></b>
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## **NOTES TO THE FINANCIAL STATEMENTS**

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cooperative District of the City of Spanish Fort - Highway 181 Public Facilities, (the District), was incorporated on July 31, 2003. The District operates under an agreement with The Commercial Development Authority of the City of Spanish Fort, (the Authority), and the City of Spanish Fort, Alabama. The Authority has a board of directors appointed by the Mayor of the City of Spanish Fort.

The District approved a percentage of certain taxes collected by the City in the Cooperative District to be remitted monthly from the City to the District (1.5% of sales taxes).

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to municipal governments. The following is a summary of the more significant policies.

A. REPORTING ENTITY

The financial statements of the District have been prepared in conformity with the accounting principles generally accepted in the United States of America as specified by the Governmental Accounting Standards Board (GASB). In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the District prepares and presents financial information. The Statement was developed to make annual reports easier to understand and more useful to the people who use government financial information to make decisions.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND LEVEL

The basic financial statements include government-wide and fund financial statements. The previous reporting model emphasized fund types, while the new model focuses on the District as a whole and major funds. Government-wide and fund financial statements categorize primary activities as governmental or business type.

Government-wide

Government-wide financial statements (statement of net position and statement of activities) report information on all activities of the District. The statement of net position, is (a) presented on a consolidated basis, and (b) reflects, full accrual accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The statement of activities reflects the degree to which direct expenses are offset by program revenues and then presents general revenues (license fees and investment earnings) to support remaining direct and indirect expenses.

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Level

The governmental fund level financial statements are presented on a current financial resource and modified accrual basis of accounting. Since governmental fund level financial statements are presented on a different basis of accounting and measurement focus than governmental activities in the government-wide presentation, a summary is presented to explain adjustments necessary to reconcile fund level statements to the government-wide presentation.

A single General Fund is used to account for all revenues and expenditures applicable to the general operations of the District.

C. CAPITAL ASSETS

In government-wide reporting, all capital assets are reported as capital assets. The District has not established a minimum capitalization threshold at this time. Depreciation is provided on all capital assets at the government-wide level.

In fund level reporting, capital assets are reported as expenditures by governmental funds.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

All assets relating to the construction in the District are considered assets of the District. The Warrant documents specifically state that all infrastructure be maintained by the District, thus giving full ownership of those assets to the District. All payments made by the City for those assets have been treated as contributions to the District.

Depreciation is allocated as an expense in the Statement of Activities (government-wide level) and accumulated depreciation is reflected in the Statement of Net Position (government-wide level). Depreciation has been provided over the estimated useful lives using the straight line rates as follows:

Streets and Drainage	40 years
Electrical Components	40 years
Landscaping	15 years
Traffic Equipment	15 years

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (current and noncurrent) are included in the statement of net position and the operating statements present the changes in total net position. Accrual basis accounting recognizes revenues when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are presented using current financial resources measurement focus and are accounted for under the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual, when they become both "measurable" and "available" to finance expenditures of the current period. License fees collected by an intermediary are considered "measurable" when in the hand of the intermediary collecting governments and may be recognized as revenue at that time. Expenditures other than interest on general long-term debt are recorded at the time liabilities are incurred. Revenues susceptible to accrual are those which are measurable and available to finance expenditures of the current period.

E. IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Recently Issued and Adopted Accounting Principles

GASB Statement No. 86, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end by (1) defining a SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and (4) note disclosures regarding a SBITA. The requirements of GASB Statement No. 96 are effective for the fiscal year 2023. The District implemented GASB 96 in fiscal year 2023 with no significant impact to its financial statements.

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Principles

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, was issued to define *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes, along with the accounting, reporting, and disclosures relating to these changes. The requirements of GASB Statement No. 100 are effective for the reporting periods beginning after June 15, 2023. The District is currently evaluating the impact that this statement may have on its financial statements.

F. DEBT ISSUE COST

In the government-wide financial statements, bond discounts and premiums are deferred and amortized over the term of the bonds using the bonds outstanding method. Bond discounts and premiums are presented as a reduction or addition to the face amount of the bonds payable whereas issuance costs are expensed as incurred. Deferred losses associated with the issuance of long-term debt are presented as Deferred Outflows of Resources and are amortized on the straight-line method over the term of the bond.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. NET POSITION AND EQUITY CLASSIFICATIONS

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) the District's own laws through its enabling legislation and other provisions of its laws and regulations.
- Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund equity of the governmental fund financial statements is classified as fund balance.

Fund balance is classified into one of the following four components:

- Restricted fund balance - Consists of fund balances with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the District's own laws through its enabling legislation and other provisions of its laws and regulations.
- Committed fund balance - Consists of fund balances that are useable only for specific purposes by formal action of the government's highest level of decision making authority. The District's highest level of decision making lies with the board. In order to establish, modify or rescind a fund balance commitment, the board must pass a law by formal action committing the funds, by passage of a resolution.
- Assigned fund balance - Consists of fund balances that are intended to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself, or (2) a subordinate high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. The District has the power to assign fund balance amounts to specific purposes. The District must vote to grant authorization of assigned fund balances to specific purposes.
- Unassigned fund balance - All other fund balances that do not meet the definition of "restricted, committed or assigned fund balances."

The District considers restricted fund balances to have been spent when both restricted and unrestricted fund balances are available. Also, the District considers assigned and committed fund balances to have been spent when unassigned or unrestricted amounts are available.

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 2 CAPITAL ASSETS

Changes in the District's capital assets are as follows at September 30, 2023:

<u>Governmental Activities</u>	<u>Balance 10/1/22</u>	<u>Additions</u>	<u>Reclassifications/ Retirements</u>	<u>Balance 9/30/23</u>
<b>Capital assets not subject to depreciation</b>				
Land	\$ 1,121,358	\$ -	\$ -	\$ 1,121,358
Construction in progress	792,982	3,233,004	-	4,025,986
Capital assets not depreciated	<u>1,914,340</u>	<u>3,233,004</u>	<u>-</u>	<u>5,147,344</u>
<b>Capital assets subject to depreciation</b>				
Electrical	653,340	-	-	653,340
Landscape	1,070,000	-	-	1,070,000
Streets and drainage	11,905,435	-	-	11,905,435
Traffic equipment	82,934	-	-	82,934
Capital assets subject to depreciation at cost	<u>13,711,709</u>	<u>-</u>	<u>-</u>	<u>13,711,709</u>
<b>Less accumulated depreciation for:</b>				
Electrical	(294,006)	(16,333)	-	(310,339)
Landscape	(1,069,998)	-	-	(1,069,998)
Streets and drainage	(5,357,446)	(297,636)	-	(5,655,082)
Traffic equipment	(82,934)	-	-	(82,934)
Total accumulated depreciation	<u>(6,804,384)</u>	<u>(313,969)</u>	<u>-</u>	<u>(7,118,353)</u>
Capital assets subject to depreciation, net	<u>6,907,325</u>	<u>(313,969)</u>	<u>-</u>	<u>6,593,356</u>
 Total capital assets, net	 <u>\$ 8,821,665</u>	 <u>\$ 2,919,035</u>	 <u>\$ -</u>	 <u>\$ 11,740,700</u>
 Depreciation was charged to governmental activities as follows:				
General Government				<u>\$ 313,969</u>

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 3 DEPOSIT AND INVESTMENT RISK

At September 30, 2023, the District had investments in U. S. Treasury money market mutual funds through its trustee agreement for debt reserve and sinking funds. The fair value was \$1,939,092.

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

**Credit Risk** - State statutes authorize the District's investments. The District is authorized to invest in U.S. Government obligations and its agencies or instrumentalities; direct obligations of the state, SEC registered mutual funds holding like securities. The District has no investment policy that further limits investment choices. The District's mutual fund investments were rated AAA by Standard & Poor's.

**Custodial Credit Risk** - The District may participate in the Security for Alabama Funds Enhancement (SAFE) Program, a multiple financial institution collateral pool, administered by the State of Alabama. The program, by law, provides administration of pledged collateral coverage for all governments and agencies in the state and requires qualified financial institutions to provide collateral to the administrator adequate to secure all deposits of public funds in that financial institution. The State guarantees deposits identified as "public funds" will be adequately secured by insurance or collateral. Any collateral shortages of one financial institution are assessed to other member financial institutions.

NOTE 4 FAIR VALUE DISCLOSURES

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation input used to measure as asset's fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at September 30, 2023:

(continued)

THE COOPERATIVE DISTRICT OF THE  
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE 4 FAIR VALUE DISCLOSURES (CONTINUED)

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasuries Money Market	\$ 1,939,092	\$ 1,939,092	\$ -	\$ -
	<u>\$ 1,939,092</u>	<u>\$ 1,939,092</u>	<u>\$ -</u>	<u>\$ -</u>

Debt securities categorized as Level 1 are based on prices quoted in active markets for those securities. There are no Level 2 or 3 investments.

NOTE 5 SUBSEQUENT EVENTS

The District board has evaluated subsequent events through the date which the financial statements were available to be issued. There were no material subsequent events which require disclosure at September 30, 2023.

# **ORDINANCE NO. 668-2024**

## **AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO MEDIACOM SOUTHEAST, LLC, FOR THE PURPOSE OF MAINTAINING DISTRIBUTION LINES FOR THE PROVISION OF CABLE TELEVISION WITHIN THE PUBLIC RIGHTS-OF-WAY WITHIN THE CITY OF SPANISH FORT, ALABAMA**

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

**SECTION 1.** The City Council of the City of Spanish Fort does hereby grant to Mediacom Southeast, LLC, a Delaware limited liability company, a non-exclusive franchise granting the authority to construct and maintain a distribution lines for the provision of cable television in the City of Spanish Fort, subject to the terms and conditions set forth in the following agreement:

=====

### **FRANCHISE AGREEMENT**

This Franchise Agreement (“Franchise”) is between the City of Spanish Fort, AL, hereinafter referred to as “the Franchising Authority” and Mediacom Southeast LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware, hereinafter referred to as “the Grantee.”

The Franchising Authority hereby acknowledges that the Grantee has substantially complied with the material terms of the current Franchise under applicable law, and that the financial, legal, and technical ability of the Grantee is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community, and having afforded the public adequate notice and opportunity for comment, desires to enter into this Franchise with the Grantee for the construction and operation of a cable system on the terms set forth herein.

### **SECTION 1** **Definition of Terms**

**1.1 Terms.** For the purpose of this Franchise, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

- A. “Basic Cable Service” is the lowest priced tier of Cable Service that includes the retransmission of local broadcast television signals.
- B. “Cable Act” means Title VI of the Cable Act of 1934, as amended.
- C. “Cable Services” shall mean (1) the one-way transmission to Subscribers of (a) video programming, or (b) other programming service, and (2) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.
- D. “Cable System” shall mean the Grantee’s facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple Subscribers within the Service Area.
- E. “FCC” means Federal Communications Commission, or successor governmental entity thereto.
- F. “Franchising Authority” means the City of Spanish Fort, AL.
- G. “Grantee” means Mediacom Southeast LLC, or the lawful successor, transferee, or assignee thereof.

- H. “Gross Revenues” means revenues derived from Basic Cable Services received by Grantee from Subscribers in the Service Area; provided, however, that Gross Revenues shall not include franchise fees, the FCC User Fee or any tax, fee or assessment of general applicability collected by the Grantee from Subscribers for pass-through to a government agency.
- I. “Quarter” means every third month of the calendar year.
- Example: Quarter 1= January through March  
Quarter 2= April through June  
Quarter 3= July through September  
Quarter 4= October through December
- J. “Open Video Services or OVS” means any video programming Services provided to any person by a Franchisee certified by the FCC to operate an Open Video System pursuant to Section 47 U.S.C. 573, as may be amended, regardless of the Facilities used.
- K. “Person” means an individual, partnership, association, joint stock company, trust, corporation, or governmental entity.
- L. “Public Way” shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or rights-of-way dedicated for compatible uses now or hereafter held by the Franchising Authority in the Service Area which shall entitle the Grantee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System.
- M. “Service Area” means the present boundaries of the Franchising Authority, and shall include any additions thereto by annexation or other legal means, subject to the exceptions in subsection 3.9.
- N. “Standard Installation” is defined as 125 feet from the nearest tap to the Subscriber’s terminal.
- O. “Subscriber” means a Person who lawfully receives Cable Service of the Cable System with the Grantee’s express permission.

## **SECTION 2**

### **Grant of Franchise**

**2.1 Grant.** The Franchising Authority hereby grants to the Grantee a nonexclusive Franchise which authorizes the Grantee to construct and operate a Cable System in, along, among, upon, across, above, over, under, or in any manner connected with Public Ways within the Service Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in, on, over, under, upon, across, or along any Public Way such facilities and equipment as may be necessary or appurtenant to the Cable System for the transmission and distribution of Cable Services, data services, information and other communications services or for any other lawful purposes.

**2.2 Other Ordinances.** The Grantee agrees to comply with the terms of any lawfully adopted generally applicable local ordinance, to the extent that the provisions of the ordinance do not have the effect of limiting the benefits or expanding the obligations of the Grantee that are granted by this Franchise. Neither party may unilaterally alter the material rights and obligations set forth in this Franchise. In the event of a conflict between any ordinance and this Franchise, the Franchise shall control.

**2.3 Other Authorizations.** The Franchising Authority shall not permit any person to provide services similar to those provided by the Grantee in the Service Area without first having secured a non-exclusive franchise from the Franchising Authority. The Franchising Authority agrees that any grant of additional franchises or other authorizations including OVS authorizations by the Franchising Authority to provide services similar to those provided by the Grantee pursuant to this Agreement to any other entity shall cover the entire Service Area and shall not be on terms and conditions more favorable or less burdensome to the grantee of any such additional franchise or other authorization than those which are set forth herein. In any renewal of this Franchise, the Franchising Authority, should it seek to impose increased obligations upon the Grantee, must take into account any additional franchise(s) or authorizations previously granted and find that the proposed increased obligations in the renewal, are not

more burdensome and/or less favorable than those contained in any such additional franchise(s) or authorizations.

### **SECTION 3** **Standards of Service**

**3.1 Conditions of Occupancy.** The Cable System installed by the Grantee pursuant to the terms hereof shall be located so as to cause a minimum of interference with the proper use of Public Ways and with the rights and reasonable convenience of property owners who own property that adjoins any of such Public Ways.

**3.2 Restoration of Public Ways.** If, during the course of the Grantee's construction, operation, or maintenance of the Cable System there occurs a disturbance of any Public Way by the Grantee, Grantee shall replace and restore such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to such disturbance.

**3.3 Relocation.** The Grantee shall, on the request of the Franchise Authority or any Person holding a lawful permit issued by the Franchising Authority, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Public Way as necessary any property of the Grantee, provided: (A) the expense of such is paid by said Franchise Authority or Person benefiting from the relocation, including, if required by the Grantee, making such payment in advance; and (B) the Grantee is given reasonable advance written notice to prepare for such changes. For purposes of this subsection, "reasonable advance written notice" shall be no less than thirty (30) business days in the event of a temporary relocation, and no less than one hundred twenty (120) days for a permanent relocation.

**3.4 Trimming of Trees and Shrubbery.** The Grantee shall have the authority to trim trees or other natural growth in order to access and maintain the Cable System.

**3.5 Safety Requirements.** Construction, operation, and maintenance of the Cable System shall be performed in an orderly and workmanlike manner. All such work shall be performed in substantial accordance with generally applicable federal, state, and local regulations and the National Electric Safety Code.

**3.6 Underground Construction.** In those areas of the Service Area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate, and maintain its Cable System underground. Nothing contained in this subsection shall require the Grantee to construct, operate, and maintain underground any ground-mounted appurtenances.

**3.7 Access to Open Trenches.** The Franchising Authority agrees to include the Grantee in the platting process for any new subdivision. At a minimum, the Franchising Authority agrees to require as a condition of issuing a permit for open trenching to any utility or developer that (A) the utility or developer give the Grantee at least ten (10) days advance written notice of the availability of the open trench, and (B) that the utility or developer provide the Grantee with reasonable access to the open trench. Notwithstanding the foregoing, the Grantee shall not be required to utilize any open trench.

**3.8 Required Extensions of the Cable System.** Grantee agrees to provide Cable Service to all residences in the Service Area subject to the density requirements specified in this subsection. Whenever the Grantee receives a request for Cable Service from a potential Subscriber in an unserved area contiguous to Grantee's existing distribution facilities where there are at least 10 residences within 1320 cable-bearing strand feet (one-quarter cable mile) from the portion of the Grantee's trunk or distribution cable which is to be extended, it shall extend its Cable System to such Subscribers at no cost to said Subscribers for the Cable System extension, other than the published Standard/non-Standard Installation fees charged to all Subscribers. Notwithstanding the foregoing, the Grantee shall have the right, but not the obligation, to extend the Cable System into any portion of the Service Area where another operator is providing Cable Service, into any annexed area which is not contiguous to the present Service Area of the Grantee, or into any area which is financially or technically infeasible due to extraordinary circumstances, such as a runway or freeway crossing.

**3.9 Subscriber Charges for Extensions of the Cable System.** No Subscriber shall be refused service arbitrarily. However, if an area does not meet the density requirements of subsection 3.9 above, the Grantee shall only be required to extend the Cable System to Subscriber(s) in that area if the Subscriber(s) are willing to share the capital costs of extending the Cable System. Specifically, the Grantee shall contribute a capital amount equal to the construction cost per mile, multiplied by a fraction whose numerator equals the actual number of residences per 1320 cable-bearing strand feet from the Grantee's trunk or distribution cable, and whose denominator equals 10. Subscribers who request service hereunder shall bear the remaining cost to extend the Cable System on a *pro rata* basis. The Grantee may require that payment of the capital contribution in aid of construction borne by such potential Subscribers

be paid in advance. Subscribers shall also be responsible for any Standard/non-Standard Installation charges to extend the Cable System from the tap to the residence.

**3.10 Cable Service to Public Buildings.** The Grantee, upon request, may voluntarily provide without charge, a Standard Installation and one outlet of Basic Cable Service to those administrative buildings owned and occupied by the Franchising Authority, fire station(s), police station(s), and K-12 public school(s) that are passed by its Cable System. The Cable Service provided shall not be distributed beyond the originally installed outlet without authorization from the Grantee. The Cable Service provided shall not be used for commercial purposes, and such outlets shall not be located in areas open to the public. The Franchising Authority shall take reasonable precautions to prevent any inappropriate use of the Grantee's Cable System or any loss or damage to Grantee's Cable System. The Franchising Authority shall hold the Grantee harmless from any and all liability or claims arising out of the provision and use of Cable Service required by this subsection. The Grantee shall not be required to provide an outlet to such buildings where a non-Standard Installation is required, unless the Franchising Authority or building owner/occupant agrees to pay the incremental cost of any necessary Cable System extension and/or non-Standard Installation. If additional outlets of Basic Cable Service are provided to such buildings, the building owner/occupant shall pay the usual installation and service fees associated therewith. To the extent Grantee ceases this voluntary program to provide service to public buildings at no charge, Grantee shall provide the Franchising Authority with at least one hundred twenty (120) days advance written notice of its intent to cease the program. Such notice shall include the rate Grantee proposes to charge for the service, and during the one hundred and twenty (120) day period, the Franchising Authority shall inform Grantee whether it intends to continue receiving service and pay the rate identified, or whether it will opt to cease receiving such service.

**3.11 Emergency Alert.** Any Emergency Alert System ("EAS") provided by Grantee shall be operated in accordance with FCC regulations. Any use of such EAS by the Franchising Authority will be only in accordance with the applicable state and local plans as approved in accordance with such FCC regulations. Except to the extent expressly prohibited by law, the Franchising Authority will hold the Grantee, its employees, officers and assigns harmless from any claims arising out of use of the EAS, including but not limited to reasonable attorneys' fees and costs.

**3.12 Reimbursement of Costs.** If funds are available to any Person using the Public Way for the purpose of defraying the cost of any of the foregoing, the Franchising Authority shall reimburse the Grantee in the same manner in which other Persons affected by the requirement are reimbursed. If the funds are controlled by another governmental entity, the Franchising Authority shall make application for such funds on behalf of the Grantee.

## **SECTION 4**

### **Regulation by the Franchising Authority**

#### **4.1 Franchise Fee.**

A. The Grantee shall pay to the Franchising Authority a franchise fee of three percent (3%) of annual Gross Revenues (as defined in subsection 1.1 of this Franchise). In accordance with the Cable Act, the twelve (12) month period applicable under the Franchise for the computation of the franchise fee shall be a calendar year. Grantee's responsibility for payment of Franchise Fee under this Agreement shall commence on the first day of the next Quarter after final execution of this Agreement. Until that time, Grantee shall continue to pay the Franchise Fee under any pre-existing Franchise Agreement with the Local Franchising Authority. The franchise fee payment shall be due annually and payable within 90 days after the close of the preceding calendar year. Each payment shall be accompanied by a brief report prepared by a representative of the Grantee showing the basis for the computation.

B. Limitation on Franchise Fee Actions. The period of limitation for recovery by the Franchising Authority of any franchise fee payable hereunder shall be three (3) years from the date on which payment by the Grantee is due to the Franchising Authority.

#### **4.2 Renewal of Franchise.**

The Franchising Authority and the Grantee agree that any proceedings undertaken by the Franchising Authority that relate to the renewal of the Grantee's Franchise shall be governed by and comply with the renewal provisions of federal law.

**4.3 Conditions of Sale.** If a renewal or extension of the Grantee's Franchise is denied or the Franchise is lawfully terminated, and the Franchising Authority either lawfully acquires ownership of the Cable System or by its actions lawfully effects a transfer of ownership of the Cable System to another

party, any such acquisition or transfer shall be at the price determined pursuant to the provisions set forth in Section 627 of the Cable Act.

The Grantee and the Franchising Authority agree that in the case of a final determination of a lawful revocation of the Franchise, the Grantee shall be given at least twelve (12) months to effectuate a transfer of its Cable System to a qualified third party. Furthermore, the Grantee shall be authorized to continue to operate pursuant to the terms of its prior Franchise during this period. If, at the end of that time, the Grantee is unsuccessful in procuring a qualified transferee or assignee of its Cable System which is reasonably acceptable to the Franchising Authority, the Grantee and the Franchising Authority may avail themselves of any rights they may have pursuant to federal or state law. It is further agreed that the Grantee's continued operation of the Cable System during the twelve (12) month period shall not be deemed to be a waiver, nor an extinguishment of, any rights of either the Franchising Authority or the Grantee.

**445     Transfer of Franchise.** The Grantee's right, title, or interest in the Franchise shall not be sold, transferred, assigned, or otherwise encumbered, other than to an entity controlling, controlled by, or under common control with the Grantee, without prior written notice to the Franchising Authority. No such notice shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Cable System in order to secure indebtedness.

## **SECTION 5**

### **Books and Records**

The Grantee agrees that the Franchising Authority, upon thirty (30) days written notice to the Grantee and no more than once annually may review such of its books and records at the Grantee's business office, during normal business hours and on a nondisruptive basis, as is reasonably necessary to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the subsection of the Franchise that is under review so that the Grantee may organize the necessary books and records for easy access by the Franchising Authority. Alternatively, if the books and records are not easily accessible at the local office of the Grantee, the Grantee may, at its sole option, choose to pay the reasonable travel costs of the Franchising Authority's representative to view the books and records at the appropriate location. The Grantee shall not be required to maintain any books and records for Franchise compliance purposes longer than three (3) years. Notwithstanding anything to the contrary set forth herein, the Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor disclose books and records of any affiliate which is not providing Cable Service in the Service Area. The Franchising Authority agrees to treat any information disclosed by the Grantee as confidential and only to disclose it to employees, representatives, and agents thereof that have a need to know, or in order to enforce the provisions hereof. The Grantee shall not be required to provide Subscriber information in violation of Section 631 of the Cable Act.

## **SECTION 6**

### **Insurance and Indemnification**

**6.1     Insurance Requirements.** The Grantee shall maintain insurance in full force and effect, at its own cost and expense, during the term of the Franchise. The Franchising Authority shall be designated as an additional insured and such insurance shall be noncancellable except upon thirty (30) days prior written notice to the Franchising Authority. Upon written request, the Grantee shall provide a Certificate of Insurance showing evidence of the coverage required by this subsection.

**6.2     Indemnification.** The Grantee agrees to indemnify, save and hold harmless, and defend the Franchising Authority, its officers, boards and employees, from and against any liability for damages and for any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of the Grantee's construction, operation, or maintenance of its Cable System in the Service Area provided that the Franchising Authority shall give the Grantee written notice of its obligation to indemnify the Franchising Authority within ten (10) days of receipt of a claim or action pursuant to this subsection. Notwithstanding the foregoing, the Grantee shall not indemnify the Franchising Authority for any damages, liability or claims resulting from the willful misconduct or negligence of the Franchising Authority.

## **SECTION 7**

### **Enforcement and Termination of Franchise**

**7.1     Notice of Violation.** In the event that the Franchising Authority believes that the Grantee has not complied with any material term of the Franchise, the Franchising Authority shall informally discuss the

matter with Grantee. If these discussions do not lead to resolution of the problem, the Franchising Authority shall notify the Grantee in writing of the exact nature of such alleged noncompliance.

**7.2 The Grantee's Right to Cure or Respond.** The Grantee shall have thirty (30) days from receipt of the notice described in subsection 7.1: (A) to respond to the Franchising Authority, contesting the assertion of such noncompliance, or (B) to cure such default, or (C) in the event that, by the nature of such default, it cannot be cured within the thirty (30) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that they will be completed.

**7.3 Public Hearing.** In the event that the Grantee fails to respond to the notice described in subsection 7.1 pursuant to the procedures set forth in subsection 7.2, or in the event that the alleged default is not remedied within thirty (30) days or the date projected pursuant to 7.2(C) above, if it intends to continue its investigation into the default, then the Franchising Authority shall schedule a public hearing. The Franchising Authority shall provide the Grantee at least ten (10) days prior written notice of such hearing, which specifies the time, place and purpose of such hearing, and provide the Grantee the opportunity to be heard.

**7.4 Enforcement.** Subject to applicable federal and state law, in the event the Franchising Authority, after the hearing set forth in subsection 7.3, determines that the Grantee is in material default of any provision of the Franchise, the Franchising Authority may:

A. Commence an action at law for monetary damages or seek other equitable relief; or

B. In the case of repeated or ongoing substantial non-compliance with a material term or terms of the Franchise, seek to revoke the Franchise in accordance with subsection 7.5.

**7.5 Revocation.** Should the Franchising Authority seek to revoke the Franchise after following the procedures set forth in subsections 7.1-7.4 above, the Franchising Authority shall give written notice to the Grantee of its intent. The notice shall set forth the exact nature of the repeated or ongoing substantial noncompliance with a material term or terms of the franchise. The Grantee shall have ninety (90) days from such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a satisfactory response from the Grantee, it may then seek termination of the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Grantee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to revoke the Franchise.

At the designated hearing, Grantee shall be provided a fair opportunity for full participation, including the right to be represented by legal counsel, to introduce relevant evidence, to require the production of evidence, to compel the relevant testimony of the officials, agents, employees or consultants of the Franchising Authority, to compel the testimony of other persons as permitted by law, and to question witnesses. A complete verbatim record and transcript shall be made of such hearing.

Following the hearing, the Franchising Authority shall determine whether or not the Franchise shall be revoked. If the Franchising Authority determines that the Franchise shall be revoked, the Franchising Authority shall promptly provide Grantee with its decision in writing. The Grantee may appeal such determination of the Franchising Authority to an appropriate court which shall have the power to review the decision of the Franchising Authority *de novo*. Grantee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within sixty (60) days of Grantee's receipt of the determination of the Franchising Authority.

The Franchising Authority may, at its sole discretion, take any lawful action which it deems appropriate to enforce the Franchising Authority's rights under the Franchise in lieu of revocation of the Franchise.

**7.6 Force Majeure.** The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the Grantee to anticipate and control. This provision includes work delays caused by waiting for utility providers to service or monitor their utility poles to which the Grantee's Cable System is attached, as well as unavailability of materials and/or qualified labor to perform the work necessary.

Furthermore, the parties hereby agree that it is not the Franchising Authority's intention to subject the Grantee to penalties, fines, forfeitures or revocation of the Franchise for violations of the Franchise where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Service Area, or where strict performance would result in practical difficulties and hardship to the Grantee which outweigh the benefit to be derived by the Franchising Authority and/or Subscribers.

**SECTION 8**  
**Miscellaneous Provisions**

**8.1     Actions of Parties.** In any action by the Franchising Authority or the Grantee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

**8.2     Entire Agreement.** This Franchise constitutes the entire agreement between the Grantee and the Franchising Authority and supersedes all other prior understandings and agreements oral or written. Any amendments to this Franchise shall be mutually agreed to in writing by the parties.

**8.3     Reservation of Rights.** Acceptance of the terms and conditions of this franchise will not constitute, or be deemed to constitute, a waiver, either expressly or impliedly, by Grantee of any constitutional or legal right which it may have or may be determined to have, either by subsequent legislation or court decisions. The Franchising Authority acknowledges that Grantee reserves all of its rights under applicable Federal and State Constitutions and laws.

**8.4     Notice.** Unless expressly otherwise agreed between the parties, every notice or response required by this Franchise to be served upon the Franchising Authority or the Grantee shall be in writing, and shall be deemed to have been duly given to the required party when placed in a properly sealed and correctly addressed envelope: a) upon receipt when hand delivered with receipt/acknowledgment, b) upon receipt when sent certified, registered mail, c) within five (5) business days after having been posted in the regular mail or d) or the next business day if sent by express mail or overnight air courier.

The notices or responses to the Franchising Authority shall be addressed as follows:

Spanish Fort, AL  
P.O. Box 226  
Spanish Fort, AL 36527

The notices or responses to the Grantee shall be addressed as follows:

Mediacom Southeast LLC  
Attn: Legal Department  
1 Mediacom Way  
Mediacom Park, NY 10918

With a copy to:

Mediacom Southeast LLC  
Government Relations Manager  
1613 Nantahala Beach Blvd  
Gulf Breeze, FL 32563

The Franchising Authority and the Grantee may designate such other address or addresses from time to time by giving notice to the other in the manner provided for in this subsection.

**8.5     Descriptive Headings.** The captions to Sections and subsections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

**8.6     Severability.** If any Section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

**8.7     Term and Effective Date.** The Effective Date of this Franchise is \_\_\_\_\_. The parties agree that, during the time between final execution of this Franchise and the Effective Date, the terms and conditions of the previous franchise agreement will govern. This Franchise shall be for a term of fifteen (15) years from such Effective Date and shall expire on \_\_\_\_\_.

Considered and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

The City of Spanish Fort, AL

Mediacom Southeast LLC

\_\_\_\_\_  
Printed Name\_\_\_\_\_

\_\_\_\_\_  
Printed Name\_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date\_\_\_\_\_

Date\_\_\_\_\_

**SECTION 2. Severability Clause.** If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

**SECTION 3. Repealer Clause.** Any Ordinance heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict.

**SECTION 4. Effective Date.** This Ordinance shall become effective only upon receipt of a written unconditional acceptance by the Franchisee of the terms and conditions contained herein within thirty (30) days of the passage of this Ordinance.

**ADOPTED AND APPROVED** this \_\_\_\_\_ *day of* \_\_\_\_\_, **2024.**

CITY OF SPANISH FORT, ALABAMA

BY:\_\_\_\_\_  
Michael M. McMillan  
Mayor

ATTEST:

\_\_\_\_\_  
Rebecca A. Gaines, CMC  
City Clerk

## ORDINANCE NO. 669-2024

### AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR LOYALTY PARK IN THE CITY OF SPANISH FORT, ALABAMA

**WHEREAS**, the Mayor and City Council believe that it is in the best interest of the City to protect the health, safety and welfare of the citizens by establishing certain rules and regulations for the recreational facility known as “Loyalty Park”.

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

**SECTION 1.** The following Rules and Regulations shall apply at Loyalty Park:

A. General Rules and Regulations:

1. Patrons shall obey all posted signage including, but not limited to, parking, handicap and traffic control signs.
2. No motorized vehicles on sidewalks or grass.
3. No bicycles, skates, skateboards, rollerblades, wheeled shoes or scooters.
4. No tobacco products.
5. No profanity.
6. No alcoholic beverages.
7. Patrons assume all risk of injury, damage or loss sustained while on the premises.

B. Dog Park Specific Rules

1. Enter at your own and your dog(s) risk.
2. The City of Spanish Fort accepts no liability for any loss, damages or injury of any human or dog while visiting the park.
3. No children under the age of sixteen (16) are permitted in the park without direct adult supervision.
4. People are prohibited from running with dogs, and people should not shout or scream at dogs in the park.
5. Dogs under the age of four months are prohibited in the park.
6. No more than two (2) dogs per handler allowed.
7. All dogs must have visible current rabies tags and be current on all vaccinations. A collar and tag are required for all dogs.
8. Dogs must be leashed when entering or exiting the park, and owners should carry a leash at all times.
9. Owners are legally and financially responsible for their dog's behavior.
10. Children must be supervised by an adult at all times.
11. Dogs that are ill may not enter the park.
12. Flea treatment is highly recommended.
13. Aggressive dogs are prohibited in the park. Dogs who show any type of aggression must be immediately leashed and removed from the park.
14. No treats or toys allowed.
15. All human and pet food and treats are prohibited.
16. Only dogs twenty-five pounds (25 lbs.) and under are allowed in the area designated for small dogs. Small dogs are allowed in the large dog area, but large dogs are prohibited in the small dog area.
17. Smoking, vaping and all use of tobacco in any form is prohibited in all areas of the dog park.
18. Please fill holes and stop dogs from digging.
19. Choke chains, pronged training collars and stud or spiked collars are prohibited.
20. Female dogs in heat are prohibited in the dog park.
21. Intact males must be closely supervised.
22. Always clean up after yourself and your dog. Owners are responsible for cleaning up and properly disposing of waste.

These rules are for the protection and safety of all people and dogs. Please be courteous and do not allow unacceptable behavior to ruin the fun of others, whether dog or person. Failure to abide by these rules may result in loss of privileges. For assistance or questions during normal business hours call 251-626-4884 or after hours call 251-626-4914.

**SECTION 2. Penalties.** Any person violating any provision of this Ordinance shall be punished by a fine of not less than \$100.00 nor more than \$500.00 and said person shall pay all remedial costs incurred by the City, or any other agency, involved in restoring the facility if found in violation of this Ordinance.

**SECTION 3. Repealer Clause.** Any ordinance heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict.

**SECTION 4. Severability Clause.** If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

**SECTION 5. Effective Date.** This Ordinance shall become effective upon its adoption or as otherwise required by state law.

**ADOPTED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, **2024.**

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Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk

**ORDINANCE NO. 670-2024**

**AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO COMCAST OF ALABAMA, LLC, FOR THE PURPOSE OF MAINTAINING DISTRIBUTION LINES FOR THE PROVISION OF CABLE TELEVISION WITHIN THE PUBLIC RIGHTS-OF-WAY WITHIN THE CITY OF SPANISH FORT, ALABAMA**

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

**SECTION 1.** The City Council of the City of Spanish Fort does hereby grant to Comcast of Alabama, an Alabama limited liability company, a non-exclusive franchise granting the authority to construct and maintain a distribution lines for the provision of cable television in the City of Spanish Fort, subject to the terms and conditions set forth in the following agreement:

=====

***Franchise Agreement***

Between

***City of Spanish Fort, Alabama***

And

***Comcast of Alabama, LLC***

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## **AGREEMENT**

This **AGREEMENT** is effective as of the \_\_\_\_ day of \_\_\_\_\_, 2024 (the “Effective Date”), and is between the City of Spanish Fort, Alabama (the “Franchising Authority” or the “City”), and Comcast of Alabama, LLC (the “Company”). For purposes of this Agreement, unless otherwise defined in this Agreement, the capitalized terms, phrases, words, and their derivations, shall have the meanings set forth in Appendix A.

The Franchising Authority, having determined that the financial, legal, and technical ability of the Company is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the current and future cable-related needs of the community, desires to enter into this Agreement with the Company for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

### **SECTION 1 GRANT OF AUTHORITY**

1.1 Grant of Franchise. The Franchising Authority hereby grants under the Cable Act a nonexclusive franchise (the “Franchise”) to occupy and use the Streets within the Franchise Area in order to construct operate, maintain, upgrade, repair, and remove the Cable System, and provide Cable Services through the Cable System, subject to the terms and conditions of this Agreement. This Franchise authorizes Cable Service, and it does not grant or prohibit the right(s) of the Company to provide other services.

1.2 Term of Franchise. This Franchise shall be in effect for a period of ten (10) years commencing on the Effective Date, unless renewed or lawfully terminated in accordance with this Agreement and the Cable Act.

1.3 Renewal. Subject to Section 626 of the Cable Act (47 U.S.C. § 546) and such terms and conditions as may lawfully be established by the Franchising Authority, the Franchising Authority reserves the right to grant or deny renewal of the Franchise.

1.4 Reservation of Authority. The Company specifically agrees to comply with the lawful provisions of the City and applicable regulations of the Franchising Authority. Subject to any express federal or state preemption, the material terms and conditions contained in this Agreement may not be unilaterally altered by the Franchising Authority through subsequent amendments to the City code, ordinances or any regulation of the Franchising Authority, except in the lawful exercise of the City’s or Franchising Authority’s police power. The Company acknowledges that the Franchising Authority may modify its regulatory policies by lawful exercise of the Franchising Authority’s police powers throughout the term of this Agreement. The Company agrees to comply with such lawful modifications to the City code; however, the Company reserves all rights it may have to challenge such modifications to the City code whether arising in contract or at law. The Franchising Authority reserves all of its rights and defenses to such challenges whether arising in contract or at law. Nothing in this Agreement

shall (i) abrogate the right of the Franchising Authority to perform any public works or public improvements of any description, (ii) be construed as a waiver of any codes or ordinances of the Franchising Authority or of the Franchising Authority's right to require the Company or any Person utilizing the Cable System to secure the appropriate permits or authorizations for its use, or (iii) be construed as a waiver or release of the rights of the Franchising Authority in and to the Streets. Notwithstanding the above, in the event of any conflict between this Agreement and any code or ordinance adopted by the Franchising Authority, the terms and conditions of this Agreement shall prevail.

## 1.5 Competitive Equity and Subsequent Action Provisions.

1.5.1 Purposes. The Company and the Franchising Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers, and others; new technologies are emerging that enable the provision of new and advanced services to City residents; and changes in the scope and application of the traditional regulatory framework governing the provision of Video Services are being considered in a variety of federal, state, and local venues. To foster an environment where all Cable Service Providers and Video Service Providers using the Streets can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to City residents; promote local communications infrastructure investments and economic opportunities in the City; and provide flexibility in the event of subsequent changes in the law, the Company and the Franchising Authority have agreed to the provisions in this Section 1.5, and these provisions should be interpreted and applied with these purposes in mind. The parties agree that the Franchising Authority shall not be required to execute a franchise agreement or authorization with a competitive CSP or VSP that is identical, word-for-word, with this Agreement to avoid triggering the provisions of this Section 1.5, so long as the regulatory and financial burdens on and benefits to each CSP or VSP are materially equivalent to the burdens on and benefits to the Company. "Materially equivalent" provisions include but are not limited to: franchise fees and the definition of Gross Revenues; system build-out requirements; security

instruments; public, education and government access channels and support; customer service standards; and audits.

1.5.2 Fair Terms for All Providers. Notwithstanding any other provision of this Agreement or any other provision of law,

(a) If any VSP or CSP enters into any agreement with the Franchising Authority to provide Video Services or Cable Services to Subscribers in the Franchise Area, the Franchising Authority and the Company, upon written request of the Company, will use best efforts in good faith to negotiate the Company's proposed Franchise modifications, and such negotiation will proceed and conclude within sixty (60) days, unless that period is reduced or extended by mutual agreement of the parties. If the Franchising Authority and the Company agree to Franchise modifications pursuant to such negotiations, then the Franchising Authority shall amend this Agreement to include the modifications.

If there is no written agreement or other authorization between the new VSP or CSP and the Franchising Authority, the Company and the Franchising Authority shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (to the extent the Company determines an agreement or authorization is necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Company and other VSPs or CSPs, taking into account the terms and conditions under which the new VSP or CSP is allowed to provide Video Services or Cable Services to Subscribers in the Franchise Area.

(b) Following the Franchise modification negotiations provided for in Section 1.5.2(a), if the Franchising Authority and the Company fail to reach agreement in such negotiations, the Company may, at its option, elect to replace this Agreement by opting in to the same franchise agreement or other lawful authorization that the Franchising Authority has granted to the new VSP or CSP.

(c) The Franchising Authority shall use all commercially reasonable efforts to at all times enforce the state and federal ban on providing Cable Service without a franchise. The Franchising Authority enforcement efforts shall be continuous and diligent throughout the term of this Agreement. Should the Franchising Authority not commence enforcement efforts within sixty (60) days of becoming aware of a VSP or CSP providing Video Service or Cable Service within the Franchise Area, the Company shall have the right to petition the Franchising Authority for the relief provided in Section 1.5.2 above.

1.5.3 Subsequent Change in Law. If there is a change in federal, state, or local law that provides for a new or alternative form of authorization, subsequent to the Effective Date, for a VSP or CSP utilizing the Streets to provide Video Services or Cable Services to Subscribers in the Franchise Area, or that otherwise changes the nature or extent of the obligations that the Franchising Authority may request from or impose on a VSP or CSP

providing Video Services or Cable Services to Subscribers in the Franchise Area, the Franchising Authority and Company agree that, notwithstanding any other provision of law, upon the written request by either party, the Franchising Authority shall: (i) permit the Company to provide Video Services or Cable Services to Subscribers in the Franchise Area on substantially the same terms and conditions as are applicable to a VSP or CSP under the changed law; (ii) modify this Agreement to comply with the changed law; or (iii) modify this Agreement to ensure competitive equity between the Company and other VSPs or CSPs, taking into account the conditions under which other VSPs or CSPs are permitted to provide Video Services or Cable Services to Subscribers in the Franchise Area. The Franchising Authority and the Company shall implement the provisions of this Section 1.5.3 within sixty (60) days after either party submits a written request to the other party. Should the Franchising Authority fail to implement these provisions within the time specified, this Agreement shall, at the Company's option and upon written notice to the Franchising Authority, be deemed amended as initially requested by the Company under this Section 1.5.3. Notwithstanding any provision of law that imposes a time or other limitation on the Company's ability to take advantage of the changed law's provisions, the Company may exercise its rights under this Section 1.5.3 at any time, but not sooner than thirty (30) days after the changed law goes into effect.

1.5.4 Effect on This Agreement. Any agreement, authorization, right, or determination to provide Cable Services or Video Services to Subscribers in the Franchise Area under this Section 1.5 shall supersede this Agreement.

## **SECTION 2 THE CABLE SYSTEM**

### **2.1 The System and Its Operations.**

2.1.1 Service Area. As of the Effective Date, the Company operates a Cable System within the Franchise Area.

2.1.2 System. As of the Effective Date, the Company maintains and operates a Cable System capable of providing over 250 Channels of Video Programming, which Channels may be delivered by analog, digital, or other transmission technologies, at the sole discretion of the Company.

2.1.3 System Technical Standards. Throughout the term of this Agreement, the Cable System shall be designed, maintained, and operated such that quality and reliability of System Signal will be in compliance with all applicable consumer electronics equipment compatibility standards, including but not limited to Section 624A of the Cable Act (47 U.S.C. § 544a) and 47 C.F.R. § 76.630, as may be amended from time to time.

2.1.4 Testing Procedures; Technical Performance. Throughout the term of this Agreement, the Company shall operate and maintain the Cable System in accordance with the testing procedures and the technical performance standards of the FCC.

## 2.2 Requirements with Respect to Work on the System.

2.2.1 General Requirements. The Company shall comply with ordinances, rules, and regulations established by the Franchising Authority pursuant to the lawful exercise of its police powers. To the extent that local ordinances, rules, or regulations clearly conflict with the terms and conditions of this Agreement, the terms and conditions of such local ordinances, rules, or regulations shall prevail.

2.2.2 Protection of Underground Utilities. The Company shall comply with the Alabama Underground Damage Prevention Act (Ala. Code § 37-15-1, *et seq.*), relating to notification prior to excavation near underground utilities, as may be amended from time to time.

## 2.3 Permits and General Obligations.

2.3.1 The Company shall be responsible for obtaining all permits, licenses, or other forms of approval or authorization necessary to construct, operate, maintain, or repair the Cable System, or any part thereof, prior to the commencement of any such activity. The Franchising Authority shall make all reasonable efforts to issue permits, licenses, or other approvals within ten (10) business days. The Company shall be solely responsible, either through its employees or its authorized contractors, for constructing, installing, and maintaining the Cable System in a safe, thorough, and reliable manner in accordance with all applicable standards and using materials of good and durable quality. The Company shall assure that any person installing, maintaining, or removing its facilities is fully qualified and familiar with all applicable standards. No third party shall tamper with, relocate, or otherwise interfere with the Company's facilities in the rights-of-way without the Company's approval and supervision; provided, however, that the Company shall make all reasonable efforts to coordinate with other users of the Streets to facilitate the execution of projects and minimize disruption in the public rights-of-way. All transmission and distribution structures, poles, other lines, and equipment installed by the Company for use in the Cable System in accordance with this Agreement shall be located so as to minimize interference with the proper use of the Streets and the rights and reasonable convenience of property owners who own property adjoining the Streets.

2.3.2 Code Compliance. The Company shall comply with all applicable building, safety, and construction codes. The parties agree that at present, Cable Systems are not subject to the low voltage regulations of the National Electric Code, National Electrical Safety Code, or other such codes or regulations. In the event that the applicable codes are revised such that Cable Systems become subject to low voltage regulations without being grandfathered or otherwise exempted, the Company will thereafter be required to comply with those regulations.

## 2.4 Conditions on Street Occupancy.

2.4.1 New Grades or Lines. If the grades or lines of any Street within the Franchise Area are lawfully changed at any time during the term of this Agreement, then the Company shall, upon at least ninety (90) days' advance written notice from the

Franchising Authority and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with the new grades or lines. If public funds are available to any Person using the Street for the purpose of defraying the cost of any of the foregoing work, the Franchising Authority shall make application for such funds on behalf of the Company. The Company shall be entitled to reimbursement of its costs should any other utility be so compensated as a result of a required protection, alteration, or relocation of its facilities. Notwithstanding the above, the Company shall not be liable for the cost of protecting, altering, or relocating facilities, aerial or underground, where such work is required to accommodate a beautification project or private development project.

2.4.2 Relocation at Request of Third Party. The Company shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Company may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Company agrees to arrange for such temporary relocation to be accomplished as soon as reasonably practicable, not to exceed ninety (90) days without the prior agreement of the Franchising Authority.

2.4.3 Restoration of Streets. If in connection with construction, operation, maintenance, or repair of the Cable System, the Company disturbs, alters, or damages any Street, the Company agrees that it shall at its own cost and expense restore the Street according to the standards set forth in the Alabama Department of Transportation's Utilities Manual. If the Franchising Authority reasonably believes that the Company has not restored the Street appropriately, then the Franchising Authority, after providing ten (10) business days' advance written notice and a reasonable opportunity to cure, may have the Street restored and bill the Company for the cost of restoration.

2.4.4 Trimming of Trees and Shrubbery. The Company shall have the authority to trim trees or other natural growth overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Company's wires, cables, or other equipment, subject to all applicable local ordinances, rules and regulations, and the cost of such trimming shall not be borne by the Franchising Authority.

2.4.5 Aerial and Underground Construction. If at the time of Cable System construction all of the transmission and distribution facilities of all of the respective public or municipal utilities in the construction area are underground, the Company shall place its Cable System's transmission and distribution facilities underground. At the time of Cable System construction, in any place within the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Company shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground; however, at such time as all existing aerial facilities of the respective public or municipal utilities are placed underground, the Company shall likewise place its facilities underground, subject to the provisions of Section 2.4.1. Company facilities placed underground at the property owner's request in any area where any of the

transmission or distribution facilities of the respective public or municipal utilities are aerial shall be installed with the additional expense paid by the property owner. Nothing in this Section 2.4.5 shall be construed to require the Company to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment. The Company shall be entitled to expand and upgrade its System as it deems reasonably necessary.

2.4.6 Use of Existing Poles. Where possible, the Company shall attach its facilities to existing utility poles and shall use all reasonable efforts to enter into a pole attachment agreement with the owners of such existing utility poles. The Franchising Authority acknowledges that the Company may pass through to Subscribers the costs of attaching to existing utility poles in the Franchise Area, and does not object.

2.5 Change in Franchise Area. In the event that the borders of the Franchise Area change, through annexation or otherwise, the Franchising Authority shall provide to the Company written notice of such change, including an updated map of the Franchise Area. Franchise fees on gross revenues earned from Subscribers in annexed areas shall not be payable to the Franchising Authority until sixty (60) days after the Company's receipt of such updated map, and shall not be remitted to the Franchising Authority until the next regularly scheduled quarterly franchise fee payment as provided in Section 4.1.2 below.

### **SECTION 3 CUSTOMER SERVICE**

Customer Service. The Company shall comply in all respects with the requirements set forth in Appendix B. A minor violation of those requirements does not constitute a breach of this Agreement.

### **SECTION 4 COMPENSATION AND OTHER PAYMENTS**

4.1 Compensation to the Franchising Authority. As compensation for the Franchise, the Company shall pay or cause to be paid to the Franchising Authority the amounts set forth in this Section 4.1.

4.1.1 Franchise Fees—Amount. The Company shall pay to the Franchising Authority franchise fees in an amount equal to five percent (5%) of Gross Revenues derived from the operation of the Cable System to provide Cable Services in the Franchise Area.

4.1.2 Franchise Fees—Payment. Payments of franchise fees shall be made on a quarterly basis and shall be remitted not later than thirty (30) days after the last day of March, June, September, and December throughout the term of this Agreement.

4.1.3 Company to Submit Franchise Fee Report. The Company shall submit to the Franchising Authority, not later than thirty (30) days after the last day of March, June, September, and December throughout the term of this Agreement, a report setting forth the basis for the computation of Gross Revenues on which the quarterly payment of

franchise fees is being made, which report shall enumerate, at a minimum, the following revenue categories: limited and expanded basic video service, digital video service, premium video service, pay-per-view and video-on-demand, equipment, installation and activation, franchise fees, guide, late fees, ad sales, home shopping commissions, and bad debt.

4.1.4 Franchise Fee Payments Subject to Audit; Remedy for Underpayment. No acceptance of any franchise fee payment by the Franchising Authority shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount or a release of any claim that the Franchising Authority may have for further or additional sums payable under this Agreement. The Franchising Authority may conduct an audit no more than once annually to ensure payments in accordance with this Agreement. The audit of the Company's records shall take place at a location, in the State of Alabama, determined by the Company. The Franchising Authority is prohibited from removing any records, files, spreadsheets, or any other documents from the site of the audit. The audit period shall be limited to three (3) years preceding the end of the quarter of the most recent payment.

If, as a result of an audit or any other review, the Franchising Authority determines that the Company has underpaid franchise fees in any twelve (12) month period by ten percent (10%) or more, then, in addition to making full payment of the relevant obligation, the Company shall reimburse the Franchising Authority for all of the reasonable costs associated with the audit or review, including all reasonable out-of-pocket costs for attorneys, accountants, and other consultants. The Franchising Authority shall provide the Company with a written notice of audit results and a copy of the final report presented to the Franchising Authority. The Company shall remit any undisputed amounts owed to the Franchising Authority as the result of the audit within forty-five (45) days, or other mutually acceptable timeframe, after the date of an executed settlement and release agreement.

4.2 Payments Not to Be Set Off Against Taxes or Vice Versa. The parties agree that the compensation and other payments to be made pursuant to this Section 4 are not a tax and are not in the nature of a tax.

4.3 Interest on Late Payments. If any payment required by this Agreement is not actually received by the Franchising Authority on or before the applicable date fixed in this Agreement, the Company shall pay interest thereon, from the due date to the date paid, at a rate of one percent (1%) per month.

## **SECTION 5 COMPLIANCE REPORTS**

5.1 Compliance. To the best of its knowledge, the Franchising Authority hereby acknowledges that as of the Effective Date, the Company is in material compliance with all material laws, rules, and ordinances of the Franchising Authority.

5.2 Reports. Upon written request by the Franchising Authority and subject to Section 631 of the Cable Act, the Company shall promptly submit to the Franchising Authority such information as may be necessary to reasonably demonstrate the Company's compliance with any term or condition of this Agreement.

5.3 File for Public Inspection. Throughout the term of this Agreement, the Company shall maintain and make available to the public those documents required pursuant to the FCC's rules and regulations.

5.4 Treatment of Proprietary Information. The Franchising Authority agrees to treat as confidential, to the maximum extent allowed under the Alabama Public Records Law (Ala. Code § 36-12-40, *et seq.*) or other applicable law, any requested documents submitted by the Company to the Franchising Authority that are labeled as "Confidential" or "Trade Secret" prior to submission. In the event that any documents submitted by the Company to the Franchising Authority are subject to a request for inspection or production, including but not limited to a request under the Alabama Public Records Law, the Franchising Authority shall notify the Company of the request as soon as practicable and in any case prior to the release of such information, by email or facsimile to the addresses provided in Section 10.6 of this Agreement, so that the Company may take appropriate steps to protect its interests in the requested records, including seeking an injunction against the release of the requested records. Upon receipt of said notice, the Company may review the requested records in the Franchising Authority's possession and designate as "Confidential" or "Trade Secret" any additional portions of the requested records that contain confidential or proprietary information.

5.5 Emergency Alert System. Company shall install and maintain an Emergency Alert System in the Franchise Area only as required under applicable federal and state laws. Additionally, the Franchising Authority shall permit only those Persons appropriately trained and authorized in accordance with applicable law to operate the Emergency Alert System equipment and shall take reasonable precautions to prevent any use of the Company's Cable System in any manner that results in inappropriate use thereof, or any loss or damage to the Cable System. Except to the extent expressly prohibited by law, the Franchising Authority shall hold the Company and its employees, officers, and assigns harmless from any claims arising out of use of the Emergency Alert System, including but not limited to reasonable attorneys' fees and costs.

## **SECTION 6 ENFORCEMENT**

6.1 Notice of Violation. If the Franchising Authority believes that the Company has not complied with the terms of this Agreement, the Franchising Authority shall first informally discuss the matter with the Company. If discussions do not lead to a resolution of the problem, the Franchising Authority shall notify the Company in writing of the nature of the alleged noncompliance ("Violation Notice").

6.2 Company's Right to Cure or Respond. The Company shall have thirty (30) days from the receipt of the Violation Notice, or any longer period specified by the Franchising Authority, to respond; cure the alleged noncompliance; or, if the alleged noncompliance, by its nature, cannot

be cured within thirty (30) days, initiate reasonable steps to remedy the matter and provide the Franchising Authority a projected resolution date in writing.

6.3 Hearing. If the Company fails to respond to the Violation Notice received from the Franchising Authority, or the alleged noncompliance is not remedied within the cure period set forth above, the Franchising Authority's governing body shall schedule a hearing if it intends to continue its investigation into the matter. The Franchising Authority shall provide the Company at least thirty (30) days' prior written notice of the hearing, specifying the time, place, and purpose of the hearing. The Company shall have the right to present evidence and to question witnesses. The Franchising Authority shall determine if the Company has committed a violation and shall make written findings of fact relative to its determination. If a violation is found, the Company may petition for reconsideration before any competent tribunal having jurisdiction over such matters.

6.4 Enforcement. Subject to applicable federal and state law, if after the hearing provided for in Section 6.3, the Franchising Authority determines that the Company is in default of the provisions addressed in the Violation Notice, the Franchising Authority may

- (a) seek specific performance;
- (b) commence an action at law for monetary damages or seek other equitable relief; or
- (c) in the case of a substantial default of a material provision of this Agreement, seek to revoke the Franchise in accordance with subsection 6.5 below.

6.5 Revocation.

6.5.1 After the hearing and determination provided for in Section 6.3 and prior to the revocation or termination of the Franchise, the Franchising Authority shall give written notice to the Company of its intent to revoke the Franchise on the basis of an alleged substantial default of a material provision of this Agreement. The notice shall set forth the exact nature of the alleged default. The Company shall have thirty (30) days from receipt of such notice to submit its written objection to the Franchising Authority or to cure the alleged default. If the Franchising Authority is not satisfied with the Company's response, the Franchising Authority may seek to revoke the Franchise at a public hearing. The Company shall be given at least thirty (30) days' prior written notice of the public hearing, specifying the time and place of the hearing and stating the Franchising Authority's intent to revoke the Franchise.

6.5.2 At the public hearing, the Company shall be permitted to state its position on the matter, present evidence, and question witnesses, after which the Franchising Authority's governing board shall determine whether or not the Franchise shall be revoked. The public hearing shall be on the record and a written transcript shall be made available to the Company within ten (10) business days. The decision of the Franchising Authority's governing board shall be made in writing and shall be delivered to the Company. The Company may appeal such decision to an appropriate court, which shall have the power to review the decision of the Franchising Authority's governing board. The Company

may continue to operate the Cable System until all legal appeals procedures have been exhausted.

6.5.3 Notwithstanding the provisions of this Section 6, the Company does not waive any of its rights under federal law or regulation.

6.6 Technical Violations. The parties hereby agree that it is not the Franchising Authority's intention to subject the Company to penalties, fines, forfeiture, or revocation of the Agreement for so-called "technical" breach(es) or violation(s) of the Agreement, where the violation was a good faith error that resulted in no or minimal negative impact on the Subscribers within the Franchise Area or where strict performance would result in practical difficulties and hardship to the Company which outweigh the benefit to be derived by the Franchising Authority or Subscribers.

## **SECTION 7 ASSIGNMENTS AND OTHER TRANSFERS**

The Franchise shall be fully transferable to any successor in interest to the Company. A notice of transfer shall be filed by the Company to the Franchising Authority within forty-five (45) days of such transfer. The transfer notification shall consist of an affidavit signed by an officer or general partner of the transferee that contains the following:

(a) an affirmative declaration that the transferee shall comply with the terms and conditions of this Agreement, all applicable federal, state, and local laws, regulations, and ordinances regarding the placement and maintenance of facilities in any public right-of-way that are generally applicable to users of the public right-of-way and specifically including the Alabama Underground Damage Prevention Act (Ala. Code § 37-15-1, *et seq.*);

(b) a description of the transferee's service area; and

(c) the location of the transferee's principal place of business and the name or names of the principal executive officer or officers of the transferee.

No affidavit shall be required, however, for (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Company in the Franchise or in the Cable System in order to secure indebtedness, or (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation.

## **SECTION 8 INSURANCE AND INDEMNITY**

8.1 Insurance.

8.1.1 Liability Insurance. Throughout the term of this Agreement, the Company shall, at its sole expense, maintain comprehensive general liability insurance, issued by a company licensed to do business in the State of Alabama with a rating of not less than "A minus," and provide the Franchising Authority certificates of insurance demonstrating

that the Company has obtained the insurance required in this Section 8.1.1. This liability insurance policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death of any one person, One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident. The policy or policies shall not be canceled except upon thirty (30) days' prior written notice of cancellation to the City.

8.1.2 Workers' Compensation. The Company shall ensure its compliance with the Alabama Workers' Compensation Law.

8.2 Indemnification. The Company shall indemnify, defend, and hold harmless the Franchising Authority, its officers, employees, and agents acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that arise out of the Company's construction, operation, maintenance, or removal of the Cable System, including but not limited to reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Company written notice of its obligation to indemnify and defend the Franchising Authority within thirty (30) business days of receipt of a claim or action pursuant to this Section 8.2. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Franchising Authority for any damages, liability, or claims resulting from the willful misconduct or negligence of the Franchising Authority or for the Franchising Authority's use of the Cable System.

8.3 Liability and Indemnity. In accordance with Section 635A of the Cable Act, the Franchising Authority, its officials, employees, members, or agents shall have no liability to the Company arising from the regulation of Cable Service or from a decision of approval or disapproval with respect to a grant, renewal, transfer, or amendment of this Franchise. Any relief, to the extent such relief is required by any other provision of federal, state, or local law, shall be limited to injunctive relief and declaratory relief.

## **SECTION 9 PUBLIC, EDUCATION, GOVERNMENT ACCESS**

9.1 Channel Capacity. The Company agrees to make available channel capacity, up to one (1) fully dedicated Channel position, on the digital tier, to be designated for non-commercial, non-revenue generating public, educational, or governmental ("PEG") access purposes. Unused time on the PEG Channel position may be utilized by the Company subject to terms to be mutually agreed upon by the Company and the Franchising Authority. The Company shall provide the PEG channel within one hundred eighty (180) days of the Franchising Authority's request.

9.2 Channel Positions. At any time during the term of this Agreement and at the Company's sole option and discretion, the Company may (i) change the transmission technology by which PEG access programming is delivered to Subscribers, provided, however, that the quality of PEG access programming transmitted over the Cable System to Subscribers is of a quality comparable

to that which was delivered to the Company by the PEG programmer, or (ii) relocate any PEG programming to a Channel position on its lowest digital tier service delivered to all of the Company's Subscribers. The Company shall notify the Franchising Authority at least thirty (30) days in advance of such changes.

9.3 Ownership. The Company does not relinquish its ownership of its ultimate right of control over a Channel position by designating it for PEG access use. A PEG access user, whether such user is an individual, educational, or governmental user, acquires no property or other interest in the Channel position by virtue of the use of a Channel position so designated.

9.4 Equipment. It shall be the sole responsibility of the Franchising Authority to obtain, provide, and maintain any equipment necessary to produce and cablecast PEG programming over the Cable System. The Company shall not be responsible for obtaining, providing, or maintaining any such equipment.

9.5 No Liability. The Company shall have no liability nor shall it be required to provide indemnification to the Franchising Authority for PEG programming cablecast over the Cable System.

## **SECTION 10 MISCELLANEOUS**

10.1 Controlling Authorities. This Agreement is made with the understanding that its provisions are controlled by the Cable Act, other federal laws, state laws, and all applicable local laws, ordinances, and regulations. To the extent such local laws, ordinances, or regulations clearly conflict with the terms and conditions of this Agreement, the terms and conditions of such local laws, ordinances, or regulations shall prevail.

10.2 Appendices. The Appendices to this Agreement and all portions thereof are, except as otherwise specified in this Agreement, incorporated by reference in and expressly made a part of this Agreement.

10.3 Enforceability of Agreement; No Opposition. By execution of this Agreement, the Company and the Franchising Authority acknowledges the validity of the terms and conditions of this Agreement under applicable law in existence on the Effective Date and pledges that it will not assert in any manner at any time or in any forum that this Agreement, the Franchise, or the processes and procedures pursuant to which this Agreement was entered into and the Franchise was granted are not consistent with the applicable law in existence on the Effective Date.

10.4 Governmental Powers. The Franchising Authority expressly reserves the right to exercise the full scope of its powers, including, but not limited to, its police power and contracting and governmental authority, to promote the public interest and to protect the health, safety, and welfare of the citizens of the City of Spanish Fort, Alabama.

10.5 Entire Agreement. This Agreement, including all Appendices, embodies the entire understanding and agreement of the Franchising Authority and the Company with respect to the subject matter hereof and merges and supersedes all prior representations, agreements, and understandings, whether oral or written, between the Franchising Authority and the Company

with respect to the subject matter hereof, including without limitation all prior drafts of this Agreement and any Appendix to this Agreement, and any and all written or oral statements or representations by any official, employee, agent, attorney, consultant, or independent contractor of the Franchising Authority or the Company.

10.6 Notices. All notices shall be in writing and shall be sufficiently given and served upon the other party by first class mail, registered or certified, return receipt requested, postage prepaid; by third-party commercial carrier; or via facsimile (with confirmation of transmission) and addressed as follows:

THE FRANCHISING AUTHORITY:  
City of Spanish Fort  
Attn: Mayor  
7361 Spanish Fort Blvd  
Spanish Fort, Alabama 36527

COMPANY:  
Comcast of Alabama, LLC  
Attn: Vice President, External Affairs  
2605 Circle 75 Parkway  
Atlanta, Georgia 30339

With a copy to: Comcast Cable Communications, LLC  
Attn: Vice President, Government Affairs  
2605 Circle 75 Parkway  
Atlanta, Georgia 30339

And: Comcast Cable Communications, LLC  
Attn: Legal Department  
One Comcast Center  
1701 John F. Kennedy Boulevard  
Philadelphia, Pennsylvania 19103

10.7 Additional Representations and Warranties. In addition to the representations, warranties, and covenants of the Company to the Franchising Authority set forth elsewhere in this Agreement, the Company represents and warrants to the Franchising Authority and covenants and agrees (which representations, warranties, covenants and agreements shall not be affected or waived by any inspection or examination made by or on behalf of the Franchising Authority) that, as of the Effective Date:

10.7.1 Organization, Standing, and Authorization. The Company is a limited liability company validly existing and in good standing under the laws of the State of Alabama and is duly authorized to do business in the State of Alabama and in the Franchise Area.

10.7.2 Compliance with Law. The Company, to the best of its knowledge, has obtained all government licenses, permits, and authorizations necessary for the operation and maintenance of the Cable System.

10.8 Maintenance of System in Good Working Order. Until the termination of this Agreement and the satisfaction in full by the Company of its obligations under this Agreement, in consideration of the Franchise, the Company agrees that it will maintain all of the material properties, assets, and equipment of the Cable System, and all such items added in connection with any upgrade, in good repair and proper working order and condition throughout the term of this Agreement.

10.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted transferees, and assigns. All of the provisions of this Agreement apply to the Company, its successors and assigns.

10.10 No Waiver; Cumulative Remedies. No failure on the part of the Franchising Authority or the Company to exercise, and no delay in exercising, any right or remedy hereunder including without limitation the rights and remedies set forth in this Agreement, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy, all subject to the conditions and limitations established in this Agreement. The rights and remedies provided in this Agreement including without limitation the rights and remedies set forth in Section 6 of this Agreement, are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights or remedies of the Franchising Authority or Company under applicable law, subject in each case to the terms and conditions of this Agreement.

10.11 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions of this Agreement, which shall continue in full force and effect.

10.12 No Agency. The Company shall conduct the work to be performed pursuant to this Agreement as an independent entity and not as an agent of the Franchising Authority.

10.13 Governing Law. This Agreement shall be deemed to be executed in the City of Spanish Fort, Alabama, and shall be governed in all respects, including validity, interpretation, and effect, by and construed in accordance with the laws of the State of Alabama, as applicable to contracts entered into and to be performed entirely within that state.

10.14 Claims Under Agreement. The Franchising Authority and the Company, agree that, except to the extent inconsistent with Section 635 of the Cable Act (47 U.S.C. § 555), any and all claims asserted by or against the Franchising Authority arising under this Agreement or related thereto shall be heard and determined either in a court of the United States located in Alabama ("Federal Court") or in a court of the State of Alabama of appropriate jurisdiction ("Alabama State Court"). To effectuate this Agreement and intent, the Company agrees that if the

Franchising Authority initiates any action against the Company in Federal Court or in Alabama State Court, service of process may be made on the Company either in person or by registered mail addressed to the Company at its offices as defined in Section 10.6, or to such other address as the Company may provide to the Franchising Authority in writing.

10.15 Modification. The Company and Franchising Authority may at any time during the term of this Agreement seek a modification, amendment, or waiver of any term or condition of this Agreement. No provision of this Agreement nor any Appendix to this Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Company, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution, letter of agreement, or order by the Franchising Authority, as required by applicable law.

10.16 Delays and Failures Beyond Control of Company. Notwithstanding any other provision of this Agreement, the Company shall not be liable for delay in performance of, or failure to perform, in whole or in part, its obligations pursuant to this Agreement due to strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, technical failure, sabotage, or other events, where the Company has exercised all due care in the prevention thereof, to the extent that such causes or other events are beyond the control of the Company and such causes or events are without the fault or negligence of the Company. In the event that any such delay in performance or failure to perform affects only part of the Company's capacity to perform, the Company shall perform to the maximum extent it is able to do so and shall take all steps within its power to correct such cause(s). The Company agrees that in correcting such cause(s), it shall take all reasonable steps to do so in as expeditious a manner as possible. The Company shall promptly notify the Franchising Authority in writing of the occurrence of an event covered by this Section 10.16.

10.17 Duty to Act Reasonably and in Good Faith. The Company and the Franchising Authority shall fulfill their obligations and exercise their rights under this Agreement in a reasonable manner and in good faith. Notwithstanding the omission of the words "reasonable," "good faith," or similar terms in the provisions of this Agreement, every provision of this Agreement is subject to this section.

10.18 Contractual Rights Retained. Nothing in this Agreement is intended to impair the contractual rights of the Franchising Authority or the Company under this Agreement.

10.19 No Third-Party Beneficiaries. Nothing in this Agreement, or any prior agreement, is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of such agreements or Franchise.

IN WITNESS WHEREOF, the party of the first part, by its Mayor, thereunto duly authorized by the City Council of said Franchising Authority, has caused the name of said Franchising Authority to be hereunto signed and the corporate seal of said Franchising Authority to be hereunto affixed, and the Company, the party of the second part, by its officers thereunto duly authorized, has caused its name to be hereunto signed and its seal to be hereunto affixed as of the date and year first above written.

**City of Spanish Fort, Alabama**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Mayor  
(Seal)

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

**Comcast of Alabama, LLC**

By: \_\_\_\_\_  
Name: Michael McArdle  
Title: Regional Senior Vice President

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

## **APPENDIX A DEFINED TERMS**

*For purposes of the Agreement to which this Appendix A is appended, the following terms, phrases, words, and their derivations shall have the meanings set forth herein, unless the context clearly indicates that another meaning is intended.*

**“Agreement”** means the Agreement to which this Appendix A is appended, together with all Appendices attached thereto and all amendments or modifications thereto.

**“Basic Service”** means any service tier that includes the retransmission of local television broadcast Signals and any equipment or installation used in connection with Basic Service.

**“Cable Act”** means Title VI of the Communications Act of 1934 as amended, 47 U.S.C. § 521, *et seq.*

**“Cable Service”** means the one-way transmission to Subscribers of Video Programming or other programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other programming service. “Cable Service” does not include any Video Programming provided by a commercial mobile service provider as defined in 47 U.S.C. §332(d).

**“Cable Service Provider”** or **“CSP”** means any person or group of persons (A) who provides Cable Service over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System, or (B) who otherwise controls or is responsible for, through any arrangement, the management and operation of such a Cable System.

**“Cable System”** means a facility, consisting of a set of closed transmission paths and associated Signal generation, reception, and control equipment, that is designed to provide Cable Service, which includes Video Programming and which is provided to multiple Subscribers within a community, but “Cable System” does not include:

(A) a facility that serves only to retransmit the television Signals of one (1) or more television broadcast stations;

(B) a facility that serves Subscribers without using any public right-of-way as defined herein;

(C) a facility of a common carrier which is subject, in whole or in part, to the provisions of 47 U.S.C. §§201–276, except that such facility shall be considered a Cable System, other than for purposes of 47 U.S.C. § 541(c), to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;

(D) an open video system that complies with 47 U.S.C. § 573; or

(E) any facilities of any electric utility used solely for operating its electric utility system.

**“Channel”** means a “cable channel” or “channel” as defined in 47 U.S.C. § 522(4).

**“Company”** means Comcast of Alabama, LLC, a limited liability company validly existing under the laws of the State of Alabama, or lawful successor, transferee, designee, or assignee thereof.

**“FCC”** means the Federal Communications Commission, its designee, or any successor thereto.

**“Franchise Area”** means the incorporated areas of the City of Spanish Fort, Alabama, including any areas annexed by the Franchising Authority during the term of the Franchise.

**“Franchising Authority”** means the City of Spanish Fort, Alabama, or lawful successor, transferee, designee, or assignee thereof.

**“Gross Revenues”** means: all revenue derived by Company, its affiliates, subsidiaries, or parent, or Person from the operation of its Cable System to provide Cable Service within the Franchise Area. Gross Revenues shall include, but not be limited to, Cable Service fees, advertising sales booked in accordance with Applicable Laws and GAAP, home shopping revenue, installation, disconnection and reconnection fees, equipment rental fees, late fees, guides and Franchise Fees. The term Gross Revenue shall not include refundable deposits, bad debt (provided that if amounts previously representing bad debt are collected, then those amounts shall be included in Gross Revenues for the period in which they are collected), investment income, programming launch support payments so long as not booked as revenue by Company, nor any taxes on services furnished by Company imposed by any county, state, or other governmental unit and collected by Company for such governmental unit or non-sufficient fund charges. A Franchise Fee is not such a tax. The Franchising Authority acknowledges and accepts that Company maintains its books and records in accordance with Generally Accepted Accounting Principles ("GAAP").

Resolution of any disputes over the classification of revenue should first be attempted by agreement of the Parties, but should no resolution be reached, the Parties agree that deference shall be given to generally accepted accounting principles ("GAAP") as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/ or the U.S. Securities and Exchange Commission ("SEC"). Notwithstanding the forgoing, the Franchising Authority reserves its right to challenge Company's calculation of Gross Revenues, including the use or interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.

Notwithstanding anything in this Agreement to the contrary, the Franchising Authority reserves the right to charge a franchise fee on the gross revenues from services provided by the Company to the extent such service may be considered a cable service under

applicable law, as the same may be amended, and may impose, charge, levy, decrease or increase such fee upon sixty (60) days written notice to the Company.

**“Person”** means any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for-profit, but shall not mean the Franchising Authority.

**“Signal”** means any transmission of radio frequency energy or of optical information.

**“Streets”** means the surface of, and the space above and below, any and all streets, avenues, highways, boulevards, concourses, driveways, bridges, tunnels, parkways, and waterways within and belonging to the Franchising Authority and any other property within the Franchise Area to the extent to which there exist public easements or public rights-of-way.

**“Subscriber”** means any Person lawfully receiving Video Service from a Video Service Provider or Cable Service from a Cable Service Provider.

**“Video Programming”** means programming provided by or generally considered comparable to programming provided by a television broadcast station, as set forth in 47 U.S.C. § 522(20).

**“Video Service”** means the provision of Video Programming through wireline facilities located at least in part in the public rights-of-way without regard to delivery technology, including Internet protocol technology. This definition does not include any Video Programming provided by a commercial mobile service provider as defined in 47 U.S.C. § 332(d) or Video Programming provided as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public Internet.

**“Video Service Provider” or “VSP”** means an entity providing Video Service as defined herein, but does not include a Cable Service Provider.

**APPENDIX B**  
**CUSTOMER SERVICE STANDARDS**

Code of Federal Regulations

Title 47, Volume 4, Parts 70 to 79

Revised as of October 1, 1998

From the U.S. Government Printing Office via GPO Access

47 C.F.R. § 76.309

Page 561–63

TITLE 47—TELECOMMUNICATION  
CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION  
PART 76—CABLE TELEVISION SERVICE  
Subpart H—General Operating Requirements

**§ 76.309 Customer service obligations.**

(a) A cable franchise authority may enforce the customer service standards set forth in paragraph (c) of this section against cable operators. The franchise authority must provide affected cable operators ninety (90) days written notice of its intent to enforce the standards.

(b) Nothing in this rule should be construed to prevent or prohibit:

- (1) A franchising authority and a cable operator from agreeing to customer service requirements that exceed the standards set forth in paragraph (c) of this section;
- (2) A franchising authority from enforcing, through the end of the franchise term, pre-existing customer service requirements that exceed the standards set forth in paragraph (c) of this section and are contained in current franchise agreements;
- (3) Any State or any franchising authority from enacting or enforcing any consumer protection law, to the extent not specifically preempted herein; or
- (4) The establishment or enforcement of any State or municipal law or regulation concerning customer service that imposes customer service requirements that exceed, or address matters not addressed by the standards set forth in paragraph (c) of this section.

(c) Effective July 1, 1993, a cable operator shall be subject to the following customer service standards:

(1) Cable system office hours and telephone availability—

(i) The cable operator will maintain a local, toll-free or collect call telephone access line which will be available to its subscribers 24 hours a day, seven days a week.

(A) Trained company representatives will be available to respond to customer telephone inquiries during normal business hours.

(B) After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day.

(ii) Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis.

(iii) The operator will not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless an historical record of complaints indicates a clear failure to comply.

(iv) Under normal operating conditions, the customer will receive a busy signal less than three (3) percent of the time.

(v) Customer service center and bill payment locations will be open at least during normal business hours and will be conveniently located.

(2) Installations, outages and service calls. Under normal operating conditions, each of the following four standards will be met no less than ninety five (95) percent of the time measured on a quarterly basis:

(i) Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

(ii) Excluding conditions beyond the control of the operator, the cable operator will begin working on "service interruptions" promptly and in no event later than 24 hours after the interruption becomes known. The cable operator must begin actions to correct other service problems the next business day after notification of the service problem.

(iii) The "appointment window" alternatives for installations, service calls, and other installation activities will be either a specific time or, at maximum, a four-hour time block during normal business hours. (The operator may schedule service calls and other installation activities outside of normal business hours for the express convenience of the customer.)

(iv) An operator may not cancel an appointment with a customer after the close of business on the business day prior to the scheduled appointment.

(v) If a cable operator representative is running late for an appointment with a customer and will not be able to keep the appointment as scheduled, the customer will be contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the customer.

(3) Communications between cable operators and cable subscribers—

(i) Notifications to subscribers—

(A) The cable operator shall provide written information on each of the following areas at the time of installation of service, at least annually to all subscribers, and at any time upon request:

(1) Products and services offered;

(2) Prices and options for programming services and conditions of subscription to programming and other services;

(3) Installation and service maintenance policies;

(4) Instructions on how to use the cable service;

(5) Channel positions programming carried on the system; and,

(6) Billing and complaint procedures, including the address and telephone number of the local franchise authority's cable office.

(B) Customers will be notified of any changes in rates, programming services or channel positions as soon as possible in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the cable operator. In addition, the cable operator shall notify subscribers thirty (30) days in advance of any significant changes in the other information required by paragraph (c)(3)(i)(A) of this section. Notwithstanding any other provision of Part 76, a cable operator shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or franchising authority on the transaction between the operator and the subscriber.

(ii) Billing—

(A) Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, basic and

premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(B) In case of a billing dispute, the cable operator must respond to a written complaint from a subscriber within 30 days.

(iii) Refunds—Refund checks will be issued promptly, but no later than either—

(A) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

(B) The return of the equipment supplied by the cable operator if service is terminated.

(iv) Credits—Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

(4) Definitions—

(i) Normal business hours—The term “normal business hours” means those hours during which most similar businesses in the community are open to serve customers. In all cases, “normal business hours” must include some evening hours at least one night per week and/or some weekend hours.

(ii) Normal operating conditions—The term “normal operating conditions” means those service conditions which are within the control of the cable operator. Those conditions which are not within the control of the cable operator include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions which are ordinarily within the control of the cable operator include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or upgrade of the cable system.

(iii) Service interruption—The term “service interruption” means the loss of picture or sound on one or more cable channels.

[58 FR 21109, Apr. 19, 1993, as amended at 61 FR 18977, Apr. 30, 1996]

**SECTION 2. Severability Clause.** If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

**SECTION 3. Repealer Clause.** Any Ordinance heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict.

**SECTION 4. Effective Date.** This Ordinance shall become effective only upon receipt of a written unconditional acceptance by the Franchisee of the terms and conditions contained herein within thirty (30) days of the passage of this Ordinance.

**ADOPTED AND APPROVED** this \_\_\_\_\_ *day of* \_\_\_\_\_, **2024.**

CITY OF SPANISH FORT, ALABAMA

BY: \_\_\_\_\_  
Michael M. McMillan  
Mayor

ATTEST:

---

Rebecca A. Gaines  
City Clerk, CMC

**ORDINANCE NO. 671-2024**

**AN ORDINANCE AMENDING ORDINANCE NO. 51-96 OF THE CITY OF SPANISH FORT ESTABLISHING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY AS B-2, LOCAL BUSINESS DISTRICT**

**WHEREAS**, the owner of the property, Mag 7 LLC, has requested the property described below be pre-zoned in accordance with Ala. Code § 11-52-85 (1975); and

**WHEREAS**, the owner has submitted a request in writing that the subject property be zoned B-2, Local Business District, upon its annexation into the corporate limits of the City of Spanish Fort; and

**WHEREAS**, the Planning Commission of the City of Spanish Fort, Alabama, held a meeting on May 14, 2024, and the City Council of the City of Spanish Fort held a meeting on June 3, 2024, for the purpose of receiving public comments on the proposed zoning classification.

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

**SECTION 1. Establishment of Zoning Classification.**

In accordance with Ala. Code § 11-52-85 (1975), upon annexation of that certain property bearing Baldwin County Tax Parcel No. 05-29-05-16-0-000-001.004, 05-29-05-21-0-000-001.004 and 05-29-05-22-0-000-008.000 into the corporate limits of the City of Spanish Fort, said property being more particularly described as set forth in the legal description in Exhibit “A” which is attached hereto and made a part of this Ordinance as though set forth fully herein, the said property, or any portion thereof annexed into the City, shall be zoned B-2, Local Business District. A map of the subject property is attached as Exhibit “B” hereto.

**SECTION 2. Change in Zoning Map.**

The official zoning map for the City of Spanish Fort is hereby amended, changed or altered to reflect the establishment of the zoning classification of B-2, Local Business District, on the above-referenced property.

**SECTION 3. Repealer Clause.**

Any ordinance heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict. Except as expressly amended herein, all terms and provisions contained in Ordinance No. 51-96, as amended, shall remain in full force and effect.

**SECTION 4. Severability Clause.**

If any part, section or subdivision of this Ordinance shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

**SECTION 5. Effective Date.**

This Ordinance shall become effective upon its adoption or as otherwise required by state law.

Adopted and approved this \_\_\_\_\_ *day of* \_\_\_\_\_, 2024.

\_\_\_\_\_  
Michael M. McMillan  
Mayor

ATTEST:

\_\_\_\_\_  
Rebecca A. Gaines  
City Clerk

## EXHIBIT “A” TO ORDINANCE NO. 671-2024

### LEGAL DESCRIPTION:

BEGINNING AT THE NORTHWEST CORNER OF LOT 1, WHITEHOUSE CREEK ACRES SUBDIVISION, AS RECORDED IN A MAP OR PLAT THEREOF, IN SLIDE 1262-B, IN THE OFFICE OF THE JUDGE OF PROBATE COURT, BALDWIN COUNTY, ALABAMA:

THENCE RUN SOUTHERLY ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 938 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 3 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA;

THENCE RUN WESTERLY ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 22 AND ALSO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 21, BOTH BEING IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA, A DISTANCE OF 3960 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA;

THENCE RUN NORTHERLY, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA,, A DISTANCE OF 1827, MORE OR LESS, TO A POINT ON THE SOUTHERN BOUNDARY OF PARCEL NUMBER 05-29-05-21-0-000-001.002, CURRENT OWNER BEING DARYL LEE - LIFE ESTATE;

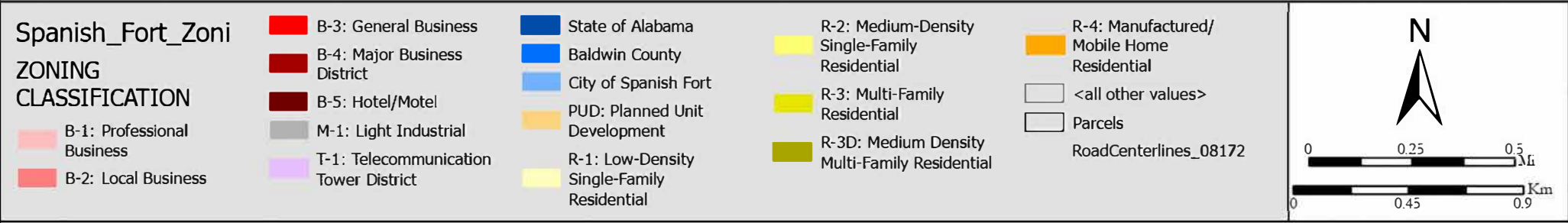
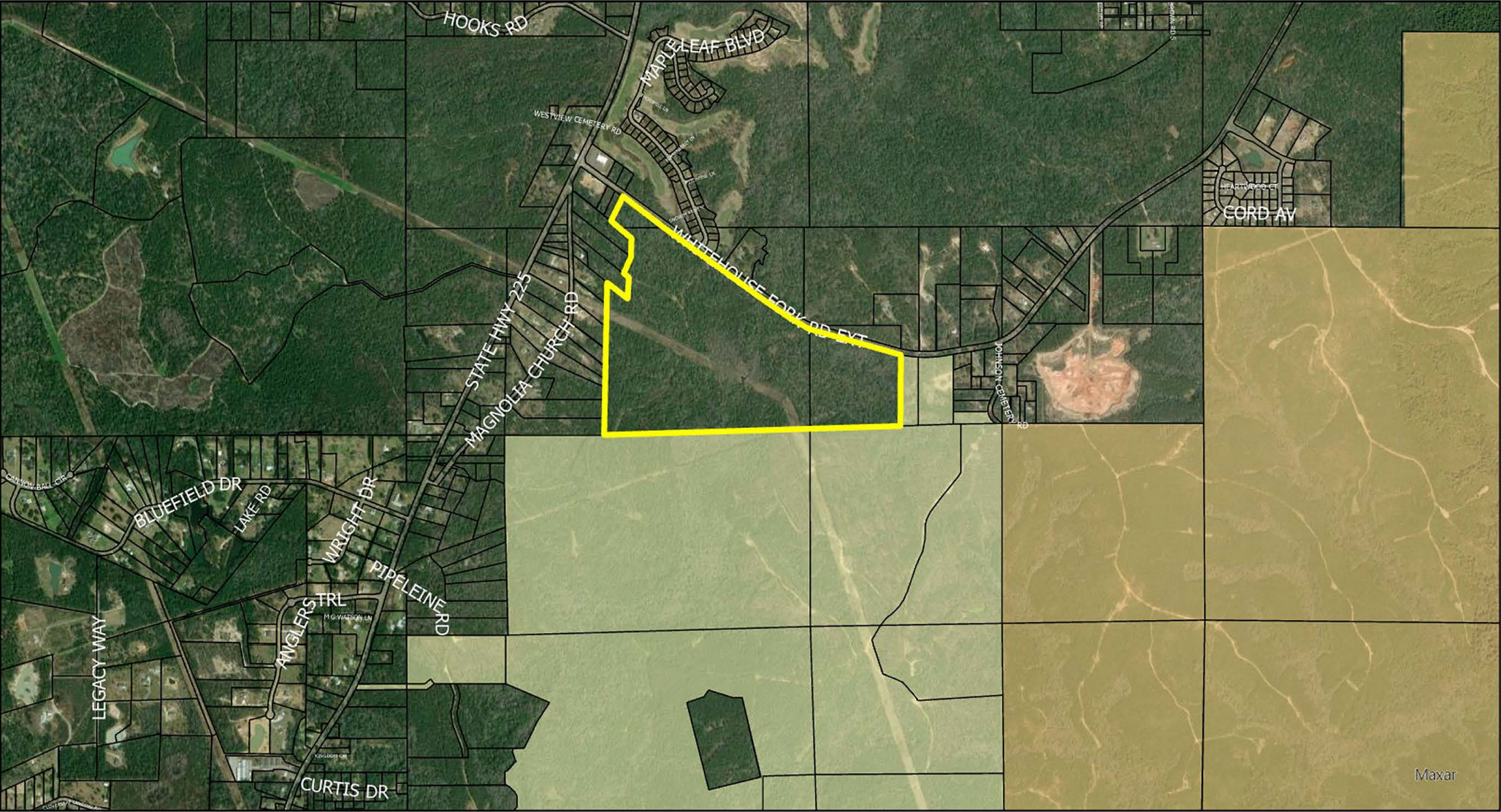
THENCE RUN SOUTHEASTERLY, ALONG SAID SOUTHERN BOUNDARY, A DISTANCE OF 166 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF PARCEL NUMBER 05-29-05-21-0-000-001.002, CURRENT OWNER BEING DARYL LEE - LIFE ESTATE;

THENCE RUN NORTHEASTERLY, ALONG THE EASTERN BOUNDARY OF PARCEL NUMBER 05-29-05-21-0-000-001.002, CURRENT OWNER BEING DARYL LEE - LIFE ESTATE, A DISTANCE OF 228 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF PARCEL NUMBER 05-29-05-21-0-000-001.002, CURRENT OWNER BEING DARYL LEE - LIFE ESTATE;

THENCE RUN NORTHWESTERLY, ALONG THE NORTHERN BOUNDARY OF PARCEL NUMBER 05-29-05-21-0-000-001.002, CURRENT OWNER BEING DARYL LEE - LIFE ESTATE, A DISTANCE OF 118 FEET, TO THE SOUTHEAST CORNER OF PARCEL NUMBER 05-29-05-21-0-000-001.001, CURRENT OWNER BEING DARYL LEE- LIFE ESTATE;

THENCE RUN NORTHEASTERLY, ALONG THE EASTERN BOUNDARY OF PARCEL NUMBER 05-29-05-21-0-000-001.001, CURRENT OWNER BEING DARYL LEE- LIFE ESTATE, A DISTANCE OF 243 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF PARCEL NUMBER 05-29-05-16-0-000-006.000, CURRENT OWNER BEING THOMAS EUGENE COOK SR.;

THENCE RUN NORTHERLY, ALONG THE EASTERN BOUNDARY OF PARCEL NUMBER 05-29-05-16-0-000-006.000, CURRENT OWNER BEING THOMAS EUGENE COOK SR., A DISTANCE OF 275 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF PARCEL NUMBER PARCEL NUMBER 05-29-05-16-0-000-006.000, CURRENT OWNER BEING THOMAS EUGENE COOK SR.;



## RESOLUTION NO. 1409-2024

### A RESOLUTION AMENDING THE PERSONNEL MANUAL OF THE CITY OF SPANISH FORT, ALABAMA

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT,  
ALABAMA, AS FOLLOWS:**

**SECTION 1. Amendment to Personnel Manual.** The City Council of the City of Spanish Fort has determined that it is in the best interest of the City to revise certain personnel policies and procedures for the City of Spanish Fort, and the City Council hereby amends **SECTION XVI BENEFITS, F. AUTOMOBILE USAGE, Paragraph 2**, of the Personnel Manual of the City of Spanish Fort, Alabama, to read in its entirety as follows:

2. City-owned vehicles are to be used as transportation to and from work and will not be utilized for personal purposes; i.e., trips to the grocery store, church, a movie, a restaurant, etc. City-owned vehicles will not be assigned to employees whose residence is more than thirty (30) miles from the corporate limits of the City of Spanish Fort, with the exception that the Mayor may allow employees holding appointed positions and whose residence is more than (30) miles from the corporate limits of the City of Spanish Fort to be assigned a vehicle, if the Mayor determines it is in the best interest of the City to do so.

**SECTION 2. Personnel Manual Not a Contract; Amendments.** The Personnel Manual adopted by the City of Spanish Fort is not a contract between the City of Spanish Fort and any employee, and it is not intended to create contractual obligations of any kind. The City Council reserves the right to make changes to the Personnel Manual and to increase, reduce, abolish, or alter pay, benefits, or any other terms and conditions of employment at any time, in its sole discretion.

**SECTION 3. Repealer Clause.** Except as expressly amended herein, all terms, conditions and provisions contained in the Personnel Manual, as amended, shall remain in full force and effect.

**SECTION 4. Severability Clause.** If any part, section or subdivision of this Resolution shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Resolution, which shall continue in full force and effect notwithstanding such holding.

**SECTION 5. Effective Date.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

---

Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk

**RESOLUTION NO. 1410-2024**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT  
FOR SERVICES BETWEEN THE CITY OF SPANISH FORT, ALABAMA, AND  
UNITI FIBER**

**WHEREAS**, the City Council of the City of Spanish Fort, Alabama, has determined that it is in the best interest of the City to retain the services of Uniti Fiber to install a 50 Mbps Internet Fiber Optic line from the Spanish Fort Police Department to the Fairhope Police Department for the purpose of communicating with Baldwin County 911.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The City Council hereby authorizes the Mayor to execute a Contract for Services with Uniti Fiber to install a 50 Mbps Internet Fiber Optic line to from the Spanish Fort Police Department to the Fairhope Police Department for the purpose of communicating with Baldwin County 911, in accordance with the proposals which are attached hereto as Exhibit 1, subject to any changes approved by the Mayor.

**SECTION 2.** This Resolution shall become effective upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.***

---

Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines  
City Clerk

# Exhibit 1



## Service Order

<b>Offer Date:</b>	04/22/2024						
<b>Description:</b>	50 Mbps Ethernet SFPD to Fairhope PD						
<b>Opp. Number:</b>	OPP-316550						
<b>Requested By:</b>	City of Spanish Fort AL 1560206			Mayor@cityofspanishfort.com Michael McMillan			
<b>Offered By:</b>	Uniti Fiber Scott McMahan			scott.mcmahan@uniti.com (251)445-1807			
<b>Term (Months):</b>	36						
<b>Opportunity Type</b>	New			Contract Term Type: New			
<b>A Service Address</b>				<b>A CPE Location</b>			
30500 State Highway 181, Spanish Fort, AL 36527-5803				Spanish Fort Police Department			
<b>Z Service Address</b>				<b>Z CPE Location</b>			
107 North Section Street, Fairhope, AL 36532-2430				City of Fairhope-Police Department			
<b>Quantity</b>	<b>Service</b>	<b>CPE Location A</b>	<b>CPE Location Z</b>	<b>Unit Monthly Charge</b>	<b>Unit One-Time Charge</b>	<b>Extended Monthly Charge</b>	<b>Extended One-Time Charge</b>
1	50 Mbps Ethernet	Spanish Fort Police Department	City of Fairhope-Police Department	\$445.00	\$0.00	\$445.00	\$0.00
<b>Service Order Total Monthly Charge</b>				<b>Service Order Total Non-Recurring Charge</b>			
\$445.00				\$0.00			

Remarks
1. Offer is for Uniti Fiber to provide a Point-to-Point connection between the Spanish Fort PD and the Fairhope PD on a 36-month term.

**DocuSign will be utilized to route this Service Order form for electronic signature, name, title, date.**

**Please provide separate Implementation Form as soon as possible via email as electronic or scanned document to [orders@uniti.com](mailto:orders@uniti.com), via fax to 251-445-0642, or via online form where provided.**

Customer acknowledges that Customer is ordering the Services from Uniti Fiber LLC, and/or its affiliate or subsidiary companies (collectively "Uniti Fiber"), and that local, state, and federal taxes and surcharges may apply. By signing, Customer acknowledges full and complete authority to bind Customer. Additional charges for any requested demarcation extension will be passed on to Customer. Access or other fees imposed by property owner shall be borne by Customer.

By signing this Service Order, Customer requests the Service ordered hereunder subject to the existing master services agreement or standard terms and conditions signed by the parties; or if none exists, then such Service is subject to the applicable terms and conditions of Uniti Fiber's standard terms and conditions (which may be changed from time to time at Uniti Fiber's discretion), a copy of which is available upon request. Uniti Fiber's master service agreement, any IP Transit service ordered hereunder shall be subject to the terms of Uniti Fiber's IP Transit Addendum which may be provided to Customer upon request and at Uniti Fiber's discretion may be changed or updated from time to time.

This Service Order becomes binding on Uniti Fiber upon Order Acceptance.

This Service Order fully incorporates the agreement titled Standard Terms & Conditions signed by Customer on the date 6/19/2023.

Uniti Fiber

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

City of Spanish Fort AL

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## RESOLUTION NO. 1411-2024

### A RESOLUTION AMENDING THE PERSONNEL MANUAL OF THE CITY OF SPANISH FORT, ALABAMA

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1. Amendment to Personnel Manual.** The City Council of the City of Spanish Fort has determined that it is in the best interest of the City to revise certain personnel policies and procedures for the City of Spanish Fort, and the City Council hereby amends **SECTION IX DISCIPLINE AND DISCHARGE, D. PROCEDURES**, of the Personnel Manual of the City of Spanish Fort, Alabama, to add the following paragraphs:

10. It shall be the employee's responsibility to ensure that the City of Spanish Fort has a valid mailing address and physical address, email address, and telephone number on file in the Office of the City Clerk. Service of disciplinary notices may be by personal service or United States mail. In the event the City is unable to locate the employee, and/or the employee fails to cooperate with attempts to communicate with City personnel, disciplinary notices and related communications may be sent by email or text message.
11. Failure of an employee to attend and be on time for a Pre-Disciplinary Meeting, Full Disciplinary Hearing or an appeal of a disciplinary matter shall result in a waiver of the right to that hearing or appeal or any future hearing or appeal, provided said employee has notice of the hearing or appeal.

**SECTION 2. Amendment to Personnel Manual.** The City Council of the City of Spanish Fort has determined that it is in the best interest of the City to revise certain personnel policies and procedures for the City of Spanish Fort, and the City Council hereby amends **SECTION IX DISCIPLINE AND DISCHARGE, D. PROCEDURES, Paragraph 6.** of the Personnel Manual of the City of Spanish Fort, Alabama, to read in its entirety as follows:

6. If the Mayor approves any such types of discipline after a Pre-disciplinary Meeting, the Mayor, if requested by the employee within 3 working days of receipt of the determination, shall conduct a Full Disciplinary Hearing on the Request for Disciplinary Action not sooner than forty-eight (48) hours and not later than ten (10) days after the receipt of the employee's request for a Full Disciplinary Hearing, unless the Mayor grants or approves a postponement of the Full Disciplinary Hearing to a date more than ten (10) but less than thirty (30) days following such effective date.

**SECTION 3. Personnel Manual Not a Contract; Amendments.** The Personnel Manual adopted by the City of Spanish Fort is not a contract between the City of Spanish Fort and any employee, and it is not intended to create contractual obligations of any kind. The City Council reserves the right to make changes to the Personnel Manual and to increase, reduce, abolish, or alter pay, benefits, or any other terms and conditions of employment at any time, in its sole discretion.

**SECTION 4. Repealer Clause.** Except as expressly amended herein, all terms, conditions and provisions contained in the Personnel Manual, as amended, shall remain in full force and effect.

**SECTION 5. Severability Clause.** If any part, section or subdivision of this Resolution shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Resolution, which shall continue in full force and effect notwithstanding such holding.

**SECTION 6. Effective Date.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

\_\_\_\_\_  
Michael M. McMillan  
Mayor

ATTEST:

\_\_\_\_\_  
Rebecca A. Gaines, CMC  
City Clerk

**RESOLUTION NO. 1413-2024**

**A RESOLUTION APPOINTING MEMBERS TO THE CITY OF SPANISH FORT  
JUNIOR CITY COUNCIL**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The following persons are hereby appointed to serve as members of the City of Spanish Fort Junior City Council until the May 31, 2025:

Luke Beall  
Haley Few  
Crista Hoffman  
Anna Kay Rigby  
Allison Robinson  
Darby Smith  
Adrianne Vickers

**SECTION 2.** All appointments made by this Resolution are subject to the terms and conditions contained in Resolution No. 1238-2022, as amended.

***ADOPTED AND APPROVED this \_\_\_\_ day of June 2024.***

\_\_\_\_\_  
Michael M. McMillan  
Mayor

ATTEST:

\_\_\_\_\_  
Rebecca A. Gaines, CMC  
City Clerk

**RESOLUTION NO. 1414-2024**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN  
AGREEMENT WITH SUNSET CONTRACTING, INC., FOR REPAIRS AT  
MENDOTA DRIVE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH  
FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The City Council hereby authorizes the Mayor to enter into an agreement with Sunset Contracting, Inc., in the amount of \$5,800.00 to install a concrete flume in an existing weir inlet on the right-of-way at 33850 Mendota Drive. A copy of the proposal for the proposed work is attached hereto as Exhibit 1.

**SECTION 2.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

---

Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk

Sunset Contracting, Inc.

3030 Lees Lane  
Mobile, Al 36693

Estimate

Date	Estimate #
5/28/2024	2015

Name / Address
CITY OF SPANISH FORT 7361 Spainsh Fort Blvd Spanish Fort, Al 36527

			Project
Description	Qty	Cost	Total
Pour a concrete flume around an existing weir inlet at 33850 Mendota Dr 20X2		5,800.00	5,800.00
		<b>Total</b>	\$5,800.00

Customer Signature \_\_\_\_\_

**RESOLUTION NO. 1415-2024**

**A RESOLUTION AMENDING THE  
EMPLOYEE PAY CLASSIFICATION GUIDELINES**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The Administrative Pay Classification Guidelines adopted by the City Council of the City of Spanish Fort in accordance with Resolution No. 1355-2023 are hereby amended in their entirety by substituting the Administrative Pay Scale which is attached hereto as Exhibit A and incorporated by reference as though set forth fully herein. The Fire Department and Police Pay Scales as established previously established and adopted shall remain in full force and effect.

**SECTION 2.** If any part, section or subdivision of this Resolution shall be held unconstitutional or invalid for any reason, such holding shall not be construed to invalidate or impair the remainder of this Resolution, which shall continue in full force and effect notwithstanding such holding.

**SECTION 3.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

---

Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk

HOURLY RATE				ANNUAL RATE	
JOB TITLE	GRADE	BEGINNING RATE	MAXIMUM RATE	BEGINNING ANNUAL	MAXIMUM ANNUAL
Secretary	I	\$15.44	\$24.68	\$32,105.75	\$51,325.86
Grounds Road Mtce/Custodian/Librarian Asst/Magistrate	II	\$16.30	\$26.06	\$33,912.06	\$54,213.52
	III				
Senior Center Administrative Assistant	IV	\$18.76	\$29.99	\$39,018.59	\$62,377.08
Court Clerk//Permit Clerk	V	\$19.32	\$30.89	\$40,185.03	\$64,241.81
	VI	\$19.53	\$31.22	\$40,619.59	\$64,936.52
	VII	\$20.43	\$32.66	\$42,495.04	\$67,934.70
Administrative Assistant	VIII	\$22.10	\$35.33	\$45,971.80	\$73,492.83
	IX	\$23.47	\$37.51	\$48,807.55	\$78,026.20
Planner & Zoning Official/Environmentalist/Revenue Officer/Building Inspector & Code Enforcement Officer	X	\$24.63	\$39.38	\$51,231.92	\$81,901.92
Librarian	XI	\$24.94	\$39.87	\$51,872.32	\$82,925.69
Public Works and Parks and Recreation Director/ Director of Marketing & Director of Senior Services	XII	\$29.29	\$46.83	\$60,929.39	\$97,404.78
City Clerk	XIII	\$31.39	\$50.19	\$65,297.82	\$104,388.37

Grade	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J	Step K	Step L	Step M	Step N	Step O	Step P	Step Q	Step R	Step S	Step T
I	\$32,105.75	\$32,908.39	\$33,731.10	\$34,574.38	\$35,438.74	\$36,324.71	\$37,232.83	\$38,163.65	\$39,117.74	\$40,095.68	\$41,098.07	\$42,125.53	\$43,178.66	\$44,258.13	\$45,364.58	\$46,498.70	\$47,661.17	\$48,852.70	\$50,074.01	\$51,325.86
II	\$33,912.06	\$34,759.86	\$35,628.86	\$36,519.58	\$37,432.57	\$38,368.38	\$39,327.59	\$40,310.78	\$41,318.55	\$42,351.52	\$43,410.30	\$44,495.56	\$45,607.95	\$46,748.15	\$47,916.85	\$49,114.77	\$50,342.64	\$51,601.21	\$52,891.24	\$54,213.52
III	\$36,685.71	\$37,602.85	\$38,542.92	\$39,506.50	\$40,494.16	\$41,506.51	\$42,544.18	\$43,607.78	\$44,697.98	\$45,815.42	\$46,960.81	\$48,134.83	\$49,338.20	\$50,571.66	\$51,835.95	\$53,131.85	\$54,460.14	\$55,821.65	\$57,217.19	\$58,647.62
IV	\$39,018.59	\$39,994.05	\$40,993.91	\$42,018.75	\$43,069.22	\$44,145.95	\$45,249.60	\$46,380.84	\$47,540.36	\$48,728.87	\$49,947.09	\$51,195.77	\$52,475.67	\$53,787.56	\$55,132.25	\$56,510.55	\$57,923.32	\$59,371.40	\$60,855.68	\$62,377.08
V	\$40,185.03	\$41,189.66	\$42,219.40	\$43,274.88	\$44,356.75	\$45,465.67	\$46,602.31	\$47,767.37	\$48,961.56	\$50,185.60	\$51,440.24	\$52,726.24	\$54,044.40	\$55,395.51	\$56,780.40	\$58,199.91	\$59,654.90	\$61,146.28	\$62,674.93	\$64,241.81
VI	\$40,619.59	\$41,635.08	\$42,675.96	\$43,742.86	\$44,836.43	\$45,957.34	\$47,106.27	\$48,283.93	\$49,491.03	\$50,728.30	\$51,996.51	\$53,296.42	\$54,628.83	\$55,994.55	\$57,394.42	\$58,829.28	\$60,300.01	\$61,807.51	\$63,352.70	\$64,936.52
VII	\$42,495.04	\$43,557.42	\$44,646.35	\$45,762.51	\$46,906.57	\$48,079.24	\$49,281.22	\$50,513.25	\$51,776.08	\$53,070.48	\$54,397.24	\$55,757.18	\$57,151.10	\$58,579.88	\$60,044.38	\$61,545.49	\$63,084.13	\$64,661.23	\$66,277.76	\$67,934.70
VIII	\$45,971.80	\$47,121.10	\$48,299.12	\$49,506.60	\$50,744.27	\$52,012.87	\$53,313.19	\$54,646.02	\$56,012.17	\$57,412.48	\$58,847.79	\$60,318.99	\$61,826.96	\$63,372.63	\$64,956.95	\$66,580.87	\$68,245.40	\$69,951.53	\$71,700.32	\$73,492.83
IX	\$48,807.55	\$50,027.74	\$51,278.43	\$52,560.39	\$53,874.40	\$55,221.26	\$56,601.79	\$58,016.84	\$59,467.26	\$60,953.94	\$62,477.79	\$64,039.74	\$65,640.73	\$67,281.75	\$68,963.79	\$70,687.89	\$72,455.08	\$74,266.46	\$76,123.12	\$78,026.20
X	\$51,231.92	\$52,512.72	\$53,825.54	\$55,171.17	\$56,550.45	\$57,964.22	\$59,413.32	\$60,898.65	\$62,421.12	\$63,981.65	\$65,581.19	\$67,220.72	\$68,901.24	\$70,623.77	\$72,389.36	\$74,199.10	\$76,054.07	\$77,955.43	\$79,904.31	\$81,901.92
XI	\$51,872.32	\$53,169.13	\$54,498.36	\$55,860.82	\$57,257.34	\$58,688.77	\$60,155.99	\$61,659.89	\$63,201.38	\$64,781.42	\$66,400.96	\$68,060.98	\$69,762.50	\$71,506.57	\$73,294.23	\$75,126.59	\$77,004.75	\$78,929.87	\$80,903.12	\$82,925.69
XII	\$60,929.39	\$62,452.62	\$64,013.94	\$65,614.29	\$67,254.65	\$68,936.01	\$70,659.41	\$72,425.90	\$74,236.55	\$76,092.46	\$77,994.77	\$79,944.64	\$81,943.26	\$83,991.84	\$86,091.63	\$88,243.92	\$90,450.02	\$92,711.27	\$95,029.05	\$97,404.78
XIII	\$65,297.82	\$66,930.27	\$68,603.52	\$70,318.61	\$72,076.58	\$73,878.49	\$75,725.45	\$77,618.59	\$79,559.05	\$81,548.03	\$83,586.73	\$85,676.40	\$87,818.31	\$90,013.77	\$92,264.11	\$94,570.71	\$96,934.98	\$99,358.36	\$101,842.31	\$104,388.37

**RESOLUTION NO. 1416-2024**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN  
AGREEMENT WITH EMERGENCY NETWORKING FOR CLOUD-BASED EMS  
AND FIRE REPORTING SOFTWARE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH  
FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The City Council hereby authorizes the Mayor to enter into an agreement with Emergency Networking for the provision of cloud-based EMS and fire reporting software. A copy of the agreement is attached hereto as Exhibit 1.

**SECTION 2.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

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Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk



# Emergency Networking

## BID PROPOSAL

### The best choice for your agency



Modern, cloud-based software running on any device, built on a single, secure platform



Fully customizable by department or agency, including advanced rules and calculations



Complete turn-key solution, including full offline functionality for even the most challenging environments



Experienced team with a relentless focus on innovation, user experience, and data insights for better decision making

Created by:

Joby Smith  
Emergency Networking

Prepared for:

Roger Few  
Spanish Fort Fire Rescue (AL)



## A NOTE FROM OUR CEO:

Dear: **Roger Few**

I would like to thank you for giving us an opportunity to demonstrate what we can do for your department with our turn-key Fire and EMS records management software. We truly recognize the effort required to do your homework, evaluate all the options, request demos, compare the products and go through the challenges of changing your fire records management software and we are dedicated to making the transition as smooth as possible.

Emergency Networking has been founded by firefighters and technologists and has worked hard to grow and make the best product on the market through a relentless focus on the user experience and meeting the administration's reporting and management needs.

There has been significant consolidation in the first responder software market in the past couple of years and it seems as if the focus is on shutting down software platforms and "NOT" on the customer. We are dedicated to providing superior customer service and response to your individual needs and will continue to get feedback from our customers to influence our product roadmap.

Many of our employees have experience in the fire and EMS industry, including our founder Chris Schultheis as well as several personnel from our Support, Implementation and Sales teams.

Enclosed you will find a pricing package based on your needs. Please let your salesperson know if you see any errors or need clarification on the proposal. In addition, if you are ready to move forward, we have included our standard contract agreement.

At Emergency Networking we work hard to keep you a customer for life. My door is always open, if you have a suggestion or concern please don't hesitate to call or email so we can address your issue and work to exceed your expectations.

Sean Ramsey

*Sean Ramsey*

CEO Emergency Networking



**Quote Expiration Date:**

**Billing Cycle Start Date:**

08 / 01 / 2024

10 / 01 / 2024

## Quote:

Annual Fees (Charges)	QTY	Price	Discount	Subtotal
Fire Suite	1	\$3,000.00	\$0.00	\$3,000.00
Fire Suite Contains ~ Fire/Exposures, Training, Properties, Events, Hydrants, Truck Checks, Inventory, Daily Log, Department Insights (Reporting & Ad Hoc Reporting) & Google Mapping				
Investigations	1	\$995.00	\$0.00	\$995.00
Fire Investigations Module				
CAD Connection	1	\$1,000.00	-\$250.00	\$750.00
CAD Connection - Please reach out to your CAD vendor as there may be a cost to integrate to Emergency Networking.				
				<b>\$4,745.00</b>

### One Time Fees (Charges)

Fire Suite Implementation	1	\$1,250.00	\$0.00	\$1,250.00
2 Hour New Customer Training				
(Tier 1) Data Import: Fire Suite - Excluding Training & Nemsis	1	\$2,500.00	-\$750.00	\$1,750.00
Fire Suite Data Import Includes: NFIRS, Properties (PrePlan, Permits & Inspections), Hydrant/Flow Test, Events, Inventory/Maintenance, Events & Fuel Tracker) - Excludes Training & Nemsis Data				

(Tier 1) Data Import: Training	1	\$2,000.00	-\$600.00	\$1,400.00
Training Data Import Includes: Class Information, Training Codes, Personnel & Hours				
				\$4,400.00
			Subtotal	\$9,145.00
			Total	\$9,145.00



**Estimated Go Live Date:** 07 / 01 / 2024

**Account Owner Contact Information:**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Agency Codes: FDID: 0528 EMSID:

**CAD Setup Information: (Required if CAD Link was purchased)**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Billing Contact Information:**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Account Implementation Contact Information: (If different from Account Owner Contact)**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## A NOTE FROM OUR CUSTOMER SUCCESS TEAM:

Dear: Roger Few

Thank you for choosing Emergency Networking & welcome aboard.

In order to get your account activated as quickly as possible, and if purchased your data imports and / or CAD integration, we're going to need your help with some key account and import information which you will find below.

As soon as the "Account Setup" form is completed, the customer success team will begin the process of setting up your account and importing any data requested by your department.

From a timeline and expectations standpoint we think it's helpful to communicate upfront what you can expect.

**Below is our standard activation timeline assuming the "Account Setup Form" is received within 24 hours of signature.**

1. No imports: **72 hours** upon receipt of Account Setup Form
2. NFIRS imports: **15 business days** from receipt of NFIRS data in EXCEL or .CSV format
3. NFIRS supplemental data import: 5 business days from the receipt in EXCEL or .CSV format
4. Non-NFIRS data imports: **15 business days** from receipt of data in EXCEL or .CSV format

· Please note that if you wish to import your historical NFIRS data, as a company practice, we will not issue next account access until the bulk of the NFIRS data is imported due to data mapping needs. So, if it's important that you give us a complete data set for import as quickly as possible.

### **Customer Responsibilities:**

1. Completing the account setup and data import forms

2. Scheduling & attending “initial” kick off call with your Customer Success Manager when contacted
3. If importing data, sending data in the proper formats to your Customer Success Manager

**Emergency Networking Responsibilities:**

1. Setting up your initial “kick off” call within 2 business days of the receipt of your order form & account setup form
2. Provide “best practices” data export instructions from your current RMS software
3. Review data within 24 hours of receipt and communicate to you with any clarifications, deficiencies or concerns.
4. Communicate on a weekly basis the current implementation status on all data imports and hitting the targeted “go live” date
5. Scheduling the onboarding training session(s)

# MASTER SERVICE AGREEMENT (MSA)

Prepared for:  
Roger Few  
Spanish Fort Fire Rescue (AL)



## MASTER SERVICE AGREEMENT (MSA)

This Service Agreement (this “**Agreement**”) is entered into as of this date by and between Emergency Networking, LLC, an Ohio limited liability company, located at:

Emergency Networking  
PO Box 20559  
Columbus, OH, 43220

and with,

Spanish Fort Fire Rescue (AL)  
Spanish Fort Boulevard  
Spanish Fort, Alabama, 36527

This Agreement governs Customer’s use of the cloud-based, EMS and fire reporting and related modules as known as “**Aldrin**”, (the “**Service**”). The Service permits EMS and Fire Departments to input, collect, store, share, report and otherwise use data and the use of our Aldrin software platform entered by Customer or its representatives (all such data, “**Customer Data**”) and generate documentation and reports for compliance, tracking and reporting purposes. The Service is offered through an html-based Internet website (the “**Site**”) as well as a mobile application.

### 1. REGISTRATION AND ACCOUNT SECURITY

In order to use the Service, Customer must register an account with Emergency Networking. Customer represents that it has provided, and will provide, current, accurate and complete information (including information about Customer’s users) in all account-related registration materials. Customer agrees to maintain the security of all usernames, passwords and other log-in information relating to Customer’s access to the Service and Customer’s account. Customer agrees to promptly provide Emergency Networking with notice of any information necessary to keep Customer’s account information accurate, current, and complete. ANY PERSON WITH USERNAMES, PASSWORDS OR OTHER LOG-IN INFORMATION RELATING TO CUSTOMER’S ACCOUNT MAY BE ABLE TO ACCESS CUSTOMER DATA. CUSTOMER ASSUMES ALL RISKS OF

UNAUTHORIZED ACCESS OF CUSTOMER'S ACCOUNT BASED ON SHARING OR LOSS OF SUCH USERNAMES, PASSWORDS AND LOG-IN INFORMATION. Customer agrees to promptly provide notice to Emergency Networking if Customer discovers or suspects any security breaches relating to the unauthorized use or disclosure of Customer's username(s), password(s) or log-in information.

## **2. PROPRIETARY RIGHTS AND LICENSES**

### **2.1 Reservation of Rights**

Subject to the limited rights expressly granted hereunder, Emergency Networking and its licensors reserve all of its/their respective right, title and interest in and to the following (collectively, the "Emergency Networking Property"): (a) the Service, the Site, all components of the mobile application functionality, all other software, hardware, technology, documentation and information provided by Emergency Networking in connection with the Service; (b) all ideas, know-how, and techniques that may be developed, conceived or invented by Emergency Networking during the performance of the Service under this Agreement; and (c) all worldwide patent, copyright, trade secret, trademark or other intellectual property rights in and to the property described in subsections 2.1(a) and (b) hereof. Subject to the rights granted to Emergency Networking in Section 2.2, Customer owns and retains all right, title and interest in and to the Customer Data and all intellectual property rights therein.

### **2.2 License to Use Service.**

Subject to the terms of this Agreement, Emergency Networking hereby grants to Customer a non-exclusive, non-transferrable, worldwide license during the Service Term (defined herein) to access and use the Service solely for Customer's legitimate business purposes as contemplated by this Agreement.

### **2.3 License to Use Customer Data.**

Subject to the terms of this Agreement, Customer hereby grants to Emergency Networking and its Affiliates a non-exclusive, worldwide, limited license during the Service Term to host, copy, transmit, display and use all Customer Data as necessary to provide the Service in accordance with this Agreement. Neither Emergency Networking nor its Affiliates acquire any right, title or interest from Customer under this Agreement in or to any Customer Data. As used herein, the term "Affiliates" means one or more providers of necessary services used by Emergency Networking and made available to Customer for purposes of providing the Service. An example of an "Affiliate" for such purposes is the third-party data hosting provider used by Emergency Networking for cloud-based

data storage pertaining to Customer Data submitted by Customer when Customer uses the Service (currently, Amazon Web Services). Emergency Networking may, in its reasonable discretion, change Affiliate relationships during the Service Term.

#### **2.4 Data De-Identification:**

We may De-Identify your Information and use and disclose De-Identified Information for any purpose whatsoever. We may create limited data sets from your information and disclose them for any purpose for which you may disclose a limited data set; and you hereby authorize us to enter into data use agreements on your behalf for the use of limited data sets, in accordance with applicable law and regulation. In consideration of our provision of the Services, you hereby transfer and assign to us all right, title and interest in and to all De-Identified Information that we make from your Information. You agree that we may use, disclose, market, license and sell such De-Identified Information for any purpose without restriction, and that you have no interest in such information, or in the proceeds of any sale, license, or other commercialization thereof. You acknowledge that the rights conferred by this Section are the principal consideration for the provision of the Services, without which we would not enter into this Agreement.

#### **2.5 Restrictions.**

Except as expressly permitted in this Agreement, Customer shall not directly or indirectly: (a) access, use, sell, distribute, sublicense, broadcast or commercially exploit any of the Emergency Networking Property or any rights under this Agreement; (b) introduce any infringing, obscene, libelous, or otherwise unlawful data or material into the Service; (c) copy, modify or prepare derivative works based on Emergency Networking Property; (d) reverse engineer, decompile, disassemble or attempt to derive source code from any Emergency Networking Property; or (e) remove, obscure, or alter any intellectual property right or confidentiality notices appearing in or on any aspect of any Emergency Networking Property.

## **3. FEES.**

### **3.1 Fees for Service.**

As consideration for the license to use the Service granted hereunder, Customer will pay all fees specified during the account registration process, on a recurring or other basis as established at such time, all as set forth in Bid Proposal, attached hereto.

### **3.2 Invoicing and Payment.**

Emergency Networking bills recurring fees on a monthly basis or annual basis, based the number of modules selected on flat annual monthly or annual fee. Invoiced charges are due net 30 days from invoice date. Customer is responsible for providing complete and accurate billing information to Emergency Networking and notifying Emergency Networking of any changes to such information.

### **3.3 Overdue Payments.**

If Emergency Networking does not receive an invoiced amount by the due date, then, without limiting Emergency Networking's rights or remedies, (a) such overdue charges may accrue late interest at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, and/or (b) Emergency Networking may condition future subscription renewals on payment terms and methods shorter than those specified herein, including pre-payment or payment by credit card or electronic transfer.

### **3.4 Suspension of Service.**

If any amount owed by Customer under this Agreement is 30 or more days overdue, Emergency Networking may, without limiting its rights and remedies, accelerate the entire unpaid fee obligations hereunder so that all of Customer's obligations become immediately due and payable, and suspend the Service to Customer until such amounts are paid in full. Emergency Networking shall provide Customer with at least 10 days prior notice that Customer's account is overdue before suspending the Service.

### **3.5 Taxes.**

Emergency Networking's fees do not include taxes, levies, duties or similar governmental assessments of any nature (including for example, sales, use, ad-valorem, value-added or withholding taxes). Customer is responsible for paying all taxes associated with Customer's use of the Service. If Emergency Networking has a legal obligation to pay or collect taxes for which Customer is responsible under applicable law, Emergency Networking will include such taxes in its invoices, and Customer will pay such taxes in addition to the fees for the Service, unless Customer provides Emergency Networking with a valid exemption certificate authorized by the appropriate taxing authority.

## **4. TERM AND TERMINATION**

### **4.1 Service Term.**

The term of this Agreement (the “Service Term”) will commence when Customer registers for the account specified in Section 1 and will continue until terminated in accordance with this Agreement. The term of the subscription period for the Service will be for **12Months**. Service Term subscriptions will automatically renew for additional periods equal to the expiring subscription term, unless either party gives the other written notice of non-renewal at least 60 days before the end of the relevant subscription term. Fees during any annual automatic renewal term will not increase by more than **5%** from the immediately prior term. Any special terms (In Section 12) listed below that modify the term length & price increases will supersede the language in this section.

### **Customer Initials (*Agreeing to Service Term*)**

#### **4.2 Termination.**

A party may terminate this Agreement for cause (a) upon 30 days' notice to the other party of a material breach if such breach remains uncured at the expiration of such 30-day period; or (b) immediately if the other party becomes the subject of a petition in bankruptcy or other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors

#### **4.3 Customer Data Portability and Deletion.**

Upon request made by Customer made within 60 days after the effective date of any termination of this Agreement or expiration of the Service Term, Emergency Networking and its Affiliates will make all Customer Data available to Customer for export or download. Customer will have the option to continue to access their data online in a read only mode for a monthly or annual fee. After such 60-day period, Emergency Networking will have no obligation to maintain or provide access to Customer Data, and Emergency Networking and its Affiliates will thereafter be permitted to delete or destroy all copies of Customer Data in its/their systems or otherwise in its/their possession or control as provided in the hosting service provider's terms and conditions, unless prohibited by applicable law.

## **5. WARRANTIES AND LIMITATIONS**

#### **5.1 Representations.**

Each party hereby represents to the other that it has validly entered into this Agreement and has the legal power to do so, and that such party will comply with all applicable laws and regulations that may be in effect during the Service Term as they apply to such party's obligations under this Agreement. In addition, Customer represents to Emergency Networking that the Customer Data, and the lawful use thereof by Emergency Networking, does not, and will not, infringe, or constitute an infringement or misappropriation of, any intellectual property rights, privacy rights or other proprietary rights of any third party or breach the terms of any agreement with a third party.

#### **5.2 Emergency Networking Warranties.**

Emergency Networking warrants that (a) this Agreement, any Affiliate(s)' terms and conditions and any account sign-up materials accurately describe the safeguards for protection of the security, confidentiality and integrity of Customer Data, (b) Emergency Networking will not materially decrease

overall security of the Service during the Service Term, (c) the Service will perform materially in accordance with this Agreement and any documentation provided to Customer on the Site or otherwise in the account sign-up materials, and (d) other than as required by Affiliate(s)' terms and conditions, Emergency Networking will not materially decrease the functionality of the Service during the Service Term.

### **5.3 Disclaimers.**

EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW

## 6. INDEMNIFICATION

### 6.1 By Emergency Networking

Emergency Networking will defend Customer from and against any and all loss, damage, liability, and expense arising from or relating to any claim brought against Customer by a third party alleging that the use of the Service in accordance with this Agreement infringes or misappropriates such third party's intellectual property rights.

## 7. LIMITATIONS ON LIABILITY

### 7.1 Limitations on Liability

If Emergency Networking fails to perform its duties and obligations under this Agreement, and Customer can establish that as a direct result thereof, Customer has incurred any damages, liabilities, losses, fees, costs or expenses, then Emergency Networking's liability to Customer for actual damages for any cause whatsoever, during the Service Term, whether in contract, tort (including negligence), strict liability or otherwise, shall not exceed in the aggregate the fees that Customer has paid for the Service during the Service Term. IN NO EVENT SHALL EMERGENCY NETWORKING OR ITS OFFICERS, MANAGERS, EMPLOYEES, AFFILIATES OR AGENTS BE LIABLE FOR ANY LOSS OF PROFIT OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, MULTIPLE, PUNITIVE OR CONSEQUENTIAL DAMAGES SUSTAINED OR INCURRED BY CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THE SERVICE, ANY ACTION ANY OF THEM TAKE OR FAIL TO TAKE AS A RESULT OF COMMUNICATIONS CUSTOMER SENDS TO EMERGENCY NETWORKING OR THE DELAY OR INABILITY TO USE ANY SERVICE, OR EMERGENCY NETWORKING'S OR ITS AFFILIATE(S)' REMOVAL, MODIFICATION, SUSPENSION OR DELETION OF ANY PART OF THE SERVICE PURSUANT TO ITS RIGHTS UNDER THIS AGREEMENT, IN ALL CASES, REGARDLESS OF THE FORM OF THE ACTION AND WHETHER SUCH DAMAGES WERE FORESEEN OR UNFORESEEN AND EVEN IF EMERGENCY NETWORKING HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR AN ACTION FOR NON-PAYMENT BY EMERGENCY NETWORKING, NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS OCCURRED.

## 8. DATA

### 8.1 Security

Emergency Networking and its Affiliates will use reasonable efforts to establish and maintain safeguards to protect the security and integrity of the Service and protect against the accidental or unauthorized use, alteration or disclosure of Customer Data. Emergency Networking will arrange for provision of hosting services for Customer Data which provide confidentiality procedures which are consistent with the Privacy Rule set forth in the U.S. Health Insurance Portability and Accountability Act of 1996 (HIPAA). Hosting services provided by Amazon Web are subject to the HIPAA Compliance Guidelines found at: [Security](#). Emergency Networking and its Affiliates will use reasonable efforts to establish and maintain safeguards to protect the security and integrity of the Service and protect against the accidental or unauthorized use, alteration or disclosure of Customer

Data. Emergency Networking will arrange for provision of hosting services for Customer Data which provide confidentiality procedures which are consistent with the Privacy Rule set forth in the U.S. Health Insurance Portability and Accountability Act of 1996 (HIPAA). Hosting services provided by Amazon Web are subject to the HIPAA Compliance Guidelines found at: <https://aws.amazon.com/compliance/hipaa-compliance/>.

## **8.2 Backups**

Emergency Networking and its Affiliates will use reasonable efforts to establish and maintain regularly scheduled backups with respect to all Customer Data.

## **9. MISCELLANEOUS**

### **9.1 Assignment**

Customer may not assign any of its rights or obligations under this Agreement, by operation of law or otherwise, without first obtaining Emergency Networking's written consent, except that Customer may assign this Agreement without Emergency Networking's consent (i) to an affiliate (controlled by or under common control with, Customer); or (ii) in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of Customer's assets not involving a direct competitor of Emergency Networking; provided that Customer provides prompt written notice to Emergency Networking of such assignment. Any permitted assignment by Customer shall not modify the terms hereof, including without limitation, the specific geographic location applicable to the Service. Any attempt to assign Customer's rights or obligations under this Agreement in breach of this section shall be void and of no effect. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

### **9.2 Notice**

Except as otherwise provided in this Agreement, any notice to Customer that is required or permitted by this Agreement shall be in writing and shall be deemed effective upon transmission when mailed by first class, registered or certified mail, postage prepaid or when sent by overnight courier service, to the address provided by Customer in the account sign-up provided to Emergency Networking in connection with entering into this Agreement or to such other address as provided in writing by Customer to Emergency Networking for such purposes. Except as otherwise provided in this Agreement, any notice to Emergency Networking that is required or permitted by this Agreement shall be in writing and shall be deemed effective upon receipt, when mailed by first class, registered or certified mail, postage prepaid or when sent by overnight courier service, such as Federal Express or equivalent, to: Emergency Networking, LLC, P.O. Box 20559, Columbus, Ohio 43220, Attn: Legal Notice.

### **9.3 Force Majeure**

Due performance of any duty or obligation hereunder by Emergency Networking hereunder shall be excused if prevented by acts of God, information providers or other service providers, public enemy, war, terrorism, any accident, explosion, fire, storm, earthquake, flood, strike, computer outage or virus, telecommunications failure, or any other circumstance beyond or event Emergency Networking's reasonable control.

### **9.4 Severability**

If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason, then the validity, legally or enforceability of the remaining provisions of this Agreement shall not be affected thereby. To the extent permitted by applicable law, the parties waive any provisions of law that render any provision of this Agreement invalid, illegal, or unenforceable in any respect.

### **9.5 Waiver or Consent**

Any failure by either of the Parties to comply with any obligation, covenant, condition, or agreement contained herein may be waived in writing by the party entitled to the benefits thereof, but such waiver or failure to insist on strict compliance with such obligation, covenant, condition or agreement

shall not operate as a waiver of or estoppel with respect to any subsequent or other failure. To be effective, any consent by Emergency Networking must be in writing and signed by an authorized representative of Emergency Networking.

## **9.6 Entire Agreement**

This Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes and replaces all prior writings or oral negotiations or other understandings with respect thereto.

## **9.7 Independent Parties**

Nothing in this Agreement shall be construed as creating a partnership, joint venture, fiduciary, or agency relationship between the parties, or as authorizing either party to act as an agent for the other. The parties to this Agreement are independent parties.

## **9.8 Governing Law; Forum for Disputes**

This Agreement and all terms and conditions included or incorporated by reference herein shall be governed by and interpreted in accordance with the laws of the State of Ohio applicable to agreements made and wholly performed therein. Customer hereby consents to the exclusive jurisdiction of the federal and state courts of competent jurisdiction located in Franklin County, Ohio for the adjudication of any disputes arising out of or relating to this Agreement or Customer's access to or use of the Services. Customer hereby waives any objection to venue or inconvenient forum laid therein.

# **10. MAINTENANCE AND SUPPORT**

## **10.1. Maintenance**

The following items define what is included as part of maintenance:

10.1.1 Included maintenance is defined as updates to either remedy software defects or provide enhancements to all Emergency Networking modules core and customized software. Emergency Networking reserves the right to update software at any time, however, will make efforts to notify Customer in advance of any maintenance.

## **10.2. Support**

These following items define what is included as part of support:

10.2.1 Included support is defined as 24-hour email support; and phone support, Monday – Friday 8:00 am – 6 pm EST. Support requests will be logged via email, phone, and/or within the system and Customer will be notified as to the status of the support request within 12 hours of receipt. In good faith, Emergency Networking will make its best effort to resolve issues in a timely manner depending upon the nature of the request.

10.2.2 Unless otherwise agreed upon in Exhibit A, excluded support is defined as on-site support or support of hardware and software solutions with which Aldrin may require to run on and or integrate with.

## 11. ATTACHMENTS

11. Attachments. The following attachments are an integral component of this agreement:

IN WITNESS WHEREOF, the parties have entered into this agreement effective as of the date first set forth above.

## 12. SPECIAL TERMS AND CONDITIONS:

*This space reserved for any contractual changes or special agreements.*

**None**

**\*\* Please Submit a Copy of Your Tax-Exempt Certificate with this order or "Tax" will be added to this order.**

Emergency Networking

Customer

**RESOLUTION NO. 1417-2024**

**A RESOLUTION DISPOSING OF SURPLUS PROPERTY**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

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

**WHEREAS**, Ala. Code §11-43-56 (1975) authorizes the municipal governing body to dispose of unneeded personal property.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH FORT, ALABAMA, AS FOLLOWS:**

**Section 1.** That the following personal property owned by the City of Spanish Fort, Alabama, is not needed for public or municipal purposes:

One 2008 Ford Expedition, 5.4 L V8 SOHC, VIN NO.: 1FMFK15558LA39977

**Section 2.** That the Mayor and City Clerk be and are hereby authorized and directed to dispose of the personal property owned by the City of Spanish Fort, Alabama, described in Section 1 above, by the best method to receive the most monies as adequate consideration for the personal property.

**ADOPTED AND APPROVED** this \_\_\_\_\_ *day of* \_\_\_\_\_, **2024.**

\_\_\_\_\_  
Michael M. McMillan  
Mayor

**ATTEST:**

\_\_\_\_\_  
Rebecca A. Gaines  
City Clerk

**RESOLUTION NO. 1418-2024**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN  
AGREEMENT WITH CITIZENSERVE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPANISH  
FORT, ALABAMA, AS FOLLOWS:**

**SECTION 1.** The City Council hereby authorizes the Mayor to enter into an agreement with Citizenserve for the implementation of business license software and the conversion of existing business license data. A copy of the agreement is attached hereto as Exhibit 1.

**SECTION 2.** This Resolution shall become effective immediately upon its adoption.

***ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.***

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Michael M. McMillan  
Mayor

ATTEST:

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Rebecca A. Gaines, CMC  
City Clerk



Order Form - 05/24/2024

Account Name: Spanish Fort, Alabama

Contact Information:

Carol Caldwell  
Permit Clerk  
7361 Spanish Fort Blvd.  
Spanish Fort, AL 36527  
permitclerk@cityofspanishfort.com

Contract Term:

Billing Cycle: Annual  
Billing Schedule: Upon Contract Signing  
Service Term Starts: 06/01/2024  
Service Term Ends: 02/28/2025

Fees:

Project Management, Training, and Implementation	\$7,500.00 per user	\$7,500.00
Data Migrations	Delta Spanish Fort SQL Database	\$8,000.00

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Total 1st Year Fees	\$15,500.00
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Each Additional Year Fees	\$0.00
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I authorize Online Solutions, LLC to invoice as per the above information.

Online Solutions:

Authorized Signature

Print or Type Name of Signatory

Execution Date

Address:

1101 E. Warner Road  
Suite 160  
Tempe, AZ 85284

Customer:

Authorized Signature

Print or Type Name of Signatory

Execution Date

Address:

Spanish Fort, Alabama  
7361 Spanish Fort Blvd.  
Spanish Fort, AL 36527