

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

Regular Meeting
July 7, 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 June 16, 2025
Regular Meeting June 16, 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

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

Public Hearing on Ordinance No. 709-2025 as follows:

Ordinance No. 709-2025-----An Ordinance Amending Ordinance No. 51-96 of the City of Spanish Fort, Alabama

Public Hearing on Ordinance No. 710-2025 as follows:

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

Public Hearing on Ordinance No. 711-2025 as follows:

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

Public Hearing on Ordinance No. 712-2025 as follows:

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

Public Hearing on Ordinance No. 713-2025 as follows:

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

Public Hearing on Ordinance No. 714-2025 as follows:

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

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

Resolution No. 1521-2025----A Resolution Awarding the Bid for the Spanish Fort 2024 Resurfacing Project

Resolution No. 1524-2025----A Resolution for Officer Elected without Opposition

Resolution No. 1525-2025----A Resolution for Officer Elected without Opposition

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. 1528-2025----A Resolution Appointing Election Officers

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. 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

Resolution No. 1531-2025----A Resolution Expressing Concern over the Deposition
of Dredged Sediment into Mobile Bay

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

XI. ADJOURN TO NEXT MEETING
Work Session and Regular Meeting, July 21, 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

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

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

CITY OF SPANISH FORT, ALABAMA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 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:

Governmental Activities	Balance 10/1/2023	Additions	Reclassifications/ Retirements	Balance 9/30/2024
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
\$ 18,759,959

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
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Net position, beginning of year	<u>(9,184,051)</u>
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Net position, end of year	<u>\$ (9,110,560)</u>
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See independent auditors' report and notes to the financial statements.

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

FUND BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

ASSETS

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

TOTAL ASSETS	<u>\$ 1,289,646</u>
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FUND BALANCES

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

TOTAL FUND BALANCES	<u>\$ 1,289,646</u>
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See independent auditors' report and notes to the financial statements.

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

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 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 Inputs	Level 2 Inputs	Level 3 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
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Net position, beginning of year	<u>13,803,167</u>
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Net position, end of year	<u><u>\$ 15,076,793</u></u>
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THE COOPERATIVE DISTRICT OF THE
CITY OF SPANISH FORT- HIGHWAY 181 PUBLIC FACILITIES

FUND BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 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>
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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
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Amounts reported for governmental activities in the Statement of Activities
are different from the Statements of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds because:

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

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

Change in Net Position of Governmental Activities, page 3	<u><u>\$ 1,273,626</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 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.



City of Spanish Fort
7361 Spanish Fort Blvd.
Spanish Fort, Alabama 36527

Dear City Council:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Spanish Fort as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Spanish Fort's internal control over financial reporting (internal control) as a basis for designing 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 City of Spanish Fort's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Spanish Fort'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.

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

This communication is intended solely for the information and use of governing body of the City and is not intended to be and should not be used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama



City of Spanish Fort, Alabama
7361 Spanish Fort Blvd.
Spanish Fort, Alabama 36527

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Spanish Fort, Alabama for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Spanish Fort are described in Note 1 to the financial statements. New accounting policies issued and adopted in 2024 are as follows:

- 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. Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We noted no transactions entered into by City of Spanish Fort during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Spanish Fort’s financial statements were:

Management’s estimate of the depreciation for capital assets and amortization for intangible and other assets is based on methods applied consistent with standards set forth with the industry by the standard setting bodies or other current factors. We evaluated the key factors and assumptions used to develop those estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Management relies on the expertise of actuaries in regard to the estimates for pension.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Spanish Fort's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Spanish Fort's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedules, notes to required supplementary information, schedule for employer contributions and schedule of changes in the net pension liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Mayor, Council Members and management of City of Spanish and is not intended to be, and should not be, used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama



The Cooperative District
Of the City of Spanish Fort
Highway 98 Public Facilities
P.O. Box 7226
Spanish Fort, Alabama 36577

Dear Board of Directors:

In planning and performing our audit of the financial statements 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 (the District) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

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

This communication is intended solely for the information and use of governing body of the District and is not intended to be and should not be used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama



The Cooperative District
of the City of Spanish Fort
Highway 98 Public Facilities
P.O. Box 7226
Spanish Fort, Alabama 36577

We have audited the financial statements 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 (the District) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. New accounting policies issued and adopted in 2024 are as follows:

- 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. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the depreciation for capital assets and amortization for intangible and other assets is based on methods applied consistent with standards set forth with the industry by the standard setting bodies or other current factors. We evaluated the key factors and assumptions used to develop those estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the governing body of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama



The Cooperative District
Of the City of Spanish Fort
Highway 181 Public Facilities
P.O. Box 7226
Spanish Fort, Alabama 36577

Dear Board of Directors:

In planning and performing our audit of the financial statements 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 (the District) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

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

This communication is intended solely for the information and use of governing body of the District and is not intended to be and should not be used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama



The Cooperative District
of the City of Spanish Fort
Highway 181 Public Facilities
P.O. Box 7226
Spanish Fort, Alabama 36577

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cooperative District of the City of Spanish Fort Highway 181 Public Facilities (the District) for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. New accounting policies issued and adopted in 2024 are as follows:

- 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. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the depreciation for capital assets and amortization for intangible and other assets is based on methods applied consistent with standards set forth with the industry by the standard setting bodies or other current factors. We evaluated the key factors and assumptions used to develop those estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

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The disclosure of long-term debt in Note 3 to the financial statements.

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of governing body of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Avizo Group, Inc.

Certified Public Accountants

June 26, 2025
Fairhope, Alabama

Spanish Fort City Council

Minutes, Work Session, Monday, June 16, 2025

The City Council of the City of Spanish Fort, Alabama, met June 16, 2025, at 4:00 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 Gustafson and seconded by Councilmember Brabner to go into executive session at 5:04 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 45 minutes, and that the Work Session would resume upon the conclusion of the executive session.

The Council reconvened at 5:58 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, Work Session, Thursday, June 19, 2025

The City Council of the City of Spanish Fort, Alabama, met June 19, 2025, at 4:31 p.m., at the Spanish Fort Community Center, that being the scheduled date, time and place of such meeting.

The following Councilmembers were present: Carl Gustafson, Shane Perry, Stephen Winn and Mayor McMillan. A quorum being present, the work session proceeded.

The Council interviewed candidates for indigent defense counsel for municipal court and discussed general municipal business.

There being no further business before the Council, the work session adjourned at 6:10 p.m.

Approved this _____ day of July, 2025.

Rebecca A. Gaines, CMC
City Clerk

**Spanish Fort City Council
Minutes, Regular Meeting, June 16, 2025**

CALL TO ORDER

The City Council of the City of Spanish Fort, Alabama, met Monday, June 16, 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 2, 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

Police Chief John Barber reported that the Police Department recently was able to capture the alleged perpetrator who defrauded a Spanish Fort resident out of several hundred thousand dollars. Chief Barber commended the officers who spent a great deal of time and effort in tracing the fraudulent activities.

Fire Chief Roger Few reported that the annual Fire Department Kids' Safety was a great success. The Fire Department hosted 43 children from first through sixth grade. All had a great time.

Councilmember Curt Smith reported that the Planning Commission forwarded recommendations for several ordinances on the City Council agenda and granted subdivision plat approval for a re-subdivision in Garrison Ridge re-subdividing the property from 6 lots to 4 lots.

Councilmember Carl Gustafson reported that some members of the incoming Junior City Council helped out at the Grand Opening of Loyalty Park. The Junior City Council will have their first meeting on Monday, June 23, 2025.

Councilmember Mary Brabner presented a video showcasing the use of Public School Commission funds to develop the "Leader in Me" program at Stonebridge Elementary School, focusing on leadership development.

PUBLIC PARTICIPATION

Mr. Walt Crimmins of 500 Spanish Fort Blvd., Spanish Fort, Alabama requested that the City Council consider supporting or developing an educational facility based on the ATTA Library of STEM and History in Abbeville, Alabama. Mr. Crimmins presented a video showcasing the museum's programs and exhibits.

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 qualification period for the 2025 City of Spanish Fort municipal election will begin June 10, 2025, and end June 24, 2025, at 5:00 p.m. 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.

Come out Tuesday, June 17, 2025, from 4:30 p.m. to 6:30 p.m. for a Community Open House meeting for the Around the Bay Trail. The Around the Bay Trail is an exciting project to create a 110 mile trail loop around Mobile Bay, connecting communities, parks and some of the area's most beloved paths, including the Eastern Shore Trail, the Fort Morgan Trail and the Harper Biking and

Hiking Trail. Around the Bay is seeking input from the public on trail alignment options; types of trail segments, such as biking, walking, multi-use, etc.; and amenities and features the public would like to see.

The Alabama Department of Conservation will present a free public seminar at the Spanish Fort Community Center on June 24, 2025, at 6:00 p.m. This seminar is entitled: “Learning about Legends: Alligators and Black Bears of Alabama”. Come learn about the history of black bears and alligators in Alabama, understanding normal behavior and tips and tools for coexisting with wildlife.

OLD BUSINESS

There was none.

NEW BUSINESS

Swearing in of City Employee

Mayor McMillan called upon the Honorable Derek Rose, Municipal Judge, who swore in Josh M. Crocker and Scott M. Gilmore as firefighters and John Wilson as reserve firefighter for the City of Spanish Fort. Mayor McMillan and the City Council welcomed these gentlemen to the City of Spanish Fort.

Swearing in of Junior City Council Members

Mayor McMillan called upon the Honorable Derek Rose, Municipal Judge, who swore in the 2025-2026 members of the Spanish Fort Junior City Council. The following members were sworn in:

A’nia McPherson
Ella Bradley
Grace Thorpe
Kate Peden
Laila Pate
Millie Cross
Peyton Cox

Mayor McMillan and the City Council congratulated the new Junior City Council.

Ordinance No. 709-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Ordinance No. 710-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Ordinance No. 711-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Ordinance No. 712-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Ordinance No. 713-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Ordinance No. 714-2025

Mayor McMillan introduced 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 announced that a public hearing will be held at the Monday, July 7, 2025, City Council meeting to hear comments from those in favor of or opposed to the proposed Ordinance.

Resolution No. 1517-2025

Mayor McMillan presented Resolution No. 1517-2025, a resolution accepting certain streets for maintenance. David Conner explained the proposed Resolution. Discussion followed.

Resolution No. 1520-2025

Mayor McMillan introduced Resolution No. 1520-2025, a resolution authorizing the Mayor to enter into an agreement with Sunset Contracting, Inc., for repairs at Westminster Drive. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Smith and seconded by Councilmember Brabner to suspend the rules for immediate consideration of Resolution No. 1520-2025. 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. 1520-2025.

A motion was made by Councilmember Smith and seconded by Councilmember Gustafson to adopt Resolution No. 1520-2025. 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. 1521-2025

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

Resolution No. 1522-2025

Mayor McMillan introduced Resolution No. 1522-2025, a resolution authorizing the Mayor and/or Fire Chief of the City of Spanish Fort, Alabama, to make application for the Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Department of Homeland Security. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Perry and seconded by Councilmember Brabner to suspend the rules for immediate consideration of Resolution No. 1522-2025. 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. 1522-2025.

A motion was made by Councilmember Gustafson and seconded by Councilmember Winn to adopt Resolution No. 1522-2025. 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. 1523-2025

Mayor McMillan introduced Resolution No. 1523-2025, a resolution authorizing the Mayor to execute a contract for assistance with grant application preparation between the City of Spanish Fort and JCMC Consulting, LLC. David Conner explained the proposed Resolution. Discussion followed.

A motion was made by Councilmember Brabner and seconded by Councilmember Smith to suspend the rules for immediate consideration of Resolution No. 1523-2025. 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. 1520-2025.

A motion was made by Councilmember Gustafson and seconded by Councilmember Winn to adopt Resolution No. 1523-2025. 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.

ADJOURNMENT

There being no further business before the Council, the meeting adjourned at 6:45 p.m.

Approved this ____ day of July, 2025.

Rebecca A. Gaines
City Clerk.

ORDINANCE NO. 709-2025

AN ORDINANCE AMENDING ORDINANCE NO. 51-96 OF THE CITY OF SPANISH FORT, ALABAMA

WHEREAS, it has been determined that the Zoning Ordinance should be amended in order to add regulations related to the approval of temporary uses for construction and equipment and materials storage in and along the Causeway (a/k/a Battleship Parkway) in the City of Spanish Fort related to the planning, development and construction of the Tensaw River Bridge Replacement Project; and

WHEREAS, the Planning Commission of the City of Spanish Fort held a public hearing on June 9, 2025, and the City Council of the City of Spanish Fort held a meeting on July 7, 2025, for the purpose of receiving public comments on proposed amendments to Ordinance No. 51-96, as amended, the Zoning Ordinance of the City of Spanish Fort; and

WHEREAS, the City Council has determined that said Zoning Ordinance should be amended.

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

SECTION 1. Ordinance No. 51-96, as amended, is hereby amended by adding Section 7.16 RESTRICTIONS ON TEMPORARY USES FOR CONSTRUCTION AND EQUIPMENT AND MATERIALS STORAGE IN AND ALONG THE CAUSEWAY (A/K/A BATTLESHIP PARKWAY) IN THE CITY OF SPANISH FORT RELATED TO THE PLANNING, DEVELOPMENT AND CONSTRUCTION OF THE TENSAW RIVER BRIDGE REPLACEMENT PROJECT which reads as follows:

7.16 RESTRICTIONS ON TEMPORARY USES FOR CONSTRUCTION AND EQUIPMENT AND MATERIALS STORAGE IN AND ALONG THE CAUSEWAY (A/K/A BATTLESHIP PARKWAY) IN THE CITY OF SPANISH FORT RELATED TO THE PLANNING, DEVELOPMENT AND CONSTRUCTION OF THE TENSAW RIVER BRIDGE REPLACEMENT PROJECT.

7.1601 Approval and Restrictions on Temporary Uses. Temporary construction and equipment and materials storage related to the planning, development and construction of the Tensaw River Bridge Replacement Project only (referred to in this Section 7.14 as the “Tensaw Bridge Project”) may be allowed in and along the Causeway (a/k/a Battleship Parkway) in the City of Spanish Fort subject to the provisions of this Section and any additional terms, conditions or restrictions required by the City Council.

- a. This use may be allowed in any zoning district in and along the Causeway (a/k/a Battleship Parkway) subject to Planning Commission approval and City Council approval, in their discretion, only in areas designated by the Alabama Department of Transportation and the project engineer as being necessary for the construction of the Tensaw Bridge Project.
- b. The property shall be used for no other purpose or use during the term of the temporary use. The property shall not be used to provide construction services, equipment or materials or storage for any projects or activities other than the Tensaw Bridge Project.
- c. The temporary use shall be for fixed term and may be extended by the City Council, in its discretion, only upon showing of good cause, as determined by the City Council.
- d. At the end of the Tensaw Bridge Project, or (1) if funding for the Tensaw Bridge Project ceases, or (2) if the Tensaw Bridge Project is otherwise abandoned, or (3) if the Tensaw Bridge Project is terminated, or (4) if the term of the temporary use expires, the property shall immediately be returned to its original condition and all equipment and materials shall be removed.
- e. The applicant shall submit all required documentation and information and document the present condition of the site including videos, photographs and all available environmental

assessments and reports related to the property, prior to beginning any work on the site, unless otherwise approved by the City Council.

f. The applicant shall submit a bond in the amount of \$50,000.00 or \$25,000.00 per acre of the subject property made the subject of the temporary use for the Tensaw Bridge Project, whichever is greater, or such other amount as may be required by the City Council based on the proposed use of the subject property, the scope of work and anticipated costs to restore the property upon expiration of the temporary use to ensure the applicants performance under the terms of this ordinance and the permit issued hereunder.

g. No fuel tanks shall be affixed to the ground or installed underground. All fuel tanks shall be on trailers for easy removal.

h. A flood evacuation plan shall be submitted by the applicant and approved by the City.

i. Adequate space and improvements shall be made to the property in order to allow for onsite loading and unloading of equipment and materials, and delivery trucks and equipment for loading and unloading shall not be allowed to park on a public right-of-way to load or unload.

j. A representative from the Alabama Department of Transportation will be required to confirm that the applicant has a contract to perform a scope of work related to the Tensaw Bridge Project and the estimated length of time the temporary use will be required based on the applicant's scope of work. Such conformation does not guaranty approval or the terms and conditions of the approval, with shall be determined in the discretion of the City Council.

7.1602 Access to Site. Vehicular entrances or exits at a facility for temporary uses related to the Tensaw Bridge Project only:

- | | |
|----------------|--|
| 7.16021 | Shall not be provided with more than two curb cuts for the first 120 feet of street frontage or fraction thereof. |
| 7.16022 | Shall contain an access width along the curb line of the street of not more than forty (40) feet as measured parallel to the street at its narrowest point and shall not be located closer than ten (10) feet to the adjoining property. |
| 7.16023 | Shall not have any two driveways, or curb cuts, any closer than twenty (20) feet at both the right-of-way line and the curb or edge of the pavement along a single street. |

7.1603 Other Site Improvements. In addition to the above requirements, the following additional site improvements shall be adhered to for any temporary use related to the Tensaw Bridge Project:

- | | |
|----------------|--|
| 7.16031 | A solid fence or wall not less than six (6) feet nor more than eight (8) feet in height shall be erected along all adjacent property lines facing any adjacent residential lot. |
| 7.16032 | Exterior lighting shall be arranged so that it is deflected away from adjacent properties. |
| 7.16033 | Signs, whether permanent or temporary, shall not be placed within any public right-of-way within the corporate limits of the City of Spanish Fort. Signs permitted for display shall be arranged so that they do not obstruct visibility for drivers or pedestrians. |

SECTION 2. Except as expressly amended herein, all terms and provisions contained in Ordinance No. 51-96, as amended, shall remain in full force and effect.

SECTION 3. If any part, section or subdivision of this Ordinance shall be held unconstitutional invalid for any reason, such holding should not be construed to invalidate or impair the remainder of this Ordinance, which shall continue in full force and effect notwithstanding such holding.

SECTION 4. 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

Rebecca A. Gaines City
Clerk

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

WHEREAS, the owner of the property made the subject of this change in zoning classification has requested that the zoning classification on the property located at 30752 Ember Lane and bearing tax parcel no. 05-32-09-29-1-002-005.005 be changed from R-1 to B-2; and

WHEREAS, the Planning Commission of the City of Spanish Fort, Alabama, held a meeting on Monday, June 9, 2025, for the purpose of receiving public comments on the proposed change in zoning classification, and at such meeting, voted to forward a positive recommendation that the property be rezoned to B-2; and

WHEREAS, the City Council of the City of Spanish Fort held a meeting on Monday, July 7, 2025, for the purpose of receiving public comments on the proposed change in zoning classification.

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

SECTION 1. Change in Zoning Classification.

Ordinance No. 51-96, as amended, of the City of Spanish Fort, Alabama, is hereby amended by changing the zoning classification of certain property located at 30752 Ember Lane and bearing tax parcel no. 05-32-09-29-1-002-005.005 from R-1, Single Family Low Density Residential District, to B-2, Local Business District. Said property is more particularly described in Exhibit 1 which is attached hereto and made a part of this Ordinance as though set forth fully herein. A map of the property and surrounding area is attached as Exhibit 2.

SECTION 2. Change in Zoning Map.

The official zoning map for the City of Spanish Fort is hereby amended, changed or altered to reflect the change in zoning classification of the property located at 30752 Ember Lane and bearing tax parcel no. 05-32-09-29-1-002-005.005 from R-1, Single Family Low Density Residential District, to B-2, Local Business District.

SECTION 3. Repealer Clause.

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

SECTION 4. Severability Clause.

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

SECTION 5. Effective Date.

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

ADOPTED and APPROVED this ____day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST

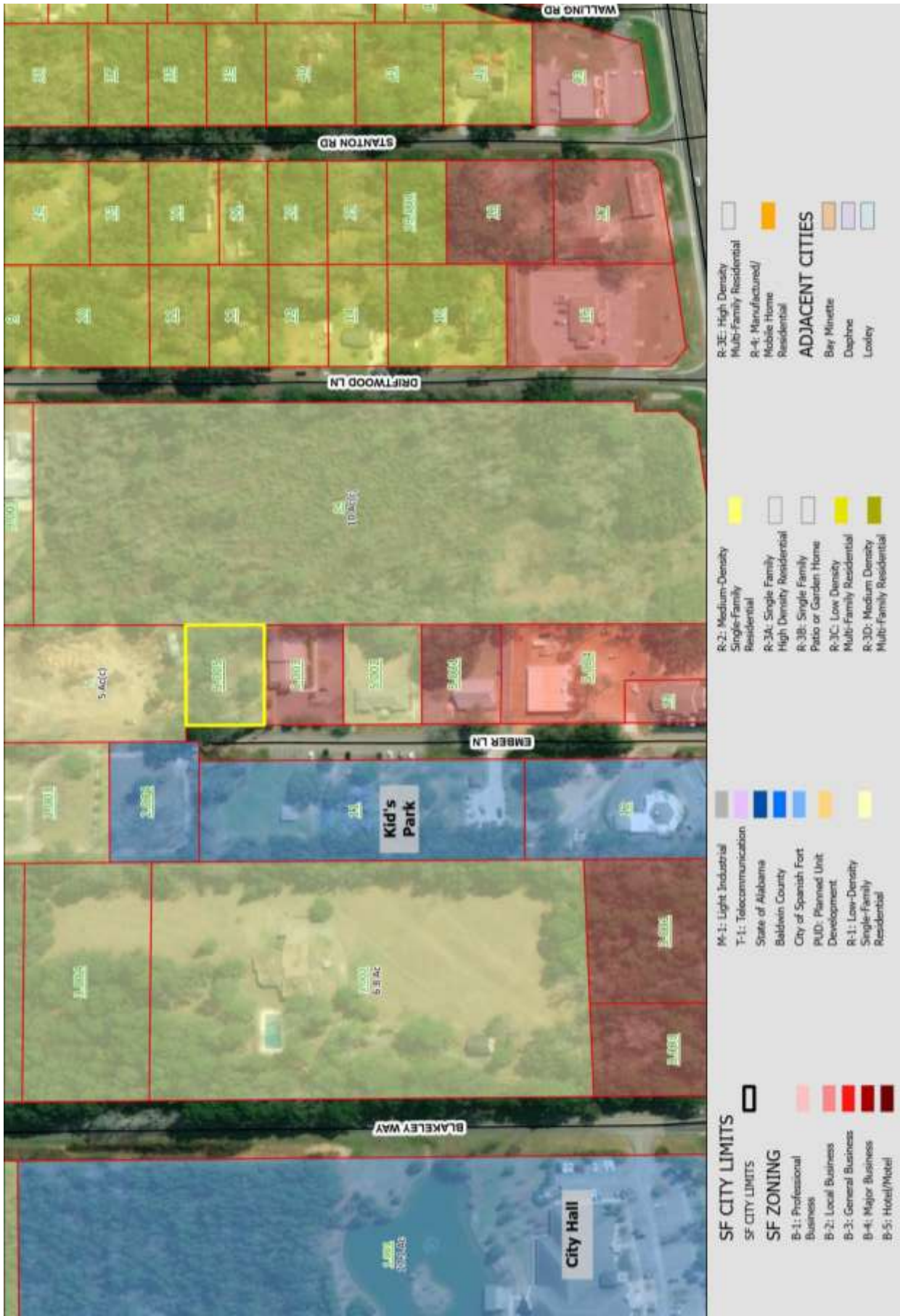
:

Rebecca A. Gaines, CMC
City Clerk

Exhibit '1': Legal Description

LOT 3B, RESUBDIVISION OF LOT 3, EMBER LANE PROFESSIONAL PARK, ACCORDING TO THE PLAT THEREOF RECORDED ON SLIDE NO. 2485-C OF THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA.

Exhibit '2': Overview Map



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

WHEREAS, the owner of the property made the subject of this change in zoning classification has requested that the zoning classification on the property located at 10021 U.S. Highway 31 and bearing tax parcel no. 05-32-06-23-0-000-001.005 be changed from R-1 to B-1 and

WHEREAS, the Planning Commission of the City of Spanish Fort, Alabama, held a meeting on Monday, June 9, 2025, for the purpose of receiving public comments on the proposed change in zoning classification, and at such meeting, voted to forward a positive recommendation that the property be rezoned to B-1; and

WHEREAS, the City Council of the City of Spanish Fort held a meeting on Monday, July 7, 2025, for the purpose of receiving public comments on the proposed change in zoning classification.

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

SECTION 1. Change in Zoning Classification.

Ordinance No. 51-96, as amended, of the City of Spanish Fort, Alabama, is hereby amended by changing the zoning classification of certain property located at 10021 U.S. Highway 31 and bearing tax parcel no. 05-32-06-23-0-000-001.005 from R-1, Single Family Low Density Residential District, to B-1, Professional Business District. Said property is more particularly described in Exhibit 1 which is attached hereto and made a part of this Ordinance as though set forth fully herein. A map of the property and surrounding area is attached as Exhibit 2.

SECTION 2. Change in Zoning Map.

The official zoning map for the City of Spanish Fort is hereby amended, changed or altered to reflect the change in zoning classification of the property located at 10021 U.S. Highway 31-W and bearing tax parcel no. 05-32-06-23-0-000-001.005 from R-1, Single Family Low Density Residential District, to B-1, Professional Business District.

SECTION 3. Repealer Clause.

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

SECTION 4. Severability Clause.

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

SECTION 5. Effective Date.

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

ADOPTED and APPROVED this ____day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST

:

Rebecca A. Gaines, CMC
City Clerk

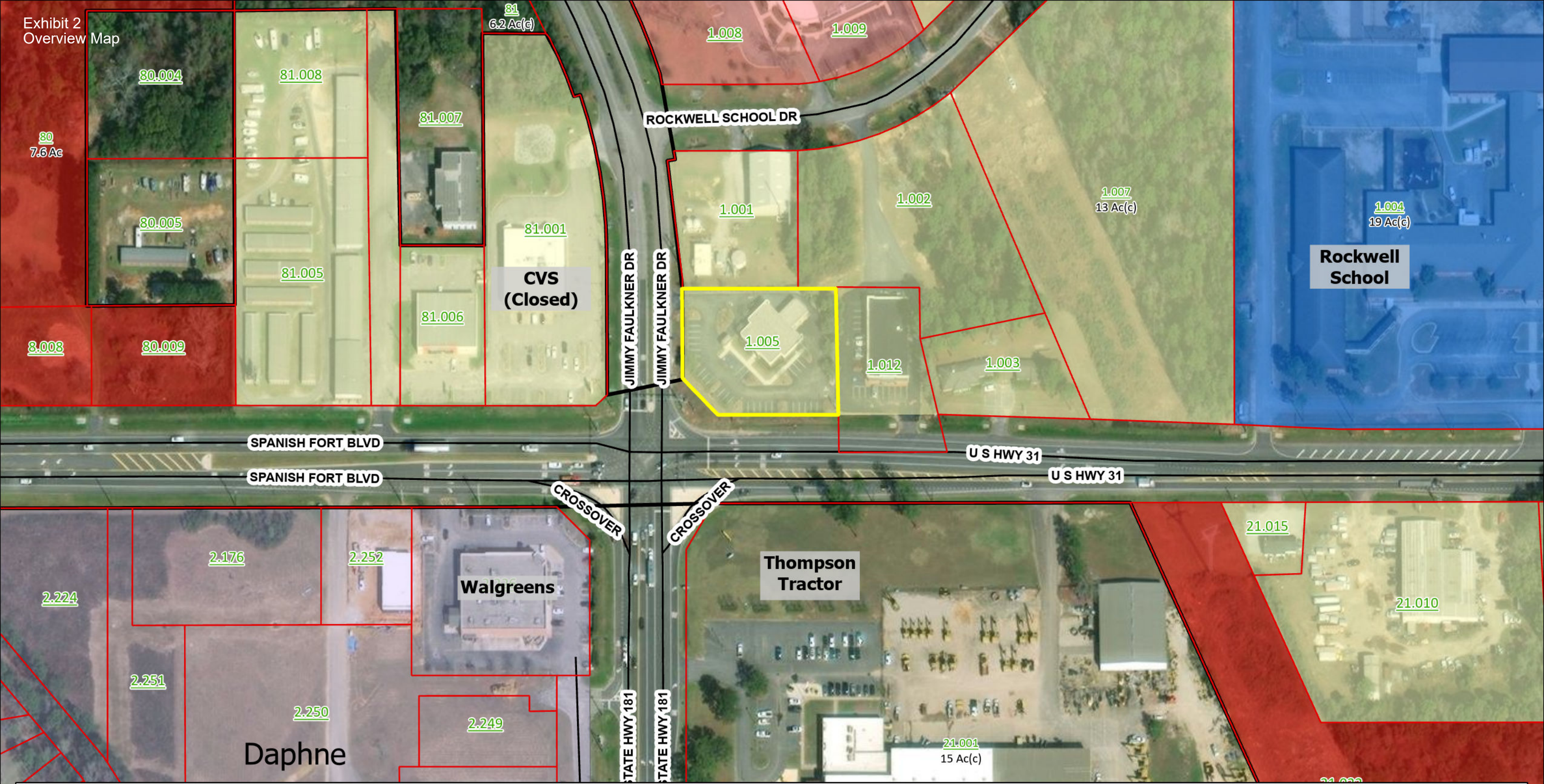
Exhibit 1
Legal Description

Lot 1, Bay Limited South Subdivision as per plat recorded in Slide 2226-A of the records maintained in the Office of the Judge of Probate of Baldwin County, Alabama, as re-recorded on Slide 2230-E of the records maintained in the Office of the Judge of Probate of Baldwin County, Alabama.

Less and except that portion of Lot 1 conveyed by Grantors' predecessor-in-title to the Alabama Department of Transportation by Fee Simple Warranty Deed dated June 15, 2009, and recorded as Instrument No. 1187828 in the Office of the Judge of Probate of Baldwin County, Alabama, being a part of the southwest quarter of the southwest quarter of Section 23, T-4-S, R-2-E identified as Tract Number 84 on Project No. EB-0003(521) in Baldwin County, Alabama and being fully described as follows:

Commencing at a capped iron pin marking the northwest corner of the southeast quarter of the southeast quarter of Section 22, T -4-S, R-2-E; thence S 48°50'38" E along a line a distance of 1841.20 feet to a point on the required R/W line (said point offset 70.63 feet left of and perpendicular to project centerline at Station 222+95.90) and the Point of Beginning of the property herein to be conveyed; thence S 89°41'48" E and parallel with project centerline along the required R/W line a distance of 169.79 feet to a point on the grantor's property line; thence S 00°03'29" W along the grantor's property line a distance of 56.43 feet to a point on the present R/W line of U.S. 31; thence N 89°52' 16" W along the present R/W line a distance of 166.98 feet to a point on the present R/W line; thence N 44°30'28" W along the present R/W line a distance of 70.58 feet to a point on the present R/W line of S.R. 181; thence N 00°02'21" W along the present R/W line a distance of 53.89 feet to a point on the required R/W line (said point offset 117.66 feet left of and perpendicular to project centerline at Station 222+48.88); thence S 44°41'48" E along the required R/W line a distance of 66.50 feet to the Point of Beginning of the property herein conveyed and containing 0.279 acres, more or less. And as shown on the right of way map of record in the Alabama Department of Transportation a copy of which is also deposited in the office of the Judge of Probate as an aid to persons and entities interested therein and as shown on the Property Sketch attached hereto and made a part hereof.

Exhibit 2
Overview Map



SF CITY LIMITS

SF CITY LIMITS

SF ZONING

- B-1: Professional Business
- B-2: Local Business
- B-3: General Business
- B-4: Major Business
- B-5: Hotel/Motel

- M-1: Light Industrial
- T-1: Telecommunication
- State of Alabama
- Baldwin County
- City of Spanish Fort
- PUD: Planned Unit Development
- R-1: Low-Density Single-Family Residential

- R-2: Medium-Density Single-Family Residential
- R-3A: Single Family High Density Residential
- R-3B: Single Family Patio or Garden Home
- R-3C: Low Density Multi-Family Residential
- R-3D: Medium Density Multi-Family Residential

- R-3E: High Density Multi-Family Residential
- R-4: Manufactured/Mobile Home Residential

ADJACENT CITIES

- Bay Minette
- Daphne
- Loxley

ORDINANCE NO. 712-2025

AN ORDINANCE AMENDING ORDINANCE NO. 51-96 OF THE CITY OF SPANISH FORT CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY LOCATED AT 30901 SPANISH OAKS DRIVE WEST FROM R-2 to R-4

WHEREAS, the owner of the property made the subject of this change in zoning classification has requested that the zoning classification on the property located at 30901 Spanish Oaks Drive West and bearing tax parcel nos. 05-32-09-29-1-001-001.001 and 05-32-09-29-1-001-001.007 be changed from R-2 to R-4; and

WHEREAS, the Planning Commission of the City of Spanish Fort, Alabama, held a meeting on Monday, June 9, 2025, for the purpose of receiving public comments on the proposed change in zoning classification, and at such meeting, voted to forward a negative recommendation that the property be rezoned to R-4; and

WHEREAS, the City Council of the City of Spanish Fort held a meeting on Monday, July 7, 2025, for the purpose of receiving public comments on the proposed change in zoning classification.

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

SECTION 1. Change in Zoning Classification.

Ordinance No. 51-96, as amended, of the City of Spanish Fort, Alabama, is hereby amended by changing the zoning classification of certain property located at 30901 Spanish Oaks Drive West and bearing tax parcel nos. 05-32-09-29-1-001-001.001 and 05-32-09-29-1-001-001.007 from R-2, Single Family Medium Density Residential District, to R-4, Manufactured/Mobile Home Residential District. Said property is more particularly described in Exhibit 1 which is attached hereto and made a part of this Ordinance as though set forth fully herein. A map of the property and surrounding area is attached as Exhibit 2.

SECTION 2. Change in Zoning Map.

The official zoning map for the City of Spanish Fort is hereby amended, changed or altered to reflect the change in zoning classification of the property described as 30901 Spanish Oaks Drive West and bearing tax parcel nos. 05-32-09-29-1-001-001.001 and 05-32-09-29-1-001-001.007 from R-2, Single Family Medium Density Residential District, to R-4 Manufactured/Mobile Home Residential District.

SECTION 3. Repealer Clause.

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

SECTION 4. Severability Clause.

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

SECTION 5. Effective Date.

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

ADOPTED and APPROVED this ____day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST

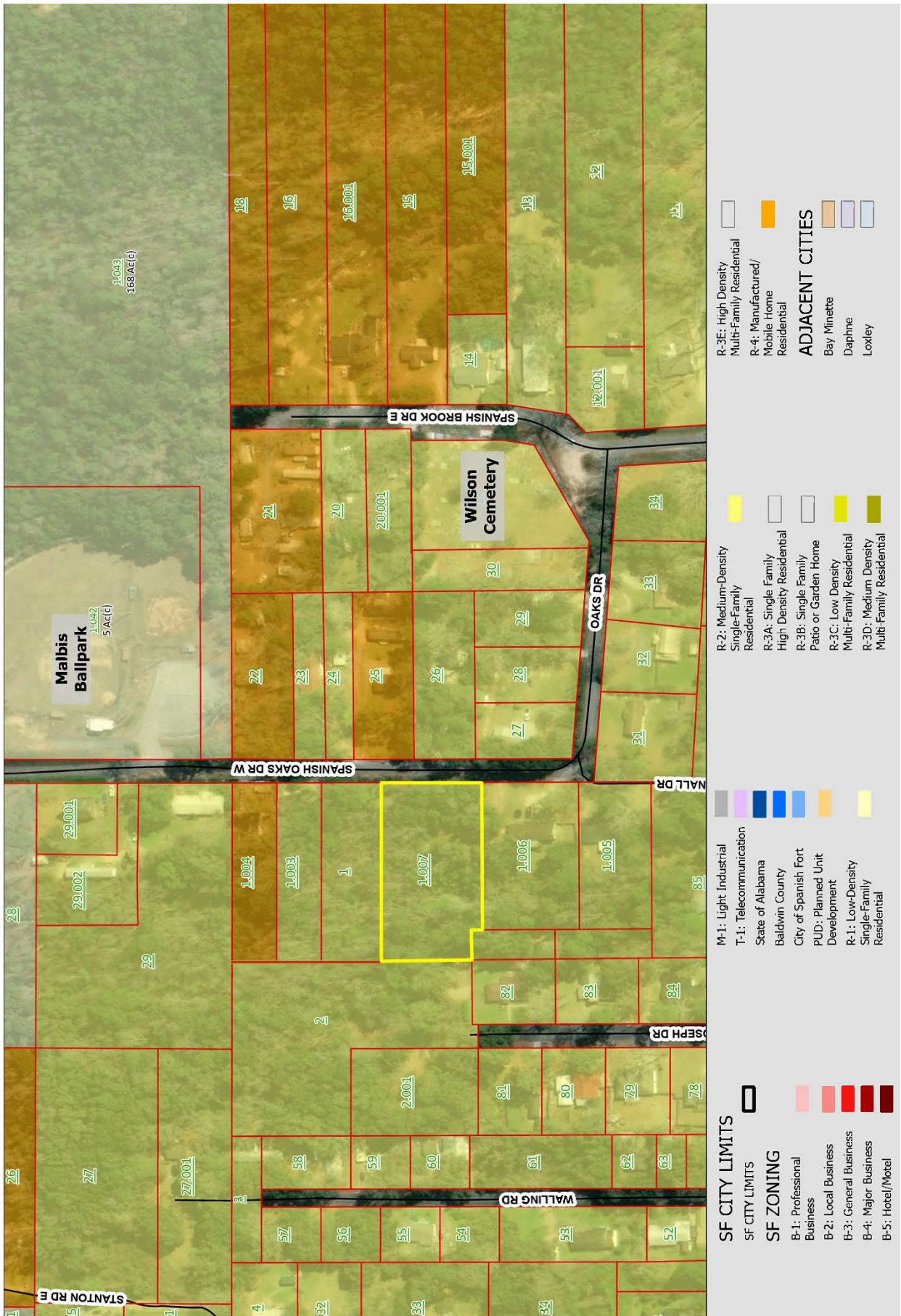
:

Rebecca A. Gaines, CMC
City Clerk

Exhibit '1': Legal Description

Lot 2, Ogletree Subdivision, as recorded on Slide Number 2030-F in the records in the Office of the Judge of Probate of Baldwin County, Alabama.

Exhibit '2': Overview Map



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

WHEREAS, the owner of the property made the subject of this change in zoning classification has requested that the zoning classification on the property located on U.S. Highway 31 and bearing tax parcel no. 05-32-07-25-0-000-002.004 be changed from R-1 to B-3 and

WHEREAS, the Planning Commission of the City of Spanish Fort, Alabama, held a meeting on Monday, June 9, 2025, for the purpose of receiving public comments on the proposed change in zoning classification, and at such meeting, voted to forward a positive recommendation that the property be rezoned to B-3; and

WHEREAS, the City Council of the City of Spanish Fort held a meeting on Monday, July 7, 2025, for the purpose of receiving public comments on the proposed change in zoning classification.

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

SECTION 1. Change in Zoning Classification.

Ordinance No. 51-96, as amended, of the City of Spanish Fort, Alabama, is hereby amended by changing the zoning classification of certain property located on U.S. Highway 31 and bearing tax parcel no. 05-32-07-25-0-000-002.004 from R-1, Single Family Low Density Residential District, to B-3, General Business District. Said property is more particularly described in Exhibit 1 which is attached hereto and made a part of this Ordinance as though set forth fully herein. A map of the property and surrounding area is attached as Exhibit 2.

SECTION 2. Change in Zoning Map.

The official zoning map for the City of Spanish Fort is hereby amended, changed or altered to reflect the change in zoning classification of the property located on U.S. Highway 31 and bearing tax parcel no. 05-32-07-25-0-000-002.004 from R-1, Single Family Low Density Residential District, to B-3, General Business District.

SECTION 3. Repealer Clause.

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

SECTION 4. Severability Clause.

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

SECTION 5. Effective Date.

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

ADOPTED and APPROVED this ____day of _____, 2025.

Michael M. McMillan
Mayor

ATTEST

:

Rebecca A. Gaines, CMC
City Clerk

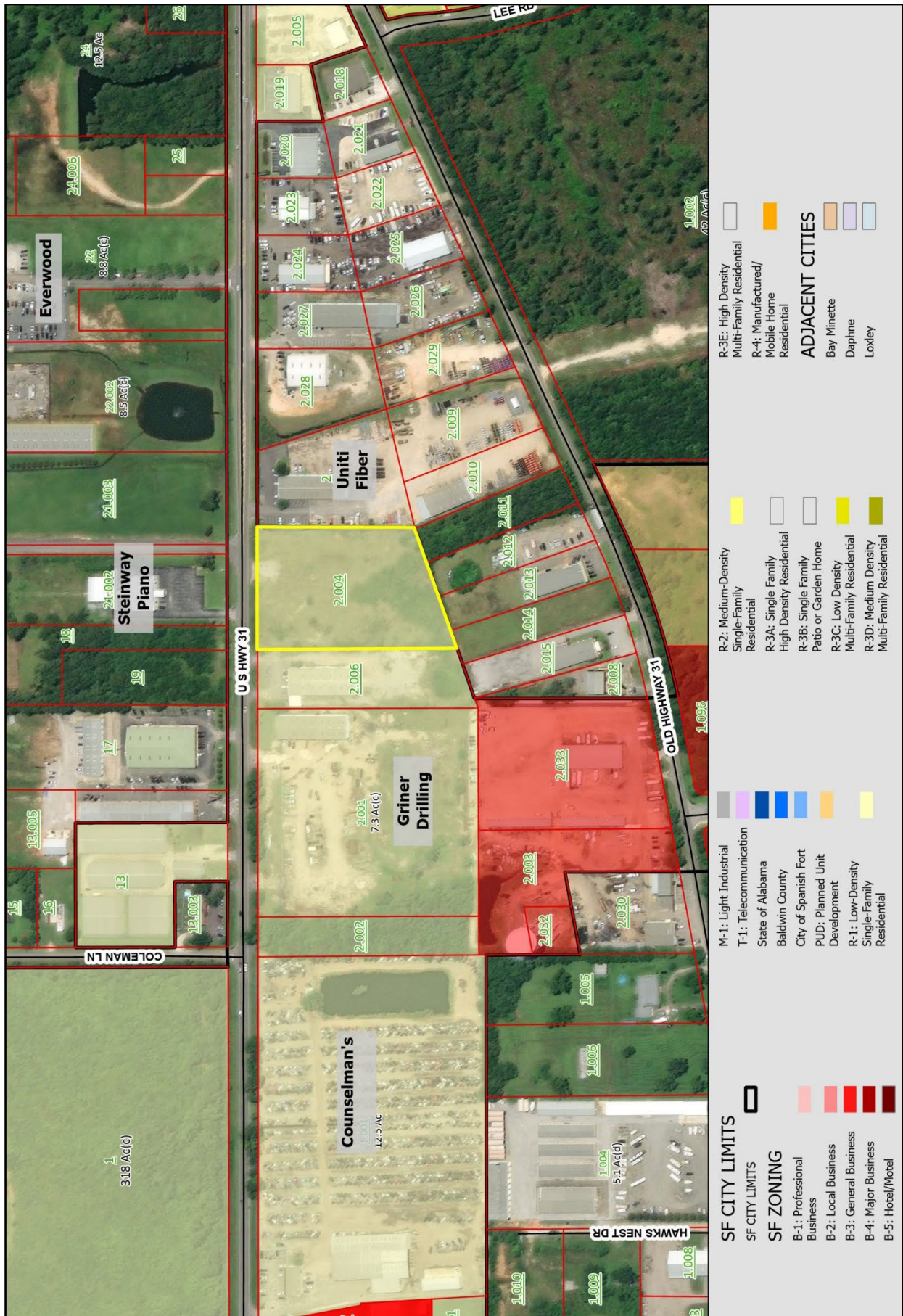
Exhibit 1: Legal Description

Commencing at the Northwest Corner of Section 25, Township 4 South, Range 2 East; thence S 00 degrees 04 minutes 42 seconds E, 26.93 feet to a point on the South right-of-way line of U.S. Highway No. 31; thence S 89 degrees 57 minutes 50 seconds E and along the South right-of-way line of said Highway, 649.53 feet to the POINT OF BEGINNING; thence continue S 89 degrees 57 minutes 50 seconds E and along the South right-of-way line of said. U.S. Highway No. 31, 477.44 feet; thence S 00 degrees 02 minutes 20 seconds W, 426.62 feet; thence S 72 degrees 35 minutes W, 500.60 feet; thence N 00 degrees 02 minutes 20 seconds E, 576.76 feet to the point of beginning.

Less and Except a portion of the above described parcel conveyed to Elizabeth Mitchell Price and recorded in Real Property Book 677, Page 1667. Being more particularly described as follows:

Commencing at the Northwest corner of Section 25, Township 4 South, Range 2 East, Baldwin County, Alabama; run thence South 00 degrees 04 minutes 42 seconds East, 26.93 feet to a point on the South right-of-way line of U. S. Highway Number 31; thence run South 89 degrees 57 minutes 30 seconds East, 649.53 feet along said South right-of-way to a steel rod for the Point of Beginning; thence continue South 89 degrees 57 minutes 30 seconds East along said South right-of-way, 157.83 feet to a capped steel rod; thence run South 00 degrees 01 minutes 44 seconds West, 527.14 feet to a capped steel rod; thence run South 72 degrees 34 minutes 12 seconds West, 165.45 feet to a capped steel rod; thence run North 00 degrees 01 minutes 44 seconds East, 576.86 feet to the Point of Beginning.

Exhibit 2: Overview Map



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 food or drink, except water, on the court surface. Glass containers and barbeque grills are not allowed.
11. No loud music or use of personal sound systems.
12. 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. Do not climb, pull, jump off, hang on or tamper with benches or equipment.
8. Swim diapers are required for infants or children not fully toilet trained.
9. No street shoes are permitted on the splash pad. Bare feet or water-appropriate shoes only.
10. Persons with communicable or infectious diseases or illnesses are not allowed to use the splash pad.
11. 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.
12. No bathing, soap, dish detergent, shampoo or other similar type products allowed.
13. Do not use the splash pad when thunder and/or lightning is present in the area.
14. Splashpad hours are from 7:00 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. Do not stand on swings. Stop swinging before getting off and stand clear of moving swings and equipment.
5. No pushing, running, shoving, horseplay or disorderly behavior.
6. Slide feet first. No walking up slides or sliding headfirst.
7. Do not use the playground when thunder and/or lightning is present in the area.
8. No skateboards, scooters, bicycles or any wheeled items or motorized vehicles allowed on the playground, except for wheelchairs, strollers or walkers.
9. 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. The City of Spanish Fort reserves the right to use the entire pavilion for City events without notice.
8. Users of the pavilion should clean and leave it in the same condition in which it was found.
9. Bouncy houses, dunk tanks, animals (except to assist a person with a disability), climbing walls or similar items are prohibited.
10. No decorations or other items may be attached to the pavilion with nails, staplers, tacking, etc.
11. No grills or open flame allowed.
12. 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

RESOLUTION NO. 1517-2025

A RESOLUTION ACCEPTING CERTAIN STREETS FOR MAINTENANCE

WHEREAS, Mr. Timothy D. Lawley, P.E., requested on behalf of the developer that the City accept certain streets in Brentwood PUD, Phase 4, for maintenance; and

WHEREAS, the City Engineer has inspected the streets and recommends that the City accept the subject streets for maintenance; and

WHEREAS, based on the posting of the maintenance bond by the developer/builder and the representations and certifications made by the developer and project engineers on the subdivision plat, construction drawings, applications and other supporting documentation, the City desires to accept the subject streets for maintenance.

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

SECTION 1. The City Council hereby accepts for maintenance those portions of certain streets named Wagner Avenue, Bauer Avenue and Marcel Boulevard in Brentwood PUD, Phase 4, as depicted on the plat thereof recorded at Slide No. 2185701 in the Office of the Judge of Probate of Baldwin County, Alabama. The City Council hereby accepts the maintenance bond attached here to as Exhibit 1, subject to any changes approved by the Mayor and City Attorney. A copy of the Engineer's Certificate and Affidavit are attached as Exhibit 2.

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 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



30673 Sgt E.I. "Boots" Thomas Dr.
Spanish Fort, AL 36527
P: 251-544-7900
www.sawgrassllc.com

March 10, 2025

Mr. Casey Rains, Planning & Zoning Official
City of Spanish Fort
7361 Spanish Fort Blvd.
Spanish Fort, AL 36527

RE: Brentwood, Phase 4

Dear Casey,

Please accept this letter as my certification of the completion of all improvements for Brentwood, Phase 4 in accordance with the design plans and City of Spanish Fort regulations and standards.

In addition, on behalf of E&T Enterprises, LLC, the Owner and Developer of Brentwood, I would like to formally request the acceptance of all roadway and stormwater improvements within all rights-of-way of Brentwood, Phase 4. Attached hereto is a copy of the Engineer's estimate of improvements within Phase 4. E&T Enterprises will provide a Maintenance Bond in the amount of 40% of the attached estimate upon approval of bond amount and date of acceptance to be listed on the bond.

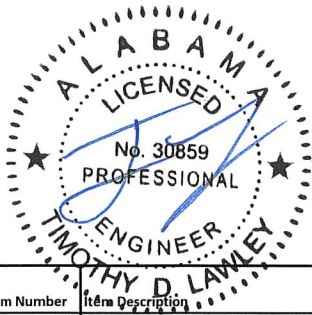
If you have any questions, please contact me at 251-544-7900.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Lawley', with a checkmark at the end.

Timothy D. Lawley, PE
Vice President

250401



PROJECT: Breentwood Phase 4
PROJECT NUMBER: 210816

Item Number	Item Description	Unit	Quantity	Unit Price	Extended Price
Grading & Drainage					
	Clearing and Grubbing (210-A)	ACRE	4.7	\$2,500.00	\$11,750.00
	Right of Way Excavation	CYIP	1,180.0	\$4.25	\$5,015.00
	18" RCP Storm Sewer Pipe	LF	336.0	\$64.00	\$21,504.00
	24" RCP Storm Sewer Pipe	LF	280.0	\$77.75	\$21,770.00
	Single S Type Inlet	EA	4.0	\$3,869.00	\$15,476.00
	Mobilization (600-A)	LS	1.0	\$18,500.00	\$18,500.00
	Topsoil 4" Compacted Thickness (From Stockpiles)(650-A)	CYIP	972.0	\$18.00	\$17,496.00
	Silt Fence, Type "A" (EC-9)	LF	716.0	\$5.00	\$3,580.00
	Inlet Protection Device (665-P)	EA	13.0	\$375.00	\$4,875.00
	Wattles, 20" Diameter (665-Q)	LF	40.0	\$8.00	\$320.00
	Seed, Fertilizer, and Mulch	ACRE	4.2	\$2,800.00	\$11,760.00
	Solid Sod (EC-3)	SY	555.0	\$6.00	\$3,330.00
	Engineering Controls	LS	1.0	\$2,500.00	\$2,500.00
	Dentention Pond Grading & Drainage Total				\$137,876.00
Roadways					
	Borrow Excavation, Select Fill (210-D)	CYIP	655.0	\$10.00	\$6,550.00
	Roadbed Processing	STA	6.0	\$250.00	\$1,500.00
	Crushed Aggregate Base Course (6" Thick)	SYCIP	2,083.0	\$10.75	\$22,392.25
	Bituminous Treatment, Type "A" (401-A)	SYCIP	1,664.0	\$0.75	\$1,248.00
	Bituminous Concrete Wearing Surface, 1/2" Maximum Aggregate, Size Mixed, ESAL Range B, 2" Thick (429-A)	SYCIP	1,664.0	\$15.50	\$25,792.00
	ADA Handicap Ramp	EA	2.0	\$325.00	\$650.00
	Concrete Sidewalk, 4" Thick (Common Areas)(618-A)	SYCIP	96.0	\$48.00	\$4,608.00
	Valley Gutter, M-14	LF	1,248.0	\$13.75	\$17,160.00
	Street Signs	EA	1.0	\$145.00	\$145.00
	Roadways Total				\$80,045.25
Water					
	8" PVC Water Pipe (C-200)(WI-1)	LF	627.0	\$31.00	\$19,437.00
	8" M-J 22.5"	EA	4.0	\$385.00	\$1,540.00
	Fire Hydrant Assembly (WL-8)	EA	1.0	\$4,200.00	\$4,200.00
	Water Service	EA	15.0	\$825.00	\$12,375.00
	Water Line Testing & Chlorination	LS	1.0	\$1,500.00	\$1,500.00
	Concrete for Water Lines (WL-11)	CY	2.0	\$300.00	\$600.00
	Water Total				\$39,652.00
Sewer					
	8" Sewer Main	LF	621.0	\$32.00	\$19,872.00
	Sewer Lateral	EA	15.0	\$1,450.00	\$21,750.00
	Sewer Manhole	EA	2.0	\$4,634.00	\$9,268.00
	2" PVC Force Main to Lift Station	LF	625.0	\$23.00	\$14,375.00
	Sewer Total				\$65,265.00
Miscellaneous Items					
	Two (2) Year Maintenance Bond	LS	1.0	\$4,500.00	\$4,500.00
	PVC Conduit For Power Telephone, Cable, Etc	LS	1.0	\$55,000.00	\$55,000.00
	Engineering Service's	LS	1.0	\$5,000.00	\$3,600.00
	Video All Concrete Pipe	LF	616.0	\$4.00	\$2,464.00
	Traffic Signal Installation on US-31	LS	1.0	\$335,051.00	\$335,051.00
	Turn Lane at Stroh Road (Includes Bond)	LS	1.0	\$97,965.00	\$97,965.00
	Geotechnical Testing	LS	1.0	\$2,200.00	\$2,200.00
	Miscellaneous Items Total				\$500,780.00
	Total				\$823,618.25


Tim Lawley

250401

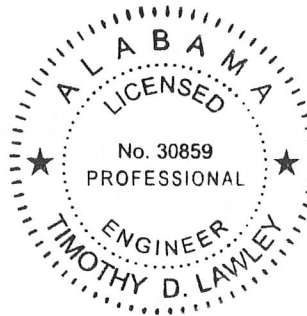


Owner: E&T Enterprises, LLC
Project: Brentwood Phase4
SIDEWALK

ITEM #	DESCRIPTION	UNIT	QTY	UNIT PRICE	AMOUNT
618-A1	CONCRETE SIDEWALK 4" THICK	SYCIP	625	\$ 48.00	\$ 30,000.00
TOTAL BOND AMOUNT (125%)					\$ 37,500.00


Project Engineer

05-06-25
Date



MAINTENANCE BOND

Bond No. 30232483

KNOW ALL PERSONS BY THESE PRESENTS, That we E&T Enterprises, LLC
_____ of
11045 Old Highway 31, Spanish Fort, Alabama 36527, hereinafter
referred to as the Principal, and Western Surety Company,
as Surety, are held and firmly bound unto City of Spanish Fort
of US Highway 31, Spanish Fort, AL 36527, hereinafter
referred to as the Obligee, in the sum of three hundred twenty nine thousand four hundred seventy seven 30/100
Dollars (\$ 329,477.30), for the payment of which we bind ourselves, our legal representatives, successors
and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal entered into a contract with the City of Spanish Fort
_____ dated
_____, _____, for Brentwood Phase 4
_____.

WHEREAS, said contract provides that the Principal will furnish a bond conditioned to guarantee for the period of
Two (2) year(s) after approval of the final estimate on said job, by the owner, against all defects in
workmanship and materials which may become apparent during said period, and

WHEREAS, the said contract has been completed, and was approved on _____, _____.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that, if the Principal shall indemnify the
Obligee for all loss that the Obligee may sustain by reason of any defective materials or workmanship which
become apparent during the period of Two (2) year(s) from and after October 8, 2024
then this obligation shall be void, otherwise to remain in full force and effect.

SIGNED, SEALED AND DATED this 8th day of October, 2024.

E & T Enterprises, LLC

(Principal)

By _____ (Seal)

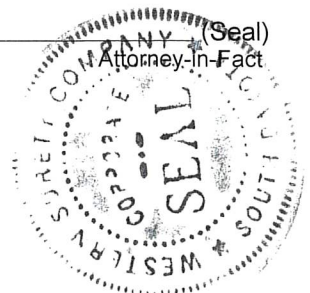
Charles A. Renfro, Mgr.

Western Surety Company

(Surety)

By _____ (Seal)

Renee Ellis



Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Thomas J. Gentile, Billie Jo Sanders, Paul B Scott Jr., Renee Ellis, Milton A Kopf III, David J Durden, Joshua Price, Individually

of Montgomery, AL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 9th day of November, 2023.



WESTERN SURETY COMPANY

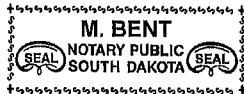
Larry Kasten, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 9th day of November, 2023, before me personally came Larry Kasten, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

March 2, 2026



M. Bent, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law and Resolutions of the corporation printed below this certificate are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 8th day of October, 2024.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above Bylaw to execute power of attorneys on behalf of Western Surety Company.

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to www.cnasurety.com > Owner / Obligor Services > Validate Bond Coverage, if you want to verify bond authenticity.

THE AMERICAN INSTITUTE OF ARCHITECTS



Bond No. 30232480

AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

E&T Enterprises, LLC
11045 Old Highway 31
Spanish Fort, AL 36527

OWNER (Name and Address):

City of Spanish Fort
7581 Spanish Fort Blvd.
Spanish Fort, AL 36527

SURETY (Name and Principal Place of Business):

Western Surety Company
151 N. Franklin Street
Chicago, IL 60606

CONSTRUCTION CONTRACT

Date:
Amount: \$5,760.00 Five Thousand Seven Hundred Sixty Dollars and 00/100
Description (Name and Location): Brentwood, Ph 4

BOND

Date (Not earlier than Construction Contract Date): October 8, 2024
Amount: \$5,760.00 Five Thousand Seven Hundred Sixty Dollars and 00/100
Modifications to this Bond:

☒ None

☐ See Page 3

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

E&T Enterprises, LLC

SURETY

Company: (Corporate Seal)

Western Surety Company

Signature: _____

Name and Title: Charles A. Renfro, Mgr.

Signature: _____

Name and Title: Renee Ellis
Attorney-in-Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

TIBCO, Inc. dba Turner Insurance & Bonding Co.
445 Dexter Ave., Ste 5030
Montgomery, AL 36104
334-244-0004

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for

which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation avail-

able to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Con-

tractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: _____ (Corporate Seal)

SURETY

Company: _____ (Corporate Seal)

Signature: _____

Name and Title:

Address:

Signature: _____

Name and Title:

Address:

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Thomas J. Gentile, Billie Jo Sanders, Paul B Scott Jr., Renee Ellis, Milton A Kopf III, David J Durden, Joshua Price, Individually

of Montgomery, AL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 9th day of November, 2023.



WESTERN SURETY COMPANY

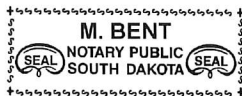
Larry Kasten, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 9th day of November, 2023, before me personally came Larry Kasten, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

March 2, 2026



M. Bent, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law and Resolutions of the corporation printed below this certificate are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 8th day of October, 2024.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above Bylaw to execute power of attorneys on behalf of Western Surety Company.

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity



INCREASE - DECREASE RIDER

TO BE ATTACHED TO and form part of Bond Number 30232480 issued by the
Western Surety Company, as
Surety, on behalf of E&T Enterprises, LLC of
11045 Old Highway 31, Spanish Fort, AL 36527, hereinafter referred
to as the Principal, and in favor of City of Spanish Fort
of 7581 Spanish Fort Blvd., Spanish Fort, AL 36527, hereinafter
referred to as the Oblige, effective the 8th day of October, 2024.

IN CONSIDERATION of the premium charged for the attached bond and other good and valuable consideration it
is understood and agreed that effective the 8th day of October, 2024, and
subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the
same is hereby Increased from the sum of
Five Thousand, Seven Hundred Sixty and No/100 Dollars (\$ 5,760.00), to the
sum of Thirty Seven Thousand Five Hundred Dollars and 00/100 Dollars (\$ 37,500.00).

IT IS FURTHER UNDERSTOOD and agreed that subject to all the terms, conditions and limitations of the
attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the
sum of Five Thousand, Seven Hundred Sixty and No/100 Dollars (\$ 5,760.00),
or for any loss occurring subsequent to said date shall not exceed the sum of
Thirty Seven Thousand Five Hundred Dollars and 00/100 Dollars (\$ 37,500.00).

In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it
being the intent hereof to preclude cumulative liability.

SIGNED, SEALED AND DATED this 7th day of April, 2025.

Accepted By:

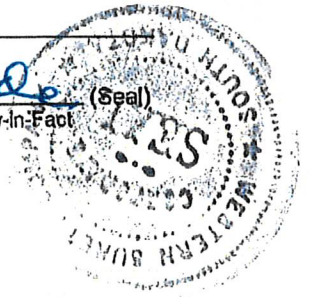
E&T Enterprises, LLC
(Principal)

By _____

By Charles A. Rehfree (Seal)

Western Surety Company

(Surety)
By Billie Jo Sanders (Seal)
Attorney-in-Fact



Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Thomas J Gentile, Billie Jo Sanders, Paul B Scott Jr., Renee Ellis, Milton A Kopf III, David J Durden, Joshua Price, Lydia Nations, Individually

of Montgomery, AL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the Authorizing By-Laws and Resolutions printed at the bottom of this page, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 11th day of August, 2024.



WESTERN SURETY COMPANY

Larry Kasten, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 11th day of August, 2024, before me personally came Larry Kasten, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

March 2, 2026



M. Bent, Notary Public

CERTIFICATE

I, Paula Kolsrud, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law and Resolutions of the corporation printed below this certificate are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 7th day of April, 2025.



WESTERN SURETY COMPANY

Paula Kolsrud, Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

This Power of Attorney is signed by Larry Kasten, Vice President, who has been authorized pursuant to the above Bylaw to execute power of attorneys on behalf of Western Surety Company.

This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

Go to www.cnasurety.com > Owner / Obligor Services > Validate Bond Coverage, if you want to verify bond authenticity.

MATTHEW JONES ENGINEERING, LLC

March 23, 2025

Mr. Casey Rains, QCI, LEED
Environmental Planner
City of Spanish Fort
7361 Spanish Fort Boulevard
Spanish Fort, AL 36527

RE: Brentwood PH 4 - Maintenance Bond Approval

Dear Mr. Rains:

I have reviewed the Maintenance Bond Calculations furnished by Sawgrass for Brentwood PH 4, specifically the Schedule of Values and unit cost for the required Bond.

Spanish Fort Subdivision Regulations require a maintenance bond of 40% of City maintained items be provided. **For a bond at 40% of the estimated construction cost, the provided bond calculation of \$329,477.30 is confirmed.**

I appreciate the opportunity to assist the City of Spanish Fort with this review, and remain available at any time to offer additional assistance with this project.

If you have any questions or comments, or require any additional information, please let me know.

Best regards,

A handwritten signature in blue ink that reads "S. Matthew Jones". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

S. Matthew Jones, P.E.

RESOLUTION NO. 1521-2025

A RESOLUTION AWARDING THE BID FOR THE SPANISH FORT 2024 RESURFACING PROJECT

WHEREAS, the Mayor and City Council have determined that the lowest responsible and responsive bid submitted for the 2024 Resurfacing Project for the City of Spanish Fort was submitted by HCL Contracting, LLC; and

WHEREAS, the City Council desires to award the bid for the 2024 Resurfacing Project to HCL Contracting, LLC.

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

SECTION 1. The City Council awards the bid to Asphalt Services, Inc., for the Spanish Fort 2024 Resurfacing Project in accordance with the bid dated May 14, 2025, with a base bid amount of \$197,167.46. The Mayor is authorized to execute a contract with HCL Contracting, LLC, subject to any changes deemed necessary by the Mayor. Copies of the proposed contract, bid recommendation letter and bid tabulation are attached as Exhibits 1 and 2.

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

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

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

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

Exhibit 1



Goodwyn Mills Cawood

11 North Water Street
Suite 19290
Mobile, AL 36602

T (251) 460-4006
F (251) 460-4423

www.gmcnetwork.com

The Honorable Michael M. McMillan
Mayor City of Spanish Fort
7361 Spanish Fort Boulevard
Spanish Fort, Alabama 36527

via email: mayor@cityofspanishfort.com

May 16, 2025

RE: 2024 RESURFACING PROJECT
FOR THE CITY OF SPANISH FORT
SPANISH FORT, AL
GMC PROJECT NO.: CMOB240062

Dear Mayor McMillan,

Goodwyn Mills Cawood, LLC. (GMC) has reviewed the four (4) bids for the referenced project received on May 14, 2025.

The lowest responsive bidder was HCL Contracting LLC, from Semmes, Alabama in the amount of \$197,167.46. This contractor is licensed and in good standing with the Alabama General Licensing Board for General Contractors. GMC recommends award of the contract HCL Contracting LLC, in the amount of \$197,167.46. Attached is a certified bid tabulation for your files.

Upon award, please sign and date the attached Notice of Award. Also attached is the Agreement and Notice to Proceed prepared for your signature and do not date and then return to our office via email to Ashley.Morris@gmcnetwork.com for further processing.

We will schedule a pre-construction meeting in the near future. If you have any questions, please do not hesitate to call.

Sincerely,
GOODWYN MILLS CAWOOD, LLC.

A handwritten signature in blue ink, appearing to read "Craig Sanford", is placed above the printed name.

Craig Sanford, P.E.
Project Manager

CS:am

Enclosure:

NOTICE OF AWARD

Date of Issuance:

Owner: City of Spanish Fort

Owner's Project No.:

Engineer: Goodwyn Mills Cawood, LLC.

Engineer's Project No.: CMOB240062

Project: 2024 Resurfacing Project

Contract Name:

Bidder: HCL Contracting LLC

Bidder's Address: P.O. 1245, Semmes, AL 36675

You are notified that Owner has accepted your Bid dated May 14, 2025 for the above Contract, and that you are the Successful Bidder and are awarded a Contract for:

2024 Resurfacing Project

The Contract Price of the awarded Contract is \$ 197,167.46. Contract Price is subject to adjustment based on the provisions of the Contract, including but not limited to those governing changes, Unit Price Work, and Work performed on a cost-plus-fee basis, as applicable.

[3] unexecuted counterparts of the Agreement accompany this Notice of Award.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver the signed Agreement(s) and the Contract security (such as required performance and payment bonds) and insurance documentation, as specified in the Instructions to Bidders and in the General Conditions, Articles 2 and 6.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Owner: **City of Spanish Fort**

By (signature): _____

Name (printed): Michael M. McMillan

Title: Mayor

Contractor: **HCL Contracting LLC**

By (signature): _____

Name (printed): Casey R. Smith

Title: President

AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

This Agreement is by and between the **City of Spanish Fort, Alabama, an Alabama municipal corporation** ("Owner") and **HCL Contracting LLC** ("Contractor").

Terms used in this Agreement have the meanings stated in the General Conditions and the Supplementary Conditions.

Owner and Contractor hereby agree as follows:

ARTICLE 1—WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: **2024 Resurfacing Project – CMOB240062**

ARTICLE 2—THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: **Resurfacing of various city streets. Project includes asphalt patching, milling and overlay.**

ARTICLE 3—ENGINEER

- 3.01 The Owner has retained Goodwyn Mills Cawood, LLC. ("Engineer") to act as Owner's representative, assume all duties and responsibilities of Engineer, and have the rights and authority assigned to Engineer in the Contract.
- 3.02 The part of the Project that pertains to the Work has been designed by Goodwyn Mills Cawood, LLC.

ARTICLE 4—CONTRACT TIMES

- 4.01 *Time is of the Essence*
- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- 4.02 *Contract Times: Days*
- A. The Work will be substantially complete within 60 days after the date when the Contract Times commence to run as provided in Paragraph 4.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within 90 days after the date when the Contract Times commence to run.
- 4.05 *Liquidated Damages*
- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the Contract Times, as duly modified. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner if the Work is not completed on time.

Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. *Substantial Completion:* Contractor shall pay Owner \$500.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for Substantial Completion, until the Work is substantially complete.
 2. *Completion of Remaining Work:* After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$500.00 for each day that expires after such time until the Work is completed and ready for final payment.
 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive, and will not be imposed concurrently.
- B. If Owner recovers liquidated damages for a delay in completion by Contractor, then such liquidated damages are Owner's sole and exclusive remedy for such delay, and Owner is precluded from recovering any other damages, whether actual, direct, excess, or consequential, for such delay, except for special damages (if any) specified in this Agreement.

ARTICLE 5—CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents, the amounts that follow, subject to adjustment under the Contract:

- A. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

One hundred ninety-seven thousand, one hundred sixty-seven thousand and 46/100 Dollars, (\$ 197,167.46).

ARTICLE 6—PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on the basis of Contractor's Applications for Payment on or about the **25th** day of each month during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.

- a. **95** percent of the value of the Work completed (with the balance being retainage).
 - 1) If 50 percent or more of the Work has been completed, as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and
- b. **95** percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price in accordance with Paragraph 15.06 of the General Conditions.

6.04 *Consent of Surety*

- A. Owner will not make final payment, or return or release retainage at Substantial Completion or any other time, unless Contractor submits written consent of the surety to such payment, return, or release.

6.05 *Interest*

- A. As per HB24, Act #2014-404, all monies not paid when due to the Contractor shall be entitled to interest from awarded authority, at the rate assessed for underpayment of taxes under Section 40-1-44(a), Code of Alabama, on the unpaid balance due.

ARTICLE 7—CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of all of the following:
 - 1. This Agreement.
 - 2. Bonds:
 - a. Performance bond (together with power of attorney).
 - b. Payment bond (together with power of attorney).
 - 3. General Conditions.
 - 4. Supplementary Conditions.
 - 5. Specifications as listed in the table of contents of the project manual (copy of list attached).
 - 6. Drawings (not attached but incorporated by reference) consisting of **8** sheets with each sheet bearing the following general title: **2024 Resurfacing Project for the City of Spanish Fort CMOB240062.**
 - 8. Addenda (numbers **Number 1** to **issued April 23, 2025**, inclusive).
 - 9. Exhibits to this Agreement (enumerated as follows):
 - a. N/A

10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
 - d. Field Orders.
 - e. Warranty Bond, if any.
- B. The Contract Documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the Contract.

ARTICLE 8—REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
 1. Contractor has examined and carefully studied the Contract Documents, including Addenda.
 2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Contractor is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (c) Contractor's safety precautions and programs.
 5. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 6. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.

7. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
8. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
9. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
 1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

8.03 *Standard General Conditions*

- A. Owner stipulates that if the General Conditions that are made a part of this Contract are EJCDC® C-700, Standard General Conditions for the Construction Contract (2018), published by the Engineers Joint Contract Documents Committee, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as alternates highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____ (which is the Effective Date of the Contract).

Owner:

City of Spanish Fort

(typed or printed name of organization)

By:

(individual's signature)

Date:

(date signed)

Name: Michael M. McMillan

(typed or printed)

Title: Mayor

(typed or printed)

Attest:

(individual's signature)

Title: City Clerk and Treasurer

(typed or printed)

Address for giving notices:

7361 Spanish Fort Boulevard

Spanish Fort, AL 36527

(If [Type of Entity] is a corporation, attach evidence of authority to sign. If [Type of Entity] is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)

Contractor:

HCL Contracting LLC

(typed or printed name of organization)

By:

(individual's signature)

Date:

(date signed)

Name: Casey R. Smith

(typed or printed)

Title: President

(typed or printed)

(If [Type of Entity] is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest:

(individual's signature)

Title:

(typed or printed)

Address for giving notices:

P.O. Box 1245

Semmes, AL 36575

License No.: 42026

(where applicable)

State: Alabama

NOTICE TO PROCEED

Owner: City of Spanish Fort Owner's Project No.: _____
Engineer: Goodwyn Mills Cawood, LLC. Engineer's Project No.: CMOB240062
Contractor: HCL Contracting, LLC Contractor's Project No.: _____
Project: 2024 Resurfacing Project
Contract Name: _____
Effective Date of Contract: _____

Owner hereby notifies Contractor that the Contract Times under the above Contract will commence to run on _____ pursuant to Paragraph 4.01 of the General Conditions.

The number of days to achieve Substantial Completion is **60 calendar days** from the date stated above for the commencement of the Contract Times, resulting in a date for Substantial Completion; and the number of days to achieve readiness for final payment is **90 calendar days** from the commencement date of the Contract Times, resulting in a date for readiness for final payment of _____.

Owner: **City of Spanish Fort**
By (signature): _____
Name (printed): Michael M. McMillan
Title: Mayor
Date Issued: _____

Contractor: **HCL Contracting LLC**
By (signature): _____
Name (printed): Casey R. Smith
Title: President
Date Issued: _____

Exhibit 2

BID TABULATION
2024 RESURFACING PROJECT
FOR THE CITY OF SPANISH FORT
GMC PROJECT NO. CMGM240062

BID OPENING: WEDNESDAY, May 14, 2025

ITEM	QTY.	UNIT	DESCRIPTION	HCL Contracting, LLC		Arrington Curb & Excavation, Inc.		Asphalt Services, Inc.		McElhenney Construction Company, LLC	
				Semmes, Alabama		Flomaton, Alabama		Spanish Fort, Alabama		Theodore, Alabama	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	1	LS	Mobilization (Not to Exceed 3% of Total Bid)	\$ 1,500.00	\$ 1,500.00	\$ 6,000.00	\$ 6,000.00	\$ 7,000.00	\$ 7,000.00	\$ 9,000.00	\$ 9,000.00
2	2,975	SY	Planing Existing Pavement (Approx. 1.5" Thick)	\$ 0.01	\$ 29.75	\$ 6.38	\$ 18,980.50	\$ 2.00	\$ 5,950.00	\$ 5.56	\$ 16,541.00
3	1,200	TON	Superpave Bituminous Concrete Wearing Surface Layer, 1/2" Maximum Aggregate Size Mix, ESAL Range A/B (165 #/SY)	\$ 126.85	\$ 152,220.00	\$ 117.00	\$ 140,400.00	\$ 145.00	\$ 174,000.00	\$ 137.99	\$ 165,588.00
4	120	TON	Superpave Bituminous Concrete Upper Binder Layer, Patching, 1" Maximum Aggregate Size Mix, ESAL Range A/B	\$ 0.01	\$ 1.20	\$ 117.00	\$ 14,040.00	\$ 150.00	\$ 18,000.00	\$ 172.10	\$ 20,652.00
5	1,450	GAL	Tack Coat	\$ 0.01	\$ 14.50	\$ 5.00	\$ 7,250.00	\$ 7.00	\$ 10,150.00	\$ 8.00	\$ 11,600.00
6	14	EA	Manhole Cover Reset	\$ 175.00	\$ 2,450.00	\$ 1,250.00	\$ 17,500.00	\$ 400.00	\$ 5,600.00	\$ 1,052.94	\$ 14,741.16
7	2	EA	Valve Box Reset	\$ 175.00	\$ 350.00	\$ 550.00	\$ 1,100.00	\$ 225.00	\$ 450.00	\$ 1,162.92	\$ 2,325.84
8	1	LS	Traffic Control Markings	\$ 1,900.00	\$ 1,900.00	\$ 6,952.00	\$ 6,952.00	\$ 2,600.00	\$ 2,600.00	\$ 2,858.39	\$ 2,858.39
9	1	LS	Geometric Controls	\$ 11,552.00	\$ 11,552.00	\$ 500.00	\$ 500.00	\$ 3,000.00	\$ 3,000.00	\$ 31,636.84	\$ 31,636.84
10	1	LS	Erosion Control Measures	\$ 2,150.00	\$ 2,150.00	\$ 1,250.00	\$ 1,250.00	\$ 2,000.00	\$ 2,000.00	\$ 9,581.24	\$ 9,581.24
11	1	LS	Cleanup & Site Restoration	\$ 0.01	\$ 0.01	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 13,084.95	\$ 13,084.95
12	1	LS	Concrete Gutter Allowance	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
TOTAL BASE BID				\$ 197,167.46		\$ 243,972.50		\$ 257,750.00		\$ 322,609.42	

To the best of our knowledge these bids are accurately tabulated and were accepted in accordance with the applicable regulations.


R. Craig Sanford, PE, License No. 27863

RESOLUTION NO. 1524-2025

A RESOLUTION FOR OFFICER ELECTED WITHOUT OPPOSITION

STATE OF ALABAMA
BALDWIN COUNTY

CITY OF SPANISH FORT

WHEREAS, Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended, provide for and regulate general and special elections in cities and towns of this State, except those cities and towns which have a commission form of government; and

WHEREAS, Section 11-46-43 of the Code of Alabama 1975 prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended; and

WHEREAS, Section 11-46-26 of the Code of Alabama 1975, as amended, provides that if only one person has filed a Statement of Candidacy or has been nominated for an Office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such Office, and the Mayor or other Chief Executive Officer shall not cause the name of such person or the Office for which his or her Candidacy was declared to be printed on the ballot, but shall immediately file a written statement with the Governing Body of the Municipality, attested by the Clerk, certifying the fact that only one person filed a Statement of Candidacy or was nominated for the Office preceding the deadline set for an election of Municipal Officers of the Municipality and setting forth the name of such person; and

WHEREAS, said Section 11-46-26, as amended, provides that the Governing Body of the Municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the Office described in the statement, and shall issue a Certificate of Election to such person; and

WHEREAS, the Mayor of the City of Spanish Fort, Alabama, has filed a written statement with the Governing Body of the Municipality, attested by the Clerk, certifying the fact that only one person filed a Statement of Candidacy for the Office of City Council District 2 prior to the deadline established in the Notice of Election and that the name of that person who filed such statement was Carl L. Gustafson, Jr..

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spanish Fort, Alabama, that Carl L. Gustafson, Jr., be and he is hereby declared duly elected to the Office of City Council District 2 in the City of Spanish Fort for the term of Office commencing on the first Monday in November, 2025; and

BE IT FURTHER RESOLVED, that the Mayor of the City of Spanish Fort, Alabama, be and he hereby is directed to issue a Certificate of Election to Carl L. Gustafson, Jr. for the Office of City Council District 2 for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED AND APPROVED THIS THE ____ day of July, 2025.

Michael M. McMillan
Mayor

ATTEST:

Rebecca A. Gaines, CMC
City Clerk

RESOLUTION NO. 1525-2025

A RESOLUTION FOR OFFICER ELECTED WITHOUT OPPOSITION

STATE OF ALABAMA
BALDWIN COUNTY

CITY OF SPANISH FORT

WHEREAS, Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended, provide for and regulate general and special elections in cities and towns of this State, except those cities and towns which have a commission form of government; and

WHEREAS, Section 11-46-43 of the Code of Alabama 1975 prohibits write-in candidates in elections held under Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended; and

WHEREAS, Section 11-46-26 of the Code of Alabama 1975, as amended, provides that if only one person has filed a Statement of Candidacy or has been nominated for an Office for an election to be held pursuant to Sections 11-46-20 through 11-46-73 of the Code of Alabama 1975, as amended, at the time the deadline for qualification has passed, then such person shall, for all purposes, be deemed elected to such Office, and the Mayor or other Chief Executive Officer shall not cause the name of such person or the Office for which his or her Candidacy was declared to be printed on the ballot, but shall immediately file a written statement with the Governing Body of the Municipality, attested by the Clerk, certifying the fact that only one person filed a Statement of Candidacy or was nominated for the Office preceding the deadline set for an election of Municipal Officers of the Municipality and setting forth the name of such person; and

WHEREAS, said Section 11-46-26, as amended, provides that the Governing Body of the Municipality, after receiving such statement, shall adopt a resolution declaring the person named in the statement duly elected to the Office described in the statement, and shall issue a Certificate of Election to such person; and

WHEREAS, the Mayor of the City of Spanish Fort, Alabama, has filed a written statement with the Governing Body of the Municipality, attested by the Clerk, certifying the fact that only one person filed a Statement of Candidacy for the Office of City Council District 4 prior to the deadline established in the Notice of Election and that the name of that person who filed such statement was Stephen J. Winn.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Spanish Fort, Alabama, that Stephen J. Winn be and he is hereby declared duly elected to the Office of City Council District 4 in the City of Spanish Fort for the term of Office commencing on the first Monday in November, 2025; and

BE IT FURTHER RESOLVED, that the Mayor of the City of Spanish Fort, Alabama, be and he hereby is directed to issue a Certificate of Election to Stephen J. Winn for the Office of City Council District 4 for such term pursuant to the provisions of Section 11-46-25, as amended.

ADOPTED AND APPROVED THIS THE _____ day of July, 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.

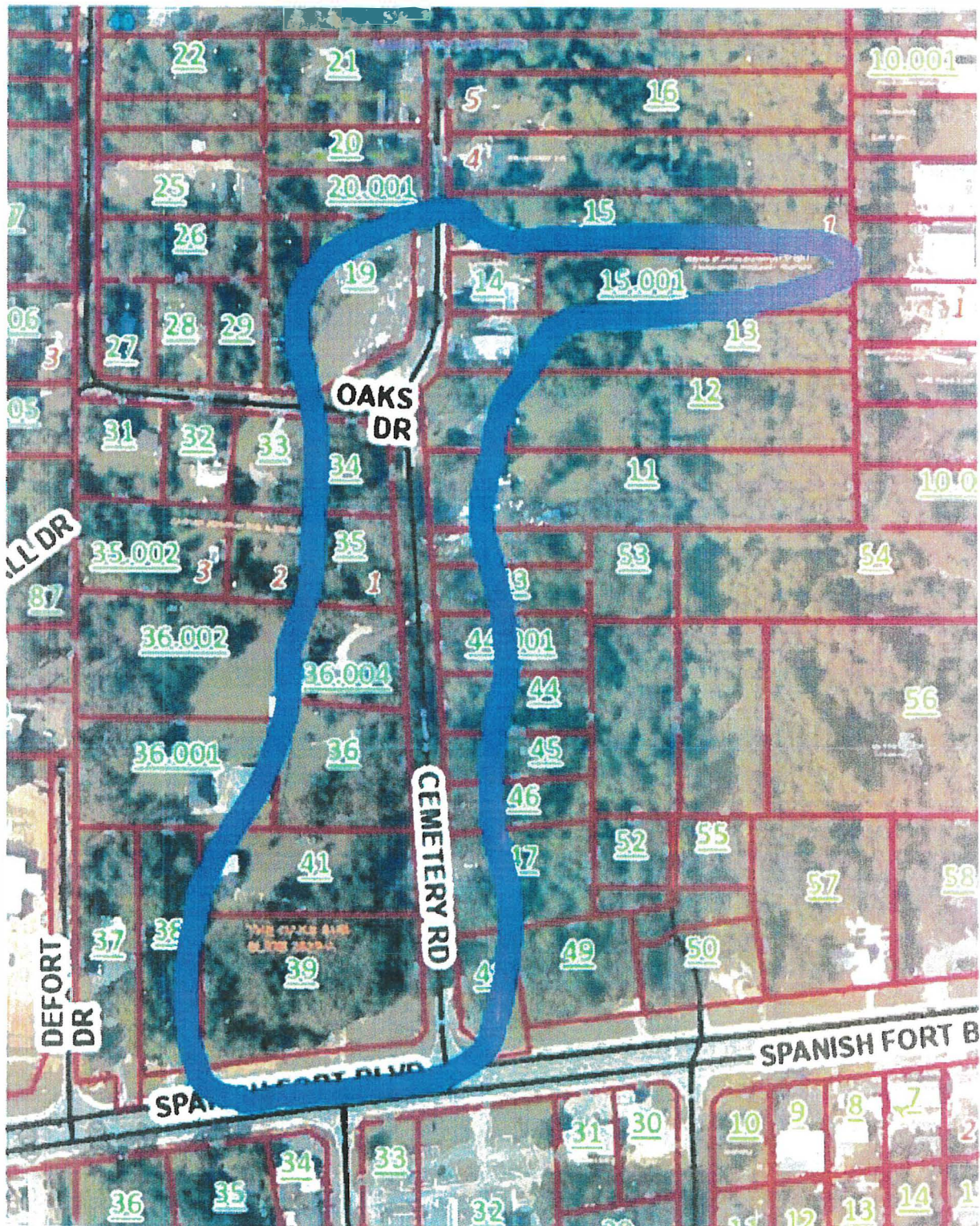
B. Any Final Documents supplied to Client by Sawgrass in connection with the Project are intended for the sole and exclusive use of Client and its agents and employees for the Project. Client shall indemnify, defend, and hold Sawgrass harmless from and against all losses, expenses, claims, and damages 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.

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. 1528-2025

A RESOLUTION APPOINTING ELECTION OFFICERS

WHEREAS, Section 11-46-27 of the Code of Alabama 1975, as amended, and Regulation 307-X-1-.10(a), Procedures for Electronic Vote Counting Systems, provide, in part, that the Municipal Governing Body, not less than 15 days before the holding of any Municipal Election, shall appoint from the qualified electors of the voting district Officers to hold the election.

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

Section 1. The regular Municipal Election will be held on August 26, 2025, the runoff election if needed will be September 23, 2025, and the Election Officers for said elections shall be as follows:

Chief Inspector	Patricia Jackson
Clerks	Carola Baptiste Indie Childs Peggy Covey Gladys Davis Larry Davis Dona Jo Haas Ricky Jackson Sharon LeBlanc Monty Murray Bridgette Patrick Teri Taylor

Section 2. Compensation for said Election Officials shall be One Hundred Seventy-Five Dollars (\$175.00) for inspector and One Hundred Fifty Dollars (\$150.00) for clerks.

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 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

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. 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

WHEREAS, the Alabama Department of Economic and Community Affairs Law Enforcement and Traffic Safety Division serves as the Alabama State Administering Agency for the Edward Byrne Memorial Justice Assistance Grant consisting of funds made available through the United States Department of Justice Office of Justice Programs; and

WHEREAS, the City of Spanish Fort Police Department desires to apply for funding through the Edward Byrne Memorial Justice Assistance Grant to be used for the purposes of local law enforcement equipment as authorized by the grant program; and

WHEREAS, the application must be submitted for and on behalf of the City by its Mayor and/or its Chief of Police, and the latest grant application deadline is July 31, 2025; and

WHEREAS, the agreement shall be executed in the name of the City for and on behalf of the City by its Mayor and/or the Chief of Police.

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

SECTION 1. The City Council hereby approves and authorizes a grant application in the amount of up to the maximum award of \$150,000.00 to be filed by the Mayor and the Chief of Police to make an application for the Edward Byrne Memorial Justice Assistance Grant funding for the purpose of purchasing needed equipment for the City of Spanish Fort Police Department. A copy of the request for applications is attached as Exhibit 1. The Mayor and/or the Police Chief are hereby authorized to execute any documents deemed necessary to secure such funding assistance.

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

**REQUEST FOR APPLICATIONS
FOR PROGRAMS RELATING TO THE BYRNE JAG PURPOSE AREAS**

Edward Byrne Memorial JAG Fund



**Alabama Department of Economic and
Community Affairs**

Law Enforcement and Traffic Safety Division

Issue Date: July 1, 2025

Application Due Date: July 31, 2025

U.S. Department of Justice-Bureau of Justice Assistance

The Alabama Department of Economic and Community Affairs (ADECA), Law Enforcement and Traffic Safety (LETS) Division is seeking applications for the Edward Byrne Memorial Justice Assistance (JAG) Grant. The Alabama Department of Economic and Community Affairs (ADECA) is making approximately \$3.0 million in federal Justice Assistance Grant (JAG) funds available for subgrants in the following areas:

- Entities may submit ONE application per purpose area for up to \$150,000.00

NOTE: This RFA is for objective-based programs relating to the Byrne JAG purpose areas, not basic equipment grants. An RFA for basic equipment grants will be made available soon. Equipment grant applications submitted under this solicitation will be denied without review.

Award Period:

The award period will tentatively run from January 1, 2026, until December 31, 2026. The official start date will be contingent upon a fully executed award. Continued funding will be contingent upon the availability of funds, continuous compliance with grant management requirements, project success, and future applications.

Submission Information:

For FY 2026, applicants will complete and submit their Byrne JAG applications in Alabama Grants at <https://grants.alabama.gov/>.

Applicants must submit the full application by **July 31 @1700hrs, 2025**, in Alabama Grants.

System Registration:

- Navigate to <https://grants.alabama.gov/>
- Have an Authorized Official (AO) for your organization register as a new user.
- Complete and submit a registration request.
- Wait for an email confirmation granting access to the system.
- After receiving the confirmation, your AO can login to the system and designate access to your organizational account to other staff members as appropriate. (See the Grantee Admin Manual or Grantee Admin Training Video under the Alabama Grants' Training Materials section)

Based on the organization type selected under the organization profile, a user will see any available funding opportunities under the "My Opportunities" panel of the user's dashboard.

For previous applicants: All sections of the application, except for Miscellaneous Attachments, can be copied forward using the copy forward feature. The option to select this feature is available only when you attempt to initiate an application. The copy forward feature will save time by allowing you to prefill most of the application information with the details from your agency's previous submissions. Please see page nine for detailed instructions on how to use the copy forward feature. You should, however, still ensure that the information provided is up-to-date and

accurate for the proposed project period.

Any application or documentation in support of an application not submitted in Alabama Grants will not be accepted for review. The Law Enforcement and Traffic Safety Division reserves the right to reject any incomplete applications without review.

Contact Information:

For assistance with technical issues, such as forgetting username and/or password, adding dashboard panels, or navigating the website in Alabama Grants, contact the Agate Software Helpdesk at helpdesk@agatesoftware.com or at 1 (800) 820-1890. The Agate Software Helpdesk operates 7:00 a.m. to 7:00 p.m. CST Monday – Friday.

For assistance with the requirements of this request for application, please submit your questions to:

John Rogers, Justice Programs Supervisor at John.Rogers@adeca.alabama.gov or at (334) 242-5831.

If an applicant experiences technical issues with Alabama Grants and is unable to submit its application by the deadline, the applicant must document the issue and email the contacts identified above before the application deadline.

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PART I – FUNDING OPPORTUNITY DESCRIPTION

A. BACKGROUND ON THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM:

Named after Edward “Eddie” R. Byrne, an officer in the New York City Police Department who was murdered while protecting a witness in a drug case, the Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the leading federal source of criminal justice funding to state and local jurisdictions. Administered by the Bureau of Justice Assistance (BJA), the JAG Program provides states, territories, tribes, and local governments with critical funding necessary to support a range of program areas.

The JAG Program is authorized by Title I of Public Law 90–351 (generally codified at 34 U.S.C. 10151-10726), including subpart 1 of part E (codified at 34 U.S.C. 10151-10158); see also 28 U.S.C. 530C (a).

B. ELIGIBLE ORGANIZATIONS:

State and local law enforcement agencies (through their unit of local government), tribes, colleges and universities, and non-profit organizations may apply.

C. COSTS GENERALLY ALLOWABLE:

In general, JAG funds may be used to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice, including for any one or more of the following purpose areas:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment and enforcement programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs (other than compensation)
- Mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams

Note that the statute defines “criminal justice” as “activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including, but not limited to, police efforts to prevent, control, or reduce crime or to apprehend

criminals, including juveniles, activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency.”

Areas of Emphasis

ADECA recognizes that many state and local criminal justice systems currently face challenging fiscal environments and an important, cost-effective way to relieve those pressures is to share or leverage resources through cooperation among federal, state, and local law enforcement. Areas of Emphasis for Byrne JAG funding include but are not limited to:

- Reducing Violent Crime
- Community Violence Interventions
- Crime Analysis and Investigation

Additional Uses of JAG Funds

JAG funds awarded to a subrecipients under this solicitation may be used to:

- Enforce state and local laws that establish offenses similar to offenses established in 21 U.S.C. § 801 et seq. and/or improve the functioning of the criminal justice system, with emphasis on violent crime and serious offenses, by providing additional personnel, equipment, training, technical assistance, and information systems for the more widespread apprehension, prosecution, adjudication, detention, and rehabilitation of persons who violate these laws, and assist the victims of such crimes (other than compensation).
- Purchase fentanyl and methamphetamine detection equipment, equipment including handheld instruments and training for law enforcement safety, as well as opioid reversal agents.
- Purchase drug-detection canines to combat the rise of drug trafficking, including that of methamphetamines.
- Support virtual reality de-escalation training.
- Purchase humane remote restraint devices that enable law enforcement to

- restrain an uncooperative subject without requiring the infliction of pain.
- Purchase gunfire detection technology.
- Other eligible activities.

D. COSTS GENERALLY UNALLOWABLE:

The following services, activities, and costs, although not exclusive, **cannot** be supported with Byrne JAG funds at the subrecipient level. The JAG statute, at 34 U.S.C. § 10152(d), specifically identifies a list of prohibited items. JAG funds provided under this part may NOT be used, directly or indirectly, to provide any of the following matters:

- 1) Any security enhancements or any equipment to any nongovernmental entity that is not engaged in criminal justice or public safety.
- 2) Unless the U.S. Attorney General certifies that extraordinary and exigent circumstances exist that make the use of such funds to provide such matters essential to the maintenance of public safety and good order—
 - a. vehicles (excluding police cruisers), vessels (excluding police boats), or aircraft including UAVs or drones (excluding police helicopters);
 - b. luxury items;
 - c. real estate;
 - d. construction projects; or
 - e. any similar matters.

[Prohibited and Controlled Equipment Guidance for Awards Made During or After \(federal\) Fiscal Year 2023](#)

E. RISK ASSESSMENTS:

Federal regulations require grantees to conduct a risk assessment of each application before an award can be made. A risk assessment must be based on each applicant with regard to current or previous funding, unresolved audit issues, delinquent programmatic and fiscal reporting, and prior performance. Applicants with any findings may carry special conditions such as increased monitoring and/or prohibitions on drawing funds until certain requirements are met. Applicants with substantial/persistent performance, or compliance issues, i.e., long-standing open audits or open criminal investigations, will possibly not receive an award until all issues are resolved.

However, all assessments are unique and will be handled on a case-by-case basis.

F. REVIEW PROCESS:

Applications are carefully reviewed for completeness and to ensure that only projects with a significant chance of success are funded. All applications will be checked by ADECA staff to make sure they are complete. Complete applications will then continue to the risk assessment stage. After the risk assessment stage, applications will be reviewed by at least two program staff. Once an application is reviewed, a recommendation for funding may be made.

G. APPLICATION SECTIONS:

General Instructions for New Applicants:

To complete an application for Byrne JAG funding you must register with Alabama Grants. Instructions are listed on page 2.

After successfully registering in the system, an Authorized Official can add new members through the Organizational Members section. Each agency member can be assigned one of three roles:

Subrecipient Viewer, Subrecipient Staff, and Subrecipient Admin. The role of a Subrecipient Viewer only allows individuals in those roles to view information within the system. The role of Subrecipient Staff allows individuals to enter or alter information but does not have the ability to submit or accept documents. The role of Subrecipient Admin will receive full access within the system.

In the narrative section, please provide an overall explanation of the services that your agency provides.

Note: Each agency employee must have an Alabama Grants profile, if their position will be requested in a grant application. When completing the application's Personnel Section, you will select employee names from a dropdown box that is prefilled with the names of individuals who have a profile in the system. The selection "TBD" has been programmed in the dropdown box for vacant or unfilled positions.

After logging in, you will arrive at your personal dashboard. Here you will see the 'My Tasks', 'My Opportunities', and 'Announcements' panels. The 'My Opportunities' panel is where you find links to complete applications for different funding opportunities. Funding opportunities will only be seen once the period opens for application and will disappear once the application period closes. After you select the funding opportunity, you will select whether you agree or decline to begin the selected application. After you agree to begin the application, you will be directed to the application landing page where you can begin completing the

application. On your dashboard, your application will be found in the 'My Tasks' panel, where it can be accessed until you submit or cancel the application.

General Instructions for Previous Applicants

Navigate to <https://grants.alabama.gov>.

After logging in, you will arrive at your personal dashboard. Here you will see the 'My Tasks', 'My Opportunities', and 'Announcements' panels. The 'My Opportunities' panel is where you find links to complete applications for different funding opportunities. Funding opportunities will only be seen once the period opens for application and will disappear once the application period closes. After you select the funding opportunity, you will select whether you agree or decline to begin the selected application. This is also where you can elect to copy your previous application forward.

After you agree to begin the application, you will be directed to application landing page where you can begin completing the application. On your dashboard, your application will be found in the 'My Tasks' panel, where it can be accessed until you submit or cancel the application.

As you complete your application it is imperative that the application be clear, complete, and concise. If the project is not adequately described in the application, it will be impossible to conduct a thorough review of the application. Each narrative should be presented in a manner that is easily understood.

- **Match Requirement.** There is currently no match requirement for Byrne JAG funding, however, proposed projects must stand alone. If requested grant funds do not comprise the entire project budget, other necessary funds to fully complete project must be described, included in budget. Documentation of other funding commitments must be included as an attachment or application may be rejected without consideration.
- **Indirect Cost.** In accordance with 2 CFR 200.332(b)(4) and 2 CFR 200.414, subrecipients of federal awards may charge indirect costs to the award unless statutorily prohibited by the federal program and in accordance with any applicable administrative caps on federal funding. ADECA will accept a federally negotiated indirect cost rate. If no approved rate exists, ADECA will collaborate with the subrecipient to determine an appropriate rate. This rate will be either a negotiated rate, which can be based on a prior negotiated rate between a different pass-through entity and the same subrecipient, or the 15% de minimis rate of the modified total direct cost (MTDC) as defined in 2 CFR 200.1. If basing

the rate on a previously negotiated rate, ADECA is not required to collect information justifying this rate but may elect to do so. Subrecipients are allowed to allocate and charge direct costs through cost allocation. However, in accordance with 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but not charged as both or inconsistently charged to the federal award. Once chosen, the method must be used consistently for all federal awards until such time as a negotiated rate is approved by the subrecipients' federal cognizant agency.

- **Record Keeping.** Subrecipients must maintain records that clearly show the source, amount, and the allocation date. Backup documentation must be submitted with claims.

PART II – AWARD INFORMATION

A. ESTIMATED FUNDING:

ADECA will award approximately \$3.0 million in federal funds. Applicants may submit **only one application** per funding area, up to \$150,000.00.

This is a competitive solicitation in which each applicant will be competing against other applicants. Grants may be funded in full or in part, based on the number of qualifying applications, available funding, and geographical representation. Each submitted grant application will be rated on its quality and adherence to these guidelines.

The following factors may also be considered in the evaluation of applications:

- Prior evidence of program success (evidence-based program).
- Qualifications and duties of personnel.
- Ability to complete project in a timely manner.
- Project has a plan for self-sufficiency and sustainability beyond possible grant funding.
- Design Quality of the Applications – The application is clearly written, supported by facts, and contains **measurable** objectives and performance indicators.
- Performance Indicators – The indicators match objectives and are useful measurements to assess the effectiveness of the project. The project has additional measures for evaluating project impact.
- Other Relevant Factors and Requirements – Past or current grant performance maybe considered where applicable. The application must contain all relevant documentation.

B. PERIOD OF PERFORMANCE:

It is anticipated that the project period will start January 1, 2026, and will end December 31, 2026.

C. AWARD TERMS AND CONDITIONS

All terms and conditions of an award shall be set forth in an agreement between selected applicants and ADECA.

D. FINANCIAL ACCOUNTING PRACTICES:

The following is a list of questions that applicants will need to consider when applying for Federal funding. *Note: All answers should be an affirmative response and applicants must have documentation supporting each response. ADECA may request a copy of supporting documentation as to any and/or all responses during the application/award process or as part of the grant monitoring process.*

1. Will all funds awarded under this program be maintained in a manner that they will be accounted for, separately and distinctly, from other sources of revenue/funding?
2. Does the applicant have written accounting policies and procedures? How often are these policies and procedures updated? Please provide a brief list of the topics covered in the organization's policies and procedures. ADECA may request a copy for review during the application/award process or as part of the grant monitoring process.
3. Is the applicants' financial management system able to track actual expenditures and outlays with budgeted amounts for each grant or subgrant?
4. Does the applicant have effective internal controls in place to adequately safeguard grant assets and to ensure that they are used solely for authorized purposes?
5. Does the applicant have a documented records retention policy?
6. Is the individual primarily responsible for fiscal and administrative oversight of grant awards familiar with the applicable grants management rules, principles, and regulations including the new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) issued on December 26, 2013.

7. Are the officials and governing body of the organization bonded?

E. GRANT REPORTING REQUIREMENTS:

Recipients are required to maintain appropriate programmatic and financial records that fully disclose the amount and disposition of funds received (i.e., daily time and attendance records; the total cost of the project; receipts for expenditures); the portion of the project supplied by other sources; and other records. Progress reports are to be submitted in a calendar quarter basis, regardless of the start date of the subgrant project. These reports must provide an update on the project's objectives. Failure to submit these reports in a timely manner will delay any reimbursements submitted within the grant period. See table below for the progress reports due dates:

Report Period	Due on or before the following dates
October 1 st through December 31 st	January 15 th
January 1 st through March 31 st	April 15 th
April 1 st through June 30 th	July 15 th
July 1 st through September 30 th	October 15 th

Note: Any subrecipient receiving Byrne JAG funding will be required to enter the quarterly reporting data into the Bureau of Justice Assistance (BJA) Performance Measurement Tool (PMT).

This 'Request for Application' does not indicate acceptance or approval of any application in response to this request. No grant or contract payment can be made until an agreement has been fully executed. Therefore, no work shall begin on projects selected for funding until an executed grant agreement or professional services contract has been received. All awards are contingent upon state receipt of Federal funds awarded.

RESOLUTION NO. 1531-2025

A RESOLUTION EXPRESSING CONCERN OVER THE DEPOSITION OF DREDGED SEDIMENT INTO MOBILE BAY

WHEREAS, the shipping channel in Mobile Bay is currently being deepened and widened as part of a U.S. Army Corps of Engineers project to expand the Mobile Harbor; and

WHEREAS, following the completion of the expansion project, and for twenty years following that completion, over 90 million cubic yards of dredged sediment will be deposited directly into the Bay; and

WHEREAS, the deposition of dredged sediment directly into the Bay threatens the ability of greater Mobile Bay area residents to use the Bay and surrounding waters for commercial and recreational activity; and

WHEREAS, wide placement of massive amounts of dredged sediment into the Bay diminishes water quality and clarity, smothers the seagrasses that prevent erosion and shelter aquatic species, and directly disrupts commercial and recreational fishing activity by decreasing aquatic population levels and density; and

WHEREAS, the direct in-bay deposition of dredged sediment has longer-term effects such as damaging longstanding oyster reefs and jeopardizing the oyster rehabilitation efforts begun in Mobile Bay; and

WHEREAS, recent information has come to light that demonstrates that this sediment disposal could affect a protected species of fish, the Gulf Sturgeon, which relies upon Mobile Bay for foraging; and

WHEREAS, the Port of Mobile and the shipping industry contribute significantly to the economic prosperity of our region, providing jobs and stimulating commerce; and

WHEREAS, while recognizing the importance of maintaining and improving the Mobile Harbor ship channel, we must also acknowledge that unrestrained dumping of dredge spoil in Mobile Bay is damaging other vital economic interests; and

WHEREAS, the commercial fishing industry, oyster harvesting, and recreational activities in Mobile Bay also contribute substantially to our local economy and cultural heritage; and

WHEREAS, there exist successful examples of balancing port development with environmental protection, such as the approaches taken in the Savannah River, Chesapeake Bay, and Tampa Bay, where limited or no disposal of dredge sediment into their respective waters has protected important habitats including oyster beds, seagrasses, and fish populations; and

WHEREAS, these examples demonstrate that it is possible to maintain a thriving port while simultaneously preserving the ecological integrity of the surrounding waters, thereby supporting both shipping and other water-dependent industries; and

WHEREAS, if the project progresses without a thorough examination of reasonable alternatives to in-bay sediment disposal, there is a high likelihood of further negative impacts to aquatic species and those who make their livings upon the water.

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 expresses its concern over the negative impacts that 90 million cubic yards of dredged sediment would have on Mobile Bay and our community, and calls upon the U.S. Army Corps of Engineers and relevant stakeholders to investigate and implement alternative dredge spoil management strategies, drawing inspiration from successful practices in other major ports, to ensure the continued economic success of the Port of Mobile while safeguarding the ecological health of Mobile Bay and the economic interests of those who depend on its waters.

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 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 Athletic Director and 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: _____