

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

Regular Meeting
July 21, 2025
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 July 7 2025
Regular Meeting July 7 2025
- VI. REPORTS OF COMMITTEES AND OFFICERS
- VII. PUBLIC PARTICIPATION
- VIII. ANNOUNCEMENTS
Voting District Maps for the upcoming municipal elections can now be found under the Municipal Elections tab on our website, www.cityofspanishfort.com. The municipal election will be held on Tuesday, August 26, 2025. The Spanish Fort Community Center will serve as the polling place in the City of Spanish Fort.
- IX. OLD BUSINESS
- X. NEW BUSINESS

Presentation of Anniversary Plaques to City Employees

Public Hearings on Audits for Fiscal Year ending September 30, 2024, as follows:

Audits for Fiscal Year ending September 30, 2024, as follows:

- The City of Spanish Fort
- Single Audit for 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. 714-2025-----An Ordinance Granting a Non-exclusive Franchise to the Utilities Board of the City of Foley d/b/a Riviera Utilities, for the Purpose of Maintaining Distribution Lines for the Provision of Electrical Service within the Public Rights-of-Way within the City of Spanish Fort

Ordinance No. 715-2025-----An Ordinance Establishing Rules and Regulations for the Spanish Fort Town Center Park in the City of Spanish Fort, Alabama

Ordinance No. 716-2025-----An Ordinance Exempting Certain “Covered Items” from the Municipal Sales and Use Tax During the Last Full Weekend of February 2026

Resolution No. 1517-2025----A Resolution Accepting Certain Streets for Maintenance

Resolution No. 1526-2025----A Resolution Authorizing the Mayor to Execute an Agreement between the City of Spanish Fort and Sawgrass Consulting, LLC

Resolution No. 1527-2025----A Resolution Authorizing the Mayor to Execute an Agreement between the City of Spanish Fort and Sawgrass Consulting, LLC

Resolution No. 1529-2025----A Resolution Appointing an Attorney to Provide Indigent Defense Services for the Municipal Court for the City of Spanish Fort, Alabama

Resolution No. 1532-2025----A Resolution Authorizing the Mayor to Enter into a Contract for the Provision of Athletic Camps

Resolution No. 1533-2025----A Resolution Authorizing the Mayor to Enter into a Contract for Services between the City of Spanish Fort, Alabama, and the Consultant for Park and Recreational Activities to the City Council

Resolution No. 1534-2025----A Resolution Authorizing the Mayor of the City of Spanish Fort to Enter into a Contract for Services between the City of Spanish Fort, Alabama, and the Spanish Fort Sports Association

Resolution No. 1535-2025----A Resolution Authorizing the Mayor to Enter into an Agreement with the Baldwin County Economic Development Alliance

Resolution No. 1536-2025----A Resolution Authorizing the Mayor to Enter into a Contract between the City of Spanish Fort, Alabama, and the Eastern Shore Chamber of Commerce

Resolution No. 1537-2025----A Resolution Authorizing the Mayor to Enter into an Agreement with the Mobile Bay National Estuary Program

Resolution No. 1538-2025----A Resolution Authorizing the Mayor to Contract with Care House, Inc., D/B/A the Baldwin County Child Advocacy Center, for Services Provided to the City of Spanish Fort, Alabama

Resolution No. 1539-2025----A Resolution Authorizing the Mayor to Execute an Agreement between the State of Alabama Department

of Conservation and Natural Resources and the City of
Spanish Fort, Alabama, for Gulf of Mexico Energy
Security Act (GOMESA) Funds

Resolution No. 1540-2025---A Resolution Declaring an Emergency and Authorizing
the Mayor to Execute a Contract to Perform
Emergency Repairs at Lancers Lane and Caisson Trace

XI. ADJOURN TO NEXT MEETING
Work Session and Regular Meeting, August 4, 2025

CITY OF SPANISH FORT, ALABAMA
GENERAL PURPOSE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY OF SPANISH FORT, ALABAMA
GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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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, 2024, 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, 2024, 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 June 26, 2025, 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.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

BASIC FINANCIAL STATEMENTS

CITY OF SPANISH FORT, ALABAMA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 28,465,625 |
| Loan proceeds receivable | 16,101 |
| Receivables, net | 404,841 |
| Capital assets, net | 51,275,166 |
| Total assets | 80,161,733 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Employer retirement contributions and net difference between projected and actual earnings on plan investments | 1,567,466 |
| Total assets and deferred outflows of resources | \$ 81,729,199 |
| LIABILITIES | |
| Accounts payable and accrued expenses | \$ 1,075,956 |
| Long-term liabilities | |
| Due within one year | 1,467,387 |
| Due in more than one year, net | 19,760,646 |
| Total liabilities | 22,303,989 |
| DEFERRED INFLOWS OF RESOURCES | |
| Net difference between projected and actual earnings on plan investments | 50,495 |
| Total liabilities and deferred inflows of resources | 22,354,484 |
| NET POSITION | |
| Net investment in capital assets | 32,461,690 |
| Restricted for: | |
| Construction and road maintenance | 11,766,233 |
| Unrestricted | 15,146,792 |
| Total net position | 59,374,715 |
| Total liabilities and net position | \$ 81,729,199 |

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

CITY OF SPANISH FORT, ALABAMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

| 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 |
| Primary Government | | | | | |
| Governmental activities: | | | | | |
| General | \$ 3,225,586 | \$ 1,276,412 | \$ 2,537 | \$ 2,250,000 | \$ 303,363 |
| Police | 3,656,193 | 159,384 | 2,186 | - | (3,494,623) |
| Fire | 2,922,652 | 336,469 | - | - | (2,586,183) |
| Public works | 789,394 | - | - | - | (789,394) |
| Library | 252,131 | - | 2,000 | - | (250,131) |
| Building | 383,980 | 137,201 | - | - | (246,779) |
| Senior Center | 115,848 | - | - | - | (115,848) |
| Interest on long term debt | 765,731 | - | - | - | (765,731) |
| Total governmental activities | <u>\$ 12,111,515</u> | <u>\$ 1,909,466</u> | <u>\$ 6,723</u> | <u>\$ 2,250,000</u> | <u>(7,945,326)</u> |
| General revenues: | | | | | |
| Taxes | | | | | |
| Sales | | | | | 6,793,975 |
| Real estate | | | | | 965,513 |
| Liquor | | | | | 204,153 |
| Other | | | | | 88,612 |
| Intergovernmental | | | | | 770,880 |
| Investment earnings | | | | | 1,128,029 |
| Other | | | | | 384,880 |
| Total general revenues | | | | | <u>10,336,042</u> |
| Change in net position | | | | | 2,390,716 |
| Net position, beginning | | | | | 56,983,999 |
| Net position, ending | | | | | <u>\$ 59,374,715</u> |

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

CITY OF SPANISH FORT, ALABAMA

FUND BALANCE SHEETS
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

| | Major Fund | | Nonmajor Funds | Total Governmental Funds |
|--|----------------------|-------------------------------------|-----------------------|--------------------------------|
| | General | Public Improvement Projects Fund | Other Governmental | |
| ASSETS | | | | |
| Cash | \$ 16,189,539 | \$ 10,946,912 | \$ 1,329,174 | \$ 28,465,625 |
| Receivables - Intergovernmental | 404,841 | - | - | 404,841 |
| Loan proceeds receivable | 16,101 | - | - | 16,101 |
| TOTAL ASSETS | <u>\$ 16,610,481</u> | <u>\$ 10,946,912</u> | <u>\$ 1,329,174</u> | <u>\$ 28,886,567</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 351,041 | \$ 485,774 | \$ - | \$ 836,815 |
| TOTAL LIABILITIES | <u>351,041</u> | <u>485,774</u> | <u>-</u> | <u>836,815</u> |
| FUND BALANCES | | | | |
| Restricted | | | | |
| Construction and road maintenance | - | 10,461,138 | 1,305,095 | 11,766,233 |
| Assigned | 5,511,503 | - | - | 5,511,503 |
| Unassigned | 10,747,937 | - | 24,079 | 10,772,016 |
| TOTAL FUND BALANCES | <u>16,259,440</u> | <u>10,461,138</u> | <u>1,329,174</u> | <u>28,049,752</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,610,481</u> | <u>\$ 10,946,912</u> | <u>\$ 1,329,174</u> | <u>\$ 28,886,567</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, 2024

| | |
|--|------------------------------------|
| Fund balances as reported on page 6 | \$ 28,049,752 |
| 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 | 61,995,516 |
| Depreciation is provided for the above capital assets in government-wide reporting, but not in fund financial statements | (10,720,350) |
| 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 | (53,517) |
| Warrants payable | (18,619,107) |
| Notes payable | (140,852) |
| Net pension liability | (2,414,557) |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds | 1,516,971 |
| Accrued interest payable is not due and payable in the current period and therefore not reported in fund financial statements | <u>(239,141)</u> |
| Net Position of Governmental Activities as reported on page 4 | <u><u>\$ 59,374,715</u></u> |

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, 2024

| | Major Fund | | Non Major Funds | Total |
|---|---------------|-------------------------------------|-----------------------|-----------------------|
| | General | Public Improvement Projects Fund | Other Governmental | Governmental Funds |
| REVENUES | | | | |
| Local taxes | \$ 8,355,565 | \$ - | \$ 33,157 | \$ 8,388,722 |
| Licenses, permits and fees | 1,413,618 | - | - | 1,413,618 |
| Fines | 159,384 | - | - | 159,384 |
| State of Alabama | 529,227 | - | 241,653 | 770,880 |
| Grants | 2,256,723 | - | - | 2,256,723 |
| Other revenues | 982,017 | 533,768 | 1,010 | 1,516,795 |
| Total revenues | 13,696,534 | 533,768 | 275,820 | 14,506,122 |
| EXPENDITURES | | | | |
| General government | 2,200,455 | 11,651 | 2,824 | 2,214,930 |
| Building department | 354,092 | - | - | 354,092 |
| Police department | 3,377,296 | - | - | 3,377,296 |
| Public works | 676,637 | 17,290 | - | 693,927 |
| Library | 252,131 | - | - | 252,131 |
| Senior Center | 115,848 | - | - | 115,848 |
| Fire department | 2,355,726 | 68,398 | - | 2,424,124 |
| Capital outlay | 3,853,344 | 4,432,951 | - | 8,286,295 |
| Contributions | 109,603 | - | - | 109,603 |
| Debt service | | | | |
| Principal | 586,198 | 483,172 | 384,616 | 1,453,986 |
| Interest | 88,469 | 630,667 | 40,295 | 759,431 |
| Total expenditures | 13,969,799 | 5,644,129 | 427,735 | 20,041,663 |
| EXCESS OF EXPENDITURES OVER (UNDER) REVENUES BEFORE OTHER FINANCING SOURCES (USES) | (273,265) | (5,110,361) | (151,915) | (5,535,541) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | 140,852 | - | - | 140,852 |
| Proceeds of sale of asset | 47,377 | - | - | 47,377 |
| Transfers (to) from other funds | (1,381,294) | 1,121,033 | 260,261 | - |
| Total other financing sources (uses) | (1,193,065) | 1,121,033 | 260,261 | 188,229 |
| NET CHANGE IN FUND BALANCES | (1,466,330) | (3,989,328) | 108,346 | (5,347,312) |
| Fund balances, beginning of year | 17,725,770 | 14,450,466 | 1,220,828 | 33,397,064 |
| FUND BALANCES, END OF YEAR | \$ 16,259,440 | \$ 10,461,138 | \$ 1,329,174 | \$ 28,049,752 |

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, 2024

Net change in fund balances - total governmental funds, page 8 \$ (5,347,312)

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 | 8,286,295 |
| Depreciation expense for the year | (1,544,445) |

In the Statement of Activities only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

| | |
|--------------------------------------|----------|
| Gain or loss on sale of fixed assets | (3,887) |
| Proceeds from the sale of assets | (47,377) |

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 | 1,453,986 |
| Issuance of debt | (140,852) |

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

| | |
|------------------|-----------|
| Pension expense | (259,390) |
| Accrued interest | (6,302) |

Change in Net Position of Governmental Activities, page 5 \$ 2,390,716

NOTES TO THE FINANCIAL STATEMENTS

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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, 2024

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, 2024

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, 2024

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 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 has evaluated the impact that this statement has on its financial statements and has determined the effect is immaterial.

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 102, *Certain Credit Risk Disclosures*—requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the reporting periods beginning after June 15, 2024. The City is currently evaluating the impact that this statement may have on its financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*—requires various improvements to Managements Discussion & Analysis, the definitions of both operating and nonoperating revenues and expenses, and various changes to the required presentation of unusual or infrequent items, the proprietary fund statements, component units, and budgetary comparisons. The requirements of GASB Statement No. 103 are effective for the reporting periods beginning after June 15, 2025. 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.

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, 2024

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, 2024

NOTE 2 CAPITAL ASSETS

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

| <u>Governmental Activities</u> | <u>Balance 10/1/2023</u> | <u>Additions</u> | <u>Reclassifications/ Retirements</u> | <u>Balance 9/30/2024</u> |
|---|------------------------------|-------------------------|---|------------------------------|
| Capital assets not subject to depreciation | | | | |
| Land | \$ 14,604,146 | \$ 2,203,914 | \$ - | \$ 16,808,060 |
| Construction in progress | 4,428,583 | 5,070,093 | (105,864) | 9,392,812 |
| | <u>19,032,729</u> | <u>7,274,007</u> | <u>(105,864)</u> | <u>26,200,872</u> |
| Capital assets subject to depreciation | | | | |
| Buildings, parks and improvements | 16,882,079 | 12,769 | - | 16,894,848 |
| Streets and drainage | 10,964,814 | 478,653 | - | 11,443,467 |
| Equipment and vehicles | 7,071,988 | 626,730 | (242,389) | 7,456,329 |
| Total | <u>34,918,881</u> | <u>1,118,152</u> | <u>(242,389)</u> | <u>35,794,644</u> |
| Less accumulated depreciation for: | | | | |
| Buildings, parks and improvements | (3,405,412) | (424,174) | - | (3,829,586) |
| Streets and drainage | (2,373,431) | (239,103) | - | (2,612,534) |
| Equipment and vehicles | (3,588,187) | (881,168) | 191,125 | (4,278,230) |
| Total accumulated depreciation | <u>(9,367,030)</u> | <u>(1,544,445)</u> | <u>191,125</u> | <u>(10,720,350)</u> |
| Capital assets subject to depreciation, net | <u>25,551,851</u> | <u>(426,293)</u> | <u>(51,264)</u> | <u>25,074,294</u> |
| Total capital assets, net | <u>\$ 44,584,580</u> | <u>\$ 6,847,714</u> | <u>\$ (157,128)</u> | <u>\$ 51,275,166</u> |
| Depreciation was charged to governmental activities as follows: | | | | |
| General government | | | | \$ 465,243 |
| Capital projects | | | | 193,669 |
| Building | | | | 29,888 |
| Fire | | | | 498,528 |
| Police | | | | 278,897 |
| Public works | | | | 78,220 |
| Total | | | | <u>\$ 1,544,445</u> |

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 3 LONG TERM DEBT

The City has the following general obligation debt outstanding at September 30, 2024:

| | |
|--|----------------------|
| 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. | \$ 2,343,817 |
| 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. | 1,538,462 |
| 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. | 220,000 |
| 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. | 14,516,828 |
| Note payable dated April 15, 2024, at a rate of 6.29%, payable annually, principal payable November 1, 2024 through November 1, 2030. | 140,852 |
| | <u>\$ 18,759,959</u> |

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

| | Balance 10/1/2023 | Additions | Reductions | Balance 9/30/2024 | Due Within One Year |
|-----------------------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| General Obligation | | | | | |
| Warrants | \$ 20,050,221 | \$ - | \$ 1,431,114 | \$ 18,619,107 | \$ 1,423,928 |
| Note payable | - | 140,852 | - | 140,852 | 20,031 |
| Net pension liability | 2,707,310 | - | 292,753 | 2,414,557 | - |
| Obligations under financing lease | 76,388 | - | 22,871 | 53,517 | 23,428 |
| Total | <u>\$ 22,833,919</u> | <u>\$ 140,852</u> | <u>\$ 1,746,738</u> | <u>\$ 21,228,033</u> | <u>\$ 1,467,387</u> |

The following is a summary of the debt service requirements to maturity as of September 30, 2024, including interest payments:

| September 30, | Principal | Interest | Total |
|---------------|----------------------|---------------------|----------------------|
| 2025 | \$ 1,443,960 | \$ 741,027 | \$ 2,184,987 |
| 2026 | 1,478,620 | 697,217 | 2,175,837 |
| 2027 | 1,518,530 | 648,159 | 2,166,689 |
| 2028 | 1,559,981 | 597,557 | 2,157,538 |
| 2029 | 781,254 | 553,016 | 1,334,270 |
| 2030-2034 | 2,767,379 | 1,923,175 | 4,690,554 |
| 2035-2039 | 4,132,723 | 1,668,861 | 5,801,584 |
| 2040-2043 | 5,077,512 | 685,986 | 5,763,498 |
| Total | <u>\$ 18,759,959</u> | <u>\$ 7,514,998</u> | <u>\$ 26,274,957</u> |

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4 FINANCING LEASES

As of September 30, 2024, the City has one financing lease obligation through one bank for the purchase of a stormwater camera. Total minimum lease payments are as follows:

| Year | Total |
|---|-----------|
| 2025 | \$ 24,460 |
| 2026 | 24,460 |
| 2027 | 6,115 |
| Total minimum lease payments | 55,035 |
| Less amount representing interest | (1,518) |
| Present value of minimum lease payments | \$ 53,517 |

The assets acquired through outstanding financing leases are shown below.

| | Total |
|--------------------------------|------------|
| Buildings | \$ 115,111 |
| Less: accumulated depreciation | (31,656) |
| Total | \$ 83,455 |

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.

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, 2024

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, 2024

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 618 employers adopted Act 2019-132.

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 884 local participating employers. The ERS membership includes approximately 113,079 participants. As of September 30, 2023, membership consisted of:

| | <u>Number</u> |
|---|-------------------|
| Retired members or their beneficiaries currently receiving benefits | 12 |
| Vested inactive members | 3 |
| Non-vested inactive members | 22 |
| Active members | <u>82</u> |
| Total | <u><u>119</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, 2024

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, 2024, 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 7.45% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2024, was 8.82% of pensionable pay for Tier 1 employees, and 6.81% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2021, 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 \$599,408 for the year ended September 30, 2024.

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5 PENSION PLAN (CONTINUED)

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2022, rolled forward to September 30, 2023, 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, 2022 | \$ 8,222,307 | \$ 8,267,346 | \$ 8,267,346 |
| (b) Discount rate | 7.45% | 7.45% | 7.45% |
| (c) Entry Age Normal Cost for the period October 1, 2022 to September 30, 2023 | 370,585 | 370,585 | 370,585 |
| (d) Transfers Among Employers: | - | 61,055 | 61,055 |
| (e) Actual Benefit Payments and Refunds for the period October 1, 2022 to September 30, 2023 | <u>(408,061)</u> | <u>(408,061)</u> | <u>(408,061)</u> |
| (f) Total Pension Liability as of September 30, 2023 [(a) x (1+(b))] + (c) + (d) + [(e) x (1/.05*(b))] | <u>\$ 8,782,193</u> | <u>\$ 8,891,642</u> | <u>\$ 8,891,642</u> |
| (g) Difference between Expected and Actual | | \$ 109,449 | |
| (h) Less Liability Transferred for Immediate Recognition: | | <u>61,055</u> | |
| (i) Difference between Expected and Actual - Experience (Gain)/Loss | | <u>\$ 48,394</u> | |
| (j) Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss | | | <u>\$ -</u> |

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 5 PENSION PLAN (CONTINUED)

Actuarial Assumptions - The total pension liability in the September 30, 2023, was determined on the annual actuarial funding valuation reported prepared as of September 30, 2022. 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, 2024

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, 2024

NOTE 5 PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balances at September 30, 2022 | \$ 8,222,307 | \$ 5,514,997 | \$ 2,707,310 |
| Changes for the year: | | | |
| Service cost | 370,585 | - | 370,585 |
| Interest | 597,362 | - | 597,362 |
| Changes of benefit terms | - | | - |
| Changes of assumptions | - | - | - |
| Differences between expected and actual experience | 48,394 | - | 48,394 |
| Contributions - employer | - | 279,978 | (279,978) |
| Contributions - employee | - | 298,134 | (298,134) |
| Net investment income | - | 730,982 | (730,982) |
| Benefit payments, including refunds of employee contributions | (408,061) | (408,061) | - |
| Administrative expense | - | - | - |
| Transfers among employers | 61,055 | 61,055 | - |
| Net Changes | 669,335 | 962,088 | (292,753) |
| Balances at September 30, 2023 | <u>\$ 8,891,642</u> | <u>\$ 6,477,085</u> | <u>\$ 2,414,557</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 | \$ 3,638,633 | \$ 2,414,557 | \$ 1,408,886 |

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement No. 68 Report for the RSA prepared as of September 30, 2023. 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.

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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, 2024, the City recognized pension expense of \$599,408. At September 30, 2024, 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 | \$ 670,503 | \$ 50,495 |
| Changes of assumptions | 332,634 | - |
| Net difference between projected and actual earnings on plan investments | 239,022 | - |
| Employer contributions subsequent to measurement date * | 325,307 | - |
| Total | <u>\$ 1,567,466</u> | <u>\$ 50,495</u> |

* \$325,307 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, 2025. 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, | |
|------------------------------|---------------------|
| 2025 | \$ 284,332 |
| 2026 | 242,670 |
| 2027 | 371,735 |
| 2028 | 90,319 |
| 2029 | 65,725 |
| Thereafter | 136,883 |
| | <u>\$ 1,191,664</u> |

CITY OF SPANISH FORT, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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 June 26, 2025, the date which the financial statements were available to be issued. There were no material subsequent events which require disclosure at September 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SPANISH FORT, ALABAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|----------------|---------------|----------------------|
| | Original | Final | Amounts | with Final Budget |
| REVENUES | | | | |
| Local taxes | \$ 8,076,000 | \$ 8,076,000 | \$ 8,355,565 | \$ 279,565 |
| Licenses, permits and fees | 1,365,000 | 1,365,000 | 1,413,618 | 48,618 |
| Fines | 214,000 | 214,000 | 159,384 | (54,616) |
| State of Alabama | 113,100 | 113,100 | 529,227 | 416,127 |
| Grants | 7,109,225 | 7,109,225 | 2,256,723 | (4,852,502) |
| Other revenues | 536,600 | 536,600 | 982,017 | 445,417 |
| TOTAL REVENUES | 17,413,925 | 17,413,925 | 13,696,534 | (3,717,391) |
| EXPENDITURES | | | | |
| General government | 2,833,354 | 2,833,354 | 2,200,455 | (632,899) |
| Building department | 450,900 | 450,900 | 354,092 | (96,808) |
| Police department | 3,300,421 | 3,300,421 | 3,377,296 | 76,875 |
| Public works | 1,160,549 | 1,160,549 | 676,637 | (483,912) |
| Library department | 342,588 | 342,588 | 252,131 | (90,457) |
| Senior Center | 89,763 | 89,763 | 115,848 | 26,085 |
| Fire department | 2,338,101 | 2,338,101 | 2,355,726 | 17,625 |
| Contributions | - | - | 109,603 | 109,603 |
| Capital outlays | 8,465,645 | 8,465,645 | 3,853,344 | (4,612,301) |
| Debt service | 2,213,672 | 2,213,672 | 674,667 | (1,539,005) |
| TOTAL EXPENDITURES | 21,194,993 | 21,194,993 | 13,969,799 | (7,225,194) |
| EXCESS OF EXPENDITURES OVER (UNDER) REVENUES BEFORE OTHER FINANCING SOURCES (USES) | (3,781,068) | (3,781,068) | (273,265) | 3,507,803 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | 140,852 | 140,852 |
| Proceeds of sale of asset | - | - | 47,377 | 47,377 |
| Transfers to other funds | 650,000 | 650,000 | (1,381,294) | (2,031,294) |
| Total other financing sources (uses) | 650,000 | 650,000 | (1,193,065) | (1,843,065) |
| NET CHANGE IN FUND BALANCE | \$ (3,131,068) | \$ (3,131,068) | (1,466,330) | \$ 1,664,738 |
| Fund Balance, beginning of year | | | 17,725,770 | |
| FUND BALANCE, END OF YEAR | | | \$ 16,259,440 | |

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

CITY OF SPANISH FORT, ALABAMA

NOTE TO BUDGETARY COMPARISON SCHEDULE

SEPTEMBER 30, 2024

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

| Total pension liability | 2023 | 2022 | 2021 |
|--|---------------------|---------------------|---------------------|
| Service cost | \$ 370,585 | \$ 389,499 | \$ 191,457 |
| Interest | 597,362 | 535,835 | 404,944 |
| Changes of benefit terms | - | 5,341 | 180,162 |
| Differences between expected and actual experience | 48,394 | 329,479 | 398,287 |
| Changes of assumptions | - | - | 347,547 |
| Benefit payments, including refunds of employee contributions | (408,061) | (391,178) | (224,767) |
| Transfer among employees | 61,055 | (34,669) | (54,564) |
| Net change in total pension liability | 669,335 | 834,307 | 1,243,066 |
| Total pension liability- beginning | 8,222,307 | 6,614,460 | 5,371,394 |
| Prior Fire Department liability from RSA included in City's after merger | - | 773,540 | - |
| Total pension liability- ending (a) | <u>\$ 8,891,642</u> | <u>\$ 8,222,307</u> | <u>\$ 6,614,460</u> |
| Plan fiduciary net position | | | |
| Contributions- employer | \$ 279,978 | \$ 203,925 | \$ 147,244 |
| Contributions- member | 298,134 | 244,507 | 150,917 |
| Net investment income | 730,982 | (807,082) | 1,035,379 |
| Benefit payments, including refunds of employee | (408,061) | (391,178) | (224,767) |
| Transfers among employers | 61,055 | (34,669) | (54,564) |
| Net change in plan fiduciary net position | 962,088 | (784,497) | 1,054,209 |
| Plan net position- beginning | 5,514,997 | 5,707,289 | 4,653,080 |
| Prior Fire Department net position from RSA included in City's after merger | - | 592,205 | - |
| Plan net position- ending (b) | <u>\$ 6,477,085</u> | <u>\$ 5,514,997</u> | <u>\$ 5,707,289</u> |
| Net pension liability (asset)- ending (a) - (b) | \$ 2,414,557 | \$ 2,707,310 | \$ 907,171 |
| Plan fiduciary net position as a percentage of the total pension liability | 72.84% | 67.07% | 86.29% |
| Covered-employee payroll * | \$ 4,092,225 | \$ 2,719,564 | \$ 2,486,586 |
| Net pension liability (asset) as a percentage of covered-employee payroll | 59.00% | 99.55% | 36.48% |

*Employer's covered payroll during the measurement period is the total covered payroll. For FY 2024 the measurement period is October 1, 2022 - September 30, 2023. GASB issued a Statement "Pension Issues" in March 2016 to redefine covered payroll for FY 2017.

See independent auditors' report.

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 173,590 | \$ 179,680 | \$ 181,308 | \$ 180,401 | \$ 156,891 | \$ 138,724 | \$ 146,624 |
| 387,902 | 355,905 | 319,980 | 281,739 | 242,829 | 216,441 | 193,855 |
| - | - | - | - | - | - | - |
| (129,666) | 64,297 | 71,064 | 126,451 | 30,239 | 43,112 | - |
| - | - | 30,170 | - | 220,075 | - | - |
| (253,437) | (188,000) | (74,716) | (72,633) | (83,882) | (52,971) | (63,336) |
| 28,595 | 36,384 | 22,209 | (21,485) | 28,202 | | |
| 206,984 | 448,266 | 550,015 | 494,473 | 594,354 | 345,306 | 277,143 |
| 5,164,410 | 4,716,144 | 4,166,129 | 3,671,656 | 3,077,302 | 2,731,996 | 2,454,853 |
| - | - | - | - | - | - | - |
| <u>\$ 5,371,394</u> | <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> |
| \$ 125,667 | \$ 120,746 | \$ 105,373 | \$ 116,650 | \$ 106,559 | \$ 96,150 | \$ 91,797 |
| 152,200 | 212,621 | 141,459 | 197,979 | 104,143 | 88,741 | 83,111 |
| 250,086 | 106,627 | 335,818 | 388,331 | 262,967 | 28,538 | 244,167 |
| (253,437) | (188,000) | (74,716) | (72,633) | (83,882) | (52,971) | (63,336) |
| 28,595 | 36,384 | 22,209 | (21,485) | 28,202 | 9,237 | - |
| 303,111 | 288,378 | 530,143 | 608,842 | 417,989 | 169,695 | 355,739 |
| 4,349,969 | 4,061,591 | 3,531,448 | 2,922,606 | 2,504,617 | 2,334,922 | 1,979,183 |
| - | - | - | - | - | - | - |
| <u>\$ 4,653,080</u> | <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> |
| \$ 718,314 | \$ 814,441 | \$ 654,553 | \$ 634,681 | \$ 749,050 | \$ 572,685 | \$ 397,074 |
| 86.63% | 84.23% | 86.12% | 84.77% | 79.60% | 81.39% | 85.47% |
| \$ 2,111,352 | \$ 1,957,253 | \$ 1,892,593 | \$ 1,860,752 | \$ 1,824,951 | \$ 1,562,554 | \$ 1,562,554 |
| 34.02% | 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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution* | \$ 325,307 | \$ 279,978 | \$ 157,342 | \$ 147,244 | \$ 125,667 | \$ 127,988 | \$ 112,375 | \$ 114,011 | \$ 106,555 | \$ 96,055 |
| Contributions in relation to the actuarially determinind contribution* | 325,307 | 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> | <u>\$ -</u> |
| Covered-employee payroll** | \$ 4,569,846 | \$ 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 | 7.12% | 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 FY2024 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 2024 were based on the September 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percent closed |
| Remaining amortization period | 17.9 years |
| Asset valuation method | Five year smoothed market |
| Inflation | 2.50% |
| Salary increases | 3.25- 5.00 %, including inflation |
| Investment rate of return | 7.45%, net of pension plan investment expense, including inflation |

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, 2024, 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 June 26, 2025.

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.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

CITY OF SPANISH FORT, ALABAMA
SINGLE AUDIT COMPLIANCE AND INTERNAL
CONTROL REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY OF SPANISH FORT, ALABAMA
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor Michael McMillan and the
City Council
City of Spanish Fort, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Spanish Fort, Alabama's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Spanish Fort, Alabama's major federal programs for the year ended September 30, 2024. City of Spanish Fort, Alabama's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Spanish Fort, Alabama complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Spanish Fort, Alabama's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Spanish Fort, Alabama's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Spanish Fort, Alabama's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Spanish Fort, Alabama's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Spanish Fort, Alabama's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Spanish Fort, Alabama's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Spanish Fort, Alabama's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic

financial statements. We issued our report thereon dated June 26, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

CITY OF SPANISH FORT, ALABAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|---------------------|
| <u>U.S. Department of Interior</u> | | | |
| Passed through State of Alabama Department of Conservation and Natural Resources: | | | |
| Gulf of Mexico Security Act (M) | 15.435 | G-SFHOP/19/SF | \$ 132,450 |
| Gulf of Mexico Security Act (M) | 15.435 | G-SFCSBA/23/SF | 2,178,914 |
| Total U.S. Department of Interior | | | <u>2,311,364</u> |
| <u>U.S. Department of Justice</u> | | | |
| Community Oriented Police Services/Communications Assistance for Law Enforcement Act | 16.710 | 15JCOPS-21-GG-02547-SPPS | 2,988 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2024-DJ-LC-236 | 49,632 |
| COPS Hiring Program Grant | 16.710 | 15JCOPS-23-GG-05080-UHPX | 75,000 |
| Total U.S. Department of Justice | | | <u>127,620</u> |
| <u>U.S. Department of the Treasury</u> | | | |
| Passed through State of Alabama | | | |
| Coronavirus State and Local Fiscal Recovery Fund | 21.027 | N/A | 331,885 |
| Total U.S. Department of the Treasury | | | <u>331,885</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| Passed through Alabama Emergency Management: | | | |
| Assistance to Fire Fighters Grant | 97.044 | EMW-2022-FG-08935 | 38,095 |
| Total U.S. Department of Homeland Security | | | <u>38,095</u> |
| Total Federal Awards | | | <u>\$ 2,808,964</u> |

(M) - Major Program

See notes to Schedule of Expenditures of Federal Awards

CITY OF SPANISH FORT, ALABAMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

NOTE 1 SIGNIFICANT ACCOUNTINGS POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Spanish Fort, Alabama (the City) under the programs of the federal government for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position of City of Spanish Fort, Alabama.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented based on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related liability is incurred.

Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 STATE REVOLVING FUND LOAN

The original loan amount was \$480,000, of which \$230,000 was forgiven at the inception of the loan. The value of the loan outstanding under this federal program as of September 30, 2024 was \$220,000.

CITY OF SPANISH FORT, ALABAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING SEPTEMBER 30, 2024

SECTION 1-SUMMARY OF AUDITORS' RESULTS:

Financial Statements

| | | | |
|---|-----------------------|---------------------|---------------------------------|
| Type of opinion issued: | <u>Unmodified</u> | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified? | <u> </u> Yes | <u> </u> X | <u> </u> No |
| Significant deficiency(ies) identified? | <u> </u> Yes | <u> </u> X | <u> </u> None reported |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> </u> X | <u> </u> No |

Federal Awards

| | | | |
|--|-----------------------|---------------------|---------------------------------|
| Type of auditors' report issued on compliance of major programs: | <u>Unmodified</u> | | |
| Internal control over major programs: | | | |
| Material weakness(es) identified? | <u> </u> Yes | <u> </u> X | <u> </u> No |
| Significant deficiency(ies) identified? | <u> </u> Yes | <u> </u> X | <u> </u> None reported |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | <u> </u> Yes | <u> </u> X | <u> </u> No |

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|--|--|
| 15.435 | GOMESA |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | <u> </u> Yes <u> </u> X <u> </u> No |

SECTION 2-FINANCIAL STATEMENT FINDINGS (GAGAS)

No matters were reportable.

SECTION 3-FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reportable.

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

GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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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, 2024, 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, 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, 2024, 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 Auditors' 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.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

ASSETS

| | |
|---------------------|-----------------------------|
| Investments | \$ 1,180,182 |
| Receivables | 109,464 |
| Capital assets, net | <u>14,925,141</u> |
| Total assets | <u><u>\$ 16,214,787</u></u> |

LIABILITIES

| | |
|--------------------------------|-------------------|
| Accrued expenses | \$ 535,347 |
| Long-term liabilities | |
| Due within one year | 453,078 |
| Due in more than one year, net | <u>24,336,922</u> |
| Total liabilities | <u>25,325,347</u> |

NET POSITION

| | |
|------------------------------------|-----------------------------|
| Net investment in capital assets | (9,864,859) |
| Restricted for: | |
| Debt service | <u>754,299</u> |
| Total net position | <u>(9,110,560)</u> |
| Total liabilities and net position | <u><u>\$ 16,214,787</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, 2024

REVENUES

| | |
|---|------------------|
| Charges for services- district license fees | \$ 2,077,514 |
| General revenues- investment earnings | 56,238 |
| Total revenues | <u>2,133,752</u> |

GENERAL GOVERNMENTAL EXPENSES

| | |
|-------------------------------------|------------------|
| Depreciation | 472,870 |
| General expenses | 7,747 |
| Interest expense | 1,579,644 |
| Total general governmental expenses | <u>2,060,261</u> |

| | |
|------------------------|--------|
| Change in net position | 73,491 |
|------------------------|--------|

| | |
|---------------------------------|--------------------|
| Net position, beginning of year | <u>(9,184,051)</u> |
|---------------------------------|--------------------|

| | |
|---------------------------|-----------------------|
| Net position, end of year | <u>\$ (9,110,560)</u> |
|---------------------------|-----------------------|

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, 2024

ASSETS

| | |
|-------------|----------------|
| Investments | \$ 1,180,182 |
| Receivables | <u>109,464</u> |

| | |
|--------------|---------------------|
| TOTAL ASSETS | <u>\$ 1,289,646</u> |
|--------------|---------------------|

FUND BALANCES

| | |
|--------------------------------|---------------------|
| Fund Balance - restricted for: | |
| Debt service | <u>\$ 1,289,646</u> |

| | |
|---------------------|---------------------|
| TOTAL FUND BALANCES | <u>\$ 1,289,646</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 GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 2024

| | |
|--|-------------------------------------|
| Fund balances as reported on page 4 | \$ 1,289,646 |
| 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 | (7,581,894) |
| Long-term liabilities are not due and payable in the current period and are not reported in fund financial statements | (24,790,000) |
| Accrued interest payable is not due and payable in the current period and therefore not reported in fund financial statements | <u>(535,347)</u> |
| Net Position of Governmental Activities as reported on page 2 | <u><u>\$ (9,110,560)</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES

| | |
|-----------------|------------------|
| License fees | \$ 2,077,514 |
| Interest income | 56,238 |
| Total revenues | <u>2,133,752</u> |

EXPENDITURES

| | |
|--------------------|------------------|
| General government | 7,747 |
| Debt service | |
| Principal | 545,000 |
| Interest | <u>1,588,662</u> |
| Total expenditures | <u>2,141,409</u> |

NET CHANGE IN FUND BALANCES (7,657)

Fund balances, beginning of year 1,297,303

FUND BALANCES, END OF YEAR \$ 1,289,646

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, 2024

Net change in fund balances - total governmental funds, page 6 \$ (7,657)

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 (472,870)

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 545,000

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

9,018

Change in Net Position of Governmental Activities, page 3 \$ 73,491

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, 2024

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, 2024

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, 2024

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. 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 implemented GASB 100 in fiscal year 2024 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Principles

GASB Statement No. 102, *Certain Credit Risk Disclosures*—requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the reporting periods beginning after June 15, 2024. The District is currently evaluating the impact that this statement may have on its financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*—requires various improvements to Managements Discussion & Analysis, the definitions of both operating and nonoperating revenues and expenses, and various changes to the required presentation of unusual or infrequent items, the proprietary fund statements, component units, and budgetary comparisons. The requirements of GASB Statement No. 103 are effective for the reporting periods beginning after June 15, 2025. 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

(continued)

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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."

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, 2024

NOTE 2 CAPITAL ASSETS

Changes in the District's capital assets are as follows at September 30, 2024:

| <u>Governmental Activities</u> | <u>Balance 10/1/23</u> | <u>Additions</u> | <u>Reclassifications/ Retirements</u> | <u>Balance 9/30/24</u> |
|---|----------------------------|---------------------|---|----------------------------|
| Capital assets not subject to depreciation | | | | |
| Land | \$ 3,592,293 | \$ - | \$ - | \$ 3,592,293 |
| Capital assets subject to depreciation | | | | |
| Infrastructure | 18,914,742 | - | - | 18,914,742 |
| Less accumulated depreciation | | | | |
| Infrastructure | <u>(7,109,025)</u> | <u>(472,870)</u> | <u>-</u> | <u>(7,581,894)</u> |
| Capital assets, net | <u>\$ 15,398,010</u> | <u>\$ (472,870)</u> | <u>\$ -</u> | <u>\$ 14,925,141</u> |
| Depreciation was charged to governmental activities as follows: | | | | |
| General government | | | | <u>\$ 472,870</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 3 LONG TERM DEBT

The District has the following general obligation debt outstanding at September 30, 2024:

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 \$ 24,790,000

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

| | Balance 10/1/23 | Additions | Reductions | Balance 9/30/24 | Due within One Year |
|--------------------------------|----------------------|-------------|-------------------|----------------------|------------------------|
| General Obligation Warrants | <u>\$ 25,335,000</u> | <u>\$ -</u> | <u>\$ 545,000</u> | <u>\$ 24,790,000</u> | <u>\$ 453,078</u> |

Maturities of long term debt including estimated interest are:

| Year Ending September 30, | Principal | Interest | Total |
|---------------------------------|----------------------|----------------------|----------------------|
| 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 | 2,038,820 |
| 2029 | 580,667 | 1,458,153 | 2,038,820 |
| 2030-2034 | 3,510,607 | 6,683,495 | 10,194,102 |
| 2035-2039 | 4,787,123 | 5,406,979 | 10,194,102 |
| 2040-2044 | 6,527,801 | 3,666,301 | 10,194,102 |
| 2045-2049 | 7,389,988 | 1,292,684 | 8,682,672 |
| Total | <u>\$ 24,790,000</u> | <u>\$ 24,669,078</u> | <u>\$ 49,459,078</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 4 DEPOSIT AND INVESTMENT RISK

At September 30, 2024, 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, 2024, was \$1,180,182.

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, 2024:

(continued)

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 5 FAIR VALUE DISCLOSURES (CONTINUED)

| Investments | Fair Value | Fair Value Measurements Using | | |
|------------------------------|--------------|-------------------------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| | | Inputs | Inputs | Inputs |
| Debt Securities: | | | | |
| U.S. Treasuries Money Market | \$ 1,180,182 | \$ 1,180,182 | \$ - | \$ - |
| | \$ 1,180,182 | \$ 1,180,182 | \$ - | \$ - |

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 June 26, 2025, the date which the financial statements were available to be issued. There were no material subsequent events identified which require disclosure at September 30, 2024.

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

GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

GENERAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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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, 2024, 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, 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, 2024, 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 Auditors' 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 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 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.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

ASSETS

| | |
|---------------------|-----------------------------|
| Investments | \$ 3,535,817 |
| Receivable | 119,102 |
| Capital assets, net | <u>11,421,874</u> |
| Total assets | <u><u>\$ 15,076,793</u></u> |

NET POSITION

| | |
|----------------------------------|-----------------------------|
| Net investment in capital assets | \$ 11,421,874 |
| Unrestricted | <u>3,654,919</u> |
| Total net position | <u><u>\$ 15,076,793</u></u> |

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

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES

| | |
|---|------------------|
| Charges for services- district license fees | \$ 1,581,334 |
| Interest | 116,948 |
| Total revenues | <u>1,698,282</u> |

GENERAL GOVERNMENTAL EXPENSES

| | |
|-------------------------------------|----------------|
| Depreciation | 417,075 |
| Trustee and professional fees | 5,054 |
| General expenses | 2,527 |
| Total general governmental expenses | <u>424,656</u> |

| | |
|------------------------|-----------|
| Change in net position | 1,273,626 |
|------------------------|-----------|

| | |
|---------------------------------|-------------------|
| Net position, beginning of year | <u>13,803,167</u> |
|---------------------------------|-------------------|

| | |
|----------------------------------|-----------------------------|
| Net position, end of year | <u><u>\$ 15,076,793</u></u> |
|----------------------------------|-----------------------------|

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

FUND BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

ASSETS

| | |
|-------------|----------------|
| Investments | \$ 3,535,817 |
| Receivables | <u>119,102</u> |

TOTAL ASSETS

\$ 3,654,919

FUND BALANCES

| | |
|---------------------------|---------------------|
| Fund Balance - unassigned | <u>\$ 3,654,919</u> |
|---------------------------|---------------------|

TOTAL FUND BALANCES

\$ 3,654,919

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, 2024

| | |
|--|------------------------------------|
| Fund balances as reported on page 4 | \$ 3,654,919 |
| 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 | 18,957,302 |
| Depreciation is provided for the above capital assets in government-wide reporting, but not in fund financial statements | <u>(7,535,428)</u> |
| Net Position of Governmental Activities as reported on page 2 | <u><u>\$ 15,076,793</u></u> |

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, 2024

REVENUES

| | |
|---------------|------------------|
| License fees | \$ 1,581,334 |
| Interest | 116,948 |
| Total Revenue | <u>1,698,282</u> |

EXPENDITURES

| | |
|--------------------|----------------|
| Capital outlay | 98,249 |
| Utility expense | 2,527 |
| General government | 5,054 |
| Total expenditures | <u>105,830</u> |

NET CHANGE IN FUND BALANCES 1,592,452

Fund balances, beginning of year 2,062,467

FUND BALANCES, END OF YEAR \$ 3,654,919

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, 2024

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds, page 6 | \$ 1,592,452 |
|---|---------------------|

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 | 98,249 |
| Depreciation | <u>(417,075)</u> |

| | |
|--|-----------------------------------|
| Change in Net Position of Governmental Activities, page 3 | <u><u>\$ 1,273,626</u></u> |
|--|-----------------------------------|

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, 2024

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, 2024

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, 2024

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. 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 implemented GASB 100 in fiscal year 2024 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Principles

GASB Statement No. 102, *Certain Credit Risk Disclosures*—requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the reporting periods beginning after June 15, 2024. The District is currently evaluating the impact that this statement may have on its financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*—requires various improvements to Managements Discussion & Analysis, the definitions of both operating and nonoperating revenues and expenses, and various changes to the required presentation of unusual or infrequent items, the proprietary fund statements, component units, and budgetary comparisons. The requirements of GASB Statement No. 103 are effective for the reporting periods beginning after June 15, 2025. 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

(continued)

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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."

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, 2024

NOTE 2 CAPITAL ASSETS

Changes in the District's capital assets are as follows at September 30, 2024:

| <u>Governmental Activities</u> | <u>Balance 10/1/23</u> | <u>Additions</u> | <u>Reclassifications/ Retirements</u> | <u>Balance 9/30/24</u> |
|---|----------------------------|-------------------------|---|----------------------------|
| Capital assets not subject to depreciation | | | | |
| Land | \$ 1,121,358 | \$ - | \$ - | \$ 1,121,358 |
| Construction in progress | 4,025,986 | - | (4,025,986) | - |
| Capital assets not depreciated | <u>5,147,344</u> | <u>-</u> | <u>(4,025,986)</u> | <u>1,121,358</u> |
| Capital assets subject to depreciation | | | | |
| Electrical | 653,340 | - | - | 653,340 |
| Landscape | 1,070,000 | - | - | 1,070,000 |
| Streets and drainage | 11,905,435 | 4,124,235 | - | 16,029,670 |
| Traffic equipment | 82,934 | - | - | 82,934 |
| Capital assets subject to depreciation at cost | <u>13,711,709</u> | <u>4,124,235</u> | <u>-</u> | <u>17,835,944</u> |
| Less accumulated depreciation for: | | | | |
| Electrical | (310,339) | (16,333) | - | (326,672) |
| Landscape | (1,069,998) | - | - | (1,069,998) |
| Streets and drainage | (5,655,082) | (400,742) | - | (6,055,824) |
| Traffic equipment | (82,934) | - | - | (82,934) |
| Total accumulated depreciation | <u>(7,118,353)</u> | <u>(417,075)</u> | <u>-</u> | <u>(7,535,428)</u> |
| Capital assets subject to depreciation, net | <u>6,593,356</u> | <u>(417,075)</u> | <u>-</u> | <u>10,300,516</u> |
| Total capital assets, net | <u>\$ 11,740,700</u> | <u>\$ (417,075)</u> | <u>\$ (4,025,986)</u> | <u>\$ 11,421,874</u> |
| Depreciation was charged to governmental activities as follows: | | | | |
| General Government | | | | <u>\$ 417,075</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

NOTE 3 DEPOSIT AND INVESTMENT RISK

At September 30, 2024, 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 \$3,535,817.

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, 2024:

(continued)

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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 | \$ 3,535,817 | \$ 3,535,817 | \$ - | \$ - |
| | <u>\$ 3,535,817</u> | <u>\$ 3,535,817</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, 2024.

Spanish Fort City Council

Minutes, Work Session, Monday, July 7, 2025

The City Council of the City of Spanish Fort, Alabama, met July 7, 2025, at 4:01 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, Stephen Winn, 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; 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; and to discuss the consideration the governmental body is willing to offer or accept when considering the purchase, sale, exchange, lease, or market value of real property. 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 Smith and seconded by Councilmember Gustafson to go into executive session at 5:18 p.m. to discuss the aforementioned matters. Mayor McMillan called for the polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan announced that the executive session would last approximately 40 minutes, and that the Work Session would resume upon the conclusion of the executive session.

The Council reconvened at 5:57 p.m.

The Council discussed general municipal business.

There being no further business before the Council, the work session adjourned at 5:58 p.m.

Approved this _____ day of July, 2025.

Rebecca A. Gaines, CMC
City Clerk

**Spanish Fort City Council
Minutes, Regular Meeting, July 7, 2025**

CALL TO ORDER

The City Council of the City of Spanish Fort, Alabama, met Monday, July 7, 2025, 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: Curt Smith, Carl Gustafson, Shane Perry, Stephen Winn, Mary Brabner and Mayor McMillan. A quorum being present, the meeting proceeded.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilmember Mary Brabner led the invocation and Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

The minutes of the Meeting and Work Session of June 16, 2025, were distributed to each member, and Mayor McMillan called for any corrections. Mayor McMillan declared the minutes approved as submitted.

REPORTS OF COMMITTEES AND OFFICERS

Councilmember Curt Smith reported that the Planning Commission held a special meeting on Monday, June 30, 2025, and approved site plans for two future hotels at the Eastern Shore Centre development.

Councilmember Carl Gustafson reported that some members of the incoming Junior City Council were in attendance at the City Council meeting and that the Junior City Council Meeting would be held on Monday, July 14, 2025.

Councilmember Mary Brabner presented a video showcasing the use of Public School Commission funds to provide STEAM programming for the schools, including using outdoor gardening and aquaponics as education tools.

PUBLIC PARTICIPATION

There was none.

ANNOUNCEMENTS

Voting District Maps for the upcoming municipal elections can now be found under the Municipal Elections tab on our website, www.cityofspanishfort.com. The municipal election will be held on Tuesday, August 26, 2025. The Spanish Fort Community Center will serve as the polling place in the City of Spanish Fort.

OLD BUSINESS

There was none.

NEW BUSINESS

Audits for Fiscal Year 2023-2024

Carly Corte of Avizo Group presented audits for Fiscal Year ending September 30, 2024, as follows:

- The City of Spanish Fort
- Single Audit for 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, July 21, 2025, City Council meeting to hear comments in favor of or in opposition to the audits.

Presentation on Potential Capital Improvement Project

Mayor McMillan and City Attorney David Conner presented a potential capital improvement project to be located in areas currently within and adjacent to the Eastern Shore Centre. The project would consist of a roadway to be built partially across a right-of-way to be donated by Cole Properties, LLC, which owns Eastern Shore Lanes. The roadway would then connect with Old Highway 31. The roadway would also extend south across lands owned by Malbis Plantation, Inc. toward Interstate 10, where a 10 field multi-sport complex, consisting of tournament baseball fields, including a miracle field for those with disabilities, walking trails, detention lakes, parking and other amenities. The baseball fields can be used for other sports such as lacrosse or youth football. The development would be funded through partnerships with Malbis Plantation, Inc., Baldwin County, the City of Spanish Fort and other partners.

Ordinance No. 709-2025

Mayor McMillan presented Ordinance No. 709-2025, an ordinance amending Ordinance No. 51-96 of the City of Spanish Fort. David Conner explained the proposed Ordinance. Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing.

A motion was made by Councilmember Brabner and seconded by Councilmember Gustafson to adopt Ordinance No. 709-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Ordinance adopted.

Ordinance No. 710-2025

Mayor McMillan presented Ordinance No. 710-2025, an ordinance amending Ordinance No. 51-96 of the City of Spanish Fort Changing the Zoning Classification of Certain Property Located at 30752 Ember Lane from R-1 to B-2. David Conner explained the proposed Ordinance. Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing.

A motion was made by Councilmember Smith and seconded by Councilmember Gustafson to adopt Ordinance No. 710-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Ordinance adopted.

Ordinance No. 711-2025

Mayor McMillan presented Ordinance No. 711-2025, an ordinance amending Ordinance No. 51-96 of the City of Spanish Fort changing the zoning classification of certain property located at 10021 US Highway 31 from R-1 to B-1. David Conner explained the proposed Ordinance. Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing.

A motion was made by Councilmember Winn and seconded by Councilmember Brabner to adopt Ordinance No. 711-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Ordinance adopted.

Ordinance No. 712-2025

Mayor McMillan presented Ordinance No. 712-2025, an ordinance amending Ordinance No. 51-96 of the City of Spanish Fort changing the zoning classification of certain property described as 30901 Spanish Oaks Drive West from R-2 to R-4. David Conner explained the proposed Ordinance.

Mayor McMillan opened the public hearing. Ms. Lorena Bastion of 30858 Cemetery Road, Spanish Fort, Alabama spoke in objection to the proposed rezoning. Mayor McMillan closed the public hearing.

A motion was made by Councilmember Brabner and seconded by Councilmember Gustafson to adopt Ordinance No. 712-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were none. Voting “nay” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Mayor McMillan declared the motion failed, and the Ordinance was not adopted.

Ordinance No. 713-2025

Mayor McMillan presented Ordinance No. 713-2025, an ordinance amending Ordinance No. 51-96 of the City of Spanish Fort changing the zoning classification of certain property described as Tax Parcel No. 05-32-07-25-0-000-002.004 from R-1 to B-3. David Conner explained the proposed Ordinance. Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing.

A motion was made by Councilmember Smith and seconded by Councilmember Gustafson to adopt Ordinance No. 713-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Ordinance adopted.

Ordinance No. 714-2025

Mayor McMillan presented Ordinance No. 714-2025, an ordinance granting a non-exclusive franchise to the Utilities Board of the City of Foley d/b/a Riviera Utilities for the purpose of maintaining distribution lines for the provision of electrical service within the public rights-of-way within the City of Spanish Fort. David Conner explained the proposed Ordinance. Mayor McMillan opened the public hearing. There were no speakers. Mayor McMillan closed the public hearing. Discussion followed.

Ordinance No. 715-2025

Mayor McMillan introduced Ordinance No. 715-2025, an ordinance establishing rules and regulations for the Spanish Fort Town Center Park in the City of Spanish Fort, Alabama

Resolution No. 1517-2025

A resolution accepting certain streets for maintenance. This item was removed from the agenda.

Resolution No. 1521-2025

Mayor McMillan presented Resolution No. 1521-2025, a resolution awarding the bid for the Spanish Fort 2024 Resurfacing Project. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Brabner and seconded by Councilmember Winn to adopt Resolution No. 1521-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1524-2025

Mayor McMillan introduced Resolution No. 1524-2025, a resolution for an officer elected without opposition. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Gustafson and seconded by Councilmember Winn to adopt Resolution No. 1524-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1525-2025

Mayor McMillan introduced Resolution No. 1525-2025, a resolution for an officer elected without opposition. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Winn and seconded by Councilmember Brabner to adopt Resolution No. 1525-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1526-2025

Mayor McMillan introduced Resolution No. 1526-2025, a resolution authorizing the Mayor to execute an agreement between the City of Spanish Fort and Sawgrass Consulting, LLC. David Conner explained the proposed Resolution. Discussion followed.

Resolution No. 1527-2025

Mayor McMillan introduced Resolution No. 1527-2025, a resolution authorizing the Mayor to execute an agreement between the City of Spanish Fort and Sawgrass Consulting, LLC. David Conner explained the proposed Resolution. Discussion followed.

Resolution No. 1528-2025

Mayor McMillan introduced Resolution No. 1528-2025, a resolution appointing election officers. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Gustafson and seconded by Councilmember Brabner to suspend the rules for immediate consideration of Resolution No. 1528-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the motion carried and the rules suspended to allow immediate consideration of Resolution No. 1528-2025.

A motion was made by Councilmember Smith and seconded by Councilmember Perry to adopt Resolution No. 1528-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1529-2025

Mayor McMillan introduced Resolution No. 1529-2025, a resolution authorizing the Mayor to execute an agreement between the City of Spanish Fort and Sawgrass Consulting, LLC. David Conner explained the proposed Resolution. Discussion followed.

Resolution No. 1530-2025

Mayor McMillan introduced Resolution No. 1530-2025, a resolution authorizing the Mayor and/or Chief of Police to make application for the Edward Byrne Memorial JAG Grant, administered by the ADECA Law Enforcement and Traffic Safety Division. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Brabner and seconded by Councilmember Perry to adopt Resolution No. 1530-2025. Discussion followed. Mayor McMillan called for a polling of votes. Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1531-2025

Mayor McMillan introduced Resolution No. 1531-2025, a resolution authorizing the Mayor and/or Chief of Police to make application for the Edward Byrne Memorial JAG Grant, administered by the ADECA. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Gustafson and seconded by Councilmember Winn to adopt Resolution No. 1531-2025. Discussion followed. Mayor McMillan called for a polling of votes.

Voting “aye” were Councilmembers Smith, Gustafson, Perry, Winn, Brabner and Mayor McMillan. Voting “nay” were none. Mayor McMillan declared the Resolution adopted.

Resolution No. 1532-2025

Mayor McMillan introduced Resolution No. 1532-2025, a resolution authorizing the Mayor to enter into a contract for the provision of athletic camps. David Conner explained the proposed Resolution. Discussion followed.

ADJOURNMENT

There being no further business before the Council, the meeting adjourned at 7:11 p.m.

Approved this ____ day of July, 2025.

Rebecca A. Gaines
City Clerk.

ORDINANCE NO. 714-2025

AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO THE UTILITIES BOARD OF THE CITY OF FOLEY D/B/A RIVIERA UTILITIES, FOR THE PURPOSE OF MAINTAINING DISTRIBUTION LINES FOR THE PROVISION OF ELECTRICAL SERVICE WITHIN THE PUBLIC RIGHTS-OF-WAY WITHIN THE CITY OF SPANISH FORT, ALABAMA

WHEREAS, the Utilities Board of the City of Foley d/b/a Riviera Utilities ("Riviera Utilities") is now, and has been since prior to the incorporation of the City of Spanish Fort, Alabama ("the City"), furnishing electricity to the people, businesses, and industries in the City; and

WHEREAS, the City previously issued a municipal franchise to Riviera Utilities in 1994 in Ordinance 1994-7 to continue to provide electricity in the City, but the 1994 franchise has expired; and

WHEREAS, such City is willing to grant a new franchise to Riviera Utilities as set forth herein.

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

SECTION 1. Riviera Utilities, its successors and assigns, be, and is hereby granted the right to conduct, operate and maintain within the corporate limits of the City of Spanish Fort, Alabama, as said limits are now, or may hereafter be fixed or constituted, a business for the purpose of generating, storing, transmitting, furnishing, selling and distributing electric power to the City, to the public, and to individuals or corporations, either by wholesale or by retail, and by contract or otherwise, for light, heat and for any and all other purposes for which electric power is, or may be used, together with the right to extend and construct transmission and distribution lines from any point into the City of Spanish Fort, Alabama, and to place, construct and maintain in, upon, over and across all streets, avenues, alleys, lanes, roads, rights-of-way, and other public property in said City of Spanish Fort, Alabama, all wires, cables, substations, poles, posts, towers, cross-arms, guy wires, braces, and all other properties and appurtenances and facilities necessary or convenient for the transmission, delivery, distribution, generating, storing, or furnishing such power for such purposes; also the right, privilege and authority to do and perform any and all things necessary, convenient or expedient for the maintenance and operation of such business, including communications equipment, metering equipment, transformers, and other related activities. The rights, privileges and authority, referred to in this section are subject always to the regulations provided and imposed by the general laws of the State of Alabama and by agencies and departments of the State of Alabama having jurisdiction.

Said poles, posts and towers shall be so placed and erected. and the wires and cables so attached and secured at such an elevation as to avoid danger to persons and adjacent property and not to interfere with the personal convenience and safety of the public and so placed or erected as not to interfere with or to injure or obstruct any water pipes, drains or sewers, or the flow of water therein that have been or may be hereafter placed or laid under or by the authority of the City of Spanish Fort, Alabama, and so as not to interfere with or injure any poles, wire, cables, posts, towers or other appliances or appurtenances that have heretofore been erected or constructed by any public utility operating under a franchise of the City of Spanish Fort, Alabama. For purposes of this Ordinance, Riviera Utilities shall be deemed in compliance therewith provided that its construction and improvements are built and maintained in accordance with the National Electric Safety Code applicable to the distribution of electrical service, and all subsequent modifications or amendments thereto.

The rights, privileges and authority granted herein, are, and shall be in force for a period of thirty (30) years.

On or before the first day of November of each year during the period of time covered by this franchise, Riviera Utilities shall pay unto the City of Spanish Fort, Alabama, a franchise fee in an amount equal to five percent (5%) of the gross revenues derived by Riviera Utilities during the preceding fiscal year from the sale of electricity derived within the corporate limits of such City to residential and commercial consumers. Failure by Riviera Utilities to perform the obligation imposed on it by this section shall not result in any forfeiture, termination or cancellation of its franchise. In the event of nonperformance by Riviera Utilities of the obligation imposed on it by this section, the City shall have the right of action against Riviera Utilities to enforce performance of such obligation or remedy such nonperformance thereof, but may not, on account of such nonperformance, terminate, cancel or otherwise revoke such franchise. If a business license fee is charged by the City for Riviera Utilities to conduct its business in the City then Riviera Utilities shall be entitled to a dollar-for-dollar credit against said business license fee for any franchise fee it pays hereunder.

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* _____, **2025.**

CITY OF SPANISH FORT, ALABAMA

BY: _____
Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

ORDINANCE NO. 715-2025

AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR THE SPANISH FORT TOWN CENTER 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 the Spanish Fort Town Center 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 the Spanish Fort Town Center Park:

Town Center Park Rules

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 or illegal substances.
7. No archery or shooting sports.
8. No golf activities or hitting of golf balls.
9. Patrons assume all risk of injury, damage or loss sustained while on the premises.
10. No littering. Help keep our parks clean. Please place trash in receptacles provided.

Pickleball Rules

1. Courts are for pickleball play ONLY - vehicles, strollers, bikes, skateboards, roller skates, baseballs, softballs, frisbees, soccer balls, etc., are not allowed.
2. Tennis or soft-soled shoes are required. No black-soled shoes allowed.
3. Courts are first come, first serve. Please use the provided paddle holder system to determine groups and order of play on each court.
4. During peak times when courts are full, court time is limited to 45 minutes or two games to 11.
5. Patrons assume all risk of injury, damage or loss sustained
6. Courts are open from 7:00 a.m. to 10:00 p.m.
7. No unauthorized paid athletic services, including lessons, are permitted.
8. Do not place tables, chairs, tents, chalk, paint, tape or other adhesive materials on the playing surface.
9. No animals (except to assist a person with a disability).
10. No offensive or loud music.
11. Courts may be closed at any time for safety and maintenance.

Splash Pad Rules

1. The splashpad is unsupervised. Use at your own risk. Adult supervision is required for all children under 12 years of age.
2. No skateboards, scooters, bicycles or any wheeled items or motorized vehicles allowed on the splash pad, except for wheelchairs, strollers or walkers.
3. No running, horseplay or disorderly behavior.
4. No glass objects.
5. No pets are permitted (except to assist a person with a disability).

6. No food, drink, gum or candy on the splash pad surface.
7. Swim diapers are required for infants or children not fully toilet trained.
8. No street shoes are permitted on the splash pad. Bare feet or water-appropriate shoes only.
9. Persons with communicable or infectious diseases or illnesses are not allowed to use the splash pad.
10. If you see anyone urinating, or if you see fecal matter, call the City of Spanish Fort at 251-626-4884 from Monday through Friday, 8:00 a.m. to 4:30 p.m. After hours or on weekends, call the Spanish Fort Police Department at 251-626-4914.
11. No bathing, soap, dish detergent, shampoo or other similar type products allowed.
12. Do not use the splash pad when thunder and/or lightning is present in the area.
13. Splashpad hours are from 9:00 a.m. to dusk.

Playground Rules

1. The playground is unsupervised. Use at your own risk. Adult supervision required for all children under 12 years of age.
2. No food, drinks, candy or gum on the equipment or playground.
3. Playground hours are from 7:00 a.m. to dusk.
4. No disorderly behavior.
5. Slide feet first. No walking up slides or sliding headfirst.
6. Do not use the playground when thunder and/or lightning is present in the area.
7. No skateboards, scooters, bicycles or any wheeled items or motorized vehicles allowed on the playground, except for wheelchairs, strollers or walkers.
8. Patrons assume all risk of injury, damage or loss while on the premises.

Pavilion Rules

1. The pavilion is not available for private reservations at this time.
2. Holding a birthday party or private event is allowed on a first come, first serve basis. Use of the pavilion by a party or private event is not exclusive.
3. In order to accommodate our visitors, no individual party or event may occupy more than 4 picnic tables at one time.
4. No alcohol may be consumed at the pavilion.
5. The pavilion is open from 7:00 a.m. until 10:00 p.m.
6. The City of Spanish Fort reserves the right to close the pavilion at any time.
7. Users of the pavilion should clean and leave it in the same condition in which it was found.
8. Bouncy houses, dunk tanks, animals (except to assist a person with a disability), climbing walls or similar items are prohibited.
9. No decorations or other items may be attached to the pavilion with nails, staplers, tacking, etc.
10. No grills or open flame allowed.
11. No commercial activity allowed.

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 other 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 _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

ORDINANCE NO. 716-2025

AN ORDINANCE EXEMPTING CERTAIN “COVERED ITEMS” FROM THE MUNICIPAL SALES AND USE TAX DURING THE LAST FULL WEEKEND OF FEBRUARY 2026, AS AUTHORIZED BY THE ALABAMA SEVERE WEATHER PREPAREDNESS SALES TAX HOLIDAY LEGISLATION

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

Section 1. In conformity with the provisions of Act No. 2012-256, as amended, enacted by the Alabama Legislature during the 2012 Regular Session, providing for a State Sales Tax Holiday, the City of Spanish Fort, Alabama, exempts “covered items” from the 1½% municipal sales and use tax during the same period, beginning at 12:01 a.m. on the last Friday in February, 2026 (February 20, 2026) and ending at twelve o’clock midnight on the following Sunday (February 22, 2026).

Section 2. This Ordinance shall be subject to all terms, conditions, definitions, time periods, and rules as provided by Act No. 2012-256, except that the time period shall only be as specified in Section 1 above and not for all years thereafter.

Section 3. The City Clerk is hereby authorized and directed to certify a copy of this Ordinance under the seal of the City of Spanish Fort, Alabama, and to forward said certified copy to the Alabama Department of Revenue to be recorded and posted on the Department website.

Section 4. This Ordinance shall become effective upon adoption.

ADOPTED and APPROVED this ____ day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

RESOLUTION NO. 1526-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
BETWEEN THE CITY OF SPANISH FORT AND SAWGRASS CONSULTING, LLC**

WHEREAS, the City of Spanish Fort wishes to enter into an agreement with Sawgrass Consulting, LLC, for topographic surveying, engineering services and other services relative to a drainage improvement project at Cemetery Road in the City of Spanish Fort.

**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 enter into an agreement with Sawgrass Consulting, LLC, in the amount of \$25,500.00, on behalf of the City as reflected in the proposal attached as Exhibit 1, subject to any changes to the terms and conditions approved by the Mayor.

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

ADOPTED AND APPROVED this ____ day of _____ 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk



AGREEMENT FOR PROFESSIONAL SERVICES

This **Agreement for Professional Services** (hereinafter referred to as "**Agreement**") is entered into this 17th day of June 2025 between **SAWGRASS CONSULTING, LLC** (hereinafter referred to as "**Sawgrass**"), whose address is 30673 Sgt. E.I. "Boots" Thomas Drive 31 Spanish Fort, Alabama 36527, and **Client**, who is identified below, for the provision of certain professional services as more particularly set forth in Section 1 (A) below and in accordance with the terms and conditions set forth herein.

Client: City of Spanish Fort

Client Contact Person: Mayor McMillan

Client Mailing Address: 7361 Spanish Fort Blvd Spanish Fort, AL 36527

Telephone Number: 251-626-4884

Client Contact Email: mavor@cityofspanishfort.com

Project Name: Cemetery Road Drainage Project

Sawgrass and Client, for themselves, and their respective successors and assigns, agree as follows:

1. SCOPE OF SERVICES

A. Sawgrass shall provide the following services to Client (hereinafter referred to as the "**Services**"): See Exhibit "A"

B. Specifically excluded from this scope of services is the providing of future updates, reviews, or expert opinions or witness services. If Client subsequently requires additional services not listed above, Client and Sawgrass may negotiate a separate agreement detailing the same.

2. COMPENSATION. Client agrees to compensate Sawgrass for the Services as follows:

See Exhibit "A"

ALL OTHER TERMS OF THIS AGREEMENT CONTINUE ON PAGES 2-4 AND ARE INCORPORATED BY THIS REFERENCE.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SAWGRASS CONSULTING, LLC

By: [Signature] (Sign)

Print Name: Ercil E. Godwin

Its: Vice President

Client: City of Spanish Fort

By: _____ (Sign)

Print Name: _____

Its: _____

PAYMENT OF COMPENSATION.

Client Rep. Initials

B. Client agrees to and does hereby indemnify and hold Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the negligent or intentional acts or omissions of Client, or Client's agents or employees.

C. Client acknowledges and agrees that Sawgrass is not and shall not be held responsible for or be deemed to have control over the means, methods, techniques, sequences, procedures, or safety precautions and programs utilized by any contractor or other party working on the Project. Client further acknowledges and agrees that Sawgrass shall not be responsible for any contractor's failure to comply with any construction contract or with any applicable federal or State laws, regulations, ordinances, or industry rules. Client hereby indemnifies and holds Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the negligent or intentional acts or omissions of any contractor or subcontractor of Client or of such contractor's or subcontractor's employees or agents.

D. Client assumes all risk and responsibility for all loss of, damage to, and/or destruction of the Project and all property owned by or in the custody of Client, including its affiliates, however such loss, damage, or destruction may occur and waives any right of recovery it may have against Sawgrass for any such loss, damage, or destruction and agrees to obtain a waiver of subrogation rights of its insurers against Sawgrass for any such loss, damage, or destruction.

E. Client acknowledges that all estimates provided to the Client by Sawgrass are estimates ONLY and cannot be relied upon as an actual cost related to the project and agrees to and does hereby indemnify and hold Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the Client, or Client's agents or employees use of said estimate(s).

8. **WARRANTIES AND REPRESENTATIONS OF CLIENT.** Client warrants and represents to Sawgrass that:

A. Client is a business entity, validly existing and in good standing under the laws of the state in which it is organized or incorporated and is qualified to do business in the state in which the Project is being constructed or is located.

B. Client has all requisite power and authority to enter into this Agreement.

C. Client is the owner of the real property upon which the Project is being constructed or otherwise carried out (hereinafter referred to as the "**Project Property**"), or Client is the Project Property owner's duly authorized representative, and Client hereby grants Sawgrass permission to enter the Project Property for the purpose of performing the Services;

D. Client shall promptly provide Sawgrass with any information or documents requested by Sawgrass related to the Project; and

E. Client shall obtain and pay all expenses involved in promptly obtaining the easements and rights of way necessary for Sawgrass to perform the Services identified herein.

9. **TITLE TO PLANS AND SPECIFICATIONS.**

A. All Final Documents, including but not limited to drawings, specifications, and surveys, prepared by Sawgrass pursuant to this Agreement which Sawgrass supplies to Client shall become the property of Client upon Client's payment in full for the Services. For purposes of this Agreement, "**Final Documents**" shall mean only those printed, non-electronic format documents, which are duly marked with the original seal of a Sawgrass engineer or surveyor. All other notes, work product, drafts, CADD files, electronic, or other data or documents prepared by Sawgrass shall remain Sawgrass's sole property at all times, and Client shall have no right to disclose, copy, rely on, or otherwise use the same.

B. Any Final Documents supplied to Client by Sawgrass in connection with the Project are intended for the sole and exclusive use of Client and its agents and employees for the Project. Client shall indemnify, defend, and hold Sawgrass harmless from and against all losses, expenses, claims, and damages which may result from any disclosure, use or reuse of any Final Documents other than in connection with completing construction, maintenance, and/or repair of the Project.

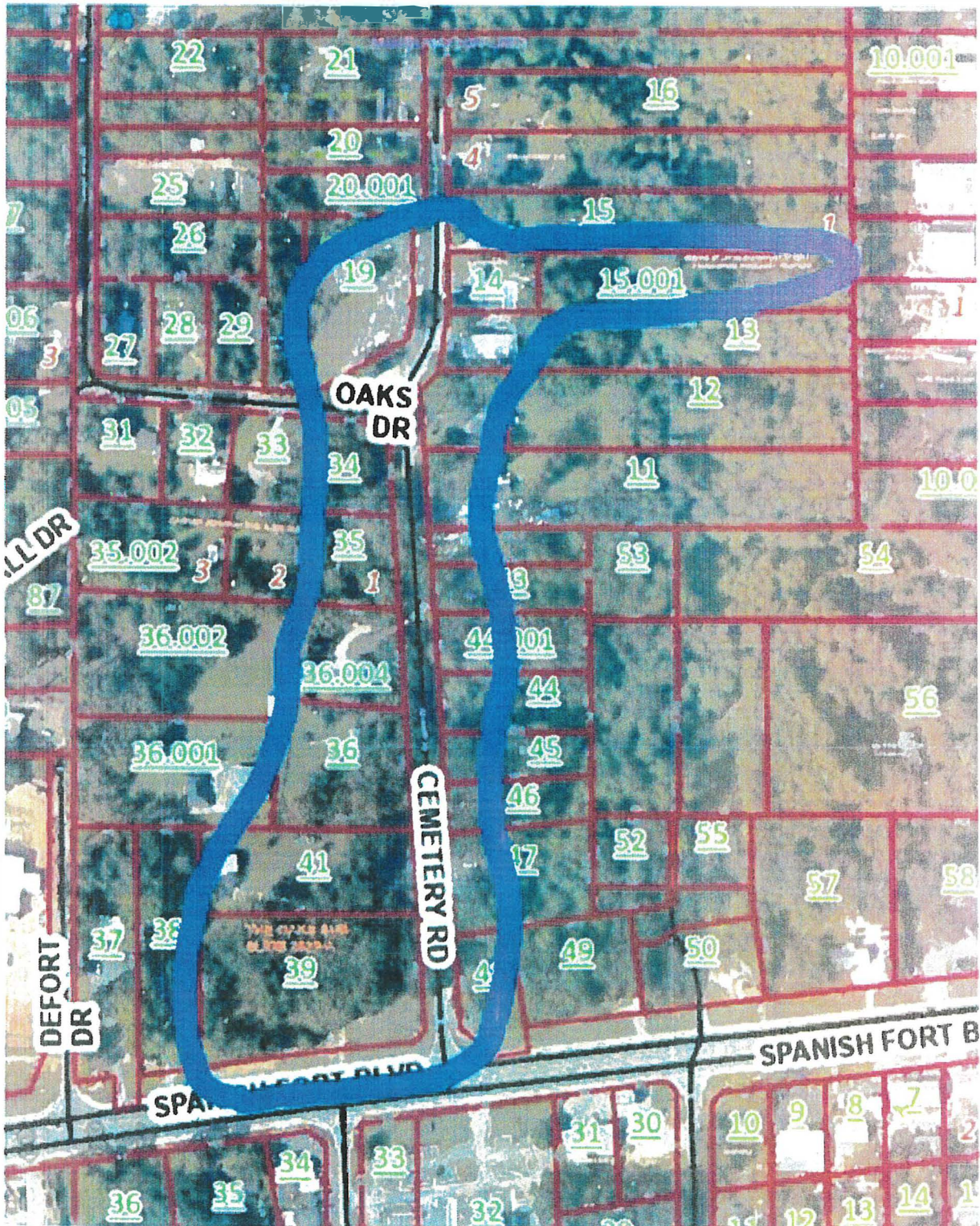
C. Client shall not use any Sawgrass professional's license seal or stamp in any form or manner as part of any reuse of documents developed under this Agreement.

17. SEVERABILITY. The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. If any provision of the Agreement is found unenforceable by any court or tribunal, Client and Sawgrass agree that such provision shall be modified to the minimum extent necessary to render it enforceable and that the remainder of the Subcontract shall not be otherwise affected.

18. TITLES. The titles given to the individual sections or paragraphs of this Agreement are for ease of reference only and shall not be relied upon or cited for any other purpose.

EXHIBIT "B"

WORK AREA



RESOLUTION NO. 1527-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
BETWEEN THE CITY OF SPANISH FORT AND SAWGRASS CONSULTING, LLC**

WHEREAS, the City of Spanish Fort wishes to enter into an agreement with Sawgrass Consulting, LLC, for topographic surveying, engineering services and other services relative to a drainage improvement project at Driftwood Lane, Stanton Road and Walling Road in the City of Spanish Fort.

**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 enter into an agreement with Sawgrass Consulting, LLC, in the amount of \$63,000.00, on behalf of the City as reflected in the proposal attached as Exhibit 1, subject to any changes to the terms and conditions approved by the Mayor.

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

ADOPTED AND APPROVED this ____ day of _____ 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk



AGREEMENT FOR PROFESSIONAL SERVICES

This **Agreement for Professional Services** (hereinafter referred to as "**Agreement**") is entered into this 17th day of June 2025 between **SAWGRASS CONSULTING, LLC** (hereinafter referred to as "**Sawgrass**"), whose address is 30673 Sgt. E.I. "Boots" Thomas Drive 31 Spanish Fort, Alabama 36527, and **Client**, who is identified below, for the provision of certain professional services as more particularly set forth in Section 1 (A) below and in accordance with the terms and conditions set forth herein.

Client: City of Spanish Fort

Client Contact Person: Mayor McMillan

Client Mailing Address: 7361 Spanish Fort Blvd Spanish Fort, AL 36527

Telephone Number: 251-626-4884

Client Contact Email: mayor@cityofspanishfort.com

Project Name: Driftwood, Stanton and Walling Road Drainage Project

Sawgrass and Client, for themselves, and their respective successors and assigns, agree as follows:

1. SCOPE OF SERVICES

A. Sawgrass shall provide the following services to Client (hereinafter referred to as the "**Services**");

See Exhibit "A"

B. Specifically excluded from this scope of services is the providing of future updates, reviews, or expert opinions or witness services. If Client subsequently requires additional services not listed above, Client and Sawgrass may negotiate a separate agreement detailing the same.

2. COMPENSATION. Client agrees to compensate Sawgrass for the Services as follows:

See Exhibit "A"

ALL OTHER TERMS OF THIS AGREEMENT CONTINUE ON PAGES 2-4 AND ARE INCORPORATED BY THIS REFERENCE.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

SAWGRASS CONSULTING, LLC

Client: City of Spanish Fort

By: [Signature] (Sign)

By: _____ (Sign)

Print Name: Ercil E. Godwin

Print Name: _____

Its: Vice President

Its: _____

PAYMENT OF COMPENSATION.

Client Rep Initials

B. Client agrees to and does hereby indemnify and hold Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the negligent or intentional acts or omissions of Client, or Client's agents or employees.

C. Client acknowledges and agrees that Sawgrass is not and shall not be held responsible for or be deemed to have control over the means, methods, techniques, sequences, procedures, or safety precautions and programs utilized by any contractor or other party working on the Project. Client further acknowledges and agrees that Sawgrass shall not be responsible for any contractor's failure to comply with any construction contract or with any applicable federal or State laws, regulations, ordinances, or industry rules. Client hereby indemnifies and holds Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the negligent or intentional acts or omissions of any contractor or subcontractor of Client or of such contractor's or subcontractor's employees or agents.

D. Client assumes all risk and responsibility for all loss of, damage to, and/or destruction of the Project and all property owned by or in the custody of Client, including its affiliates, however such loss, damage, or destruction may occur and waives any right of recovery it may have against Sawgrass for any such loss, damage, or destruction and agrees to obtain a waiver of subrogation rights of its insurers against Sawgrass for any such loss, damage, or destruction.

E. Client acknowledges that all estimates provided to the Client by Sawgrass are estimates ONLY and cannot be relied upon as an actual cost related to the project and agrees to and does hereby indemnify and hold Sawgrass, its employees, officers, managers, agents, consultants, successors and assigns harmless from and against all claims, causes of action, liability, losses, damage, costs, and expenses, including reasonable attorneys' fees, arising out of or related to the Client, or Client's agents or employees use of said estimate(s).

8. **WARRANTIES AND REPRESENTATIONS OF CLIENT.** Client warrants and represents to Sawgrass that:

A. Client is a business entity, validly existing and in good standing under the laws of the state in which it is organized or incorporated and is qualified to do business in the state in which the Project is being constructed or is located.

B. Client has all requisite power and authority to enter into this Agreement.

C. Client is the owner of the real property upon which the Project is being constructed or otherwise carried out (hereinafter referred to as the "Project Property"), or Client is the Project Property owner's duly authorized representative, and Client hereby grants Sawgrass permission to enter the Project Property for the purpose of performing the Services;

D. Client shall promptly provide Sawgrass with any information or documents requested by Sawgrass related to the Project; and

E. Client shall obtain and pay all expenses involved in promptly obtaining the easements and rights of way necessary for Sawgrass to perform the Services identified herein.

9. **TITLE TO PLANS AND SPECIFICATIONS.**

A. All Final Documents, including but not limited to drawings, specifications, and surveys, prepared by Sawgrass pursuant to this Agreement which Sawgrass supplies to Client shall become the property of Client upon Client's payment in full for the Services. For purposes of this Agreement, "Final Documents" shall mean only those printed, non-electronic format documents, which are duly marked with the original seal of a Sawgrass engineer or surveyor. All other notes, work product, drafts, CADD files, electronic, or other data or documents prepared by Sawgrass shall remain Sawgrass's sole property at all times, and Client shall have no right to disclose, copy, rely on, or otherwise use the same.

B. Any Final Documents supplied to Client by Sawgrass in connection with the Project are intended for the sole and exclusive use of Client and its agents and employees for the Project. Client shall indemnify, defend, and hold Sawgrass harmless from and against all losses, expenses, claims, and damages which may result from any disclosure, use or reuse of any Final Documents other than in connection with completing construction, maintenance, and/or repair of the Project.

C. Client shall not use any Sawgrass professional's license seal or stamp in any form or manner as part of any reuse of documents developed under this Agreement.

17. SEVERABILITY. The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. If any provision of the Agreement is found unenforceable by any court or tribunal, Client and Sawgrass agree that such provision shall be modified to the minimum extent necessary to render it enforceable and that the remainder of the Subcontract shall not be otherwise affected.

18. TITLES. The titles given to the individual sections or paragraphs of this Agreement are for ease of reference only and shall not be relied upon or cited for any other purpose.

EXHIBIT "B"

WORK AREA



RESOLUTION NO. 1529-2025

**A RESOLUTION APPOINTING AN ATTORNEY TO PROVIDE INDIGENT
DEFENSE SERVICES FOR THE MUNICIPAL COURT
FOR THE CITY OF SPANISH FORT, ALABAMA**

WHEREAS, the City Council desires to appoint an attorney to practice indigent defense services for the Municipal Court.

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

SECTION 1. The City Council of the City of Spanish Fort hereby appoints _____ to provide indigent defense services the Spanish Fort Municipal Court, effective _____. The said _____ shall serve at the discretion of the City Council and on such terms and conditions as may be prescribed by the City Council.

SECTION 2. The Indigent Defense Attorney shall be paid the sum of \$600.00 per month, for all duties and activities related to the provision of indigent defense services for the Municipal Court. The salary for the Indigent Defense Attorney may not be decreased during a given term of office, but the City Council reserves the right to increase the salary of the Indigent Defense Attorney, in its sole discretion, in accordance with all applicable state laws.

SECTION 3. 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 4. This Resolution shall become effective upon its adoption.

ADOPTED and APPROVED this _____ day of _____, 2025.

Michael M. McMillan .
Mayor

ATTEST:

Rebecca A. Gaines
City Clerk

RESOLUTION NO. 1532-2025

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR THE PROVISION OF ATHLETIC CAMPS

WHEREAS, the City Council is committed to assisting in the development of athletic facilities and programs for school aged children in the community; and

WHEREAS, the City desires to provide athletic camps for all sports at Spanish Fort High School.

**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 enter into an Agreement with Chase Smith (hereinafter referred to as “Contractor”) for services to be rendered as an independent contractor for the City of Spanish Fort for the purpose of providing athletic camps for school aged children for sports offered at the Spanish Fort High School. A copy of the proposed Contract is attached hereto as Exhibit A, subject to any changes approved by the Mayor.

SECTION 2. Any Resolution heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Resolution is hereby repealed to the extent of such conflict.

SECTION 3. 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.

ADOPTED and APPROVED this ____ day of ____, 2024.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

Exhibit A

STATE OF ALABAMA

COUNTY OF BALDWIN

CONTRACT FOR THE PROVISION OF ATHLETIC CAMPS

This Contract ("the Contract") is entered into this ____ day of _____, 2025, by and between THE CITY OF SPANISH FORT, ALABAMA, an Alabama municipal corporation (the "City"), and CHASE SMITH (the "Contractor").

WHEREAS, the City has invested in the construction of certain athletic facilities at Spanish Fort High School; and

WHEREAS, the City desires to assist in the provision of athletic camps for school aged children in the community for all sports offered at Spanish Fort High School.

W I T N E S S E T H:

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the City and Contractor do hereby mutually covenant and agree as follows:

1. The Contractor shall be responsible for providing athletic camps for school aged children in the first through the fourth grade and up for sports offered at Spanish Fort High School, including, but not limited to, football, baseball, softball, wrestling, soccer, volleyball, tennis and track and field. The individual camps shall last for a minimum of two (2) days each, and there shall be no overlapping days for each camp. The Contractor shall be entitled to charge a fee to each participant in each athletic camp in order to defray the cost of the camp in an amount not to exceed Twenty-Five Dollars (\$25.00) per participant for each camp, unless otherwise approved by the City Council, in its discretion.

2. The term of this Contract shall be for one year and shall commence on June 1, 2025, and expire on May 31, 2026. In the event the Contractor is no longer employed by the Baldwin County Board of Education as the Head Football Coach at Spanish Fort High School, this Contract shall automatically terminate as of the date of such separation or termination of the Contractor's employment with the Baldwin County Board of Education. Furthermore, this Contract may be terminated by either party, for any reason or no reason at all, by giving the other party thirty (30) days written notice of termination.

3. The City will pay Forty-two Thousand Dollars (\$42,000.00), less the cost of Worker's Compensation Insurance, to the Contractor for the provision of the services outlined pursuant to this Contract, and the aforementioned sum shall be paid as follows:

(a) As soon as possible, the Contractor shall provide a list of coaches assisting the Contractor in providing the services under this Contract and the amount to be paid to each coach, not to exceed, in the aggregate, the sum of Forty-two Thousand Dollars (\$42,000.00), less the cost of Worker's Compensation Insurance. In order to receive payment, the Contractor shall provide any information requested by the City which shall include, but shall not be limited to, the following:

(1) List of camps provided including a description of the camp and dates

(2) Pay schedule approved by the Mayor, Principal and Contractor:

Base pay per camp worker for each camp: \$400.00-\$2000.00

Base Pay Camp Director for each camp: \$900.00-\$2500.00

Base pay Overall Director: \$3500.00

(3) Submit to City for payment for each camp:

Names and addresses of coaches employed by the Baldwin County Board of Education;

Name and address of each child participant;

Name of camp; and

Income/expense statement for each camp.

(b) The City shall write checks directly to the coaches named by the Contractor in the amounts provided by the Contractor, less their portion of the cost of Worker's Compensation Insurance. The City shall not be responsible for other withholding any amounts, including, but not limited to, Federal and State taxes, FICA, Social Security and any other withholdings required by law, which shall be the responsibility of each person receiving payments hereunder. The City shall provide a 1099 form to all parties receiving payment.

(c) The Contractor and the parties receiving payment hereunder acknowledge and agree that the Contractor is an independent Contractor, and the Contractor and the other parties receiving payments hereunder are not employees of the City. No party is entitled to any other compensation or benefit from the City with respect to this Contract, except as expressly set forth herein. The City shall not be responsible for providing any materials,

equipment, uniforms, tools or other items pursuant to this Contract, which shall be the responsibility of the Contractor.

4. Nothing contained in this Contract is intended to create the relationship of employer-employee, and the Contractor shall be and continue to operate under this Contract as an independent contractor. The Contractor shall have no authority to direct any City employee to take or refrain from taking any action.

5. The Contractor recognizes and acknowledges that the services to be rendered by the Contractor are of a special and unique character and that the Contractor may neither assign nor delegate his rights or duties under this Contract.

6. This Contract constitutes the full and complete understanding and agreement of the parties, and cannot be amended, modified or supplemented in any respect except by agreement in writing signed by both parties hereto.

7. This Contract shall be controlled, construed and governed in all respects by the laws of the State of Alabama.

8. Any notice required to be given in writing by any party to this Contract may be delivered personally or by certified mail, return receipt requested, postage prepaid, as follows:

If to the City: City of Spanish Fort
Post Office Box 7226
Spanish Fort, Alabama 36577

If to Contractor: Chase Smith
1 Plaza De Toros Dr.
Spanish Fort, AL. 36527

Either party may change such party's address by giving the other party written notice of such change pursuant to this paragraph.

IN WITNESS WHEREOF, the parties hereto have entered into this Contract, individually or by and through their duly authorized representatives, on the date and year first above written.

CHASE SMITH
Contractor

CITY OF SPANISH FORT

By: _____
MICHAEL M. MCMILLAN
Mayor

ATTEST:

REBECCA A. GAINES
City Clerk

STATE OF ALABAMA

COUNTY OF BALDWIN

I, _____, a Notary Public in and for said County in said State, hereby certify that CHASE SMITH, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily on the date the same bears date.

Given under my hand and seal this the _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires: _____

STATE OF ALABAMA

COUNTY OF BALDWIN

I, _____, a Notary Public in and for said County, in said State, hereby certify that MICHAEL M. MCMILLAN, whose name as Mayor of the CITY OF SPANISH FORT, ALABAMA, an Alabama municipal corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said municipal corporation.

Given under my hand and seal this the _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires: _____

RESOLUTION NO. 1533-2025

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR SERVICES BETWEEN THE CITY OF SPANISH FORT, ALABAMA, AND THE CONSULTANT FOR PARK AND RECREATIONAL ACTIVITIES TO THE CITY COUNCIL

WHEREAS, the City Council desires to promote for the City's residents a lifestyle of family fitness and recreation; and

WHEREAS, Chase Smith is Head Football Coach at Spanish Fort High School; and

WHEREAS, the City has determined that its family fitness and recreation objectives would be well served by Mr. Smith's expertise and experience, and Mr. Smith is willing to serve as a Consultant to the City Council, as directed by the City Council.

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

SECTION 1. The City Council requests and authorizes the Mayor to enter into an Agreement with Chase Smith (hereinafter referred to as "Consultant") for services to be rendered as consultant to the City of Spanish Fort in the provision of park and recreational activities. In consideration of such services, the City will pay the Consultant, in accordance with the terms of the attached Agreement, a consulting fee of Twenty-Five Thousand Dollars (\$25,000.00) per year for the services rendered pursuant to the attached Agreement. Such fee shall be paid to consultant in eleven (11) equal installments of Two Thousand Eighty-three Dollars and Thirty-three Cents (\$2,083.33) and one installment of Two Thousand Eighty-three Dollars and Thirty-seven Cents (\$2,083.37) in accordance with the terms of the Agreement. The Consultant acknowledges and agrees that he is entitled to no other compensation or benefits from the City with respect to this Agreement other than as expressly provided for in the Agreement. A copy of the proposed Agreement is attached hereto as Exhibit A, subject to any changes approved by the Mayor.

SECTION 2. The Mayor is hereby authorized to execute any and all documents deemed necessary for the City to comply with the Baldwin County Board of Education's Salary Enhancement Policy, as the same may be amended, throughout the term of the Agreement with the Consultant for enhancement terms not to exceed ninety (90) days each throughout the term of the Agreement. A copy of the Salary Enhancement Policy and memorandums of understanding are attached as Exhibit B, subject to any changes approved by the Mayor.

SECTION 3. 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.

ADOPTED and APPROVED this _____ day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines
City Clerk

Exhibit A
INDEPENDENT CONTRACTOR CONSULTING AGREEMENT

THIS AGREEMENT is between CHASE SMITH, an individual ("Consultant"), and THE CITY OF SPANISH FORT, ALABAMA, an Alabama municipal corporation ("City"), located in Baldwin County, and is dated the ____ day of ____, 2025, but effective the 1st day of October, 2024.

BACKGROUND

The City Council desires to promote for the City's residents a lifestyle of family fitness and recreation. Consultant is Head Football Coach at Spanish Fort High School. The City has determined that its family fitness and recreation objectives would be well-served by the Consultant's expertise and experience, and Consultant is willing to serve as a consultant to the City Council on the terms and conditions set forth herein.

Now, therefore, the City and Consultant agree as follows:

1. Consultant shall serve as a consultant to the City Council. This service shall include, when not prevented from doing so by his coaching responsibilities, attending City Council meetings or other meetings as directed by the City Council, and offering input when and where appropriate; researching and offering suggestions to the City Council concerning the development of community park and recreation facilities; counseling community youth sports coaches and coordinators on appropriate coaching and motivational methods; and providing such other consulting services as the City Council may agree are appropriate.

The term of this Agreement is one year commencing on October 1, 2024, and expiring September 30, 2026, provided, however, the term shall automatically renew for successive one (1) year terms unless either party gives the other party written notice of non-renewal at least sixty (60) days prior to the expiration of the then-pending term. In the event the Consultant is no longer employed by the Baldwin County Board of Education as Head Football Coach at Spanish Fort High School, this Agreement shall automatically terminate as of the date of such separation or termination of the Consultant's employment with the Baldwin County Board of Education. Furthermore, this Agreement may be terminated by either party, for any reason, or no reason at all with or without cause, by giving the other party sixty (60) days written notice of the termination. In that event, the parties shall have no further rights, duties or obligations pursuant to this Agreement.

2. The City will pay Consultant a consulting fee of Twenty-five Thousand Dollars (\$25,000.00) Dollars per year for the services rendered pursuant to this Agreement. Such fee shall be paid in eleven (11) equal installments of Two Thousand Eighty-three Dollars and Thirty-three Cents (\$2,083.33) and one installment of Two Thousand Eighty-three Dollars and Thirty-seven Center (\$2,083.37), in arrears, on the last day of each month. Consultant acknowledges and agrees that he is entitled to no other compensation or benefits from the City with respect to this Agreement other than as expressly provided for herein. In the event of termination of this Agreement, the City shall pay the Consultant only those amounts earned through the date of termination.

The Consultant has requested that the amounts owed to the Consultant pursuant to this Agreement be paid to the Baldwin County Board of Education (“BOE”) pursuant to the BOE’s Salary Enhancement Policy, as the same may be amended. Consultant understands and agrees that the amounts paid to the BOE shall first be used to fund, in full, all fringe benefits associated with the Salary Enhancement. The remaining funds shall be paid to Consultant by the BOE in equal monthly installments and shall be subject to payroll withholdings by the BOE. The terms of payment as set forth in this Agreement shall be subject to the aforementioned Salary Enhancement Policy.

- 3. Nothing contained in this Agreement is intended to create the relationship of employer-employee, and Consultant shall be and continue to operate under this Agreement as an independent contractor with no authority to act on behalf of, or bind, the City. Consultant shall have no authority to direct any City employee to take or refrain from taking any action. As an independent Contractor, Consultant shall be responsible to State and Federal taxing authorities for the payment of all income, self-employment, and any taxes payable on the consulting fee, and the City shall not, and shall not be responsible to, withhold any taxes from the payment of the consulting fee.
- 4. Consultant recognizes and acknowledges that the consulting services to be rendered by him hereunder are of a special and unique character and that Consultant may neither assign nor delegate his rights or duties under this Agreement.
- 5. This Agreement constitutes the full and complete understanding and agreement of the parties and cannot be amended, modified or supplemented in any respect except by agreement in writing signed by both parties hereto.
- 6. This Agreement shall be controlled, construed and governed in all respects by the laws of the State of Alabama.
- 7. Any notice required to be given in writing by any party to this Agreement may be delivered personally or by certified mail, return receipt requested, postage prepaid, as follows:

| | |
|-------------------|--|
| If to the City: | City of Spanish Fort 7361 Spanish Fort Blvd. Spanish Fort, Alabama 36577 |
| If to Consultant: | Chase Smith _____ _____ |

Either party may change such party’s address by giving the other party written notice of such change pursuant to this paragraph.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by its duly authorized Mayor, and Consultant has signed his name hereto on the __ day of July, 2025, but effective as of October 1, 2024.

BY: _____
Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines
City Clerk

CONSULTANT

Chase Smith

STATE OF ALABAMA

COUNTY OF BALDWIN

I, _____, a Notary Public in and for said County, in said State, hereby certify that MICHAEL M. MCMILLAN, whose name as Mayor of the CITY OF SPANISH FORT, ALABAMA, an Alabama municipal corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said municipal corporation.

Given under my hand and seal this _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires:

STATE OF ALABAMA

COUNTY OF BALDWIN

I, _____, a Notary Public, in and for said County in said State, hereby certify that CHASE SMITH, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal this _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires:

RESOLUTION NO. 1534-2025

**A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF SPANISH FORT
TO ENTER INTO A CONTRACT FOR SERVICES BETWEEN THE CITY OF
SPANISH FORT, ALABAMA, AND THE SPANISH FORT SPORTS ASSOCIATION**

WHEREAS, the Spanish Fort Sports Association (“the Association”) provides a valuable service to the City of Spanish Fort and its citizens by providing league play in various sports for the general public within the City; and

WHEREAS, the City has recognized and continues to recognize the benefits conferred upon the City and its citizens as a direct result of the services performed by the Association on an annual basis; and

WHEREAS, the City desires to continue the benefits conferred upon the public as a direct result of the Association’s efforts.

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

The City Council requests and authorizes the Mayor to enter into an agreement with the Association for services rendered to the City of Spanish Fort in the provision of league play in various sports for the general public within the City. In consideration of such services, there is hereby appropriated the sum of Twenty Thousand Dollars (\$20,000.00) to the Spanish Fort Sports Association. A copy of the proposed Agreement is attached hereto as Exhibit A.

ADOPTED and APPROVED this ____ *day of* _____, *2025*.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

Exhibit A

AGREEMENT

This Agreement is entered into on this the ____ day of _____, 2025, by and between the CITY OF SPANISH FORT (“City”) and the SPANISH FORT SPORTS ASSOCIATION (“the Association”).

WHEREAS, the Spanish Fort Sports Association provides a valuable service to the City of Spanish Fort and its citizens by providing league play in various sports for the general public within the City; and

WHEREAS, the City has recognized and continues to recognize the benefits conferred upon the City and its citizens as a direct result of the services performed by the Association on an annual basis; and

WHEREAS, the parties desire to enter into an agreement to continue the aforesaid benefits conferred upon the citizens of the City.

WITNESSETH:

For and in consideration of the premises contained herein, the parties hereby agree as follows:

1. The City hereby agrees to provide to the Association the sum of TWENTY THOUSAND DOLLARS (\$20,000.00) as consideration for the services to be performed by the Association.
2. The Association agrees to provide league play in various sports for the general public within the City, without discrimination, and the Association shall be responsible for all aspects of the programs.
3. The term of this Agreement shall be for the remainder of the 2025 calendar year.

DONE THIS ____ DAY OF _____, 2025.
.

Michael M. McMillan, Mayor

ATTEST:

Rebecca A. Gaines, City Clerk

SPANISH FORT SPORTS
ASSOCIATION

By: _____

Its: _____

RESOLUTION NO. 1535-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN
AGREEMENT WITH THE BALDWIN COUNTY ECONOMIC DEVELOPMENT
ALLIANCE**

WHEREAS, the Baldwin County Economic Development Alliance (BCEDA) is an organization which was established for the purpose of retaining and expanding existing and new businesses and industries in Baldwin County; and

WHEREAS, the City of Spanish Fort recognizes that the retention and expansion of business and industry in Baldwin County will produce positive economic growth in the area; and

WHEREAS, the City of Spanish Fort wishes to retain the services of the BCEDA program in order to promote economic growth in Spanish Fort and Baldwin County.

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

SECTION 1. That the sum of Five Thousand Dollars (\$5,000.00) is hereby appropriated from the Fiscal Year 2024-2025, as payment for services to be performed by BCEDA.

SECTION 2. That the Mayor is hereby authorized to execute the agreement attached hereto as Exhibit A on behalf of the City of Spanish Fort, subject to any changes approved by the Mayor.

ADOPTED AND APPROVED this _____ day of _____, 2025.

Michael M. McMillan
Mayor

Rebecca A. Gaines
City Clerk/Treasurer

Exhibit A

AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES

THIS AGREEMENT is made and entered into on this the ____ day of ____, 2025, but effective as of the 1st day of October, 2023, by and between THE CITY OF SPANISH FORT, ALABAMA (hereinafter referred to as City), and THE BALDWIN COUNTY ECONOMIC DEVELOPMENT ALLIANCE (hereinafter referred to as ALLIANCE).

WITNESSETH:

WHEREAS, the City Council has determined that the welfare of the CITY'S citizens requires a healthy and diverse economy; and

WHEREAS, the City Council desires to have the ALLIANCE perform certain services during the 2024-2025 Fiscal Year.

NOW, THEREFORE, the City Council authorizes its Mayor to execute an agreement with the ALLIANCE for good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties hereto do AGREE as follows:

1. The term of this agreement shall begin upon the execution hereof and shall end on September 30, 2025.
2. The CITY Fiscal Year runs from October 1st to September 30th each year. During the fiscal year of the contract, City agrees to pay to the ALLIANCE for support of the ALLIANCE, contingent on appropriations, the sum of \$5,000.00 for the Fiscal Year 2024-2025.
3. The ALLIANCE shall perform the following services in conjunction with and for the benefit of the CITY, to wit:
 - a) To provide and administer economic development service for the CITY;
 - b) To seek, discover and endeavor to attract and promote new and expanding commercial prospects within Baldwin County, Alabama, and the City, and to create new jobs and employment, economic improvements and expansion for the benefit of the citizens of Baldwin County, Alabama, and the City;
 - c) To gather, keep updated, research and distribute information and data to be used as advertisements and presentations to general and specific business and industrial prospects;
 - d) To develop and secure tools of the trade such as maps, charts, photos, topos, briefing facilities, brochures, reports, etc., necessary and required to adequately promote new and expanding business and industry;
 - e) To work with existing businesses for expansions, problem solving, counseling and other services pertinent to their expansion;
 - f) To work for the mutual economic and industrial development of the CITY and pursuant thereto to maintain contact, cooperate and work closely with other agencies and organizations with similar purposes such as: Alabama Department of Economic and Community Affairs/Alabama Development Office; Industrial Development Departments of Public and Private Utilities; Local, Area and Regional Planning and Development Agencies; Highway, Air and Water Transportation Development Organizations; and all other groups, organizations, agencies and individuals pertinent to the purposes stated herein;
 - g) To implement a public/private partnership program for economic development in Baldwin County, Alabama; and
 - h) To recruit new economic development investment.
4. Notwithstanding any of the provisions of this AGREEMENT, it is understood and agreed that the CITY has no financial interest in the business of the ALLIANCE and shall not be liable for any debts or obligations incurred by the ALLIANCE, nor shall the CITY be deemed or construed to be a partner, joint venture or otherwise interested in the assets of the ALLIANCE, or profits earned or derived by the ALLIANCE, nor shall the ALLIANCE at any time or times use the name or credit of the CITY in purchasing, or attempting to purchase, equipment, supplies or other things whatsoever.

5. The ALLIANCE, in the performance of its duties, responsibilities and obligations hereunder, shall not be deemed to be an agent of the CITY but shall take all steps at its own expense, as the CITY may from time-to-time request, to indicate and assure that it is an independent contractor. The CITY does not, and will not assume any responsibility for, the means or manner in which services by the ALLIANCE provided for herein are performed, but on the contrary, the ALLIANCE shall be wholly responsible therefore.
6. The ALLIANCE shall not transfer or assign this AGREEMENT or any of the rights or privileges granted herein without the prior written consent of the CITY, and the ALLIANCE shall comply strictly with all the laws of Baldwin County, Alabama, the State of Alabama, the United States of America and all the rules and regulations of all applicable agencies thereof.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals on the day and year first written above.

Michael M. McMillan
Mayor of the City of Spanish Fort

ATTEST:

Rebecca A. Gaines
City Clerk/Treasurer

Lee Lawson,
President and CEO
Baldwin County Economic
Development Alliance, Inc.

RESOLUTION NO. 1536-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A
CONTRACT BETWEEN THE CITY OF SPANISH FORT, ALABAMA, AND
THE EASTERN SHORE CHAMBER OF COMMERCE**

WHEREAS, it is in the best interest of the citizens of the City of Spanish Fort, Alabama, to secure the services of the Eastern Shore Chamber of Commerce to advertise and promote the City of Spanish Fort.

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

SECTION 1. The Mayor is hereby requested to enter into a contract with the Eastern Shore Chamber of Commerce to provide the services as aforementioned. A copy of the proposed contract is attached hereto as Exhibit A. Said contract shall be in effect for a period of one (1) year and for the amount of Twenty-One Thousand Dollars (\$21,000.00) payable in one payment.

SECTION 2. Any resolution heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Resolution is hereby repealed to the extent of such conflict.

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

ADOPTED AND APPROVED this ____ day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

EXHIBIT A

CONTRACT FOR SERVICES

STATE OF ALABAMA
COUNTY OF BALDWIN

This Contract for Services is entered into by and between the City of Spanish Fort, Alabama (hereinafter referred to as “City”), and the Eastern Shore Chamber of Commerce (hereinafter referred to as “Chamber”) on this the ____day of _____, 2025.

- 1. The term of the contract is for a period of one (1) year, beginning on the 1st day of July, 2025, and ending on the 30th day of June, 2026.
- 2. For and in consideration of the sum of Twenty-One Thousand Dollars (\$21,000.00), payable in one lump sum, the Chamber agrees to work with the Mayor, City Council and their agents to advertise and promote the City and keep the City informed of commercial and business activities.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers.

CITY OF SPANISH FORT

**EASTERN SHORE CHAMBER
OF COMMERCE**

By: _____
Michael M. McMillan
Mayor

By: _____
President

ATTEST:

ATTEST:

Rebecca A. Gaines
City Clerk

RESOLUTION NO. 1537-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO
AN AGREEMENT WITH THE MOBILE BAY NATIONAL ESTUARY PROGRAM**

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

WHEREAS, the Mobile Bay National Estuary Program (“Agency”) is engaged in a program to identify concerns and problems related to Mobile Bay and establish a plan to safeguard the natural resources of Mobile Bay; and

WHEREAS, the City desires to enter into a contract with the Mobile Bay National Estuary Program and the Contractor in order to provide necessary local matching funds pursuant to the Federal Grant Program for the performance of the work associated therewith.

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

SECTION 1. The City Council of the City of Spanish Fort, Alabama, hereby authorizes the Mayor to enter into a contract with the Mobile Bay National Estuary Program for the performance of the work set forth in the contract, subject to any changes approved by the Mayor and City Attorney. A copy of the proposed contract is attached hereto as Exhibit 1.

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 or as otherwise required by state law.

ADOPTED and APPROVED this the ____ day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

Exhibit 1

STATE OF ALABAMA)
BALDWIN COUNTY)
CITY OF SPANISH FORT)

MUNICIPAL AGENCY FUNDING CONTRACT

THIS AGREEMENT, made and entered into on this the ____ day of _____, 2025, but effective as of the 1st day of October, 2024, by and between the **CITY OF SPANISH FORT**, a municipal corporation, of the State of Alabama (hereinafter sometimes referred to as “City” or “the City”), and **THE MOBILE BAY NATIONAL ESTUARY PROGRAM**, (hereinafter sometimes referred to as the “Agency”):

W-I-T-N-E-S-S-E-T-H

WHEREAS, the Agency has requested that the City of Spanish Fort appropriate funds for its use for the benefit, either directly or indirectly, of the residents of the City; and

WHEREAS, the City of Spanish Fort desires to have the Agency perform certain services during the 2024-2025 fiscal year.

NOW, THEREFORE, in consideration of the benefits moving each to the other, it is mutually agreed by and between the City and the Agency as follows:

I. AUTHORITY

Agency represents and warrants to City that it is authorized by law to receive funding from City and that such funding will not be in violation of Article IV, Section 94, or amendments thereto, of the Constitution of Alabama, 1901, or any other constitutional or statutory provision. Agency further warrants that funding from the City will only be used to perform public services and/or acts which the City is otherwise authorized to perform or to fund itself.

II. SERVICES

The Agency shall provide the following public services within the Corporate Limits of the City of Spanish Fort.

- 1) Address regional environmental challenges such as comprehensive land use planning, storm water management, and growth practices by helping bay communities develop the tools necessary to strike a balance between growth and development and the wise use and protection of water, land, and living resources; and
- 2) Promote the use of sound, science-based information; and
- 3) Initiate programs and projects that benefit both the citizens and the environment; and
- 4) Implement the community-developed Comprehensive Conservation and Management Plan.

If Agency provides public services both inside and outside the Corporate Limits of the City, then, if requested by the City or its representative, it shall submit an audit report demonstrating that services by the Agency, at least to the extent of the funding herein, shall be and were provided within the Corporate Limits of the City, including an identification of the number of City residents served by said agency.

III. APPROPRIATION

The City shall appropriate funds to the Agency in the following amount for the 2024-2025 fiscal year: \$5,000 (Five Thousand Dollars), said amount to be paid pursuant to a method determined by the City Clerk/Treasurer of the City. The City Clerk/Treasurer of the City or his/her designee shall be the representative of the City for the administration and implementation of the provisions hereof on behalf of the City.

IV. SEPARATE AGREEMENTS

The City shall be under no obligation to the Agency except to the extent set out expressly in this Agreement. Provided, however, in the event there is a separate valid written agreement between the City and Agency, then this Funding Agreement is supplemental thereto, and in the event of a conflict, the terms of the latest written agreement shall prevail.

V. TERM; TERMINATION

The terms of the Agreement shall commence as of the 1st day of October, 2024, and shall continue in force until the 30th day of September, 2025, unless sooner terminated. Provided, however, in the event a new contract is not executed by the commencement of the new fiscal year, the City may elect to continue funding if appropriated by budget or budget continuation provisions and if so, the Agency agrees to remain bound by the terms of the Agreement and to continue to provide all services hereunder until a new funding contract is executed, the contract is otherwise terminated as set forth herein or if the official City budget does not contain an appropriation for the Agency. Either party to this Agreement may, with or without cause, terminate this Agreement as of the first day of any month by giving the other party no less than thirty (30) days written notice thereof. In the event of termination by either party, the Agency shall refund to the City an amount equal to the excess of the total amount appropriated over an amount which bears the same ratio to the total amount appropriated as the month(s) actually performed bear to the total months covered by this Agreement.

VI. NON-DISCRIMINATION AND COMPLIANCE

This Agency hereby covenants and agrees that in performing its responsibilities and obligations hereunder, the Agency, its officers, agents and employees will not, on the grounds of race, color, sex, religion, national origin, or disability, discriminate or permit discrimination against any person or group of persons, in any manner. The Agency further agrees to comply with all applicable state and federal ordinances and regulations, including but not limited, to the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Civil Rights Act of 1964, and any regulations promulgated thereunder. The Agency further agrees to appoint an ADA coordinator. Said coordinator will be responsible for ensuring that the Agency is in compliance with the Americans with Disabilities Act and will advise the City of Spanish Fort ADA Coordinator for services and programs as to the Agency's state of compliance with the Americans with Disabilities Act.

VII. INDEPENDENT CONTRACTOR

It is agreed between the City and the Agency that the Agency is an independent contractor. Neither the City nor its officers, agents or employees shall be liable for damages, claims, actions, or causes of action, brought against the Agency, for the activities of the Agency.

Notwithstanding any of the provisions of this Agreement, it is agreed that the City has no financial interest in the business of Agency, and shall not be liable for any debts or obligations incurred by Agency, nor shall the City be deemed or construed to be partner, joint venturer or otherwise interested party in the assets of Agency, or profits earned or derived by Agency, nor shall Agency at any time or times use the name or credit of the City in purchasing or attempting to purchase any equipment, supplies, or other thing or things whatsoever.

Agency in the performance of its operations and obligations hereunder shall not be deemed to be the agent of the City but shall be deemed to be an independent contractor in every respect and shall take all steps at its own expense as City may from time to time request to indicate that it is an independent contractor. City does not and will not assume any responsibility for the means by which or manner in which services by Agency, provided for herein, are performed, but on the contrary, Agency shall be wholly responsible therefore.

VIII. INDEMNITY

The Agency hereby covenants with the City that it will indemnify and hold the City and its officers, agents and employees harmless for or on account of any claim, suit, cause of action or judgment arising out of or in any manner associated with this Agreement or services provided or performed by Agency or any of its officers, agents, or employees.

IX. NO THIRD PARTY BENEFICIARIES

It is the intent of the parties to this Agreement that they be the only parties to the Agreement and to expressly exclude third party beneficiaries. No person not a party to the Agreement may claim benefits under the Agreement.

X. SERVICE AREA

Agency shall submit, if requested by the City, to the Office of the City Clerk/Treasurer of the City, a written monthly report of the Agency's activities and expenditures, including, but not limited to, information demonstrating that services by the Agency within the Corporate Limits of the City at least equal, if not exceed, the funding from the City for that month. Should the City determine at any time during the term of this Contract that Agency is not providing services within the City Corporate Limits at least equal to the funding herein, then the City may terminate this Agreement immediately. Upon such termination, Agency may be, at the sole discretion of the City, required to refund any funds deemed by the City not to have been appropriately expended within the Corporate Limits.

XI. BOOKS AND RECORDS/REPORTS

Agency shall, at the request of the City, throw open and provide, at a time and place designated by the City, all books, records, accounts, statements and other documents as needed by the City to enable it to conduct a financial and/or operational review or audit of agency operations and/or finances. If Agency refuses to honor the City's request with ten (10) days, it shall refund to the City all funds appropriated to it during the term of the contract. All reports, evaluations and audits required shall be provided by Agency to any person appointed by the City or the Mayor.

XII. AUDIT

The City may require Agency to have its financial records audited by an independent CPA firm. A copy of the audited financial statements will be mailed to the City's City Clerk/Treasurer as soon as possible after the statements are issued.

XIII. OPEN MEETINGS, PUBLIC RECORDS, COMPETITIVE BIDS AND OTHER APPLICABLE LAWS

- A.** As Agency is receiving public funds and/or other things of public value, Agency agrees as follows:
1. To the same and like extent as is applicable to the City of Spanish Fort, all meetings of the governing or controlling body of the Agency or any committee or subcommittee thereof shall be open to the public when any issue or matter involving or relating directly or indirectly to this Agreement is discussed or considered and when there is any discussion or consideration of the use of public funds or things of value provided to the Agency by or through the City.
 2. Public Records. To the same and like extent as is applicable to the City of Spanish Fort pursuant to the State law, all records, documents, letters, minutes, memoranda, etc. of the Agency shall be open to public inspection and copying when the same pertain to any issue or matter involving or relating directly or indirectly to the performance by Agency of this Agreement or the use of public funds or other things of value provided to the agency by or through the City.
 3. Expenditure of Public Funds. To the same and like extent as is applicable to the City pursuant to State law, all expenditures or disbursements of funds received by the Agency, whether directly or indirectly, from the City shall be subject to competitive bidding.

XIV. SEVERABILITY

It is expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, or otherwise appears to both parties to be invalid, the invalidity of any such covenant, condition, or provision herein contained shall not affect other remaining and valid covenants or conditions herein, unless such invalidity renders performance of the essential elements of the contract impossible.

XV. MISCELLANEOUS CLAUSES

Capacity: Each Party to this Agreement represents and warrants to the other as follows:

- A. That it is an individual of the age of majority or otherwise a legal entity duly organized and in good standing pursuant to all applicable laws, rules and regulations.
- B. That each has full power and capacity to enter into this Agreement, to perform and to conclude the same including the capacity, to the extent applicable, to grant, convey and/or transfer, areas, assets, facilities, properties, (both real and personal), permits, consents and authorizations and/or the full power and right to acquire and accept the same.
- C. That to the extent required, each Party has obtained the necessary approval of its governing body or board and a resolution or other binding act has been duly and properly enacted by such governing body or board authorizing this Agreement and said approval has been reduced to writing and certified or attested by the appropriate official of the Party.
- D. That each Party has duly authorized and empowered a representative to execute this Agreement on their respective behalf and the execution of the Agreement by such representative fully and completely binds the Party to the terms and conditions hereof.
- E. That absent fraud, the execution of this Agreement by a representative of the party shall constitute a certification that all such authorization for execution exists and has been performed and the other Party shall be entitled to rely upon the same. To the extent a Party is a partnership, limited liability company or joint venture, the execution of this Agreement by any member thereof shall bind the Party and to the extent that the execution of Agreement is limited to a manager, managing partner or specific member, then the person so executing this Agreement is duly authorized to act in such capacity for the Party.
- F. That each party represents and warrants to the other that there is no litigation, claim, or administrative action threatened or pending or other proceedings to its knowledge against it which would have an adverse impact upon this transaction or upon either's ability to conclude the transaction or perform pursuant to the terms and conditions of this Agreement.
- G. That each party has obtained any and all required permits, approvals and/or authorizations from third parties to enable it to fully perform pursuant to the terms and conditions of the Agreement.

Final Integration: This Agreement together with any amendments, constitutes the entire agreement of the parties, as a complete and final integration thereof with respect to its subject matter. In the event of a direct conflict between the provisions hereof and any prior agreement or amendment, the latter shall supersede the former. All written or oral understandings and agreements heretofore had between and among the parties are merged into this Agreement, which alone fully and completely expresses their understandings. No representation, warranty or covenant made by any party which is not contained in this Agreement or expressly referred to herein has been relied on by any party in entering into this Agreement.

Force Majeure: Neither party to this Agreement shall hold the other party responsible for damages or delay in performance caused by acts of God, strikes, lockouts or other circumstances beyond the reasonable control of the other or the other party's employees, agents, or contractors.

Amendment in Writing: This Agreement may not be amended, modified, altered, changed, terminated or waived in any respect whatsoever, except by a further agreement in writing, properly executed by all of the parties.

Binding Effect: This Agreement shall bind the parties and their respective personal representatives, heirs, next of kin, legatees, distributees, successors, and assigns. If any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Captions: The captions of this Agreement are for convenience and reference only, are not a part of the Agreement, and in no way define, describe, extend or limit the scope or intent of this Agreement.

Mandatory and Permissive: "Shall", "will", and "agrees" are mandatory, "may" is permissive.

Governing Laws: The laws of the State of Alabama shall govern the validity of this Agreement, the construction of its terms, the interpretation of the rights, the duties of the parties, the enforcement of its terms, and all other matters relating to this Agreement.

Prohibition on Assignment and Delegation: No party to this Agreement may assign or delegate its interests or obligations hereunder without the written consent of all other parties hereto obtained in advance of any such assignment or delegation. No such assignment or delegation shall in any manner whatsoever relieve any party from its obligations and duties hereunder and such assigning or delegating party shall in all respects remain liable irrespective of such assignment or delegation.

Waiver: Non enforcement of any provision of this Agreement by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remaining terms and conditions of the Agreement.

Ownership of Contract Documents: The Contract Documents, and copies of parts thereof, are furnished and owned by the City. All portions of the Contract Document, and copies of parts thereof, are the instruments of service for this project. They are not to be used on other work and are to be returned to the City on request at the completion of the work. Any reuse of these materials without specific written verification or adaptation by the City will be at the risk of the user and without liability or legal expense to the City. Such user shall hold the City harmless from any and all damages, including reasonable attorney's fees, from any and all claims arising from any such reuse. Any such verification and adoption shall entitle the City to further compensation at rates to be agreed upon by the user and the City.

Fines and Penalties: The Contractor shall be solely liable for any and all fines or penalties which may be levied by any governmental authority against the Owner and/or Contractor which are related to the Contractor's operations. The Owner shall deduct the amount of the levied fine or penalty from the Contract amount.

Agreement Date/Counterparts: The date of this Agreement is intended as and for a date for the convenient identification of this Agreement and is not intended to indicate that this Agreement was necessarily executed and delivered on said date. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

Use of Words and Phrases: The following words and phrases, where used in this document, shall be given the following and respective interpretations. "Herein," "hereby," "hereunder," and other equivalent words refer to this document as an entirety and not solely to the particular portion hereof in which any such word is used.

The definitions set forth in any portion of this Agreement unless the text or context indicates differently shall be deemed applicable whether the words defined are herein used in the singular or the plural. Wherever used herein any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first set forth above.

**CITY OF SPANISH FORT, a
Municipal Corporation**

Michael M. McMillan, Mayor

ATTEST:

Rebecca A. Gaines
City Clerk

**MOBILE BAY NATIONAL ESTUARY
PROGRAM**

BY: _____

TITLE: Director, Mobile Bay NEP

Federal Tax ID#: 63-0779657

RESOLUTION NO. 1538-2025

A RESOLUTION AUTHORIZING THE MAYOR TO CONTRACT WITH CARE HOUSE, INC., D/B/A THE BALDWIN COUNTY CHILD ADVOCACY CENTER, FOR SERVICES PROVIDED TO THE CITY OF SPANISH FORT, ALABAMA

WHEREAS, the City and the Spanish Fort Police Department have provided for the safety, welfare and security of its citizens by utilizing the services of Care House, Inc., doing business as the Baldwin County Child Advocacy Center (“the Child Advocacy Center”), for investigation and interview services for children who are crime victims; and

WHEREAS, the Child Advocacy Center is willing to provide such services to the citizens of the City, the Spanish Fort Police Department and to those children who are crime victims; and

WHEREAS, it is in the best interest of the citizens of the City of Spanish Fort, for the City to contract with the Child Advocacy Center for the valuable services it provides to the City of Spanish Fort, the Spanish Fort Police Department and crime victims in the City of Spanish Fort.

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

SECTION 1. In accordance with the Fiscal Year 2024-25 Budget adopted by the City Council, the Mayor is hereby authorized to execute a Contract for Services with Care House Inc., doing business as the Baldwin County Child Advocacy Center, for services provided to the City of Spanish Fort, the Spanish Fort Police Department and children who are crime victims in the City of Spanish Fort. A copy of the proposed Contract for Services is attached as Exhibit A, subject to any changes deemed necessary by the Mayor.

SECTION 2. Any Resolution heretofore adopted by the City Council of the City of Spanish Fort, Alabama, which is in conflict with this Resolution is hereby repealed to the extent of such conflict.

SECTION 3. 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 4. This Resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED this ____ day of ____ 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

STATE OF ALABAMA
COUNTY OF BALDWIN

CONTRACT FOR SERVICES

This Contract for Services is executed by and between the City of Spanish Fort, Alabama, an Alabama municipal corporation (hereinafter referred to as “City”), and The Care House, Inc., d/b/a The Baldwin County Child Advocacy Center (hereinafter referred to as “The Child Advocacy Center”), on this the ____ day of _____, 2025, but effective as of October 1, 2024.

- 1. The term of the contract is for a period of one (1) year, beginning on the 1st day of October, 2024, and ending on the 30th day of September, 2025, for the sum of \$1,000.00.
- 2. The Child Advocacy Center agrees to provide services to the citizens of the City, the Spanish Fort Police Department and to those who are crime victims by providing assistance in investigations and providing interview services for children who are crime victims, among other services.

IN WITNESS WHEREOF, the parties to this Contract for Services, by and through their duly authorized representatives, have executed this Contract for Services on the days and dates set out below.

CITY OF SPANISH FORT, ALABAMA

By: _____
MICHAEL M. MCMILLAN / Date: _____
Its: MAYOR

ATTEST:

By: _____
REBECCA A. GAINES
Its: CITY CLERK

STATE OF ALABAMA
COUNTY OF BALDWIN

I, _____, a Notary Public, in and for said County in said State, hereby certify that MICHAEL M. MCMILLAN, whose name as Mayor of The City of Spanish Fort, Alabama, an Alabama municipal corporation, and REBECCA A. GAINES, whose name as City Clerk, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said municipal corporation.

Given under my hand and seal this _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires: _____

THE CARE HOUSE, INC., D/B/A THE
BALDWIN COUNTY CHILD
ADVOCACY CENTER

By: _____ / Date
Its: _____

STATE OF ALABAMA

COUNTY OF BALDWIN

I, _____, a Notary Public, in and for said
County in said State, hereby certify that _____, whose name as
_____ of THE CARE HOUSE, INC., D/B/A THE BALDWIN COUNTY CHILD
ADVOCACY CENTER, is signed to the foregoing instrument and who is known to me,
acknowledged before me on this day that, being informed of the contents of the instrument, he/she,
as such officer and with full authority, executed the same voluntarily for and as the act of said
corporation.

Given under my hand and seal this _____ day of _____, 2025.

Notary Public, Baldwin County, Alabama
My Commission Expires:_____

RESOLUTION NO. 1539-2025

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT
BETWEEN THE STATE OF ALABAMA DEPARTMENT OF CONSERVATION AND
NATURAL RESOURCES AND THE CITY OF SPANISH FORT, ALABAMA, FOR
GULF OF MEXICO ENERGY SECURITY ACT (GOMESA) FUNDS**

**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 and enter into an agreement with the Alabama Department of Conservation and Natural Resources for a GOMESA Grant. A copy of the Agreement is attached hereto as Exhibit A, subject to any changes approved by the Mayor.

Section 2. The Mayor of the City of Spanish Fort is hereby authorized to execute on behalf of the City any and all documents deemed necessary to complete requirements of the Natural Resources Conservation Service.

Section 3. 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.

Section 4. This Resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED this _____ day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

STATE OF ALABAMA)

ADCNR GRANT#: G-SFHP/24/SF

BALDWIN COUNTY)

GOMESA GRANT AGREEMENT

THIS GOMESA GRANT AGREEMENT, (“Agreement”) is made and entered by and between the State of Alabama Department of Conservation and Natural Resources hereinafter, referred to as “ADCNR”, and the City of Spanish Fort, hereinafter referred to as “Grantee” (ADCNR and Grantee collectively hereinafter “Parties”) to provide funding made available to the State of Alabama under the Gulf of Mexico Energy Security Act of 2006 (“GOMESA”).

In consideration of the mutual covenants herein contained, Grantee hereby agrees to perform, in proper sequence and in the time specified, all tasks necessary for successful completion of the project as hereinafter set forth.

1. **PROJECT PURPOSE AND IDENTITY:** The purpose of the Agreement is to provide funding under GOMESA to Grantee, in accordance with the authorized uses and purposes set forth in GOMESA, to implement construction of improvements and amenities furthering public access and outdoor recreational opportunities at Grantee’s Honor Park site as described in the Disbursement Justification attached as Exhibit A (“Project”).
2. **CERTIFICATION OF AUTHORIZED USES FOR PROJECT SERVICES:** Grantee warrants and represents that it will only use the GOMESA funds provided under this Agreement in accordance with approved GOMESA uses and consistent with all applicable state and federal laws. Specifically, Grantee will use these funds for projects that satisfy one or more of the following authorized uses:
 - a. Projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses;
 - b. Mitigation of damage to fish, wildlife, or natural resources;
 - c. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan;
 - d. Mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects; and
 - e. Planning assistance and the administrative costs of complying with GOMESA.
3. **PROJECT SERVICES:** Grantee warrants and represents that it will use the GOMESA funds provided under this Agreement in accordance with approved GOMESA uses and consistent with all applicable state and federal laws. Furthermore, Grantee shall provide,

in accordance with all applicable laws, executive orders, codes, regulations, etc., all the necessary labor, materials, services, and facilities to successfully complete the Project and fulfill all requirements of this Agreement including, but not limited to, requirements as set forth in Paragraphs 9 and 14.

4. **PROJECT PERFORMANCE PERIOD:** The Project Performance Period shall begin on the date of the Commissioner's signature ("Project Commencement Date") and end August 16, 2027.
5. **AGREEMENT TERM:** The Agreement Term for the fulfillment of all Project Services shall begin on the date of the Commissioner's signature ("Effective Date") and end ninety (90) days after the end of the Project Performance Period, unless extended in writing by ADCNR by amendment as provided herein.
6. **NOTICE TO PROCEED:** Grantee shall proceed with performing Project Services upon receipt of a fully executed Agreement which has been approved by the appropriate State of Alabama officials.
7. **FUNDING AMOUNT/PAYMENT:** ADCNR agrees to provide advance disbursement of GOMESA funds to Grantee for payment of Allowable Costs pursuant to two payments, for a total Agreement amount not to exceed THREE MILLION and NO/100 (\$3,000,000), to allow satisfactory completion of all Project Services following full execution of this Agreement and submission by Grantee of an invoice for payment which shall include a reference to the Grant Number identified above. In the event these funds are not fully expended before the end of the Project Performance Period, the Grantee shall return the remaining funds to the ADCNR prior to the end of the Agreement Term in such manner as specified by ADCNR.
8. **CONTINGENCY/ FUNDING AVAILABILITY:** Grantee acknowledges and agrees that the commencement and continuation of funding pursuant to this Agreement shall be specifically contingent upon the receipt and availability of GOMESA funding for this Project.
9. **ALLOWABLE COSTS:** Allowable Costs allowed under this Agreement shall be determined in accordance with Exhibit A, subject to all requirements of GOMESA, local, state, and federal laws, as well as other applicable requirements, including the following:
 - a. Grantee agrees that any expenditure related to any type of lower tier contract or subaward support prior to execution of a written agreement for such purpose may not qualify as an Allowable Cost.

- b. Grantee shall immediately notify ADCNR in writing in the event, subsequent to execution of this Agreement, it receives other financial assistance to support or fund any activity related to Project Services. Grantee further agrees that no costs funded by such other sources constitute Allowable Costs to be funded pursuant to this Agreement.
 - c. Grantee acknowledges that no pre-award costs or other costs incurred prior to the Effective Date of this Agreement shall constitute Allowable Costs, unless it receives express written approval from ADCNR.
 - d. Grantee agrees that all disbursed funds shall be expended solely for Allowable Costs and that the amount of any expenditure determined by ADCNR not to constitute an Allowable Cost shall be immediately returned to ADCNR in such manner as specified by ADCNR.
10. **REPORTS:** Grantee agrees to submit semi-annual financial and performance reports no later than April 30 and October 30 of each year following execution of this Agreement. The semi-annual reports shall provide supporting documentation detailing Allowable Cost expenditures and Project activities during the reporting period. The Grantee further agrees to submit a Completion Report no later than ninety (90) days after the end of the Project Performance Period. The Completion Report must include a summary financial report detailing Project expenditures and a certification confirming both that Grantee has completed all Project Services and that all expenditures by Grantee of funds received pursuant to this Agreement constituted Allowable Costs. The Completion Report shall include supporting documentation establishing the Allowable Costs as to all expenditures, documents necessary to evidence successful Project completion, and any other documents to be maintained by ADCNR for purposes of recordkeeping and audit compliance. Additionally, if requested by ADCNR, data and reports generated or compiled within the scope of this Agreement shall be provided in digital format as may be specified by ADCNR. Grantee agrees that failure to submit such reports in a timely manner may result in the termination of this Agreement. All reports and correspondence submitted to ADCNR in connection with this Agreement shall be identified by the Grant Number identified above and shall be sent to the following:

Alabama Department of Conservation and Natural Resources
Attention: GOMESA Coordinator
31115 Five Rivers Blvd.
Spanish Fort, AL 36527

11. INDEMNIFICATION AND HOLD HARMLESS:

- a. Grantee agrees to protect, defend, indemnify, save and hold harmless the State of Alabama and ADCNR, and any and all of their officers, agents, and employees, from and against any and all claims, demands, expense and liability arising out of injury or death to any person, or the damage, loss or destruction of any property, which may occur or in any way grow out of, any act or omission of Grantee, its officers, agents, and employees, the Grantee, and the Grantee's agents, servants, employees, and subcontractors. Grantee's obligation and duty to protect, defend, indemnify, save and hold harmless ADCNR and its agents and employees shall include and extend to any and all costs, expenses, attorney fees, judgments, awards, and settlements incurred by the parties or their agents or employees as a result of any claims, demands, and/or causes of action arising out of the performance of the obligations or objectives set forth herein by Grantee. Grantee agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims are groundless, false or fraudulent.
- b. Grantee further agrees it releases from liability and waives its right to sue the State of Alabama and ADCNR, and their officers, agents, and employees, regarding any and all claims resulting in any physical injury, economic loss, or other damage or loss as a result of or related in any way to the Agreement.
- c. The provisions of this Paragraph shall survive the Agreement Term and remain a continuing obligation of Grantee.

12. CLAIMS FOR LIENS: Grantee shall be solely liable for and shall hold the State of Alabama, all State Agencies, Boards and Commissions, along with the respective officers, agents, servants, employees, and volunteers of each, harmless from any and all claims or liens for labor, services or material furnished to Grantee in connection with the performance of its obligations under this Agreement.

13. ASSIGNMENT / AMENDMENT: Grantee shall not assign or otherwise transfer any interest in this Agreement without the prior written consent of ADCNR. ADCNR may from time to time, request amendments to various provisions of this Agreement. Such amendments, which are mutually agreed upon between ADCNR and Grantee, must be in writing and approved by all signatory/authorities prior to becoming effective.

14. CLOSEOUT PROCESS: The closeout process is the final reconciliation and reporting of program expenses and activities. This involves reviewing program expenditures and completion of deliverables, resolving any open commitments, collecting subrecipient

documents, and submitting the required final reports, while adhering to the schedule developed by ADCNR. Grantee shall promptly finalize the closeout process upon the conclusion of the Project Performance Period. Any remaining payments or amounts otherwise due to Grantee may be withheld until all closeout documents and deliverables have been received by ADCNR.

15. **TITLE VI AND EQUAL EMPLOYMENT OPPORTUNITY:** The Grantee will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements issued pursuant to that title. In accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement.
16. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon the successors and assigns of the respective Parties hereto.
17. **COMPLIANCE WITH LAWS:** The Grantee shall comply with all applicable laws, ordinances, regulations, and codes of the federal, state, and local governments in the performance of this Agreement. Grantee shall procure all applicable federal, state, and local permits and shall pay all said fees. Grantee further agrees and acknowledges that the ADCNR is relying upon the Grantee to maintain compliance with all provisions of GOMESA in connection with Project Services and related activities and expenditures.
18. **TAX / ASSESSMENT RESPONSIBILITY:** Grantee hereby agrees that the responsibility for payment of any taxes or assessments associated with the Project shall be the Grantee's obligation and shall be identified under the appropriate Tax Identification Number.
19. **ACCESS TO RECORDS:** The State of Alabama, through ADCNR auditors and/or Alabama Examiners of Public Accounts, and the Federal Government, through any of their duly authorized representatives, shall be entitled to audit the books, documents, papers, records of the Grantee, and any lower tier recipients which are reasonably related to this Agreement. Grantee agrees to assist with any such audit as requested by ADCNR and further agrees to the following:
 - a. Grantee shall maintain all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at their respective offices at all reasonable times during the Agreement period and for six (6) years after date of final payment under this Agreement or as otherwise required pursuant the Department of Conservation and Natural Resources Records Disposition Authority (requirements current as of date of this Agreement available

at: https://archives.alabama.gov/officials/rdas/conservation_rda.pdf), whichever period expires later, for inspection by any of the above entities, and copies thereof shall be furnished, if requested.

- b. Pursuant to Alabama Act No. 94-414, Grantee must forward a copy of every audit report issued in connection with funding provided under this Agreement where public funds are received and/or disbursed to: Department of Examiners of Public Accounts, P. O. Box 302251, Montgomery, Alabama 36130-2251, ATTN: Audit Report Repository; or to Central.Records@Examiners.Alabama.gov. Grantee shall also simultaneously therewith forward a copy of same to ADCNR.
 - c. The provisions of this Paragraph shall survive the Agreement Term and remain a continuing obligation of Grantee.
20. **INSURANCE:** In addition, Grantee shall maintain in force, at its sole expense, liability insurance for injury or death or damage to property, in the amount of FIVE MILLION DOLLARS (\$5,000,000), for claims which may occur or in any way grow out of any act or omission of Grantee, its officers, agents, and employees and Grantee's agents, servants, employees and subcontractors, which includes insurance coverage for Grantee's indemnitee obligations as set forth in Paragraph 11, and shall include ADCNR, its officers, employees, and agents, as additional insureds in said insurance policy. Grantee shall provide to ADCNR a current certificate of insurance and said insurance carrier or carriers shall be required to provide unto ADCNR at least thirty (30) days' written notice of any cancellation or modification of coverage under any such policies. Any notices required to be provided by ADCNR hereunder shall be made to General Counsel, State of Alabama Department of Conservation and Natural Resources, 64 North Union Street, Suite 474, Montgomery, Alabama, 36130.
21. **TERMINATION:** In addition to terms of Paragraphs 8, 25, and 37, this Agreement may be terminated as follows:
- a. If, in the determination of ADCNR, Grantee fails to fulfill in timely and proper manner its obligations under this Agreement or violates any of the covenants, agreements or stipulations of this Agreement, ADCNR, in addition to all other available remedies, shall thereupon have the right to terminate this Agreement by giving written notice to Grantee, pursuant to Paragraph 32, of such termination and specifying the effective date thereof, at least fifteen (15) days before the effective date. In that event, at the option of ADCNR, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by Grantee under this Agreement shall become the property of ADCNR.

- b. ADCNR may terminate this Agreement at any time without cause by giving written notice to Grantee, pursuant to Paragraph 32, of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date. In that event, at the option of ADCNR, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by Grantee under this Agreement shall become the property of ADCNR.
 - c. If the Agreement is terminated by ADCNR, as provided herein, Grantee shall promptly submit a statement detailing the actual services performed and associated Allowable Costs to date of termination. The Grantee shall immediately return any remaining funds to ADCNR in such manner as specified by ADCNR.
22. **PRESS / EVENTS:** Grantee shall notify the ADCNR of the location, date, and time of any press conferences, press releases, etc. related to this Project at least five (5) working days prior to the scheduled event or release.
23. **CONFLICT OF INTEREST CERTIFICATION:** The Grantee by his/her/its signature, certifies to the best of his/her/its knowledge and belief, no conflicts of interest existed or now exist which have, may have or have had any effect on this Agreement or any expenditure of funds associated with this Agreement. In addition, in the event Grantee cannot maintain this certification at any point during the Agreement Term, Grantee shall immediately notify ADCNR in writing at the address set forth in Paragraph 32 and suspend performance of services under this Agreement as well as any expenditure of funds under this Agreement until the potential conflict of interest is resolved to ADCNR's satisfaction.
24. **NONDISCRIMINATION:** Grantee agrees to comply with all federal and state laws which prohibit discrimination, including on the basis of race, color, religion, age, sex, pregnancy, national origin, genetic information, veteran status or disability.
25. **NON-APPROPRIATION AND PRORATION:** When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the Agreement shall be cancelled, and, to the extent permissible by law, the Grantee shall be reimbursed for the reasonable value of any non recurring costs incurred but not amortized in the price of the supplies or services delivered under the Agreement. To the extent permissible by law, this cost of cancellation may be paid from any appropriations available for that purpose.

In the event that proration of appropriated funds from which the State is to pay the Grantee is declared by the Governor pursuant to Section 41-4-90 of the Code of Alabama, the Grantee shall have the option, in addition to the other remedies of the Agreement, of renegotiating the Agreement to extend or change payment terms or amounts, or terminating

the Agreement. In all circumstances, it is agreed that the terms and commitments of this Agreement shall not constitute a debt of the State of Alabama in violation of Section 213 of the Constitution of Alabama, as amended.

26. **NOT A DEBT OF THE STATE:** It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this Agreement shall contravene any statute or constitutional provision or amendment, either now in effect or which may, during the course of this Agreement, be enacted, then that conflicting provision in the Agreement shall be deemed null and void.
27. **ALTERNATIVE DISPUTE RESOLUTION:** In the event of any dispute between the Parties, senior officials of both Parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail and the dispute involves the payment of money, a party's sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the Parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing where appropriate, mediators selected from the roster of mediators maintained by the Center For Dispute Resolution of the Alabama State Bar.
28. **IMMIGRATION:** By signing this Agreement, the Grantee affirms, for the duration of the Agreement, that it will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, if found to be in violation of this provision, Grantee shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.
29. **NOT ENTITLED TO MERIT SYSTEM:** Grantee understands and agrees that nothing in this Agreement entitles Grantee to any benefits of the Alabama State Merit System.
30. **BOYCOTT:** In compliance with Alabama Act No. 2016-312, Grantee hereby certifies that it is not currently engaged in, and will not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which the State can enjoy open trade.
31. **ECONOMIC BOYCOTT:** In compliance with Ala. Act No. 2023-409, by signing this Agreement, Grantee provides written verification that Grantee, without violating controlling law or regulation, does not and will not, during the term of the Agreement

engage in economic boycotts as the term “economic boycott” is defined in Section 1 of the Act.

32. **NOTICE:** Contact information of Parties for purposes of providing notice pursuant to the terms of this Agreement will be as set forth below, unless and until updated information is provided:

All notices required to be given to ADCNR shall be sufficient if sent by certified mail or overnight courier to the following address:

To ADCNR:

Attention: Christopher M. Blankenship, Commissioner
Alabama Department of Conservation and Natural Resources
64 N. Union St., Suite 468
Montgomery, AL 36130

All notices required to be given to the Grantee shall be sufficient if sent by certified mail or overnight courier to the following address:

To Grantee:

Attention: Michael M. McMillan, Mayor
City of Spanish Fort
7361 Spanish Fort Boulevard
Spanish Fort, AL 36527

33. **SEVERABILITY:** In the event any terms or provisions of this Agreement are deemed to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms or provisions hereof.
34. **GOVERNING LAW / SOVEREIGN IMMUNITY:** This Agreement and related matters shall be construed in accordance with and governed by the substantive and adjective laws of the State of Alabama, including but not limited to the State’s right of immunity from suit as provided by Article 1 Section 14 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, without regard to its conflicts of law provisions.
35. **CHOICE OF LAW / VENUE:** Grantee agrees that the Laws of the State of Alabama shall govern and be controlling and binding over the provisions of the rights herein granted, including but not limited to the State's right of immunity from suit as provided by Article 1 Section 14 of the Official Recompilation of the Constitution of Alabama of 1901, and

that, notwithstanding any provision to the contrary, the venue of any legal action brought in connection herewith shall be the circuit court of Montgomery County, Alabama.

36. **ENFORCEMENT OF RIGHTS AND OBLIGATIONS:** Failure of ADCNR to strictly or promptly enforce the rights and obligations herein shall not operate as a waiver thereof.
37. **FORCE MAJEURE:** In the case of a Force Majeure Event as defined herein, ADCNR reserves the right to immediately terminate the Agreement without prior notice to Grantee. Should this occur, neither party shall be liable for or be considered in breach of this Agreement due to any failure to perform its obligations as a result of a cause beyond its control, including, without limitation: (i) acts of God; (ii) flood, fire or explosion; (iii) actions, embargoes, quarantines, or blockades in effect on or after the date of this Agreement; (iv) national, state, or regional emergency whether ongoing or occurring on or after the date of this Agreement; (v) public health emergencies, outbreak, epidemic, or pandemic, whether ongoing or occurring on or after the date of this Agreement, including, without limitation, COVID-19; or (vi) any other event which is beyond the reasonable control of such party (each of the foregoing, a "Force Majeure Event").
38. **NO AGENCY:** By entering into this Agreement, Grantee understands and agrees it is not an agent of the State, its officers, employees, agents or assigns. The Grantee is an independent entity from the State and nothing in this Agreement creates an agency relationship between the Parties.
39. **COUNTERPARTS:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
40. **SUPERSEDES:** ADCNR and grantee represent that this Agreement supersedes all proposals, oral and written, all previous contracts, agreements, negotiations, and all other communications between the parties with respect to the subject matter hereof.
41. **REVIEW AND EXECUTION:** Grantee acknowledges and agrees that it has had the opportunity to seek legal counsel in connection with reviewing and executing this Agreement. Accordingly, any rule of law or legal decision potentially requiring interpretation of any claimed ambiguity in this Agreement against the drafting party shall have no application and is expressly waived by Grantee.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized.

ADCNR:

GRANTEE:

Christopher M. Blankenship
Commissioner

Michael M. McMillan, Mayor
City of Spanish Fort

Date: _____

EXHIBIT A

State of Alabama GOMESA Disbursement Justification

Background:

The GOMESA was enacted by Congress in 2006 and significantly enhances outer Continental Shelf (OCS) oil and gas leasing activities and revenue sharing in the Gulf of America. Among other things, GOMESA provides for enhanced sharing of leasing revenues with Gulf producing states and the Land & Water Conservation Fund for Coastal Restoration projects. The GOMESA authorizes uses of the proceeds for the following purposes:

- a. Projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses;
- b. Mitigation of damage to fish, wildlife, or natural resources;
- c. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan;
- d. Mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects; and
- e. Planning assistance and the administrative costs of complying with GOMESA.

Project Description:

Honor Park – A City of Spanish Fort Project

Formerly known as Cypress Point, Honor Park is an approximately 142-acre city-owned parcel located along Hwy 225 within the city limits of Spanish Fort, Alabama. The property which was acquired by the City through a previous 2021 GOMESA funded project (G-SFCP/21/SF) is located along Bay Minette Creek and Basin to the North and West near the Spanish Fort Estates subdivision (Figure 1).

This GOMESA project will fund implementation of improvements at the Honor Park site including the following: 3 miles of multi-use trails; a trailhead facility with road access; handicap accessible parking; restroom amenities with a covered porch for shelter during inclement weather; a trailhead informational kiosk; bicycle repair station; educational and entry signage; waterfront access including a raised boardwalk and fishing pier; a kayak/canoe launch; 2 outdoor classrooms; utility improvements, lighting, and other associated amenities such as rest areas with site furnishings that include benches, trash receptacles, recycle bins, and picnic tables (Figure 2).

The multi-use trails will be a combination of at-grade and cross slope-controlled pathways with raised wooden boardwalks to maintain natural hydrological flows across the site. The parking area will be comprised of aggregate surfacing held in place with a continuous ribbon curb. The handicapped parking will be concrete slab on grade to support delineation and marking. The access road will be paved with asphalt to allow for vehicular traffic and emergency access. A culvert will also be required for the driveway apron to maintain hydraulic flow along Hwy 225.

This project will enhance public access and increase public outdoor recreational opportunities along the Mobile-Tensaw River Delta. The parking improvements as well as the waterfront access enhancements such as the raised boardwalk, fishing pier, and kayak/canoe launch are significant in a region of coastal Alabama where access to the waterfront and natural resources is limited. In addition, upon completion, the expanded access opportunities made available to the public and associated planned access design will mitigate impacts to natural resources caused by unmanaged access and user pressure due to currently limited access points. Such unmanaged access often results in adverse environmental impacts associated with increased sediment load from shoreline de-stabilization, rutting/soil compaction, and increased siltation of wetland habitats. The amenity enhancements will further enhance opportunities to implement community and student education offerings that will further efforts to increase the public awareness of the need to conserve and restore Alabama's unique coastal natural resources.

The Mobile Bay National Estuary Program's Comprehensive Conservation & Management Plan (CCMP) for Alabama's Estuaries & Coast 2019-2023 seeks to enhance public access to the water and natural landscapes under Ecosystem Restoration and Protection-5 (ERP-5). In addition, the Alabama Coastal Area Management Program (ACAMP) is a voluntary federal/state partnership established by the Alabama State Legislature in 1979 in accordance with the Coastal Zone Management Act of 1972 (CZMA) and is intended to provide for the protection, restoration, and responsible development of the state's legislatively defined coastal area. Section 309(a)(3) of the ACAMP seeks to attain increased opportunities for public access to coastal areas of recreational, historical, aesthetic, ecological, or cultural value. The construction components of this project will also mitigate impacts of outer Continental Shelf activities through the funding of an onshore infrastructure public access project.

Project Duration:

This project is expected to take approximately twenty-four (24) months from the execution of the Agreement.

Project Costs:

Funding will be provided to the Grantee as two installments.

The first installment will be disbursed following execution of the Grant Agreement for this project and submission of an invoice for payment of Allowable Costs which includes satisfactory evidence that Grantee is in compliance with insurance requirements set forth in Paragraph 20 of the Agreement.

The second and final installment will be disbursed following submission of an invoice that includes (1) satisfactory evidence that Grantee is in compliance with insurance requirements set forth in Paragraph 20 of the Agreement; (2) satisfactory verification that construction completion of project components can be achieved through available funding; and (3) satisfactory verification that all previously disbursed funds have been and will be used for Allowable Costs.

Anticipated Costs:

| Installment | Category | Estimated Cost |
|---|---|-----------------------|
| 1 | Engineering & Design, Permitting, Construction Services, & Grant Administration | \$460,000 |
| 2 | Construction Costs | \$2,540,000 |
| | | |
| Total GOMESA Funding Not to Exceed | | \$3,000,000 |

Category line items above are general descriptions of the type of activities anticipated to be necessary in order to achieve project completion. These categories may include itemized personnel time and/or contract services associated with project activities. In addition, the final costs of project activities may vary from the individual line-item estimates set forth above. However, funding shall in no event exceed the total amount of approved funding for Allowable Costs as set forth pursuant to the Grant Agreement.

Nexus to Authorized Use:

This project meets the criteria set forth in authorized uses: (a) Projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses; (b) Mitigation of damage to fish, wildlife, or natural resources; (c) Implementation of a federally approved marine, coastal, or comprehensive conservation management plan and (d) Mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects.

Submitted and Approved By:

Michael M. McMillan, Mayor
City of Spanish Fort

Figure 1: Project Location



Figure 2: Project Improvement Site Plan



RESOLUTION NO. 1540-2025

A RESOLUTION DECLARING AN EMERGENCY AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT TO PERFORM EMERGENCY REPAIRS AT LANCERS LANE AND CAISSON TRACE

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

Section 1. The City Council hereby declares an emergency and authorizes the Mayor to take immediate action to contract with Sunset Contracting, Inc., for the repair roadway and/or drainage facilities beneath the roadway and to repair the asphalt overlay at Lancers Lane and Caisson Trace, in accordance with the proposal attached hereto as Exhibit 1, subject to any changes approved by the Mayor. The estimated cost of repair is \$44,000. Based on this emergency declaration, the City Council hereby authorizes the Mayor to have the repairs performed immediately. Based on the estimate of the repairs, competitive bid laws are not applicable.

Section 2. The City Council finds that the situation created by a storm drain failure resulting in a collapse of a portion of the roadway constitutes an emergency affecting public health, safety, or convenience. The City Council finds that delay in conducting repairs may result in the collapse or instability of additional property, resulting in potential damage to property or life. As a result, the City Council determines that the awarding of contracts for repairs constitutes an emergency as defined by the Alabama competitive bid laws, and as a result, any such contracts entered into in an amount which would be subject to competitive bidding are exempt from such bid laws as the result of an emergency situation.

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 4. This Resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED this ____ day of July, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

Exhibit 1

From: [Shannon Burroughs](#)
To: [Rebecca Gaines](#)
Subject: Fwd: Caission Trace Estimate
Date: Friday, July 18, 2025 3:40:02 PM

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

From: **Arthur Cross Jr** <arthurcrossjr@yahoo.com>
Date: Fri, Jul 18, 2025 at 3:34 PM
Subject: Caission Trace Estimate
To: Shannon Burroughs <publicworks@spanishfortal.gov>

Shannon,

We can make the emergency repairs to repair the sinkhole at the intersection of lancer lane and Caisson trace, it will include the following:

- 1) Mobilization
- 2) Excavate sinkhole area and haul away spoils.
- 3) Repair and or replace 24" R.C.P
- 4) Repair existing junction box
- 5) Sand/Clay backfill
- 6) Crushed gravel for roadway base
- 7) Saw cut and remove damaged asphalt
- 8) Install new asphalt 1.5" thickness

Total: \$44,000.00

Arthur Cross Jr
VP Sunset Contracting Inc
251-660-0411 phone
251-660-0494 fax
251-379-6029 cell