



REGULAR CITY COUNCIL MEETING AGENDA

City Hall Council Chambers

Tony Kennon, Mayor
Jeff Boyd, Chairman Pro- Tem
Annette Mitchel, Council
Jerry Johnson, Council
Jeff Silvers, Council
Joni Blalock, Council

Ford Handley, City Administrator
Renee Eberly, City Clerk
Jamie Logan, City Attorney

- I. Call To Order
- II. Invocation
- III. Pledge Of Allegiance
- IV. Roll Call
- V. Consideration Of Agenda
- VI. Consideration Of Previous Minutes

A. Work Session 12/13/2022

Documents:

[2022.12.13 WORK SESSION MINUTES.PDF](#)

B. Regular Council Meeting 12/13/2022

Documents:

[2022.12.13 COUNCIL MINUTES.PDF](#)

C. Committee Of The Whole 12/13/2022

Documents:

[2022.12.13 COW MINUTES.PDF](#)

VII. Reports Of Officers / Committees

A. Building Official's Report

Documents:

[PERMIT REPORT 12.2022.PDF](#)
[REVENUE YTD - LAST 5 YEARS.PDF](#)

VIII. Auditing Of Accounts

A. Vendor Checks

Documents:

[23.01.17 VENDOR CHECKS.PDF](#)

IX. Presentations

A. Introduction And Swearing In Of New Police Officers.

X. Recognitions

XI. Unfinished Business

A. Miscellaneous

1. Approval Of 2021 Audited Financials.

Documents:

[2022.12.13 FY2021 AUDIT DRAFT.PDF](#)

B. Resolutions

C. Ordinances

XII. New Business

A. Miscellaneous

B. Resolutions

1. Resolution Authorizing The Execution Of A Task Order With McCollough Architecture, Inc., To Provide Professional Services For A New Softball And Baseball Field House At The Sportsplex In An Amount Not To Exceed \$46,800.

Documents:

[01-17-23 23-XXX AUTHORIZE TASK ORDER MCCOLLOUGH ARCHITECTURE SPORTSPLEX SOFTBALL BASEBALL FIELD HOUSE.PDF](#)
[2022.12.20 TASK ORDER MCCOLLOUGH ARCHITECTURE BASEBALL SOFTBALL FIELD HOUSE.PDF](#)

2. Resolution Authorizing Execution Of A Task Order With McCollough Architecture, Inc., To Provide Professional Services For The Orange Beach City Schools Central

Office Building In An Amount Not To Exceed \$89,600.

Documents:

[01-17-23 23-XXX AUTHORIZE TASK ORDER MCCOLLOUGH
ARCHITECTURE OBBOE SCHOOL CENTRAL OFFICE BUILDING.PDF](#)
[2022.12.27 TASK ORDER MCCOLLOUGH ARCHITECTURE OBBOE
SCHOOL CENTRAL OFFICE.PDF](#)

3. Resolution Authorizing Execution Of A Professional Services Agreement With Chris Litton For Various Special Services.

Documents:

[01-17-23 23-XXX AUTHORIZE PROFESSIONAL SERVICES AGREEMENT
CHRIS LITTON.PDF](#)
[2022.12.22 PROFESSIONAL SERVICES AGREEMENT CHRIS
LITTON.PDF](#)

4. Resolution Authorizing Execution Of A Task Order With Watermark Design Group, LLC, To Provide Design, Bid, And Construction Administration Services For Roof Replacement At The Recreation Center And Community Center Following The April 10, 2021, Hailstorm In An Amount Not To Exceed \$69,500.

Documents:

[01-17-23 23-XXX AUTHORIZE TASK ORDER WATERMARK DESIGN
GROUP HAIL DAMAGE ROOF RECREATION CENTER COMMUNITY
CENTER.PDF](#)
[2022.12.28 TASK ORDER WATERMARK DESIGN GROUP RECREATION
CENTER COMMUNITY CENTER ROOF REPLACEMENTS.PDF](#)

5. Resolution Authorizing Execution Of A Service Agreement With Watchtower Solutions, Inc., For Digital Command Software For Lifeguards.

Documents:

[01-17-23 23-XXX AUTHORIZE SOFTWARE SERVICE AGREEMENT
WATCHTOWER FIRE SURF RESCUE.PDF](#)
[2022.10.07 SOFTWARE SERVICE AGREEMENT WATCHTOWER FIRE
SURF RESCUE LIFEGUARDS.PDF](#)

6. Resolution Authorizing The Execution Of A Professional Services Agreement With William Beazley, D.O., For Medical Director Services.

Documents:

[01-17-23 23-XXX AUTHORIZE PROFESSIONAL SERVICES AGREEMENT
MEDICAL DIRECTOR BEAZLEY.PDF](#)
[2023.01.11 PROFESSIONAL SERVICES AGREEMENT BEAZLEY EMS
MEDICAL DIRECTOR FIRE.PDF](#)

7. Resolution Authorizing Execution Of A Bond Agreement With The Alabama Department Of Transportation For Improvements To State Highway 180 Right-Of-Way To Allow For Access To Fire Station No. 3.

Documents:

[02-07-23 23-XXX AUTHORIZE BOND AGREEMENT ALDOT FIRE STATION 3 FS3 HWY 180.PDF](#)
[2023.01.13 ALDOT BOND APPLICATION - FIRE STATION 3 FS3 HWY 180 IMPROVEMENTS.PDF](#)

8. Resolution Authorizing The Purchase Of A Vehicle For The Fire Department From State Bid In The Amount Of \$44,696.

Documents:

[01-17-23 23-XXX AUTHORIZE PURCHASE VEHICLE FIRE STATE BID.PDF](#)
[2022.12.29 QUOTE - FIRE - STIVERS FORD LINCOLN F150.PDF](#)

9. Resolution Authorizing The Approval Of A Variance From Chapter 30, Article VII Of The City Code, Entitled "Coastal Construction" To Allow For Dewatering By Phoenix Key, LLC.

Documents:

[01-17-23 23-XXX APPROVE VARIANCE COASTAL CONSTRUCTION PHOENIX KEY DEWATERING.PDF](#)
[VARIANCE APPLICATION - PHOENIX KEY DEWATERING.PDF](#)

10. Resolution Authorizing Execution Of A Task Order With Mark D. Pavey To Provide Professional Design Services For The Orange Beach Medical Plaza In An Amount Not To Exceed \$29,366.01.

Documents:

[01-17-23 23-XXX AUTHORIZE TASK ORDER MARK PAVEY MEDICAL PLAZA.PDF](#)
[2023.01.13 TASK ORDER MARK PAVEY ORANGE BEACH MEDICAL PLAZA.PDF](#)

C. Public Hearings

D. Ordinances

1. First Reading - Ordinance Amending Chapter 42, Article II, Division 2, Section 42-41 (D) Of The Code Of Ordinances For The City Of Orange Beach, Alabama, To Adopt The 2021 International Fire Code.

Documents:

[2023-XXXX AMD CH 42 ART II DIV 2 SEC 42-41 ADOPT 2021 INTERNATIONAL FIRE CODE.PDF](#)

XIII. Public Comments

XIV. Adjourn

**MINUTES OF
ORANGE BEACH CITY COUNCIL
WORK SESSION
DECEMBER 13, 2022 – 10:00 A.M.
COASTAL ARTS CENTER**

The Orange Beach City Council met on December 13, 2022, at 10:15 A.M. with Mayor Tony Kennon presiding.

The following members were present:

Councilmember Jeff Silvers
Councilmember Jerry Johnson
Councilmember Annette Mitchell
Councilmember Jeff Boyd
Mayor Tony Kennon

The following members were absent:

Councilmember Joni Blalock

The following items were discussed:

1. Orange Beach Cemetery.
2. Court/Police communication.
3. Size of boats on trailers.
4. Review of city finances.
5. Pay plan / job listing.
6. School facility plan.
7. Performing Arts Center.
8. Port Washington Planned Unit Development.
9. Size regulations for signage on residential property.
10. Litigation update.
11. Beach renourishment schedule.
12. Abandoned vessel.
13. State fire code update.
14. County Road 95 warehouse repairs.
15. Medical Arts Building change order.
16. Wharf / Bama Bayou Development update.
17. Additional parking for resident beach.
18. Flag and service memorial installation on City Hall Complex.
19. Town hall planning.
20. Proposed crosswalk on Canal Road by Wilson Boulevard.

There being no further business, the meeting adjourned.

Time: 1:46 P.M.

APPROVED this 17th day of January, 2023.

Renee Eberly
City Clerk

**MINUTES OF
REGULAR COUNCIL MEETING
ORANGE BEACH CITY COUNCIL
DECEMBER 13, 2022 – 4:00 P.M.
CITY HALL – COUNCIL CHAMBERS**

- I. CALL TO ORDER** Mayor Tony Kennon called the meeting to order at 4:00 P.M.
- II. INVOCATION** Councilmember Annette Mitchell
- III. PLEDGE OF ALLEGIANCE**
- IV. ROLL CALL**

Present: Councilmember Jeff Silvers
Councilmember Jerry Johnson
Councilmember Annette Mitchell
Councilmember Jeff Boyd
Mayor Tony Kennon

Absent: Councilmember Joni Blalock

V. CONSIDERATION OF AGENDA

Motion made (Silvers/Johnson) to approve the agenda as written. Vote unanimous in favor.

VI. CONSIDERATION OF PREVIOUS MINUTES

Regular Council Meeting 11/15/2022
Committee of the Whole 11/15/2022

The reading was waived and minutes were approved as written.

VII. REPORTS OF OFFICERS/COMMITTEES

- A. City Administrator No report.
- B. Director, Public Works – Tim Tucker No report.
- C. Director, Community Development – Kit Alexander No report.
- D. Chief, Police Department – Steve Brown No report.
- E. Chief, Fire Department – Mike Kimmerling No report.
- F. City Clerk – Renee Eberly

Ms. Eberly informed the public of a new look for the city website launched last month, and recognized Marc Anderson, Special Projects Coordinator for overseeing the transition.

- G. Director, Finance – Ford Handley No report.
- H. Parks & Recreation No report.
- I. Director, Utilities – Jeff Hartley No report.
- J. Director, Coastal Resources – Phillip West No report.
- K. Librarian, Public Library – Meagan Bing No report.
- L. Director, Municipal Court – Renee Gardner No report.
- M. Director, Expect Excellence – Jonathan Langston No report.
- N. Mayor/Council

Councilmember Mitchell announced a music performance by the Orange Beach Elementary School at the Orange Beach Event Center following City Council meeting.

VIII. AUDITING OF ACCOUNTS

Motion made (Mitchell/Silvers) to certify that cash requirements with no related interests are within budget and appropriate for payment. Vote revealed: Silvers, aye; Johnson, aye; Mitchell, aye; Boyd, aye; Kennon, aye. **Passed. (5-0).**

Motion made (Mitchell/Johnson) to certify that cash requirements with related interests in Swift Supply are within budget and appropriate for payment. Vote revealed: Silvers, abstain; Johnson, aye; Mitchell, aye; Boyd, aye; Kennon, aye. **Passed. (4-0-1).**

IX. PRESENTATIONS

X. RECOGNITIONS

XI. UNFINISHED BUSINESS

Ordinances

1. Second Reading – Ordinance amending Ordinance No. 172, the Zoning Ordinance, Case No. 1006-PUD-22, Top Tier Water Sports PUD. **Motion made (Silvers/Boyd) to adopt the ordinance.** Roll call vote revealed: Silvers, aye; Johnson, aye; Mitchell, aye; Boyd, aye; Kennon, aye. **Passed. (5-0).**

XII. NEW BUSINESS

Resolutions

1. Resolution awarding Officer John Simonson his duty weapons and badge as part of his retirement benefits. **Motion made (Johnson/Boyd) to adopt the resolution.** Vote unanimous in favor.
2. Resolution authorizing the execution of a professional services agreement with Sawgrass Consulting, LLC, for civil engineering and land surveying services. **Motion made (Boyd/Mitchell) to adopt the resolution.** Vote unanimous in favor.
3. Resolution authorizing the execution of a professional services agreement with GeoCon Engineering & Materials Testing, Inc., for geotechnical analysis and construction materials testing services. **Motion made (Silvers/Johnson) to adopt the resolution.** Vote unanimous in favor.
4. Resolution authorizing the execution of a task order with Wetland Sciences Inc to delineate wetlands in an amount not to exceed \$2,200. **Motion made (Johnson/Mitchell) to adopt the resolution.** Vote unanimous in favor.
5. Resolution appropriating funds to support the Dauphin Island Sea Lab Foundation in the amount of \$1,000. **Motion made (Boyd/Silvers) to adopt the resolution.** Vote unanimous in favor.
6. Resolution amending the Fiscal Year 2023 Budget for the City of Orange Beach. **Motion made (Mitchell/Johnson) to adopt the resolution.** Vote unanimous in favor.
7. Resolution amending the Employees Pay Plan/Job Listing to accommodate the approved 2023 budget. **Motion made (Silvers/Mitchell) to adopt the resolution.** Vote unanimous in favor.
8. Resolution amending the Organizational Chart for the City of Orange Beach. **Motion made (Johnson/Boyd) to adopt the resolution.** Vote unanimous in favor.

9. Resolution to update the list of volunteer firefighters and reserve police officers covered under workers' compensation insurance. **Motion made (Silvers/Mitchell) to adopt the resolution.** Vote unanimous in favor.
10. Resolution extending the entertainment district at SanRoc Cay Marina / Perdido Beach Resort. **Motion made (Boyd/Silvers) to adopt the resolution.** Vote unanimous in favor.
11. Resolution extending the entertainment district at the Wharf. **Motion made (Johnson/Mitchell) to adopt the resolution.** Vote unanimous in favor.
12. Resolution authorizing execution of a performance contract with Coastal Ballet Academy for ballet instruction services. **Motion made (Johnson/Silvers) to adopt the resolution.** Vote unanimous in favor.
13. Resolution appropriating funds to the Gulf Shores Airport Authority in an amount not to exceed \$75,000 for FY2023. **Motion made (Johnson/Silvers) to adopt the resolution.** Brief discussion followed. Vote unanimous in favor.
14. Resolution authorizing execution of a professional services agreement with Socialize Your Bizness, Inc., for social media consulting and marketing services. **Motion made (Silvers/Boyd) to adopt the resolution.** Vote unanimous in favor.
15. Resolution authorizing execution of a performance contract with Baldwin County Economic Development Alliance, Inc. **Motion made (Boyd/Mitchell) to adopt the resolution.** Vote unanimous in favor.
16. Resolution appointing attorneys for 2023. **Motion made (Silvers/Mitchell) to adopt the resolution.** Vote unanimous in favor.
17. Resolution authorizing execution of a professional services agreement with Bob Riley and Associates, LLC, for lobbying services. **Motion made (Boyd/Silvers) to adopt the resolution.** Vote unanimous in favor.
18. Resolution authorizing execution of a professional services agreement with Van Scoyoc Associates for consulting services. **Motion made (Silvers/Mitchell) to adopt the resolution.** Vote unanimous in favor.
19. Resolution authorizing the City to host community events for the benefit of citizens and visitors of the City of Orange Beach during 2023. **Motion made (Mitchell/Johnson) to adopt the resolution.** Vote unanimous in favor.
20. Resolution authorizing execution of a maintenance agreement with Gym-Worx LLC for fitness equipment at the Adult Fitness Center. **Motion made (Johnson/Silvers) to adopt the resolution.** Vote unanimous in favor.
21. Resolution authorizing execution of a change order with Finishing Solutions, L.L.C., for additional repairs at the Medical Arts Building in an amount not to exceed \$102,935.24. **Motion made (Mitchell/Silvers) to adopt the resolution.** Vote unanimous in favor.

Public Hearings

1. Public hearing for an ordinance amending Ordinance No. 172, the Zoning Ordinance, Case No. 1105-ZT-22, Zoning Text Amendments for Articles 4, 5, 8, 10, 12 & 15.

Griffin Powell, Planner II, presented the case overview.

Kit Alexander, Community Development Director, explained that this zoning text amendment is a collection of accrued housekeeping issues centered around the removal of subjective language.

John Harris, 23776A West Cypress Way, inquired about a reference to the length of vehicles. Ms. Alexander responded that a set standard parking space length is used for calculations.

There being no further comments, the public hearing was adjourned.

Ordinances

1. First Reading – Ordinance amending Ordinance No. 172, the Zoning Ordinance, Sections 4.02, 4.03, 5.0601, 8.0101, 10.0305, 10.0306, and 12.06. **Motion made (Silvers/Johnson) for unanimous consent to suspend the rules to allow for immediate consideration of this ordinance.** Roll call vote revealed: Silvers, aye; Johnson, aye; Mitchell, aye; Boyd, nay; Kennon, nay. **Failed. (3-2).** Ordinance will move on to a second reading.

XIII. PUBLIC COMMENTS

None

XIV. ADJOURN

There being no further business to come before the council, motion made (Silvers/Boyd) to adjourn. Vote unanimous in favor.

Time: 4:20 P.M.

APPROVED this the 17th day of January, 2023.

Renee Eberly
City Clerk

**MINUTES OF
COMMITTEE OF THE WHOLE MEETING
ORANGE BEACH CITY COUNCIL
DECEMBER 13, 2022 – 4:20 P.M.
CITY HALL – COUNCIL CHAMBERS**

The Orange Beach City Council met to review potential items for the January 3, 2023, agenda.

The following members were present:

Councilmember Jeff Silvers
Councilmember Jerry Johnson
Councilmember Annette Mitchell
Councilmember Jeff Boyd
Mayor Tony Kennon

The following members were absent:

Councilmember Joni Blalock

The following items were discussed:

1. Approval of 2021 Audited Financials.
2. Resolution declaring dumbbells owned by the City of Orange Beach as surplus and unneeded and authorizing the donation of said property to the Orange Beach Board of Education.
3. Resolution authorizing the purchase of a Vehicle for the Coastal Resources Department through Sourcewell in the amount of \$53,392.72.
4. Resolution authorizing the purchase of Two Vehicles for the Coastal Resources Department from State Bid in the amount of \$80,954.
5. Set a public hearing date for an ordinance amending Ordinance No. 172, the Zoning Ordinance, Case No. 0103-PUDA-23, Mariner Lakes Minor PUD Amendment, Arlington Orange Beach Residential Development. Public hearing set for January 3, 2023.

Public Comments:

1. Phillip West, Coastal Resources Director, invited the public to a Christmas movie event on the trail on Friday, December 16, 2022, at 6:00 P.M.
2. Councilmember Silvers thanked the Public Works Department for the Christmas lights and displays throughout the City.

There being no further business, the meeting adjourned.

Time: 4:23 P.M.

APPROVED this 17th day of January, 2023.

Renee Eberly
City Clerk

Permit Report

Issue Date From: 12/01/2022

Issue Date To: 12/31/2022

Permit#	PermitType	PermitSubtype	Address	Status	Issued	Valuation	Payments
BP22-000661	Building Permit	Accessory Building	23601 PERDIDO BEACH BLVD LOT 83	Issued	12/27/2022	92,000.00	415.84
BP22-000662	Building Permit	Accessory Building	60 PARKS EDGE LOT 6	Closed	12/28/2022	45,000.00	247.20
BP22-000656	Building Permit	Addition - One and Two-Family Dwellings	4650 GRIFFITH MARINA RD LOT 31	Issued	12/12/2022	33,216.00	224.91
BP22-000688	Building Permit	Addition - One and Two-Family Dwellings	27480 PARK DR	Issued	12/22/2022	50,000.00	289.00
BP22-000680	Building Permit	Alterations - Commercial	26009 PERDIDO BEACH BLVD	Issued	12/13/2022	9,000.00	185.00
BP22-000627	Building Permit	Alterations - One and Two-Family Dwellings	5055 BAYOU DR	Issued	12/01/2022	40,000.00	200.85
BP22-000645	Building Permit	Alterations - One and Two-Family Dwellings	5424 GREEN TREE RD	Issued	12/07/2022	10,000.00	87.55
BP22-000673	Building Permit	Alterations - One and Two-Family Dwellings	3849 ILLINOIS ST	Issued	12/28/2022	18,000.00	110.21
BP22-000535	Building Permit	Deck / Porch - Alteration	4144 HARBOR RD	Issued	12/09/2022	6,000.00	87.55
BP22-000646	Building Permit	Deck / Porch - Alteration	25293 PERDIDO BEACH BLVD UNIT 35	Issued	12/12/2022	9,500.00	87.55
BP22-000665	Building Permit	Deck / Porch - Alteration	26855 MARTINIQUE DR	Issued	12/28/2022	10,000.00	87.55
BP22-000668	Building Permit	Deck / Porch - Alteration	26140 TERRY COVE DR	Issued	12/28/2022	2,300.00	85.00
BP22-000648	Building Permit	Deck / Porch - New Construction	23601 PERDIDO BEACH BLVD LOT 12	Issued	12/05/2022	10,800.00	139.05
BP22-000591	Building Permit	Marine Accessory	4851 WHARF PKWY	Issued	12/13/2022	8,000,000.00	24,060.00
BP22-000640	Building Permit	Marine Accessory	27671 CANAL RD	Issued	12/09/2022	85,000.00	324.45
BP22-000658	Building Permit	Marine Accessory	4909 BAY CIR	Issued	12/15/2022	50,000.00	216.30
BP22-000609	Building Permit	New Construction - One and Two-Family Dwellings	4104 HARBOR RD LOT 73	Issued	12/12/2022	1,060,586.88	11,453.97
BP22-000623	Building Permit	New Construction - One and Two-Family Dwellings	4787 CALLAWAY DR LOT 2	Issued	12/02/2022	783,887.52	9,915.07
BP22-000628	Building Permit	New Construction - One and Two-Family Dwellings	5587 PENSACOLA AVE LOT 438	Issued	12/05/2022	337,212.00	1,916.64
BP22-000636	Building Permit	New Construction - One and Two-Family Dwellings	5246 FLORIDA AVE LOT 935	Issued	12/02/2022	398,664.00	2,229.12
BP22-000666	Building Permit	New Construction - One and Two-Family Dwellings	23601 PERDIDO BEACH BLVD LOT 81	Issued	12/27/2022	105,660.48	3,682.67
D22-000038	Demolition Permit	One & Two-Family Dwellings	27050 PALMETTO DR E	Issued	12/22/2022	15,000.00	216.30
E22-000628	Electrical Permit	Alteration/Repair	26029 CANAL RD	Issued	12/29/2022	24,000.00	87.55
E22-000651	Electrical Permit	Alteration/Repair	28835 PERDIDO BEACH BLVD	Issued	12/02/2022	800.00	87.55
E22-000654	Electrical Permit	Alteration/Repair	26177 CARONDELETTE DR	Issued	12/07/2022	1,000.00	190.55
E22-000658	Electrical Permit	Alteration/Repair	23044 PERDIDO BEACH BLVD UNIT 340	Issued	12/12/2022	1,500.00	87.55
E22-000659	Electrical Permit	Alteration/Repair	25625 PERDIDO AVE W	Issued	12/13/2022	450.00	87.55
E22-000663	Electrical Permit	Alteration/Repair	25851 W OAK RIDGE DR	Issued	12/13/2022	1,000.00	87.55
E22-000667	Electrical Permit	Alteration/Repair	23903 CYPRESS GROVE	Issued	12/15/2022	840.00	46.35
E22-000679	Electrical Permit	Alteration/Repair	29299 PERDIDO BEACH BLVD LOT 7	Issued	12/21/2022	2,000.00	87.55
E22-000412	Electrical Permit	New Service	24221 PERDIDO BEACH BLVD	Issued	12/29/2022	3,000.00	103.00
E22-000645	Electrical Permit	New Service	26117 TERRY COVE DR LOT 4	Issued	12/09/2022	23,400.00	163.36

E22-000646	Electrical Permit	New Service	26121 TERRY COVE DR LOT 5	Issued	12/09/2022	22,800.00	163.98
E22-000647	Electrical Permit	New Service	17 THE BATTERY LOT 8	Issued	12/09/2022	26,350.00	171.39
E22-000648	Electrical Permit	New Service	9 CLAUDETTE CIR LOT 19	Closed	12/01/2022	5,000.00	175.10
E22-000652	Electrical Permit	New Service	3173 EGRET RUN LOT 25	Issued	12/02/2022	16,000.00	140.00
E22-000653	Electrical Permit	New Service	4787 CALLAWAY DR LOT 2	Issued	12/05/2022	39,765.00	250.91
E22-000655	Electrical Permit	New Service	5587 PENSACOLA AVE LOT 438	Issued	12/07/2022	10,000.00	195.70
E22-000656	Electrical Permit	New Service	26165C CANAL RD	Issued	12/09/2022	5,000.00	149.35
E22-000660	Electrical Permit	New Service	25 MEETING ST LOT 18	Issued	12/13/2022	13,000.00	197.25
E22-000661	Electrical Permit	New Service	65 PARKS EDGE LOT 12	Issued	12/29/2022	13,000.00	197.25
E22-000665	Electrical Permit	New Service	23584 CANAL RD	Issued	12/13/2022	598,000.00	0.00
E22-000666	Electrical Permit	New Service	26118 GARRETT LN	Issued	12/14/2022	2,400.00	206.00
E22-000668	Electrical Permit	New Service	3813 GRAND KEY DR LOT 21	Issued	12/15/2022	20,000.00	159.65
E22-000671	Electrical Permit	New Service	3832 GRAND KEY DR LOT 3	Issued	12/15/2022	20,000.00	159.65
E22-000673	Electrical Permit	New Service	23601 PERDIDO BEACH BLVD LOT 80	Issued	12/19/2022	10,000.00	118.45
E22-000674	Electrical Permit	New Service	5661 ALLISON ST LOTS 8 & 9	Issued	12/19/2022	10,000.00	123.60
E22-000662	Electrical Permit	Temporary Service	4104 HARBOR RD LOT 73	Issued	12/13/2022	1,000.00	87.55
E22-000670	Electrical Permit	Temporary Service	5665 ARMADILLO AVE LOT 702	Issued	12/15/2022	1,000.00	87.55
E22-000672	Electrical Permit	Temporary Service	28570 OAK AVE LOT 4	Issued	12/15/2022	1,000.00	87.55
FS22-000137	Fire System Permits	Fire Sprinklers - One and Two-Family	26169 PELICAN LNDG LOT 9	Issued	12/21/2022	5,000.00	87.55
FS22-000140	Fire System Permits	Fire Sprinklers - One and Two-Family	26941 MARTINIQUE DR LOT 29	Issued	12/21/2022	5,000.00	87.55
FS22-000141	Fire System Permits	Fire Sprinklers - One and Two-Family	5175 BAY DR LOT 1	Issued	12/27/2022	11,800.00	87.55
G22-000233	Gas (Natural or LP) Permit	New Service	5379 MISSISSIPPI AVE LOT 898	Issued	12/09/2022	6,000.00	82.40
G22-000234	Gas (Natural or LP) Permit	New Service	3184 EGRET RUN LOT 15	Issued	12/07/2022	1,200.00	98.88
G22-000238	Gas (Natural or LP) Permit	New Service	19 MEETING ST LOT 21	Issued	12/16/2022	2,350.00	98.88
G22-000239	Gas (Natural or LP) Permit	New Service	29848 LOW DR	Issued	12/14/2022	3,000.00	90.64
G22-000240	Gas (Natural or LP) Permit	New Service	26145 GARRETT LN LOT 14	Issued	12/27/2022	200.00	98.88
G22-000241	Gas (Natural or LP) Permit	New Service	26149 GARRETT LN LOT 15	Issued	12/28/2022	200.00	98.88
G22-000242	Gas (Natural or LP) Permit	New Service	26153 GARRETT LN LOT 16	Issued	12/27/2022	200.00	98.88
G22-000243	Gas (Natural or LP) Permit	New Service	29844 BAYSHORE DR S LOT 918	Issued	12/28/2022	2,500.00	98.88
M22-000472	Mechanical Permit	Alteration/Repair/Change-Out	3111 LOOP RD	Closed	12/02/2022	10,000.00	103.00
M22-000503	Mechanical Permit	Alteration/Repair/Change-Out	24280 PERDIDO BEACH BLVD UNIT B1006	Issued	12/07/2022	6,100.00	103.00
M22-000506	Mechanical Permit	Alteration/Repair/Change-Out	28103 PERDIDO BEACH BLVD UNIT B215	Issued	12/01/2022	10,240.00	103.00
M22-000509	Mechanical Permit	Alteration/Repair/Change-Out	26440 MARTINIQUE DR	Issued	12/05/2022	9,890.00	169.95
M22-000512	Mechanical Permit	Alteration/Repair/Change-Out	22485 BEAVER CREEK LN	Issued	12/06/2022	8,490.00	103.00
M22-000514	Mechanical Permit	Alteration/Repair/Change-Out	28813 PERDIDO BEACH BLVD UNIT 105	Issued	12/09/2022	4,500.00	103.00
M22-000518	Mechanical Permit	Alteration/Repair/Change-Out	24160 PERDIDO BEACH BLVD UNIT 2066	Issued	12/15/2022	5,800.00	103.00

M22-000520	Mechanical Permit	Alteration/Repair/Change-Out	29235 BAYSHORE DR N	Issued	12/19/2022	6,335.00	103.00
M22-000343	Mechanical Permit	New Construction	22800 CANAL RD	Issued	12/09/2022	9,878.00	169.95
M22-000344	Mechanical Permit	New Construction	22800 CANAL RD	Issued	12/09/2022	106,425.00	1,009.40
M22-000347	Mechanical Permit	New Construction	22800 CANAL RD	Issued	12/09/2022	106,425.00	1,009.40
M22-000447	Mechanical Permit	New Construction	28819 SAMPSON AVE LOTS 2 & 3	Issued	12/14/2022	15,000.00	242.05
M22-000490	Mechanical Permit	New Construction	3184 EGRET RUN LOT 15	Issued	12/07/2022	12,000.00	242.05
M22-000495	Mechanical Permit	New Construction	27420 MAGNOLIA DR LOT 53-B	Issued	12/09/2022	12,000.00	139.05
M22-000507	Mechanical Permit	New Construction	28160 CANAL RD LOT 2	Issued	12/02/2022	12,000.00	139.05
M22-000508	Mechanical Permit	New Construction	28148 CANAL RD LOT 1	Issued	12/02/2022	12,000.00	139.05
M22-000510	Mechanical Permit	New Construction	28182 CANAL RD LOT 3	Issued	12/06/2022	12,000.00	139.05
M22-000511	Mechanical Permit	New Construction	28194 CANAL RD LOT 4	Issued	12/06/2022	12,000.00	139.05
M22-000513	Mechanical Permit	New Construction	23601 PERDIDO BEACH BLVD LOT 80	Issued	12/07/2022	8,000.00	139.05
M22-000515	Mechanical Permit	New Construction	24230 PEPPER LN LOT 70	Issued	12/13/2022	10,500.00	242.05
M22-000516	Mechanical Permit	New Construction	24232 PEPPER LN LOT 71	Issued	12/13/2022	10,500.00	242.05
M22-000519	Mechanical Permit	New Construction	26118 GARRETT LN LOT 1	Issued	12/15/2022	58,500.00	242.05
M22-000521	Mechanical Permit	New Construction	5312 BAY LA LAUNCH AVE LOT 317	Issued	12/19/2022	11,989.00	139.05
M22-000522	Mechanical Permit	New Construction	5388 BEAR POINT AVE LOT 7	Issued	12/20/2022	19,900.00	242.05
M22-000523	Mechanical Permit	New Construction	5776 BAYOU ST JOHN AVE LOT 474	Issued	12/21/2022	12,950.00	139.05
M22-000524	Mechanical Permit	New Construction	5578 BAYOU ST JOHN AVE LOT 422	Issued	12/20/2022	9,000.00	139.05
M22-000525	Mechanical Permit	New Construction	27248 PARK DR LOT 5	Issued	12/29/2022	18,260.00	139.05
P22-000299	Plumbing Permit	Addition/Alteration/Repair	25097 CANAL RD	Issued	12/01/2022	7,500.00	82.40
P22-000300	Plumbing Permit	Addition/Alteration/Repair	26165 CANAL RD	Issued	12/05/2022	1,350.00	36.05
P22-000305	Plumbing Permit	Addition/Alteration/Repair	24720 PERDIDO BEACH BLVD UNIT 405	Issued	12/07/2022	14,000.00	41.20
P22-000301	Plumbing Permit	New Service	28674 SAMPSON AVE LOT 2	Issued	12/05/2022	17,550.00	154.50
P22-000302	Plumbing Permit	New Service	5701 MOBILE AVE LOT 738	Issued	12/07/2022	9,000.00	118.45
P22-000303	Plumbing Permit	New Service	26326 MARINA RD W1/2 OF LOT 9	Issued	12/07/2022	9,000.00	118.45
P22-000304	Plumbing Permit	New Service	5312 BAY LA LAUNCH AVE LOT 317	Issued	12/07/2022	9,000.00	118.45
P22-000306	Plumbing Permit	New Service	4696 CASABLANCA DR LOT 25	Closed	12/07/2022	14,426.00	139.05
P22-000307	Plumbing Permit	New Service	4692 CASABLANCA DR LOT 24	Issued	12/07/2022	14,426.00	139.05
P22-000309	Plumbing Permit	New Service	25075 ROMAR VISTA PL	Issued	12/20/2022	5,000.00	139.05
R22-000407	Roofing Permit	Alteration/Repair	5288 HOLLEY LN	Issued	12/05/2022	14,660.85	87.55
R22-000408	Roofing Permit	Alteration/Repair	29488 PERDIDO BEACH BLVD	Issued	12/07/2022	985,000.00	242.05
R22-000409	Roofing Permit	Alteration/Repair	26009 PERDIDO BEACH BLVD	Issued	12/09/2022	29,900.00	242.05
R22-000411	Roofing Permit	Alteration/Repair	13 CLAUDETTE CIR	Issued	12/09/2022	18,222.11	87.55
R22-000420	Roofing Permit	Alteration/Repair	4101 ORANGE BEACH BLVD	Issued	12/12/2022	177,300.00	0.00
R22-000424	Roofing Permit	Alteration/Repair	3564 BAYOU RD	Issued	12/28/2022	127,500.00	242.05

R22-000426	Roofing Permit	Alteration/Repair	4660 BURKART LN	Issued	12/29/2022	17,825.00	87.55
R22-000392	Roofing Permit	New Construction	4104 HARBOR RD LOT 73	Issued	12/12/2022	15,000.00	100.00
R22-000405	Roofing Permit	New Construction	3816 JUBILEE POINT RD LOT 18	Closed	12/02/2022	17,100.00	103.00
R22-000406	Roofing Permit	New Construction	23601 PERDIDO BEACH BLVD LOT 80	Issued	12/02/2022	6,610.73	103.00
R22-000412	Roofing Permit	New Construction	5776 BAYOU ST JOHN AVE LOT 474	Issued	12/08/2022	128,000.00	103.00
R22-000413	Roofing Permit	New Construction	28148 CANAL RD LOT 1	Issued	12/09/2022	18,750.00	103.00
R22-000414	Roofing Permit	New Construction	28160 CANAL RD LOT 2	Issued	12/09/2022	18,750.00	103.00
R22-000415	Roofing Permit	New Construction	28182 CANAL RD LOT 3	Issued	12/09/2022	18,750.00	103.00
R22-000416	Roofing Permit	New Construction	28194 CANAL RD LOT 4	Issued	12/09/2022	18,750.00	103.00
R22-000417	Roofing Permit	New Construction	28750 CANAL RD LOT 2	Issued	12/12/2022	79,000.00	103.00
R22-000418	Roofing Permit	New Construction	19 MEETING ST LOT 21	Issued	12/12/2022	13,500.00	103.00
R22-000422	Roofing Permit	New Construction	5312 BAY LA LAUNCH AVE LOT 317	Issued	12/21/2022	6,000.00	100.00
R22-000423	Roofing Permit	New Construction	27420 MAGNOLIA DR LOT 53-B	Issued	12/21/2022	9,250.00	103.00
R22-000425	Roofing Permit	New Construction	5587 PENSACOLA AVE LOT 438	Issued	12/28/2022	6,500.00	103.00
SP22-000046	Sign Permit	Permanent Signs	25241 PERDIDO BEACH BLVD UNIT 107	Issued	12/12/2022	22,259.00	139.05
SP22-000048	Sign Permit	Permanent Signs	24010 CANAL RD	Issued	12/14/2022	25,000.00	139.05
SP22-000049	Sign Permit	Permanent Signs	25751 PERDIDO BEACH BLVD	Issued	12/14/2022	5,000.00	139.05
SP22-000050	Sign Permit	Temporary Signs	24132 PERDIDO BEACH BLVD (ALL THE PHOENIX'S IN OB)	Issued	12/27/2022	50.00	61.80
ST22-000186	Site Permit	Multi-Family Dwellings	24204 PEPPER LN	Issued	12/08/2022	1,080,337.47	4,155.34
ST22-000304	Site Permit	One and Two-Family Dwellings	4214 WOOD GLEN TRC	Issued	12/14/2022	100.00	87.55
ST22-000311	Site Permit	One and Two-Family Dwellings	4104 HARBOR RD LOT 73	Issued	12/12/2022	0.00	185.00
ST22-000315	Site Permit	One and Two-Family Dwellings	29733 HAYDEN DR	Issued	12/12/2022	4,500.00	72.10
ST22-000320	Site Permit	One and Two-Family Dwellings	4787 CALLAWAY DR LOT 2	Issued	12/02/2022	0.00	185.00
ST22-000322	Site Permit	One and Two-Family Dwellings	5587 PENSACOLA AVE LOT 438	Issued	12/05/2022	0.00	135.00
ST22-000326	Site Permit	One and Two-Family Dwellings	29733 HAYDEN DR	Issued	12/14/2022	0.00	87.55
ST22-000329	Site Permit	One and Two-Family Dwellings	5176 BAYOU DR	Issued	12/05/2022	50,000.00	175.10
ST22-000331	Site Permit	One and Two-Family Dwellings	5246 FLORIDA AVE LOT 935	Issued	12/02/2022	6,000.00	135.00
ST22-000338	Site Permit	One and Two-Family Dwellings	5501 GULF AVE	Issued	12/12/2022	2,350.00	77.25
ST22-000346	Site Permit	One and Two-Family Dwellings	28816 SAMPSON AVE	Issued	12/14/2022	0.00	87.55
ST22-000347	Site Permit	One and Two-Family Dwellings	4126 HARBOR RD	Issued	12/15/2022	100,000.00	175.10
ST22-000348	Site Permit	One and Two-Family Dwellings	4650 GRIFFITH MARINA RD LOT 31	Issued	12/12/2022	0.00	87.55
ST22-000352	Site Permit	One and Two-Family Dwellings	23601 PERDIDO BEACH BLVD LOT 81	Issued	12/27/2022	0.00	139.05
ST22-000354	Site Permit	One and Two-Family Dwellings	28269 CANAL RD	Issued	12/22/2022	2,000.00	80.00
ST22-000364	Site Permit	One and Two-Family Dwellings	3849 ILLINOIS ST	Issued	12/28/2022	0.00	87.55
SWO22-000049	Stop Work Order	Stop Work Order	26009 PERDIDO BEACH BLVD	Issued	12/13/2022	0.00	0.00
SWP22-000064	Swimming Pool Permit	One & Two-Family Dwellings	29733 HAYDEN DR	Issued	12/14/2022	64,000.00	113.30

SWP22-000068	Swimming Pool Permit	One & Two-Family Dwellings	28816 SAMPSON AVE	Issued	12/14/2022	63,650.00	87.55
			Total Building Permit Permit Count:	21		11,156,826.88	56,045.48
			Total Demolition Permit Permit Count:	1		15,000.00	216.30
			Total Electrical Permit Permit Count:	28		872,305.00	3,699.49
			Total Fire System Permits Permit Count:	3		21,800.00	262.65
			Total Gas (Natural or LP) Permit Permit Count:	8		15,650.00	766.32
			Total Mechanical Permit Permit Count:	27		530,682.00	5,922.50
			Total Plumbing Permit Permit Count:	10		101,252.00	1,086.65
			Total Roofing Permit Permit Count:	20		1,726,368.69	2,321.80
			Total Sign Permit Permit Count:	4		52,309.00	478.95
			Total Site Permit Permit Count:	16		1,245,287.47	5,951.69
			Total Stop Work Order Permit Count:	1		0.00	0.00
			Total Swimming Pool Permit Permit Count:	2		127,650.00	200.85
			Total Permit Count:	141		15,865,131.04	76,952.68



BUILDING PERMIT REVENUE YTD

	2022		2021		2020		2019	2018
MONTH	PERMITS	REVENUE	PERMITS	REVENUE	PERMITS	REVENUE	REVENUE	REVENUE
JANUARY	269	\$ 225,119.85	329	\$ 155,381.79	220	\$ 89,237.84	\$ 156,347.25	\$ 233,660.40
FEBRUARY	316	\$ 172,076.63	322	\$ 140,297.14	290	\$ 213,162.47	\$ 118,606.94	\$ 79,539.87
MARCH	380	\$ 345,981.94	429	\$ 148,771.52	221	\$ 131,100.54	\$ 136,479.76	\$ 112,079.82
APRIL	316	\$ 176,485.31	369	\$ 138,974.51	223	\$ 111,874.71	\$ 109,690.60	\$ 1,022,060.95
MAY	346	\$ 145,960.01	415	\$ 118,965.30	223	\$ 86,598.66	\$ 149,190.31	\$ 80,427.78
JUNE	343	\$ 205,590.60	518	\$ 260,684.19	225	\$ 86,455.36	\$ 133,246.22	\$ 70,930.87
JULY	212	\$ 74,779.14	427	\$ 119,685.35	272	\$ 946,193.50	\$ 124,782.02	\$ 63,483.66
AUGUST	252	\$ 172,823.48	415	\$ 172,798.90	266	\$ 95,159.77	\$ 105,032.96	\$ 101,285.57
SEPTEMBER	264	\$ 120,721.58	315	\$ 107,660.19	215	\$ 176,146.33	\$ 146,796.95	\$ 77,672.67
OCTOBER	191	\$ 43,705.73	368	\$ 209,488.14	366	\$ 997,342.16	\$ 239,778.78	\$ 104,141.33
NOVEMBER	178	\$ 108,657.35	324	\$ 277,353.84	372	\$ 118,111.85	\$ 176,907.81	\$ 111,457.16
DECEMBER	140	\$ 82,311.66	335	\$ 296,258.50	370	\$ 151,511.90	\$ 136,045.15	\$ 88,784.13
TOTAL	3,207	\$ 1,874,213.28	4,566	\$ 2,146,319.37	3,263	\$ 3,202,895.09	\$ 1,732,904.75	\$ 2,145,524.21
							Total Permits:	Total Permits:
							2,947	2,199

ACCOUNTS PAYABLE CHECK REGISTER

City Of Orange Beach

FY 2023

Check Register for 1/18/2023 to 1/18/2023 & Check Numbers 0 to 2147483647

Cash Account 001-000-011

Check Number	Check Date	Vendor Number / Name	Payment Type	EPay	Amount (\$)
Check Run: 5547					
*****	01/18/2023	5799 ADVANTAGE FIRST AID & SAFETY	Check	No	404.78
	Purchase Order #: 0	Voucher #: 121859	Invoice #: I230104753		197.33
	Invoice Description:	FIRST AID SUPPLIES			
	403-676-516	SUPPLIES/OPERATING			197.33
	Purchase Order #: 0	Voucher #: 121861	Invoice #: I230104751		207.45
	Invoice Description:	FIRST AID SUPPLIES			
	403-676-516	SUPPLIES/OPERATING			207.45
*****	01/18/2023	7828 AMAZON CAPITAL SERVICES, INC	Check	No	926.07
	Purchase Order #: 0	Voucher #: 121862	Invoice #: 11CJ-9JVF-63CL		86.63
	Invoice Description:	BLUE LED EMERGENCY LIGHTS			
	001-100-507	EQUIPMENT/SMALL			86.63
	Purchase Order #: 0	Voucher #: 121863	Invoice #: 11J3-HM3G-PRDJ		466.51
	Invoice Description:	PORTABLE AC/ DEHUMIDIFIER			
	001-100-507	EQUIPMENT/SMALL			466.51
	Purchase Order #: 0	Voucher #: 121864	Invoice #: 17MF-CR96-VXLR		-114.95
	Invoice Description:	CREDIT- PODCAST MIC PACK			
	001-375-516	SUPPLIES/OPERATING			-114.95
	Purchase Order #: 0	Voucher #: 121865	Invoice #: 1KCJ-CT77-T6GC		128.68
	Invoice Description:	WEIGHTLIFTING BELTS			
	001-325-516	SUPPLIES/OPERATING			128.68
	Purchase Order #: 0	Voucher #: 121866	Invoice #: 1KNT-KYP1-9NX6		51.98
	Invoice Description:	'MRMD' WALLPAPER			
	001-375-636	PRODUCTION COST			51.98
	Purchase Order #: 0	Voucher #: 121867	Invoice #: 1M6C-LQMX-4DLG		22.45
	Invoice Description:	DESK CALENDAR- GOLF CTR			
	001-300-516	SUPPLIES/OPERATING			22.45
	Purchase Order #: 0	Voucher #: 121868	Invoice #: 1MRM-VDY3-Q6WX		66.67
	Invoice Description:	FLAGPOLE/ WHT-OUT/ BTTRS/ INDX CRDS			
	001-175-516	SUPPLIES/OPERATING			66.67
	Purchase Order #: 0	Voucher #: 121869	Invoice #: 1PWH-C9NK-XDP4		20.99
	Invoice Description:	SCOTCH TAPE			
	430-682-515	SUPPLIES/OFFICE			20.99
	Purchase Order #: 0	Voucher #: 121870	Invoice #: 1VL3-QCJ1-QGDY		197.11
	Invoice Description:	CRDSTK/ BAILS/ CORD/ CPY PPR/ CLR PPR			
	430-682-659	RESALE INV/CENTER			197.11
*****	01/18/2023	219 BANK OF NEW YORK	Check	No	421,233.64
	Purchase Order #: 0	Voucher #: 121600	Invoice #: 2021-24		253,716.67
	Invoice Description:	GO WARRANTS SERIES 2012			
	001-000-805	TRANSFER TO DEBT SVS FUND			253,716.67
	Purchase Order #: 0	Voucher #: 121601	Invoice #: 25		167,516.97
	Invoice Description:	GO WARRANTS SERIES 2012			
	403-000-124	INTRA FUND TRANSFER			167,516.97
*****	01/18/2023	6480 BECKES, SALLIE N.	Check	No	210.00
	Purchase Order #: 0	Voucher #: 121871	Invoice #: 230103		210.00
	Invoice Description:	DEC 22 YOGA SR CTR			
	001-300-612	PROFESSIONAL FEES			210.00
*****	01/18/2023	369 COBBS, ALLEN & HALL, INC.	Check	No	16,250.00
	Purchase Order #: 0	Voucher #: 121872	Invoice #: 43819		16,250.00
	Invoice Description:	01-03/2023 QTRLY CNSLTING FEE			

ACCOUNTS PAYABLE CHECK REGISTER

City Of Orange Beach

FY 2023

Check Register for 1/18/2023 to 1/18/2023 & Check Numbers 0 to 2147483647

Cash Account 001-000-011

Check Number	Check Date	Vendor Number / Name	Payment Type	EPay	Amount (\$)
		001-001-612 PROFESSIONAL FEES			16,250.00
*****	01/18/2023	371 COMPASS MEDIA, INC	Check	No	595.00
	Purchase Order #: 0	Voucher #: 121605	Invoice #: 2023-60332		595.00
	Invoice Description:	GULF COAST VACA GUIDE 2023			
	430-682-650	EXHIBITIONS & PROMOTIONS			595.00
*****	01/18/2023	3175 CORDY, RIO STARK	Check	No	90.00
	Purchase Order #: 0	Voucher #: 121873	Invoice #: 230103		90.00
	Invoice Description:	DEC 2022 TAI CHI SR CTR			
	001-300-612	PROFESSIONAL FEES			90.00
*****	01/18/2023	3612 FIRST CALL	Check	No	26.15
	Purchase Order #: 0	Voucher #: 121875	Invoice #: 5491-238424		26.15
	Invoice Description:	#236 HEADLIGHT BULB			
	001-100-622	RPR/MAINT VEHICLES			26.15
*****	01/18/2023	7375 HERRING, ELAINA L.	Check	No	633.75
	Purchase Order #: 0	Voucher #: 121874	Invoice #: 230103		633.75
	Invoice Description:	'MRMD' COSTUME PRODUCTION			
	001-375-636	PRODUCTION COST			633.75
*****	01/18/2023	230 IMPERIAL BAG & PAPER CO., LLC	Check	No	98.25
	Purchase Order #: 0	Voucher #: 121876	Invoice #: 12656701		98.25
	Invoice Description:	FLOOR DEGREASER			
	001-325-513	SUPPLIES/JANITORIAL			98.25
*****	01/18/2023	6916 KONE INC	Check	No	285.00
	Purchase Order #: 0	Voucher #: 121877	Invoice #: 962420488		285.00
	Invoice Description:	1/01-1/31/23 ELEVATOR MAINT			
	430-682-612	PROFESSIONAL FEES			285.00
*****	01/18/2023	7613 MCCOY FIRE & SAFETY, INC	Check	No	540.00
	Purchase Order #: 0	Voucher #: 121878	Invoice #: 12463498		190.00
	Invoice Description:	SVC CALL MUSIC CTR			
	001-325-616	RPR/MAINT PLANT/BLDGS			190.00
	Purchase Order #: 0	Voucher #: 121879	Invoice #: 12463501		350.00
	Invoice Description:	REC CTR ALRM SPRNKL R ANNL INSP			
	001-325-612	PROFESSIONAL FEES			350.00
*****	01/18/2023	1520 ORANGE BEACH AUTO & MARINE	Check	No	720.28
	Purchase Order #: 0	Voucher #: 121880	Invoice #: 46532		253.72
	Invoice Description:	HYDR HOSE/ PIPVE PRS/ DEF FLUID			
	403-676-622	RPR/MAINT VEHICLES			253.72
	Purchase Order #: 0	Voucher #: 121881	Invoice #: 46548		463.56
	Invoice Description:	HYDR HOSE/ PIPE PARTS			
	403-676-622	RPR/MAINT VEHICLES			463.56
	Purchase Order #: 0	Voucher #: 121882	Invoice #: 46549		3.00
	Invoice Description:	BLACK ROPE			
	403-676-622	RPR/MAINT VEHICLES			3.00
*****	01/18/2023	6382 PARIS ACE HARDWARE	Check	No	175.42
	Purchase Order #: 0	Voucher #: 121883	Invoice #: 7092038		9.99
	Invoice Description:	DUCT TAPE			
	001-100-516	SUPPLIES/OPERATING			9.99
	Purchase Order #: 0	Voucher #: 121884	Invoice #: 7092208		89.86
	Invoice Description:	MOP HNDL/ HNDL THRD/ SWFFR/ EXT/ CLTHS			

ACCOUNTS PAYABLE CHECK REGISTER

City Of Orange Beach

FY 2023

Check Register for 1/18/2023 to 1/18/2023 & Check Numbers 0 to 2147483647

Cash Account 001-000-011

Check Number	Check Date	Vendor Number / Name	Payment Type	EPay	Amount (\$)
		411-681-513 SUPPLIES/JANITORIAL			89.86
		Purchase Order #: 0 Voucher #: 121885 Invoice #: 7092274			61.58
		Invoice Description: TAPE MSR/ DAWN/ BLB PRMR/ ROPE			
		403-676-516 SUPPLIES/OPERATING			61.58
		Purchase Order #: 0 Voucher #: 121886 Invoice #: 7092465			13.99
		Invoice Description: WOODBORING SET			
		430-682-516 SUPPLIES/OPERATING			13.99
*****	01/18/2023	7365 SEQUEL ELECTRICAL SUPPLY, LLC	Check	No	108.57
		Purchase Order #: 0 Voucher #: 121887 Invoice #: S3529347.001			108.57
		Invoice Description: BREAKERS SPORTSMAN LIFT STN			
		403-676-616 RPR/MAINT PLANT/BLDGS			108.57
*****	01/18/2023	6565 SOUTHERN LIGHT, LLC	Check	No	985.08
		Purchase Order #: 0 Voucher #: 121888 Invoice #: 351196			985.08
		Invoice Description: JAN 23 PD INTERNET			
		001-100-635 UTILITIES			985.08
*****	01/18/2023	1993 STERICYCLE, INC	Check	No	367.50
		Purchase Order #: 0 Voucher #: 121640 Invoice #: 4011447107			367.50
		Invoice Description: MED WASTE DISPOSAL			
		001-175-612 PROFESSIONAL FEES			367.50
*****	01/18/2023	2016 SWIFT SUPPLY, INC.	Check	No	311.39
		Purchase Order #: 0 Voucher #: 121889 Invoice #: 809773			136.93
		Invoice Description: NAILS/ FRAMING ANCHORS			
		001-300-616 RPR/MAINT PLANT/BLDGS			136.93
		Purchase Order #: 0 Voucher #: 121890 Invoice #: 810098			69.93
		Invoice Description: LUMBER/ SCREWS/ BITS			
		403-676-516 SUPPLIES/OPERATING			69.93
		Purchase Order #: 0 Voucher #: 121891 Invoice #: 810200			104.53
		Invoice Description: LUMBER/ SHEATHING			
		403-676-516 SUPPLIES/OPERATING			104.53
*****	01/18/2023	8027 TAYLOR, JILL	Check	No	180.00
		Purchase Order #: 0 Voucher #: 121892 Invoice #: 230103			180.00
		Invoice Description: DEC 2022 YOGA SR CTR			
		001-300-612 PROFESSIONAL FEES			180.00
*****	01/18/2023	2335 WALMART COMMUNITY	Check	No	258.56
		Purchase Order #: 0 Voucher #: 121893 Invoice #: 00746			107.65
		Invoice Description: CUTLERY/ TOOTHPICKS			
		001-350-516 SUPPLIES/OPERATING			107.65
		Purchase Order #: 0 Voucher #: 121894 Invoice #: 03553			58.29
		Invoice Description: EE CULINARY CLASS SUPP/ FOOD			
		001-350-516 SUPPLIES/OPERATING			58.29
		Purchase Order #: 0 Voucher #: 121895 Invoice #: 08532			86.18
		Invoice Description: EE CULINARY CLASS FOOD			
		001-350-516 SUPPLIES/OPERATING			86.18
		Purchase Order #: 0 Voucher #: 121896 Invoice #: 08548			6.44
		Invoice Description: EE CULINARY CLASS FOOD			
		001-350-516 SUPPLIES/OPERATING			6.44
*****	01/18/2023	5950 WILLIAMS SCOTSMAN, INC	Check	No	501.76
		Purchase Order #: 0 Voucher #: 121897 Invoice #: 9016401759			109.66
		Invoice Description: 1/01-1/31/2023 S'PLEX CONTAINER			

ACCOUNTS PAYABLE CHECK REGISTER

City Of Orange Beach

FY 2023

Check Register for 1/18/2023 to 1/18/2023 & Check Numbers 0 to 2147483647

Cash Account 001-000-011

Check Number	Check Date	Vendor Number / Name	Payment Type	EPay	Amount (\$)
		001-300-614 RENTALS			109.66
	Purchase Order #: 0	Voucher #: 121898	Invoice #: 9016401760		109.66
	Invoice Description:	1/01-1/31/2023 S'PLEX CONTAINER			
		001-300-614 RENTALS			109.66
	Purchase Order #: 0	Voucher #: 121899	Invoice #: 9016401761		141.22
	Invoice Description:	1/01-1/31/2023 S'PLEX CONTAINER			
		001-300-614 RENTALS			141.22
	Purchase Order #: 0	Voucher #: 121900	Invoice #: 9016401762		141.22
	Invoice Description:	1/01-1/31/2023 S'PLEX CONTAINER			
		001-300-614 RENTALS			141.22
*****	01/18/2023	3955 WITTICHEN SUPPLY COMPANY	Check	No	50.14
	Purchase Order #: 0	Voucher #: 121901	Invoice #: S103426924.001		50.14
	Invoice Description:	SAFE-T-SWCH RECTORSEAL			
		001-020-616 RPR/MAINT PLANT/BLDGS			50.14

Check Run 5547	Check Total	\$444,951.34
Check Run 5547	Update Only	\$0.00
Check Run 5547	Total	\$444,951.34

Description	Count	Amount (\$)
ACH	0	\$0.00
Bank of America	0	\$0.00
Check	22	\$444,951.34
Strategic Payment Services	0	\$0.00
Wells Fargo	0	\$0.00
Paymode X	0	\$0.00
Update Only	0	\$0.00
GRAND TOTAL	22	\$444,951.34

* Denotes Check Numbers that are out of sequence.

The above listed checks are hereby approved for check signing

Authorized Signatures:

(Date)

(Date)

(Date)

(Date)

DRAFT

**THE CITY OF ORANGE BEACH, ALABAMA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

THE CITY OF ORANGE BEACH, ALABAMA
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DECEMBER 31, 2021

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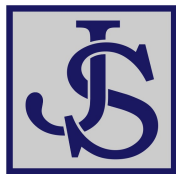
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COMPLIANCE AND INTERNAL CONTROL SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *GOVERNMENT AUDITING STANDARDS*

Schedule of Findings

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Jackson & Smith
CPA Group, PC

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Orange Beach, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange Beach, Alabama, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange Beach, Alabama, as of December 31, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer contributions, and schedule of changes in the net pension liability on 3 through 9 and 46 through 49 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Orange Beach, Alabama's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the City of Orange Beach, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City of Orange Beach, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Orange Beach, Alabama's internal control over financial reporting and compliance.



Jackson & Smith CPA Group, PC
Orange Beach, Alabama
December 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis

Overview of the Financial Statements

The City's basic financial statements are comprised of three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

This Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements provide a broad overview of the City of Orange Beach's finances. The presentation is in a manner similar to a private sector business.

The Statement of Net Position provides information on all the City's assets and liabilities. The difference between the two is reported as net position. Over time, changes (increases or decreases) in net position may provide a useful indicator of the City's overall financial condition.

The Statement of Activities provides information on how the City's net position changed during the fiscal year.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific objectives or activities. The City of Orange Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund Financial Statements report the City's operations in more detail than the Government-wide Financial Statements. All of the funds of the City are governmental or proprietary.

Governmental Funds

Governmental funds provide information which may be useful in evaluating and determining a government's near-term financing requirements. The financial statements focus on near-term inflows and outflows of spendable resources. Readers of the financial statements may better understand the long-term impact of the government's near-term financial decisions.

Proprietary Funds

The City of Orange Beach maintains five enterprise funds: Refuse Fund, Sewer Fund, Event Center Fund, Arts Center Fund, and the Baldwin County Bridge Company Fund. Enterprise funds report the same functions presented in business-type activities in the Government-wide financial statements.

Notes to the Basic Financial Statements

The notes provide additional information and are essential to the full understanding of the data in the Government-wide and Fund Financial Statements.

Government-wide Financial Analysis

As previously noted, over time net position may serve as a useful indicator of a government's financial condition. At the close of Fiscal Year 2021 on December 31, 2021, the City of Orange Beach's assets exceeded its liabilities by \$187,855,350 whereas at the close of Fiscal Year 2020 on December 31, 2020, the City of Orange Beach's assets exceeded its liabilities by \$162,408,949. The largest portion of the City's net position reflects its investment in capital assets (property, plant, and equipment), less debt outstanding that was used for acquisition. These assets are used to provide services to the citizens and are not available for future spending. Since the capital assets cannot be used to liquidate the outstanding debt, resources needed to repay the debt must be provided from other sources.

Overall Analysis

Table 1 below presents the City's Condensed Statement of Net Position as of December 31, 2021 and December 31, 2020 and is derived from the Government-wide Statement of Net Position. Table 2 below presents the City's Condensed Statement of Activities as of December 31, 2021 and December 31, 2020 and is derived from the Statement of Activities.

Table 1 - Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 61,205,778	\$ 114,359,593	\$ 8,023,151	\$ 6,669,517	\$ 69,228,929	\$ 121,029,110
Capital assets	97,998,845	116,073,410	25,620,145	24,754,488	123,618,990	140,827,898
Total assets	<u>159,204,623</u>	<u>230,433,003</u>	<u>33,643,296</u>	<u>31,424,005</u>	<u>192,847,919</u>	<u>261,857,008</u>
Deferred outflows of resources	<u>3,883,517</u>	<u>5,240,021</u>	<u>1,438,948</u>	<u>1,157,528</u>	<u>5,322,465</u>	<u>6,397,549</u>
Other liabilities	6,871,833	2,575,546	2,046,668	317,935	8,918,501	2,893,481
Long-term liabilities	<u>8,259,404</u>	<u>55,749,020</u>	<u>17,354,649</u>	<u>17,277,430</u>	<u>25,614,053</u>	<u>73,026,450</u>
Total liabilities	<u>15,131,237</u>	<u>58,324,566</u>	<u>19,401,317</u>	<u>17,595,365</u>	<u>34,532,554</u>	<u>75,919,931</u>
Deferred inflows of resources	<u>1,174,412</u>	<u>4,423,902</u>	<u>54,469</u>	<u>53,372</u>	<u>1,228,881</u>	<u>4,477,274</u>
Invested in capital assets						
Net of related debt	94,956,825	64,568,241	6,829,131	7,593,981	101,785,956	72,162,222
Restricted	15,530,581	15,530,581	7,099,739	6,090,772	22,630,320	21,621,353
Unrestricted	<u>36,295,085</u>	<u>92,825,732</u>	<u>1,697,588</u>	<u>1,246,043</u>	<u>37,992,673</u>	<u>94,071,775</u>
Total net position	<u>\$ 146,782,491</u>	<u>\$ 172,924,554</u>	<u>\$ 15,626,458</u>	<u>\$ 14,930,796</u>	<u>\$ 162,408,949</u>	<u>\$ 187,855,350</u>

Financial highlights for the City of Orange Beach as a whole as they relate to the Statement of Net Position for the fiscal year ended December 31, 2021 and December 31, 2020 include the following:

The assets of the City exceeded its liabilities (net assets) at the close of the fiscal year ended December 31, 2021 by \$172,924,554 and at the close of the fiscal year ended December 31, 2020 by \$146,782,491 for Governmental Activities and by \$14,930,796 and \$15,626,458 (respectively for each year end) for Business-Type Activities. Net capital assets increased by \$18,074,565 from 2020 to 2021 for Governmental Activities and decreased by \$865,657 from 2020 to 2021 for Business-Type Activities. Long-term liabilities increased from 2020 to 2021 for Governmental Activities by \$47,489,616 and decreased by \$77,219 for Business-Type Activities. Unrestricted net position increased from 2020 to 2021 by \$55,900,647 and decreased by \$451,545 for Governmental Activities and Business-Type Activities, respectively. Restricted net position was unchanged from 2020 to 2021 and decreased by \$1,008,967 for Governmental Activities and Business-Type Activities, respectively.

Overall Analysis (continued)

Table 2 - Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2021	2020	2021	2020	2021
PRIMARY GOVERNMENT:						
Revenues						
Charges for services	\$ 8,639,351	\$ 9,830,085	\$ 11,794,200	\$ 12,454,644	\$ 20,433,551	\$ 22,284,729
Operating grants and contributions	11,406,630	6,423,109	-	-	11,406,630	6,423,109
Capital grants and contributions	54,813	57,584	-	7,100	54,813	64,684
General revenues					-	-
Taxes	41,241,236	58,490,603	-	-	41,241,236	58,490,603
Investment earnings	388,437	151,449	164,131	83,633	552,568	235,082
Reimbursed expenses	222,276	185,759	-	-	222,276	185,759
Miscellaneous	653,401	1,164,028	29,406	620,779	682,807	1,784,807
Gain on disposal of assets	2,448	279,813	-	-	2,448	279,813
Total revenues	<u>62,608,592</u>	<u>76,582,430</u>	<u>11,987,737</u>	<u>13,166,156</u>	<u>74,596,329</u>	<u>89,748,586</u>
Expenses						
General government	22,426,516	16,843,823	-	-	22,426,516	16,843,823
Municipal court	482,490	494,362	-	-	482,490	494,362
Finance	992,168	1,064,602	-	-	992,168	1,064,602
Police	6,971,818	6,769,579	-	-	6,971,818	6,769,579
Corrections	692,536	770,278	-	-	692,536	770,278
Communications	636,753	604,017	-	-	636,753	604,017
Fire	8,397,235	8,012,365	-	-	8,397,235	8,012,365
Public works	3,741,668	3,832,265	-	-	3,741,668	3,832,265
Landscape	1,805,717	1,829,510	-	-	1,805,717	1,829,510
Parks & recreation	3,006,335	2,387,811	-	-	3,006,335	2,387,811
Library	762,880	694,196	-	-	762,880	694,196
Community development	1,786,407	1,585,316	-	-	1,786,407	1,585,316
Coastal resources	2,257,430	2,973,066	-	-	2,257,430	2,973,066
Recreation center	16,907	954,885	-	-	16,907	954,885
Expect Excellence	1,196,072	2,037,144	-	-	1,196,072	2,037,144
Interest on long-term debt	78,519	1,925,469	-	-	78,519	1,925,469
Sewer fund	-	-	7,028,325	6,723,095	7,028,325	6,723,095
Refuse fund	-	-	3,044,339	3,270,197	3,044,339	3,270,197
Events Center fund	-	-	568,007	569,896	568,007	569,896
Baldwin County Bridge fund	-	-	-	-	-	-
Arts Center fund	-	-	835,411	960,309	835,411	960,309
Total expenses	<u>55,251,451</u>	<u>52,778,688</u>	<u>11,476,082</u>	<u>11,523,497</u>	<u>66,727,533</u>	<u>64,302,185</u>
Increase (decrease) in net position						
before transfers	7,357,141	23,803,742	511,655	1,642,659	7,868,796	25,446,401
Transfers	<u>1,080,000</u>	<u>2,338,321</u>	<u>(1,080,000)</u>	<u>(2,338,321)</u>	<u>-</u>	<u>-</u>
Change in net position	8,437,141	26,142,063	(568,345)	(695,662)	7,868,796	25,446,401
Net position - beginning	<u>138,345,350</u>	<u>146,782,491</u>	<u>16,194,803</u>	<u>15,626,458</u>	<u>154,540,153</u>	<u>162,408,949</u>
Net position - ending	<u>\$ 146,782,491</u>	<u>\$ 172,924,554</u>	<u>\$ 15,626,458</u>	<u>\$ 14,930,796</u>	<u>\$ 162,408,949</u>	<u>\$ 187,855,350</u>

Financial highlights for the City of Orange Beach as a whole as they relate to the Statement of Activities for the fiscal year ended December 31, 2021 and December 31, 2020 include the following:

The City's total net position increased during the current year by \$25,446,401 and during the previous year by \$7,868,796. Net position of Governmental Activities increased during the current year by \$26,142,063 and during the previous year by \$8,437,141. Net position of Business-Type Activities decreased during the current year by \$695,662 and increased in the previous year by \$568,345.

Financial Analysis of the Government's Funds

The City of Orange Beach uses fund accounting to ensure and demonstrate compliance with finance related requirements. Funds that experienced significant changes in Fund Balance during the year are as follows:

Governmental Funds

At the close of the current year, the City's Governmental Funds showed a combined ending fund balance of \$112,280,597 as compared to \$55,579,807 at the end of the previous fiscal year with \$71,146,310 unassigned compared to \$38,562,209 reported as unassigned fund balance in the prior year. The remaining reserved amount of \$41,134,287 for fiscal year end 2021 is \$232,507 nonspendable, \$37,936,122 restricted, \$2,660,828 committed, and \$304,830 assigned as compared to the fiscal year ended 2020 reserved amount of \$17,017,598, \$991,947 nonspendable, \$13,086,603 restricted, \$2,653,456 committed, and \$285,592 assigned.

Proprietary Funds

As of the close of the current fiscal year the City's Proprietary Funds reported total net position of \$14,931,796 compared to \$15,626,458 at the end of fiscal year 2020.

Budget Variances in the General Fund

The City Council did not revise the original adopted General Fund budget. The actual expenditures of the General Fund were \$4,441,103 over the budgeted amounts. This mainly resulted from unforeseen expenses related to Hurricane Sally cleanup. Actual revenues were \$23,386,155 over the budgeted amounts. Local taxes exceeded budget by \$19637,655 as the Council continued to budget conservatively, yet tourist numbers continued to exceed expectations. Refer to the budgetary comparison schedule for the General Fund in the other RSI section of the Financial Report.

Capital Asset Activity

At December 31, 2021, the City of Orange Beach reported net capital assets of \$116,073,410 and \$24,755,488 from Governmental Activities and Business-Type Activities, respectively. At December 31, 2020, the City of Orange Beach reported net capital assets of \$97,998,845 and \$25,620,145 from Governmental Activities and Business-Type Activities, respectively.

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ending September 30, 2003. Infrastructure assets include roads, bridges, underground pipes (other than utilities), traffic signals, etc. The City's capitalization threshold for infrastructure is \$500,000. The City of Orange Beach does not have infrastructure that exceeds the capitalization threshold.

Refer to **Note 10** to the financial statements for additional information on capital assets.

Long-Term Debt Activity

At December 31, 2021, the City of Orange Beach reported long-term debt of \$55,749,020 and \$17,277,430 from Governmental Activities and Business-Type Activities, respectively. At December 31, 2020, the City of Orange Beach reported long-term debt of \$10,163,007 and \$18,914,453 from Governmental Activities and Business-Type Activities, respectively.

Refer to **Note 5** to the financial statements for additional information on long-term debt activity.

Future Events Impacting the City's Financial Condition

The City of Orange Beach faces several factors that will impact the City's financial and fiscal condition next year and beyond:

- 1) The City has entered into a 30-year option to purchase the Foley Beach Express Bridge. The City made annual \$1.2 million payments to the bridge company from 2003-2013. The 2013 payment ended the 10-year outlay. In exchange, the City receives a per car royalty for 30 years. If the City does not exercise the option to purchase in year 30, the per car royalty payment extends for a second 30-year period.

In 2004, the City entered into a 15-year agreement with AIG Baker for the development of "The Wharf," a mixed-use commercial development on Canal Road. The City has committed one-half of the sales and lodging taxes collected from the project for public improvements associated with the project. The tax reimbursement portion of the agreement began in 2011; however, the City renegotiated a \$1 million escrow account to build up before any tax payments are shared. Along with this renegotiation the City acquired a one-acre tract of land on a prime corner lot. In 2012, The Wharf came into new ownership that is aggressively attracting new investment. A Springhill Suites by Marriott opened in 2016 with 132 rooms along with a restaurant adjacent to the city-owned Orange Beach Event Center.

- 2) In 2005, the City purchased 80 acres of land north of the Intracoastal Waterway on the Beach Express for the development of the Orange Beach Commerce Park. The City sold 20 acres to Baldwin Electric Membership Cooperative, 20.42 acres to Columbia Southern University, and an approximate 3 acres to VDL Holdings, LLC. Approximately 17 acres consists of undevelopable wetlands. The City has listed the remaining 19+ acres for sale or lease.
- 3) In May 2009, the Governor of Alabama signed legislation that allowed the construction of the Gulf State Park's Hotel and Conference Center in Gulf Shores. This addition to the Gulf State Park will generate revenue for the entire Alabama State Park System and will have a positive economic impact across the Alabama Gulf Coast including Orange Beach. Construction of the 350-room "The Lodge at Gulf State Park, a Hilton Hotel," began in spring of 2016 and opened in fall of 2018. Gulf State Park has made significant improvements over its 6,150 acres including the expansion of its trails system to more than 30 miles and the addition of two pedestrian overpasses crossing the busy beach highway; upgrades to its fishing pier, beach pavilion and campground; the opening of the new Interpretive Center, which was certified as a Living Building of which there are less than 20 in the world; the cottages on Lake Shelby are part of the National Geographic's Unique Lodges of the World program; and a new learning campus opened in the summer of 2020.
- 4) The City continues to explore the feasibility of the Wolf Bay Bridge Project. In 2011, the City paid off a loan for \$3.45 million and now holds title to several acres of property, which will serve as the southern landing for a future bridge at the intersection of State Highways 161 and 180. In 2018, the City Council authorized task orders to begin the design and permitting process for the new span over Wolf Bay, which continued in 2020. The future bridge will aid in evacuations during tropical events, the improvement of public safety and introduce positive economic development opportunities for long-term financial stability beyond the City's vulnerable coastline opening up thousands of undeveloped acres for new economic impact.
- 5) In 2017, the City Council approved a 2% lodging tax increase, effective May 1, 2018, with revenue specifically funding infrastructure projects, including construction of the proposed Wolf Bay Bridge.
- 6) The City maintains a permanent reserve fund for the general fund and the sewer utility fund. The City continues to add to the balance annually with a goal of maintaining close to one year general fund operations.
- 7) In June 2021, a groundbreaking ceremony was held for a South Baldwin Regional Medical Center freestanding emergency department in Gulf Shores, just north of Jack Edwards Airport on Hwy. 59. The \$15 million freestanding ER will be located on 11 acres owned by the City of Gulf Shores. The new emergency medical facility is expected to be open and ready for patient by May 2021. The City of Orange Beach worked in partnership with the City of Gulf Shores on this regional freestanding ER along with goals of regional healthcare improvements through the Gulf Coast Healthcare Authority, as well as locally through the Orange Beach Healthcare Authority.
- 8) The Council continues to be conservative in its budgeting, spending, and debt management. These conservative philosophies resulted in Moody's upgrading the bond rating for the City of Orange Beach to Aa1 in Spring of 2018. In September of 2021, S&P Global Ratings reaffirmed the City of Orange Beach's AA+ bond rating.

- 9) On April 20, 2010, the BP/Deepwater Horizon oil derrick explosion occurred in the Gulf of Mexico. The well continued to uncontrollably leak oil for approximately 90 days. National media coverage of the unprecedented man-made disaster and its potential to harm the Gulf Coast environment, negatively impacted tourism for the summer of 2010. A final settlement for lost revenues was reached with BP in 2016, resulting in a net payment to the City of \$10 million. In June of 2012, the U.S. Congress passed the RESTORE Act that directs fines and penalties directly attributed to the quantity of oil spilled into the Gulf of Mexico. The RESTORE Act specifically directs 80% of these fines to go to the five Gulf States. Alabama and its two coastal counties were estimated to receive, at minimum, \$1 billion to be reinvested in environmental and economic restoration projects such as infrastructure. In 2016, the Alabama Legislature under the guidance of then Governor Robert Bentley “reallocated” the majority of restoration funds to statewide general fund shortfalls instead of investing as planned in future infrastructure in Mobile and Baldwin Counties. Orange Beach is currently included in remaining funds allocated to Baldwin County highway projects that will increase capacity by adding an additional lane on Canal Road from Highway 161 to the western city limits at Gulf Shores. Other projects being funded by BP-related penalties include upgrading the City’s northern sewer main, widening and improving capacity on Canal Road East, filtration and water quality improvements to various canals and channels near Cotton Bayou, the construction of a Gulf Coast Engineering Research Station (in partnership with Auburn University), expansion of the Orange Beach Wildlife Rehabilitation Center and essential repairs to the Alabama Point seawall. The funding for the majority of the City’s RESTORE projects has been approved and will be allocated at the time of each grant initiation.
- 10) A 2005 warrant issue used for the last comprehensive beach renourishment project, and a 2007A issue used to establish the City’s permanent reserve fund were scheduled to be paid off in 2016; however, the council structured the new issues to pay off in 2021 and to pay interest only until 2015. During 2005, an additional 1 cent sales tax was instituted to essentially provide for the 2005 issue’s debt service payments. It was also to pay for needed drainage projects and to provide for reserve funds. The 1 cent tax was scheduled to end in 2015; however, the Council extended the 1 cent sales tax for 10 years until March 31, 2025.
- 11) Wharf built and opened a 28,000-square-foot conference center in 2008. In April 2011, the City purchased the Wharf Conference Center for \$1.6 million, gaining immediate equity in the asset. Renamed the Orange Beach Event Center at The Wharf, the City is aggressively recruiting trade shows, conferences, meetings, concerts and more to bring attendees to town to fill room nights in the City. The new 132-room Marriott Springhill Suites hotel on The Wharf site has increased usage at the Event Center, which is adjacent to the hotel. Rentals continue to be strong and growing annually in the facility.
- 12) In April 2012, the Baldwin County Commission purchased approximately 2,400 acres, known as the South Alabama Mega Site, close to Interstate 65 to market to potential industrial prospects. Baldwin County’s megasite is one of the last certified sites in the Southeast and continues to hold great potential for jobs and should generate great economic benefits to the area, including Orange Beach. Various large prospects continue to explore relocation to the site which would produce large employment demand and new job investments for Baldwin County.
- 13) The Alabama Gulf Coast Reef and Restoration Foundation successfully sank a 271-foot retired coastal freighter “The LuLu” 17 nautical miles off the coast of Orange Beach in May 2013 and additional underwater structures and near-shore reefs have been created for scuba-diving enthusiasts since that time. In June 2018, another 250 foot vessel named “The New Venture” was sunk about 20 nautical miles south of Orange Beach. These new underwater attractions are a boon for the Alabama Gulf Coast tourism industry and tap into the lucrative scuba-diving destination market. Understanding the potential, the City helped sponsor a community-driven project that added structures to a near-shore reef and continues to support the creation of new reefs in Alabama waters. The “Southern Heritage” a 50 foot shrimp boat was sunk in May 2021 as an Eagle Scout project led by Garrett Ard with the city funding \$10,000 of the total \$25,000 project costs continuing in reef development and investment.
- 14) The City has recently welcomed the opening of several new properties that added over 300 rooms along with several new retail and restaurant operations. Additionally, the City has two high-rise condominiums – one opened in 2020 and one to open in early 2021 - that will add 312 condo units to the market. Overall, commercial and residential construction permits continue to rise substantially. Assessed property value in the City of Orange Beach now exceeds \$1 billion based on Baldwin County data.

- 15) Diversification of the tourism market continues as more sporting events such as youth baseball/softball tournaments, marathons, soccer and volleyball come to the area. These athletic-oriented events documented over 117,000 room nights on the entire Gulf Coast in 2020 with an estimated economic impact of \$121.4 million. These events are building on off-season months in attracting visitors. The City Council approved hosting the Southeastern Conference Women's Soccer Championship through 2021 which airs nationally on the SEC Network, ESPN broadcasts, providing local exposure. The City continues to invest in its sports facilities to attract and retain events, such as upgraded baseball/softball fields for USSSA tournaments and new sand volleyball courts.
- 16) The City of Foley issued a \$25 million bond issue to construct 16 soccer fields along with a 90,000 square foot indoor competition facility, which opened in late 2017 and is anchored by a hotel and a major entertainment/amusement park complex located on the Beach Express known as OWA. This entire complex is attracting visitors year round and hosting new sporting events that cannot currently be held in south Baldwin County due to the lack of flat fields such as lacrosse, field hockey, and large soccer tournaments, etc. This activity is expected to continue to generate new room nights for visitors who will choose to stay in Orange Beach just 9 miles south.
- 17) The Poarch Band of Creek Indians has constructed the OWA development, an initial investment of \$260 million. OWA, stands for "Big Water" in the Creek Indians language. It is located along the Foley Beach Express at County Road 20, just 9 miles from Orange Beach. While the Alabama Gulf Coast already hosts 6.5 million visitors each year, OWA is expected to bring in an additional 1 million visitors annually once the project is built out. Phase 1 of OWA, includes a 150-room hotel, retail and dining spaces, amusement park and lake, which opened in late Summer 2017. In 2020, Phase II began as a \$100 million investment of an indoor waterpark, which is under construction, a 200 room hotel, a condominium complex and a resort level RV park. When complete, total investment in the development is projected to top \$500 million. The 520-acre OWA development is adjacent to the City of Foley's \$40 million sports tourism complex. When completed, the OWA development is expected to generate close to 3,500 jobs.
- 18) The Baldwin County Board of Education's \$26 million Orange Beach Middle/High School opened in August 2021. The City donated 40 acres of prime real estate for the school. The City has committed to fund a Performing Arts Center and an athletic training complex as part of the school's campus, estimated investment of around \$16 million in the two facilities. As anticipated, the opening of the City's first-ever middle/high school resulted in an influx of new families and a rise in property values. The Performing Arts Center will be a state-of-the-art facility with 710 seats and is scheduled to open in the summer of 2021. The facility will serve as a hallmark venue for performing arts on the Gulf Coast.
- 19) The City made a few key property acquisitions in 2020, totaling \$2.9 million, related to future expansion of city services and public safety improvements. Acquiring necessary parcels of land with buildable, dry acreage is key in securing such land for future public facilities and growth.
- 20) Recent Quality of Life investments:
 - a. Opening of the new Coastal Arts Center of Orange Beach - \$2.5 million includes a new 10,000-square-foot two story art gallery, children's studio, Hot Shop, Clay Studio and campus improvements that upgraded parking and driveways.
 - b. Orange Beach Seawall Park at Alabama Point – Over \$500,000 invested to reopen a popular fishing spot for residents and visitors located on state property adjacent to Perdido Pass Bridge.
 - c. Sidewalk investments – Over \$1 million invested in recent years to improve neighborhood connectivity, recreational opportunities, and connection through Gulf State Park to the City of Gulf Shores. Funds used in matching of trail and sidewalk grants where available.
- 21) Impactful economic event- Pandemic: On March 19, 2021 Alabama Governor Kay Ivey closed all public and private beaches in the State of Alabama due to the coronavirus pandemic concerns. This closure continued through the month of April essentially stopping tourism for the one and a half months. The local economy rebounded once beaches reopened with restrictions and mandates in place such as social distancing and Orange Beach saw a banner summer season.
- 22) Impactful economic event – Hurricane Sally: On September 16, 2021, Hurricane Sally made a direct impact on Orange Beach, Alabama at almost Category 3 strength. The storm grew in intensity in its final hours of approach which had caused no mandatory evacuation. Moving at only 1mph, Sally deposited 30" of rainfall along with sustained winds near 110mph for hours. The damage and devastation was broad with severe impacts on marine related structures such as docks and marinas, vessels and the charter fishing and tour boat industry based in Orange Beach. Flooding was severe throughout the city. The city set very aggressive goals of cleanup and restoration which by end of the calendar year 2021 was met and by spring break of the following tourist season around 90% operation was back in force.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT – WIDE FINANCIAL STATEMENTS

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

DRAFT

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 61,716,216	\$ 6,663,172	\$ 68,379,388
Accounts receivable - net	15,089,809	101,089	15,190,898
Internal balances	6,189,205	(6,189,205)	-
Inventories	14,462	-	14,462
Prepays	218,046	3,689	221,735
Restricted assets:			
Cash and cash equivalents	31,131,855	6,090,772	37,222,627
Capital assets:			
Non-depreciable	68,126,861	1,505,769	69,632,630
Depreciable (net)	47,946,549	23,249,719	71,196,268
TOTAL ASSETS	<u>230,433,003</u>	<u>31,425,005</u>	<u>261,858,008</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred employer pension contributions	566,045	-	566,045
Deferred pension losses	4,186,169	-	4,186,169
Defeasance cost (net)	487,807	1,157,528	1,645,335
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,240,021</u>	<u>1,157,528</u>	<u>6,397,549</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 641,636	\$ 91,681	\$ 733,317
Accrued expenses	1,250,989	65,925	1,316,914
Accrued interest payable	682,921	160,329	843,250
Long-term liabilities:			
Due within one year:			
Compensated absences	471,974	78,288	550,262
Bonds payable	2,855,000	1,770,000	4,625,000
Due in more than one year:			
Net pension liability	3,533,356	-	3,533,356
Compensated absences	238,521	38,635	277,156
Bonds payable	48,650,169	15,390,507	64,040,676
TOTAL LIABILITIES	<u>58,324,566</u>	<u>17,595,365</u>	<u>75,919,931</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension gains	4,237,531	-	4,237,531
Unearned revenue	186,371	55,372	241,743
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,423,902</u>	<u>55,372</u>	<u>4,479,274</u>
NET POSITION			
Invested in capital assets, net of related debt	64,568,241	7,594,981	72,163,222
Restricted:			
Capital projects	1,417,216	-	1,417,216
Emergencies	14,113,365	6,090,772	20,204,137
Unrestricted	92,825,734	1,246,043	94,071,777
TOTAL NET POSITION	<u>\$ 172,924,556</u>	<u>\$ 14,931,796</u>	<u>\$ 187,856,352</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

Functions/Programs	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 16,843,823	\$ 406,132	\$ 3,614,449	\$ -	\$ (12,823,242)		\$ (12,823,242)
Court	494,362	81,225	-	-	(413,137)		(413,137)
Finance	1,064,602	2,969,381	-	-	1,904,779		1,904,779
Police	6,769,579	468,640	-	-	(6,300,939)		(6,300,939)
Corrections	770,276	-	-	-	(770,276)		(770,276)
Communications	604,017	-	-	-	(604,017)		(604,017)
Fire	8,012,365	2,755,666	-	-	(5,256,699)		(5,256,699)
Public works	3,832,265	-	-	57,584	(3,774,681)		(3,774,681)
Landscape	1,829,510	-	-	-	(1,829,510)		(1,829,510)
Parks and recreation	2,387,811	1,577,504	-	-	(810,307)		(810,307)
Library	694,196	36,050	7,028	-	(651,118)		(651,118)
Community development	1,585,316	1,535,487	34,500	-	(15,329)		(15,329)
Coastal resources	2,973,066	-	2,767,132	-	(205,934)		(205,934)
Recreation center	954,885	-	-	-	(954,885)		(954,885)
Expect Excellence	2,037,144	-	-	-	(2,037,144)		(2,037,144)
Interest on long-term debt	1,925,469	-	-	-	(1,925,469)		(1,925,469)
Total governmental activities (See Note 1)	52,778,686	9,830,085	6,423,109	57,584	(36,467,908)		(36,467,908)
Business-type activities:							
Sewer	6,723,095	7,386,965	-	-	-	663,870	663,870
Refuse	3,270,197	2,731,546	-	-	-	(538,651)	(538,651)
Events Center	568,896	106,196	-	-	-	(462,700)	(462,700)
Baldwin County Bridge Company (BCBC)	-	1,621,431	-	-	-	1,621,431	1,621,431
Arts Center	960,309	608,506	-	7,100	-	(344,703)	(344,703)
Total business-type activities	11,522,497	12,454,644	-	7,100	-	939,247	939,247
Total primary government	\$ 64,301,183	\$ 22,284,729	\$ 6,423,109	\$ 64,684	\$ (36,467,908)	\$ 939,247	\$ (35,528,661)
General revenues:							
Property taxes					4,593,410	-	4,593,410
Local taxes					30,540,408	-	30,540,408
Franchise taxes					1,505,032	-	1,505,032
State taxes					839,538	-	839,538
Sales taxes					21,012,215	-	21,012,215
Unrestricted investment earnings					151,449	83,633	235,082
Reimbursed expenses					185,759	-	185,759
Miscellaneous					1,164,028	620,779	1,784,807
Gain on disposal of assets					279,813	-	279,813
Transfers					2,338,321	(2,338,321)	-
Total general revenues, special items and transfers					62,609,973	(1,633,909)	60,976,064
Change in net position					26,142,065	(694,662)	25,447,403
Net position - beginning					146,782,491	15,626,458	162,408,949
Net position - ending					\$ 172,924,556	\$ 14,931,796	\$ 187,856,352

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

THE CITY OF ORANGE BEACH, ALABAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

DRAFT

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 61,392,607	\$ 323,609	\$ 61,716,216
Restricted cash and cash equivalents	28,418,386	2,713,469	31,131,855
Accounts receivable - net	14,983,936	105,873	15,089,809
Due from other funds	6,350,463	-	6,350,463
Inventory	14,462	-	14,462
Prepaid expenses	218,046	-	218,046
TOTAL ASSETS	<u>\$ 111,377,900</u>	<u>\$ 3,142,951</u>	<u>\$ 114,520,851</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	641,636	-	641,636
Due to other funds	-	161,258	161,258
Accrued expenses	1,110,423	15,419	1,125,842
Appearance bonds	60,967	-	60,967
Performance bonds	33,545	-	33,545
Communications tower escrow funds	30,635	-	30,635
Total liabilities	<u>1,877,206</u>	<u>176,677</u>	<u>2,053,883</u>
Deferred inflows of resources:			
Unearned revenue	<u>186,371</u>	<u>-</u>	<u>186,371</u>
Fund balances:			
Nonspendable	232,507	-	232,507
Spendable:			
Restricted	35,274,678	2,661,444	37,936,122
Committed	2,660,828	-	2,660,828
Assigned	-	304,830	304,830
Unassigned	71,146,310	-	71,146,310
Total fund balances	<u>109,314,323</u>	<u>2,966,274</u>	<u>112,280,597</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 111,377,900</u>	<u>\$ 3,142,951</u>	<u>\$ 114,520,851</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

DRAFT

Fund balances - total governmental funds \$ 112,280,597

Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the governmental funds.

Governmental capital assets	146,028,067	
Less: accumulated depreciation	<u>(29,954,657)</u>	116,073,410

Certain deferred outflows of resources used in governmental activities are not
financial resources and therefore are not reported in the governmental funds.

Deferred employer pension contributions	566,045	
Deferred pension losses	4,186,169	
Loss on advance refunding	880,250	
Less: accumulated amortization	<u>(392,443)</u>	5,240,021

Certain deferred inflows of resources used in governmental activities are not
financial uses and therefore are not reported in the governmental funds.

Deferred pension gains	<u>(4,237,531)</u>	(4,237,531)
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Long-term liabilities, including bonds payable are not due and payable
in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	(42,845,000)	
Premium on bonds issued	(9,860,675)	
Discount on bonds issued	42,033	
Accumulated amortization of premium/discount	1,158,473	
Net pension liability	(3,533,356)	
Compensated absences	<u>(710,495)</u>	(55,749,020)

Accrued interest payable on debt in the governmental funds is susceptible
to full accrual on the entity wide basis.

Accrued interest payable		<u>(682,921)</u>
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Net position of governmental activities		<u>\$ 172,924,556</u>
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The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 4,593,413	\$ -	\$ 4,593,413
Intergovernmental:			
State tax	198,186	552,032	750,218
Local tax	53,057,655	-	53,057,655
Grants	6,416,081	7,028	6,423,109
BP proceeds	-	-	-
Personnel service reimbursement	185,759	-	185,759
Other licenses, permits and fees	5,182,603	2,828	5,185,431
Fines and forfeitures	436,150	37,687	473,837
Charges for services	1,604,985	-	1,604,985
Rent	171,139	-	171,139
Investment earnings	137,917	13,532	151,449
Insurance proceeds	768,144	-	768,144
Contracts	2,298,679	-	2,298,679
Miscellaneous	499,559	197,591	697,150
TOTAL REVENUES	<u>75,550,270</u>	<u>810,698</u>	<u>76,360,968</u>
EXPENDITURES			
General government	10,293,841	-	10,293,841
Coastal resources	2,369,619	-	2,369,619
Court	494,225	-	494,225
Finance	1,062,053	-	1,062,053
Police	6,954,845	-	6,954,845
Corrections	769,979	-	769,979
Community development	1,523,572	-	1,523,572
Communications	603,636	-	603,636
Fire	8,043,878	-	8,043,878
Public works	3,160,982	-	3,160,982
Landscape	1,829,324	-	1,829,324
Parks and recreation	1,525,262	-	1,525,262
Recreation center	954,819	-	954,819
Expect Excellence	2,036,454	-	2,036,454
Library	-	660,329	660,329
Capital improvements	27,720,171	-	27,720,171
Securities lending:			
Fiscal agent fees	-	1,632	1,632
Debt service:			
Principal payments	-	2,195,271	2,195,271
Interest and other	-	41,425	41,425
TOTAL EXPENDITURES	<u>69,342,660</u>	<u>2,898,657</u>	<u>72,241,317</u>
Excess (deficiency) of revenues over expenditures	<u>6,207,610</u>	<u>(2,087,959)</u>	<u>4,119,651</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from disposal of assets	242,818	-	242,818
Proceeds from debt issue	50,433,145	-	50,433,145
Cost of debt issue	(433,145)	-	(433,145)
Transfers in	2,944,097	4,172,992	7,117,089
Transfers out	(4,172,992)	(605,776)	(4,778,768)
TOTAL OTHER FINANCING SOURCES (USES)	<u>49,013,923</u>	<u>3,567,216</u>	<u>52,581,139</u>
NET CHANGE IN FUND BALANCES	<u>55,221,533</u>	<u>1,479,257</u>	<u>56,700,790</u>
FUND BALANCES - BEGINNING	<u>54,092,790</u>	<u>1,487,017</u>	<u>55,579,807</u>
FUND BALANCES - ENDING	<u>\$ 109,314,323</u>	<u>\$ 2,966,274</u>	<u>\$ 112,280,597</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE CHANGES IN NET POSITION ON THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2021

DRAFT

Net change in fund balances \$ 56,700,790

Governmental funds report capital improvements as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	20,847,499	
Less: current year depreciation	(2,751,580)	
Less: book value of disposed assets	<u>(21,353)</u>	18,074,566

Bond proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Proceeds of 2021 GO Debt issue	(50,433,145)	
Bond premium/discount amortization	549,996	
Principal payments	<u>1,420,000</u>	(48,463,149)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of loss on refunding	(44,012)	
Increase in interest accrued on long term debt	(673,996)	
Increase in compensated absences	(13,515)	
Decrease in deferred employer pension contributions	(1,373)	
Increase in deferred pension losses	1,401,889	
Increase in deferred pension gains	(3,729,785)	
Decrease in net pension liability	<u>2,890,650</u>	<u>(170,142)</u>

Change in net position of governmental activities \$ 26,142,065

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

DRAFT

	Sewer	Other Proprietary Funds	Total Proprietary Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,565,462	\$ 97,710	\$ 6,663,172
Restricted cash and cash equivalents	6,090,772	-	6,090,772
Accounts receivable - net	75,663	25,426	101,089
Due from other funds	-	1,287	1,287
Prepaid expenses	3,689	-	3,689
Total current assets	<u>\$ 12,735,586</u>	<u>\$ 124,423</u>	<u>\$ 12,860,009</u>
Noncurrent assets			
Capital assets:			
Land	343,588	158,648	502,236
Buildings	-	3,820,516	3,820,516
Sewer plant	29,767,289	-	29,767,289
Vehicles and equipment	3,106,476	1,629,120	4,735,596
Distribution and collection system	13,763,412	-	13,763,412
Less: Accumulated depreciation	<u>(25,819,184)</u>	<u>(2,014,377)</u>	<u>(27,833,561)</u>
Total noncurrent assets	<u>21,161,581</u>	<u>3,593,907</u>	<u>24,755,488</u>
TOTAL ASSETS	<u>33,897,167</u>	<u>3,718,330</u>	<u>37,615,497</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding - net	<u>1,157,528</u>	<u>-</u>	<u>1,157,528</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 68,555	\$ 23,126	\$ 91,681
Due to other funds	1,247,414	4,943,078	6,190,492
Accrued expenses	39,391	26,534	65,925
Accrued compensated absences	46,830	31,458	78,288
Accrued interest payable	160,329	-	160,329
Current portion of bonds payable	<u>1,770,000</u>	<u>-</u>	<u>1,770,000</u>
Total current liabilities	<u>3,332,519</u>	<u>5,024,196</u>	<u>8,356,715</u>
Noncurrent liabilities			
Accrued compensated absences	30,803	7,832	38,635
Series 2020 G.O. Sewer Warrant - net	14,115,000	-	14,115,000
Series 2012 G.O. Sewer Warrant - net	<u>1,275,507</u>	<u>-</u>	<u>1,275,507</u>
Total noncurrent liabilities	<u>15,421,310</u>	<u>7,832</u>	<u>15,429,142</u>
TOTAL LIABILITIES	<u>18,753,829</u>	<u>5,032,028</u>	<u>23,785,857</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>55,372</u>	<u>-</u>	<u>55,372</u>
NET POSITION			
Invested in capital assets, net of related debt	6,878,396	3,593,907	10,472,303
Unrestricted	<u>9,367,098</u>	<u>(4,907,605)</u>	<u>4,459,493</u>
TOTAL NET POSITION	<u>\$ 16,245,494</u>	<u>\$ (1,313,698)</u>	<u>\$ 14,931,796</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	Sewer	Other Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 7,386,965	\$ 4,800,114	\$12,187,079
Miscellaneous income	2,580	31,006	33,586
Merchandise sales	-	284,525	284,525
TOTAL OPERATING REVENUES	<u>7,389,545</u>	<u>5,115,645</u>	<u>12,505,190</u>
COST OF GOODS SOLD	<u>-</u>	<u>166,476</u>	<u>166,476</u>
GROSS PROFIT	<u>7,389,545</u>	<u>4,949,169</u>	<u>12,338,714</u>
OPERATING EXPENSES			
Salaries, wages and employee benefits	2,094,597	1,393,463	3,488,060
Contractual services	224,809	2,429,463	2,654,272
Utilities	1,073,616	122,812	1,196,428
Repairs and maintenance	337,408	225,811	563,219
Other supplies and expenses	373,143	216,117	589,260
Bad debt expense	6,474	-	6,474
Bond premium amortization	125,913	-	125,913
Depreciation	1,626,308	271,515	1,897,823
TOTAL OPERATING EXPENSES	<u>5,862,268</u>	<u>4,659,181</u>	<u>10,521,449</u>
OPERATING INCOME (LOSS)	<u>1,527,277</u>	<u>289,988</u>	<u>1,817,265</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	83,600	33	83,633
Interest expense	(860,827)	-	(860,827)
2012 GO Warrant debt service transfers from escrow	603,588	-	603,588
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(173,639)</u>	<u>33</u>	<u>(173,606)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,353,638</u>	<u>290,021</u>	<u>1,643,659</u>
TRANSFERS IN (OUT)	<u>(820,000)</u>	<u>(1,518,321)</u>	<u>(2,338,321)</u>
CHANGE IN NET POSITION	<u>533,638</u>	<u>(1,228,300)</u>	<u>(694,662)</u>
NET POSITION - BEGINNING	<u>15,711,856</u>	<u>(85,398)</u>	<u>15,626,458</u>
NET POSITION - ENDING	<u>\$16,245,494</u>	<u>\$ (1,313,698)</u>	<u>\$14,931,796</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	Sewer	Other Proprietary Funds	Total Proprietary Funds
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Receipts from customers	\$ 7,386,212	\$ 5,116,932	\$12,503,144
Payments to employees for services	(2,158,018)	(1,434,365)	(3,592,383)
Payments to suppliers of goods & services	(2,090,054)	(3,178,639)	(5,268,693)
Payments from (to) other funds	<u>1,128,874</u>	<u>1,049,144</u>	<u>2,178,018</u>
NET CASH PROVIDED (USED)			
BY OPERATING ACTIVITIES	<u>4,267,014</u>	<u>1,553,072</u>	<u>5,820,086</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES			
Transfers to other funds	<u>(820,000)</u>	<u>(1,518,321)</u>	<u>(2,338,321)</u>
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES			
Interest income	83,600	35	83,635
Increase in restricted cash	1,008,967	-	1,008,967
Proceeds from Series 2020 G.O. Warrants	-	-	-
2012 GO Warrant debt service transfers from escrow	603,588	-	603,588
Principal repayments for capital purposes	(1,630,508)	-	(1,630,508)
Interest paid on capital debt	(677,404)	-	(677,404)
Acquisition of property and equipment	<u>(1,033,167)</u>	<u>-</u>	<u>(1,033,167)</u>
NET CASH (USED) BY CAPITAL AND			
RELATED FINANCING ACTIVITIES	<u>(1,644,924)</u>	<u>35</u>	<u>(1,644,889)</u>
NET INCREASE (DECREASE) IN CASH	<u>1,802,090</u>	<u>34,786</u>	<u>1,836,876</u>
CASH & EQUIVALENTS - BEG. OF YEAR	<u>4,763,372</u>	<u>62,924</u>	<u>4,826,296</u>
CASH & EQUIVALENTS - END OF YEAR	<u>\$ 6,565,462</u>	<u>\$ 97,710</u>	<u>\$ 6,663,172</u>
 Operating income (loss)	 <u>\$ 1,527,277</u>	 <u>\$ 289,988</u>	 <u>\$ 1,817,265</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	1,626,308	271,515	1,897,823
Amortization	125,913	-	125,913
(Increase) decrease in:			
Accounts receivable	2,238	1,289	3,527
Due to other funds	1,128,874	1,049,144	2,178,018
Deposits	-	-	-
Increase (decrease) in:			
Accounts payable	(81,078)	(17,962)	(99,040)
Accrued payroll	(63,421)	(40,902)	(104,323)
Deferred revenue	<u>903</u>	<u>-</u>	<u>903</u>
Total adjustments	<u>2,739,737</u>	<u>1,263,084</u>	<u>4,002,821</u>
Net cash provided (used) by operating activities	<u>\$ 4,267,014</u>	<u>\$ 1,553,072</u>	<u>\$ 5,820,086</u>

Supplemental Disclosures

Noncash Investing and Financing Activities: NONE

The accompanying notes are an integral part of the financial statements.

DRAFT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL STATEMENT

The City of Orange Beach, Alabama, (the "City"), was incorporated on August 1, 1984, under the applicable laws of the State of Alabama. The City operates under a Mayor-Council form of government and provides the following services to its citizens: Police, Fire and Paramedic services, Street maintenance, Culture-Recreation, Public Improvements, Planning and Zoning, Building Inspection and other general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally Accepted Accounting Principles (GAAP) for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

B. FINANCIAL REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

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

Based on these criteria, this report includes financial statements of the funds required to account for those financial activities for which the City has the ability to influence and control through its legislative processes.

Excluded from the financial statements of the City are the following boards or agencies for which a lack of influence, dependency and control exist: The Business and Industrial Development Board of the City of Orange Beach, Alabama, the Orange Beach Water, Sewer and Fire Protection Authority and the Orange Beach Volunteer Fire Department. These boards and agencies are governed by their own Boards of Directors, prepare and adopt an annual operating budget which is not influenced by the City, have the authority to issue debt which is not an obligation of the City and are not secured by City revenues, have responsibility for any operating deficits which they may incur and must fund any deficits through prior years' surplus or other financing sources.

C. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF PRESENTATION (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

FUND FINANCIAL STATEMENTS:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund -

The General Fund is the main operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Sewer Utility System -

Sewer Utility System Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the City's non-major funds are:

Governmental Funds:

Special Revenue Funds -

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Library Fund -

The Library fund is used to record the daily operating functions of the library. The library fund is a component unit of the city presented with the other governmental funds since its revenue primarily consists of appropriations from the city's general fund.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Proprietary Funds:

Events Center Fund -

Events Center Fund is used to account for the operations of the events center operation. All costs are financed through charges to customers.

Arts Center Fund -

Arts Center Fund is used to account for the operations of the coastal arts center. All costs are financed through charges to customers.

Refuse Collection -

Refuse Collection Fund is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to refuse customers.

Baldwin County Bridge Company (BCBC) Fund -

BCBC Fund is used to account for the transactions between the City and American Roads as described in Note 12.

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 are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, liabilities (whether current or non-current), deferred inflows of resources, and deferred outflows of resources are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using 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. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, charges for services, interest income and intergovernmental revenues. Taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

E. BUDGETARY CONTROL

As set forth in the City Charter, the City of Orange Beach, Alabama, adopts an annual budget for the General Fund, Special Revenue Fund, Refuse Fund (an Enterprise Fund), and the Sewer System Utility Fund (an Enterprise Fund). The annual budget for the funds is prepared on the cash and expenditure/encumbrances basis. Revenues and expenditures are budgeted in the year receipt and payment is expected. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget to actual comparison in the general purpose financial statements is presented on this basis. The City may transfer budgeted amounts between line items with the approval of the City Council. The City Council can amend the budget during the year as needed to reflect any changes in its programs or services arising during the budget period. The Enterprise funds do not require a budget comparison. All annual appropriations lapse at year-end except for on- going projects which are budgeted for the following fiscal year.

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

1. During the months of October and November, the Mayor and City Administrator meet with the Department heads to discuss a proposed budget for that department for the coming year commencing January 1st.
2. The Mayor then drafts a budget for all funds, which include proposed expenditures and the proposed means for financing them.
3. On or about December 1st, the Mayor presents to the Council the proposed budget. Prior to January 1st, the budget is legally enacted through passage of a resolution.
4. The City Council may amend the budget through resolutions as needed, provided adequate funds are available at the time of amendment. The City reviews its budget at mid-year and at other times as needs and circumstances dictate.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY CONTROL (continued)

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

F. CASH AND INVESTMENTS

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand deposits, savings accounts, and short-term investments with original or remaining maturities of three months or less when purchased. For purposes of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and short-term investments with an original maturity of three months or less.

The City has \$19,322,732 invested in the JP Morgan 100% U.S. Treasury Securities Money Market Fund #677 as of December 31, 2021. The fund invests solely in debt securities of the U.S. Treasury, including Treasury bills, bonds and notes. These investments carry different interest rates, maturities and issue dates.

G. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables balances for the governmental activities include property taxes, local taxes and franchise taxes. Major proprietary receivables include amounts due on the Baldwin County Bridge agreement and sewer fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise tax, grants and other similar intergovernmental revenue that are usually both measurable and available. Nonexchange transactions collectible but not available are not deferred in the fund financial statements in accordance with modified accrual but are deferred in the government-wide statements in accordance with accrual basis. The interest earned is recorded when earned, only if paid within 60 days since they would be considered both measurable and available.

H. PREPAID ITEMS

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

I. INVENTORY

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of gasoline and diesel fuel and merchandise held in the general fund.

J. INTERFUND RECEIVABLES AND PAYABLES

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

K. TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

GASB No 34 requires the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ending September 30, 2003. Infrastructure assets include roads, bridges, underground pipes (other than utilities), traffic signals, etc. The City's capitalization threshold for infrastructure is \$500,000. During 2007, the City assessed the condition of the roads, sidewalk, and other infrastructure. The City of Orange Beach, Alabama does not have infrastructure that exceeds the capitalization threshold.

Assets capitalized, not including infrastructure assets, have varying capitalization thresholds depending on the asset type. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives and capitalization thresholds are as follows:

	Useful Life	Capitalization Threshold Before 2/5/19	Capitalization Threshold After 2/5/19
Buildings	35-50 years	\$ 100,000	\$ 100,000
Building improvements	20-30 years	100,000	100,000
Machinery, vehicles and equipment	5-15 years	7,500	15,000
Furniture and fixtures	3-15 years	7,500	15,000
Land	n/a	7,500	10,000

Sewer Utility System Fund

During 2007, The City began constructing a new wastewater treatment plant. The new plant was completed and put on-line on April 8, 2011. The final cost of the project was \$28,071,590. The costs of the various items of land, buildings, plant, collection system and other equipment and vehicles were allocated based on actual costs of the various components of the system. Additions to the system during the year are recorded at cost or, if contributed property, at the estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of property and equipment is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to operations.

Refuse Collection Fund, Arts Center Fund, Events Center Fund

Additions to the fund during the year are recorded at cost or, if contributed property, at the estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of property and equipment is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to operations.

N. ACCUMULATED COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation which will be paid to City workers when they terminate employment or will be used in future years by the employees. In governmental funds and enterprise funds, the cost of this leave time is recognized based on the Administration's estimate of the total value which will be taken in the coming fiscal period and is recorded as a liability in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. PROPERTY TAXES

All ad valorem taxes levied by the State, County and the City are assessed and collected by the Tax Collector of Baldwin County, Alabama. The Baldwin County tax calendar requires the Tax Assessor to assess and attach taxes as enforceable liens on property as of September 30, and taxes are due October 1 through December 31 of each year. Property taxes not paid by January 1, are considered as delinquent. Tax collections received by the County Tax Collector are remitted to the City on a monthly basis. All amounts paid to the City within the bill paying period are included in revenues. The City currently assesses 4 mills on property within the City Limits. The Council has the authority to increase property taxes at its discretion, within certain statutory limits.

P. NATURE AND PURPOSE OF RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

Government Wide Level Financial Statements

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

- Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of 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) law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Level Financial Statements

In accordance with Government Accounts Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Bureau classifies governmental fund balance as follows:

- a) Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- b) Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c) Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- d) Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The policy established by the City pursuant to which the authorization to assign fund balance to a specific purpose is given for the Finance Committee to approve, followed by Council action to accept and the Mayor's signature to authorize.
- e) Unassigned - includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The City commits fund balance through council action, the government highest level of decision-making authority. Formal Council action in a form of a resolution is required to establish, modify, or rescind a fund balance commitment is needed.

The City does not have an established policy regarding use of unrestricted fund balance when both restricted and unrestricted fund balance are available. However, the City does consider committed amount would be reduced first, followed by any assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the City's unrestricted fund balance classifications are used.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. NATURE AND PURPOSE OF RESERVATIONS AND DESIGNATIONS OF FUND BALANCE (continued)

A schedule of fund balances is as follows:

	General Fund	Debt Service Fund	Special Revenue Fund	Library Fund	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories	\$ 14,462	\$ -	\$ -	\$ -	\$ 14,462
Prepaid expenses	218,046	-	-	-	218,046
Restricted for:					
Grants	10,177,190	-	-	-	10,177,190
Municipal court	61,449	-	-	-	61,449
Debt service	25,036,038	2,109,504	-	-	27,145,542
Capital outlay	-	-	551,940	-	551,940
Committed to:					
Emergencies	2,660,828	-	-	-	2,660,828
Assigned to:					
Library	-	-	-	304,830	304,830
Unassigned:	<u>71,146,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,146,310</u>
Total Fund Balance:	<u>\$ 109,314,323</u>	<u>\$ 2,109,504</u>	<u>\$ 551,940</u>	<u>\$ 304,830</u>	<u>\$ 112,280,597</u>

Q. CAPITALIZED INTEREST

Interest costs on debt are capitalized when incurred by proprietary funds where the proceeds are used to finance the construction of assets.

R. ACCUMULATED DEFICIT

At December 31, 2021, the Events Center Fund and Refuse Fund had accumulated deficits of \$515,703 and \$1,620,658, respectively. It is anticipated that the Events Center Fund and Refuse Fund deficits will continue to be financed by the General Fund.

S. NET POSITION

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 2 – CASH AND RESTRICTED CASH

A detail of cash as of December 31, 2021 is as follows:

	Governmental-type Funds	Business-type Funds
Cash on hand	\$ 3,905	\$ 100
Cash in banks		
Operations	61,712,311	6,663,072
Reserved- Disaster	3,320,899	4,253,764
Reserved- Capital projects	25,097,487	-
Reserved- Special revenues	472,435	-
Reserved- Debt service	2,241,034	1,837,008
	<u>\$ 92,848,071</u>	<u>\$ 12,753,944</u>

NOTE 3 – CREDIT RISK

The City's deposits at year end were held by facial institutions that participate in the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. The SAFE program was established by the Alabama legislature and is governed by the provisions contained in the Code of Alabama 1975, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program all public funds are protected through the collateral pool administered by the Alabama State Treasurer's Office under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged failed to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

At December 31, 2021 the carrying amount of the City's deposits, including Certificates of Deposit, was \$105,598,114 and the bank balance was \$121,807,051. These deposits are held in accounts insured by the Federal Deposit Insurance Corporation, FDIC. Amounts in excess of FDIC coverage are further secured by a pledge of securities from various institutions to the Alabama State Treasurer Office in accordance with the Security for Alabama Funds Enhancement, SAFE, Act.

NOTE 4 – RETIREMENT PLAN

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan description. The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing 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. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36- Chapter 27 of the Code of Alabama 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.

NOTE 4 – RETIREMENT PLAN (continued)

B. GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

The ERS Board of Control consists of 13 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Six 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. Two vested active employees of an employer participating in ERS pursuant to § 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.

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 are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement. The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. The ERS membership includes approximately 83,874 participants. As of September 30, 2020, the City's membership consisted of:

Retired members or their beneficiaries currently receiving benefits	66
Vested inactive members	13
Non-vested inactive members	73
Active members	414
Post-DROP retired members still in active service	-
Total	566

NOTE 4 – RETIREMENT PLAN (continued)

B. GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

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. ERS local participating employers are not required by statute to increase contribution rates for their members.

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 pre-retirement death benefit and administrative expenses of the Plan. For the year ended December 31, 2021, the City's active employee contribution rate was 5.15% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 4.85% of covered employee payroll.

The City's contractually required contribution rate for the year ended September 30, 2021 was 6.23% of pensionable pay for Tier 1 employees, and 3.27% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 201, 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 \$1,156,216 for the year ended December 31, 2021.

C. NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020 rolled forward to September 30, 2021 using standard roll-forward techniques as shown in the following table:

	Expected	Actual Before Act 2019-132	Actual After Act 2019-132	Actual After 2020 Experience Study
(a) TPL as of September 30, 2020	\$ 49,051,891	\$ 50,052,118	\$ 50,052,118	\$ 52,350,282
(b) Discount rate	7.70%	7.70%	7.70%	7.45%
(c) Entry age normal cost for the period October 1, 2020 - September 30, 2021	1,786,762	1,786,762	1,786,762	1,977,944
(d) Transfers among employees	-	239,995	239,995	239,995
(e) Actual benefit payments and refunds for the period October 1 2020 -September 30, 2021	(1,717,068)	(1,717,068)	(1,717,068)	(1,717,068)
(f) TPL as of September 30, 2021 = [(a) x (1 + (b)) + (c) + (d) + [(e) x (1 + 0.5 x (b))]	<u>\$ 52,832,473</u>	<u>\$ 54,149,713</u>	<u>\$ 54,149,713</u>	<u>\$ 56,687,288</u>
(g) Difference between expected and actual		\$ 1,317,239		
(h) Less liability transferred for immediate recognition		239,995		
(i) Difference between Expected and Actual - Experience (gain) / loss = (g) - (h)		<u>\$ 1,077,244</u>		
(j) Difference between Actual TPL Before and After Act 2019-132 benefit change (gain) / loss			<u>\$ -</u>	
(k) Difference between Actual TPL Before and After 2020 Experience Study - Assumption Change (gain) / loss				<u>\$ 2,537,575</u>

NOTE 4 – RETIREMENT PLAN (continued)

C. NET PENSION LIABILITY (continued)

Actuarial assumptions: The total pension liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 5.0%
Investment rate of return*	7.70%

* Net of pension plan investment expense

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2019. The Board of Control accepted and approved these changes in September 2019, which became effective at the beginning of fiscal year 2019.

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	17.00%	4.40%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stock	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternative	10.00%	10.10%
Real estate	10.00%	7.50%
Cash equivalents	3.00%	1.50%
Total	<u>100.00%</u>	

* Includes assumed rate of inflation of 2.50%.

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

NOTE 4 – RETIREMENT PLAN (continued)

C. NET PENSION LIABILITY (continued)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2020	\$ 49,051,891	\$ 42,627,885	\$ 6,424,006
Changes for the year:			
Service cost	1,786,762	-	1,786,762
Interest	3,710,888	-	3,710,888
Changes of benefit terms	-	-	-
Changes of assumptions	2,537,576	-	2,537,576
Difference between expected and actual experience	1,077,245	-	1,077,245
Contributions - employer	-	1,089,725	(1,089,725)
Contributions - employee	-	1,341,292	(1,341,292)
Net investment income	-	9,572,104	(9,572,104)
Benefit payments, including refunds of employee contributions	(1,717,068)	(1,717,068)	-
Administrative expense	-	-	-
Transfers among employees	239,995	239,995	-
Net changes	7,635,398	10,526,048	(2,890,650)
Balance at September 30, 2021	\$ 56,687,289	\$ 53,153,933	\$ 3,533,356

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

	1% Decrease (6.45%)	Current Discount (7.45%)	1% Increase (8.45%)
Plan's Net Pension Liability	\$ 11,482,410	\$ 3,533,356	\$ (3,033,031)

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, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2021. The auditor's report dated August 19, 2022 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.

NOTE 4 – RETIREMENT PLAN (continued)

D. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2021, the City recognized pension expense of \$1,156,216. At December 31, 2021, 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	\$ 1,419,119	\$ 406,658
Changes of assumptions	2,767,050	-
Net difference between projected and actual earnings on plan investments	-	-
Employer contributions subsequent to the measurement date	566,045	3,830,873
	<u>566,045</u>	<u>-</u>
Total	<u>\$ 4,752,214</u>	<u>\$ 4,237,531</u>

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

Year Ended December 31:	
2023	\$ (5,080)
2024	10,300
2025	(569,375)
2026	(712,770)
2027	446,921
Thereafter	778,642

Details of the deferred inflows and outflows of resources are displayed in the following three tables:

NOTE 4 – RETIREMENT PLAN (continued)

D. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Collective Deferred Outflows and Inflows between Expected and Actual Experience											
	<u>Beginning Balance</u>							Amounts Recog. In Pension Expense / Deferred Outflow	Amounts Recog. In Pension Expense / Deferred Inflow	<u>Ending Balance</u>	
	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amort. Period	Deferred Outflows	Deferred Inflows	Losses / Deferred Outflows	Gains / Deferred Inflows			Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
Year				(a)	(b)	(c)	(d)	(e)	(f)	(e)	(b) + (d) - (f)
2021	\$ 1,077,245	\$ -	7.7	\$ -	\$ -	\$1,077,245	\$ -	\$ 139,902	\$ -	\$ 937,343	\$ -
2020	-	291,520	7.5	-	252,651	-	-	-	38,869	-	213,782
2019	130,650	-	8.0	97,988	-	-	-	16,331	-	81,657	-
2018	518,534	-	8.0	324,083	-	-	-	64,817	-	259,266	-
2017	-	503,971	8.1	-	255,095	-	-	-	62,219	-	192,876
2016	23,081	-	8.2	9,006	-	-	-	2,815	-	6,191	-
2015	920,209	-	8.2	<u>246,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	112,221	-	<u>134,662</u>	<u>-</u>
Total				<u>\$ 677,960</u>	<u>\$ 507,746</u>	<u>\$1,077,245</u>	<u>\$ -</u>			<u>\$ 1,419,119</u>	<u>\$ 406,658</u>

NOTE 4 – RETIREMENT PLAN (continued)

D. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Collective Deferred Outflows and Inflows for Differences from Assumption Changes											
Year	Beginning Balance										Ending Balance
	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amort. Period	Deferred Outflows	Deferred Inflows	Losses / Deferred Outflows	Gains / Deferred Inflows	Amounts Recog. In Pension Expense / Deferred Outflow	Amounts Recog. In Pension Expense / Deferred Inflow	Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
				(a)	(b)	(c)	(d)	(e)	(f)	(e)	(b) + (d) - (f)
2021	\$ 1,077,245	\$ -	7.7	\$ -	\$ -	\$1,077,245	\$ -	\$ 139,902	\$ -	\$ 937,343	\$ -
2020	-	291,520	7.5	-	252,651	-	-	-	38,869	-	213,782
2019	130,650	-	8.0	97,988	-	-	-	16,331	-	81,657	-
2018	518,534	-	8.0	324,083	-	-	-	64,817	-	259,266	-
2017	-	503,971	8.1	-	255,095	-	-	-	62,219	-	192,876
2016	23,081	-	8.2	9,006	-	-	-	2,815	-	6,191	-
2015	920,209	-	8.2	246,883	-	-	-	112,221	-	134,662	-
Total				<u>\$ 677,960</u>	<u>\$ 507,746</u>	<u>\$1,077,245</u>	<u>\$ -</u>			<u>\$ 1,419,119</u>	<u>\$ 406,658</u>

NOTE 4 – RETIREMENT PLAN (continued)

D. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Collective Deferred Outflows and Inflows for Differences in Investment Experience											
Year	Beginning Balance							Amounts Recogn. In Pension Expense / Deferred Outflow	Amounts Recogn. In Pension Expense / Deferred Inflow	Ending Balance	
	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amort. Period	Deferred Outflows	Deferred Inflows	Losses / Deferred Outflows	Gains / Deferred Inflows			Deferred Outflows (a) + (c) - (e)	Deferred Inflows (b) + (d) - (f)
2021	\$ -	\$ 6,253,030	5.0	\$ -	\$ -	\$ -	\$ 6,253,030	\$ -	\$ 1,250,606	\$ -	\$ 5,002,424
2020	798,809	-	5.0	639,047	-	-	-	159,762	-	479,285	-
2019	1,993,569	-	5.0	1,196,141	-	-	-	398,714	-	797,427	-
2018	-	525,801	5.0	-	210,321	-	-	-	105,160	-	105,161
2017	-	1,526,162	5.0	-	305,234	-	-	-	305,234	-	-
Total				<u>\$ 1,835,188</u>	<u>\$ 515,555</u>	<u>\$ -</u>	<u>\$ 6,253,030</u>			<u>\$ 1,276,712</u>	<u>\$ 5,107,585</u>
Net difference between projected and actual earnings on investments (f) - (e)											\$ 3,830,873

NOTE 5 – LONG TERM DEBT

General Fund

General Obligation Warrants

At December 31, 2021, governmental long-term debt consisted of the following individual issues:

On February 1, 2013, the City issued a General Obligation Warrant, in the amount of \$9,780,000 to Bank of New York for the refunding of General Obligation Issue 2007B. The Warrant is payable in annual installments varying from \$151,858 to \$1,465,950 principal plus interest from 0.55% - 3.00% beginning May 1, 2013 with a final payment on May 1, 2022.

On February 1, 2021, the City issued a General Obligation Warrant, in the amount of 41,395,000 to Bank of New York. The Warrant is payable in annual installments varying from \$117,000 to \$1,641,750 principal plus interest with an average coupon of 3.996% beginning February 1, 2022 with a final payment on August 1, 2041.

Sewer Fund

General Obligation Warrants

At December 31, 2021, the long-term debt for the proprietary fund consisted of the following individual issues:

On October 1, 2012, the City issued \$22,975,000 of its Series 2012 General Obligation Sewer Warrants for the refunding of the previous 2006 Sewer Revenue Issue. The warrant is payable in annual installments varying from \$75,000 to \$2,070,000 principal plus interest from 2.00% - 5.00% beginning February 1, 2013 with a final payment on February 1, 2030. The City issued warrants in 2020, partially refunding the Series 2012 General Obligation Sewer Warrants. The remaining warrants are payable in annual installments with a final payment on February 1, 2022.

On October 17, 2020, the City issued \$15,660,000 of its Series 2020 General Obligation Sewer Warrants for the partial refunding of the previous Series 2012 General Obligation Sewer Warrants. The warrant is payable in annual installments varying from \$100,000 to \$1,990,000 principal plus interest from .235% - 1.564% beginning February 1, 2021 with a final payment on February 1, 2030.

NOTE 5 – LONG TERM DEBT (continued)

General Obligation Warrants for governmental activities of the City were comprised of the following at December 31, 2021:

\$9,780,000 General Obligation Warrants Series 2013 dated February 1, 2013, principal and interest due in annual installments varying from \$151,858 to \$1,465,950 through May 1, 2022; variable interest rate from .55% - 3.00%	\$ 1,450,000
\$41,395,000 General Obligation Warrants Series 2021 dated February 1, 2021, principal and interest due in annual installments varying from \$117,000 to \$1,641,750 through August 1, 2041; variable interest rate with average coupon of 3.996%.	41,395,000
Unamortized bond premium/ discount (net)	<u>8,660,169</u>
TOTAL WARRANTS AND NOTES OUTSTANDING	51,505,169
Compensated absences	710,495
Net pension liability	<u>3,533,356</u>
TOTAL GENERAL LONG-TERM DEBT	<u>\$ 55,749,020</u>

General Obligation and Revenue Warrants for business-type activities of the City were comprised of the following at December 31, 2021:

\$22,975,000 General Obligations Sewer Warrants Series 2012 dated October 1, 2012, principal and interest due in annual installments varying from \$1,305,000 to \$2,070,000 through February 1, 2022; variable interest rate from 2.00% - 5.00%; partially refunded in 2020	\$ 1,445,000
\$15,660,000 General Obligations Sewer Warrants Series 2020 dated October 17, 2020, principal and interest due in annual installments varying from \$100,000 to \$1,990,000 through February 1, 2030; variable interest rate from .235% to 1.564%; issued in 2020 to partially refund the 2012 Warrants	15,560,000
Unamortized bond premium/ discount (net)	<u>155,507</u>
TOTAL WARRANTS AND NOTES OUTSTANDING	17,160,507
Compensated absences	<u>116,923</u>
TOTAL BUSINESS-TYPE ACTIVITY DEBT	<u>\$ 17,277,430</u>

THE CITY OF ORANGE BEACH, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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NOTE 5 – LONG TERM DEBT (continued)

The annual aggregate maturities, including principal and interest, for the years subsequent to December 31, 2021, are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,855,000	\$ 1,656,250	\$ 4,511,250	\$ 1,770,000	\$ 800,842	\$ 2,570,842
2023	1,445,000	1,599,600	3,044,600	1,850,000	160,204	2,010,204
2024	1,505,000	1,541,800	3,046,800	1,855,000	152,082	2,007,082
2025	1,565,000	1,481,600	3,046,600	1,865,000	140,117	2,005,117
2026	1,625,000	1,419,000	3,044,000	1,885,000	126,037	2,011,037
2027 and thereafter	33,850,000	11,816,000	45,666,000	7,780,000	284,992	8,064,992
Unamortized bond discount / premium	8,660,169	-	8,660,169	155,507	-	155,507
Total	<u>\$ 51,505,169</u>	<u>\$ 19,514,250</u>	<u>\$ 71,019,419</u>	<u>\$ 17,160,507</u>	<u>\$ 1,664,274</u>	<u>\$ 18,824,781</u>

Changes in General Long-Term Debt during the year were as follows:

Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
February 1, 2013, G.O. Warrants, Series 2013	\$ 2,870,000	\$ -	\$ (1,420,000)	\$ 1,450,000	\$ 1,450,000
February 1, 2021, G.O. Warrants, Series 2021	-	41,395,000	-	41,395,000	1,405,000
Unamortized bond premium/ discount (net)	<u>172,020</u>	<u>9,038,145</u>	<u>(549,996)</u>	<u>8,660,169</u>	<u>-</u>
Total bonds payable	3,042,020	50,433,145	(1,969,996)	51,505,169	2,855,000
Other long-term liabilities:					
Compensated absences	696,981	-	13,514	710,495	471,974
Net pension liability	<u>6,424,006</u>	<u>-</u>	<u>(2,890,650)</u>	<u>3,533,356</u>	<u>-</u>
Total other long-term liabilities	<u>7,120,987</u>	<u>-</u>	<u>(2,877,136)</u>	<u>4,243,851</u>	<u>471,974</u>
Governmental activities long-term liabilities	<u>\$ 10,163,007</u>	<u>\$ 50,433,145</u>	<u>\$ (4,847,132)</u>	<u>\$ 55,749,020</u>	<u>\$ 3,326,974</u>

NOTE 5 – LONG TERM DEBT (continued)

Changes in Business-Type Long Term Debt during the year were as follows:

Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds payable:					
October 1, 2012 G.O. Sewer Warrants, Series 2012	\$ 2,820,000	\$ -	\$ (1,375,000)	\$ 1,445,000	\$ 1,445,000
October 17, 2020 G.O. Sewer Warrants, Series 2020	15,660,000	-	(100,000)	15,560,000	325,000
Unamortized bond premium/ discount (net)	<u>311,014</u>	<u>-</u>	<u>(155,507)</u>	<u>155,507</u>	<u>-</u>
Total bonds payable	18,791,014	-	(1,630,507)	17,160,507	1,770,000
Other long-term liabilities:					
Compensated absences	<u>123,439</u>	<u>-</u>	<u>(6,516)</u>	<u>116,923</u>	<u>78,288</u>
Total other long-term liabilities	<u>123,439</u>	<u>-</u>	<u>(6,516)</u>	<u>116,923</u>	<u>78,288</u>
Business-type activities long-term liabilities	<u>\$ 18,914,453</u>	<u>\$ -</u>	<u>\$ (1,637,023)</u>	<u>\$ 17,277,430</u>	<u>\$ 1,848,288</u>

NOTE 6 – DEFEASANCE OF DEBT

On February 1, 2013, \$9,780,000 million in general obligation bonds with an average interest rate of 2.11% were issued to advance refund \$9,105,000 of outstanding bonds with an average interest rate of 4.22%. The net proceeds of \$10,032,143 (after payment of \$142,030 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds and loans. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 11 years by almost \$611,228 resulting in an economic gain (difference between the present values of the debt services payments on the old and new debt and cash exchanged) of \$500,454.

On October 27, 2020, \$15,660,000 million in Sewer Fund general obligation bonds with an average interest rate of 1.20% were issued to advance refund \$14,430,000 of outstanding bonds with an average interest rate of 3.87%. The net proceeds of \$15,451,767 (after payment of \$208,233 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds and loans. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 10 years by \$1,049,838 resulting in an economic gain (difference between the present values of the debt services payments on the old and new debt and cash exchanged) of 996,504.

NOTE 7 – OPERATING LEASES

Post Office Lease

On August 26, 1994, the City entered into a 20-year operating lease with the United States Postal Service, USPS. USPS is leasing the building constructed by the City which was designed for use as a post office. The lease has no purchase options, no residual value and maintenance lies with the USPS. The following schedule details the lease revenues accruing to the City during the initial lease period and the renewal periods outlined in the lease document:

<u>Term</u>	<u>Monthly Rental</u>	<u>Yearly Rental</u>
4/20/15 - 4/19/20	\$ 1,667	\$ 20,000
4/20/20 - 4/19/25	1,667	20,000

Medical Arts Building

The City entered into an agreement with various doctors and medical facilities to rent space in the Medical Arts Building. The following schedule details the lease revenues accruing to the City outlined in the lease documents:

<u>Year</u>	<u>Yearly Rental Revenue</u>
2020	\$ 52,424
2021	47,424
Thereafter	-

NOTE 8 – BRETT ROBINSON AGREEMENT

On January 27, 2014, the City signed a release and settlement agreement with Brett Real Estate, Robinson Development Co., Inc., Phoenix West II LLC., and Brett/Robinson Gulf Corporation (collectively referred to as the BR Parties) regarding impact fees for the development of Phoenix West II Condominium Association, Inc. that were never paid. The BR Parties entered into a promissory note with the City for \$1,532,242 to be paid in 120 monthly installments of \$15,239 beginning in March of 2015 with interest thereon of 3% per annum in lieu of the impact fees.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is detail of the interfund receivables and payables on the combined balance sheet of the City as of December 31, 2021:

Due From	Due To	
	General Fund	Refuse Fund
General Fund	\$ -	\$ -
Special Revenue Fund	26,368	-
Debt Service Fund	131,530	-
Refuse Fund	2,014,972	-
BCBC Fund	-	-
Sewer Fund	1,246,127	1,287
Event Center Fund	1,742,665	-
Library Fund	3,360	-
Art Center Fund	1,185,441	-
Total	<u>\$ 6,350,463</u>	<u>\$ 1,287</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended December 31, 2021 were as follows:

Transfers Out	Transfers In						Total
	General Fund	Arts Center Fund	Events Center Fund	Library Fund	Debt Service Fund	Sewer Fund	
General Fund	\$ -	\$ -	\$ -	\$ 659,577	\$ 3,513,415	\$ -	\$ 4,172,992
BCBC Fund	1,518,321	-	-	-	-	-	1,518,321
Special Revenue Fund	605,776	-	-	-	-	-	605,776
Sewer Fund	820,000	-	-	-	-	-	820,000
Total	<u>\$ 2,944,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,577</u>	<u>\$ 3,513,415</u>	<u>\$ -</u>	<u>\$ 7,117,089</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE CITY OF ORANGE BEACH, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

DRAFT

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Disposals & Reclassifications	Ending Balance
Governmental activities:				
Non depreciable assets:				
Land & improvements	\$ 58,561,867	\$ -	\$ -	\$ 58,561,867
Construction in progress	16,519,994	15,676,959	(22,631,959)	9,564,994
Depreciable assets:				
Buildings & improvements	20,632,475	22,631,959	-	43,264,434
Infrastructure	12,178,169	-	-	12,178,169
Equipment & vehicles	17,927,443	5,170,537	(639,377)	22,458,603
Total historical cost of assets:	125,819,948	43,479,455	(23,271,336)	146,028,067
Less accumulated depreciation for:				
Buildings & improvements	12,432,920	686,894	-	13,119,814
Infrastructure	2,507,910	71,367	-	2,579,277
Equipment & vehicles	12,880,270	1,993,319	(618,023)	14,255,566
Total accumulated depreciation:	27,821,100	2,751,580	(618,023)	29,954,657
Governmental activities capital assets, net:	<u>\$ 97,998,848</u>	<u>\$ 40,727,875</u>	<u>\$ (22,653,313)</u>	<u>\$ 116,073,410</u>

Depreciation expense was charged
to governmental functions as follows:

Administration	\$ 155,384
Police	2,322
Communications	422,863
Fire	1,118,627
Public works	330,318
Parks & recreation	614,472
Library	33,867
Community development	73,727
Total depreciation expense:	<u>\$ 2,751,580</u>

	Beginning Balance	Additions	Disposals & Reclassifications	Ending Balance
Business-type activities:				
Non depreciable assets:				
Land & improvements	\$ 502,236	\$ -	\$ -	\$ 502,236
Construction in progress	532,474	471,059	-	1,003,533
Depreciable assets:				
Buildings & improvements	32,824,417	-	-	32,824,417
Equipment	1,909,800	497,745	(6,565)	2,400,980
Vehicles	2,030,108	64,364	-	2,094,472
Distribution & collection systems	13,763,412	-	-	13,763,412
Total historical cost of assets:	51,562,447	1,033,168	(6,565)	52,589,050
Less accumulated depreciation for:				
Buildings & improvements	11,476,913	102,787	-	11,579,700
Equipment	1,492,796	228,038	(6,565)	1,714,269
Vehicles	1,490,709	137,057	-	1,627,766
Distribution & collection systems	11,481,884	1,429,943	-	12,911,827
Total accumulated depreciation:	25,942,302	1,897,825	(6,565)	27,833,562
Business-type activities capital assets, net:	<u>\$ 25,620,145</u>	<u>\$ (864,657)</u>	<u>\$ -</u>	<u>\$ 24,755,488</u>

NOTE 11 – THE BALDWIN COUNTY BRIDGE COMPANY PROJECT

On April 15, 2004, the City of Orange Beach (City) entered into the "Bridge Option, Easement and Annexation Agreement" with The Baldwin County Bridge Company, LLC (BCBC). BCBC owns and operates a toll bridge, toll facility and related roadways which span the Intracoastal Waterway within and near the current corporate limits of the City. BCBC has agreed to grant the City an option to purchase the Bridge, to grant the City an easement for the usage of the Bridge for certain limited purposes, to petition for annexation of the BCBC property into the City, to make a per vehicle payment to the City, to grant the City an option to purchase various parcels of real estate located adjacent to the Bridge, and to expand the Bridge under certain circumstances. The City has agreed to annex the BCBC property into the City, to execute certain access restrictions on the City Property, to become bound by an Access Management Plan, and to make ten annual installment advances to the BCBC in the amount of \$1,200,000 for a total of \$12,000,000. The first advance of \$1,200,000 was made on April 21, 2004 and the final advance was made in 2013.

The BCBC will repay the above amount monthly based on a Variable Traffic Fee formula as described in the following table:

Annual Car Count	Rate per Vehicle
0 - 2,000,000	\$ 0.10
2,000,001 - 3,000,000	0.21
3,000,001 - 4,000,000	0.36
4,000,000 +	0.46

Based on the above payments from the City and the above repayment schedule from BCBC, the BCBC shall never be obligated to pay Variable Traffic Fees in a cumulative amount to exceed \$12,000,000. If at any time during the term of the agreement, BCBC shall have paid Traffic Fees equal to the \$12,000,000, or if, prior to January 1, 2015, BCBC shall pay to the City an amount equal to the difference between the Traffic Fees paid to the City and \$12,000,000, then the payment obligations of the BCBC under the above mentioned agreement shall immediately terminate (the "Termination Event").

Upon the first to occur of (i) the Termination Event, or (ii) January 1, 2015 and continuing through December 31, 2033, the BCBC shall pay to the City Fixed Traffic Fees in the amount of \$0.30 per Vehicle Usage.

Real Estate Option:

The City shall be entitled to exercise an option to purchase land adjacent to the Bridge any time between January 1, 2015 and March 31, 2015 for \$1,000 provided, however, the Real Estate Option shall automatically terminate if the above mentioned Termination Event occurs prior to the commencement of the option period. This provision has been amended in the subsequent period by The Wharf Agreement.

On April 4, 2010, the City amended the Wharf Development Agreement. The new agreement stated that once the \$25,000,000 warrants have been issued to AIG Baker ("the Developer"), AIG Baker is required to set up an escrow in the amount of \$1,000,000. The escrow account will be funded by ½ of all tax revenues (defined as sales tax or lodging tax). In the event the City has not received Traffic fees of at least \$12,000,000 on or before December 31, 2013, the Escrow agent shall pay to the City from the Escrow Funds, an amount equal to the Bridge Security Amount. The Bridge Security amount means an amount equal to the lesser of the required escrow amount or the Traffic Fee Shortfall. If the Escrow Funds are sufficient to satisfy in full the Bridge Security Amount, any escrow remaining in the Escrow Account shall be disbursed to the Developer, and the escrow shall be terminated. If the escrow Funds are not sufficient to satisfy the Bridge Security amount in full, the Developer shall be liable for and shall pay any such deficiency amount upon the City's written demand, and the City shall additionally be entitled to withhold payments and setoff against future payments under the warrants such amounts necessary to eliminate such deficiency, such that the City is paid the entire Bridge Security Amount.

NOTE 11 – THE BALDWIN COUNTY BRIDGE COMPANY PROJECT (continued)

Bridge Option:

The City shall be entitled to exercise the option to purchase the Bridge at any time between January 1, 2033 and December 31, 2033 for the sum equal to ten (10) multiplied by the revenue produced by toll-charges paid for usage of the Bridge for the highest of the previous three (3) full calendar years preceding the date of the commencement of the option term. There are allowances for Force Majeure events. If the City declines the Bridge Option, the \$.30 fixed traffic fees will automatically be extended for an additional thirty years.

During 2007, The Baldwin County Bridge Company, LLC was sold to American Roads. For the year ended December 31, 2021, the City received payments from American Roads totaling \$1,621,431 for the twelve months the agreement was in effect, based on fixed fee of \$.30 per vehicle.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

On July 12, 2004, the City of Orange Beach entered into a Development Agreement known as "The Wharf" with AIG Baker Development, LLC. The purpose of the agreement is to develop seven tracts of real property that Baker has under contract for long-term leasehold interests. The property will be developed conceptually in two distinct manners, the Commercial Development and the Public Land. During 2012, "The Wharf" was purchased by Wharf Retail Properties LLC.

The City will issue non-recourse limited-obligation warrant to AIG Baker in the amount of \$25,000,000 bearing an interest rate of 3.5%, or the rate at which AIG Baker is able to obtain for its construction financing, for the purchase of the Public Land. This amount will be amortized over 15 years and will be paid monthly. The funds to pay the warrant will be provided exclusively by ½ of all tax revenues (defined as sales tax or lodging tax) levied by the City on the businesses. AIG Baker will remit sales and lodging tax to the City. The developer will also make payments-in-lieu of taxes for the amounts that would have been assessed on the property. The commencement date of this transaction shall be the date upon which the Deed and the Assignment of Leasehold Interest are executed and delivered. The agreement was amended on April 10, 2010 requiring that AIG Baker to set up an escrow account to satisfy the Bridge Security Agreement. See note 12 for more information.

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City obtains coverage from municipal insurance companies and effectively manages risk through various employee education and prevention programs. The policy premiums are based on estimated annual payroll. The premiums are adjusted retrospectively based on actual annual payroll.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements by the grantor agency for expenditures disallowed under the terms of the grant. The City is currently not under audit by any grantor agencies.

The City is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

NOTE 12 – COMMITMENTS AND CONTINGENCIES (continued)

Construction, engineering, and design contracts for material commitments at December 31, 2021 are as follows:

Contractor/Engineer	Project	Resolution Number	Contract Amount	Approximate Expenditures	Approximate Balance of Contract
			Including Change Orders	Incurred To Date	

PLACEHOLDER

NOTE 13 – HURRICANE SALLY

In September 2020, the City suffered major damage from Hurricane Sally and the President declared the area a Major Disaster. The City incurred \$12,239,934 in 2020 of expenses related to the cleanup efforts after the storm. Clean up efforts were still ongoing at December 31, 2021. In April 2021, the Federal Emergency Management Agency approved a Disaster Grant for partial reimbursement of expenses incurred. Per the provisions of the Office of Management and Budget's August 2020 Compliance Supplement (2 CFR Part 200, Appendix XI), expenses are not included on the Schedule of Federal Awards until the year in which the Disaster Grant is approved.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events were evaluated from January 1, 2022 through the financial statement issuance date, December 12, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF ORANGE BEACH, ALABAMA
GENERAL FUND

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)
RESOURCES (INFLOWS)				
Property taxes	\$ 4,585,213	\$ 4,585,213	\$ 4,593,413	\$ 8,200
Intergovernmental:				
State tax	86,000	86,000	198,186	112,186
Local tax	33,420,000	33,420,000	53,057,655	19,637,655
Grants	6,604,002	6,604,002	6,416,081	(187,921)
BP proceeds	-	-	-	-
Personnel service reimbursement	120,000	120,000	185,759	65,759
Other licenses, permits and fees	4,501,000	4,501,000	5,182,603	681,603
Fines and forfeitures	511,000	511,000	436,150	(74,850)
Charges for services	585,000	585,000	1,604,985	1,019,985
Rent	150,000	150,000	171,139	21,139
Investment earnings	450,000	450,000	137,917	(312,083)
Insurance proceeds	-	-	768,144	768,144
Contracts	859,000	859,000	2,298,679	1,439,679
Miscellaneous	292,900	292,900	499,559	206,659
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>52,164,115</u>	<u>52,164,115</u>	<u>75,550,270</u>	<u>23,386,155</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General government	9,105,141	9,105,141	10,293,841	1,188,700
Coastal resources	2,364,597	2,364,597	2,369,619	5,022
Court	594,160	594,160	494,225	(99,935)
Finance	1,009,530	1,009,530	1,062,053	52,523
Police	7,070,791	7,070,791	6,954,845	(115,946)
Corrections	888,351	888,351	769,979	(118,372)
Community development	1,614,045	1,614,045	1,523,572	(90,473)
Communications	732,267	732,267	603,636	(128,631)
Fire	7,513,790	7,513,790	8,043,878	530,088
Public works	3,289,350	3,289,350	3,160,982	(128,368)
Landscape	2,017,750	2,017,750	1,829,324	(188,426)
Parks and recreation	1,606,100	1,606,100	1,525,262	(80,838)
Recreation center	1,145,975	1,145,975	954,819	(191,156)
Expect Excellence	2,115,041	2,115,041	2,036,454	(78,587)
Capital improvements	23,834,669	23,834,669	27,720,171	3,885,502
TOTAL CHARGES TO APPROPRIATIONS	<u>64,901,557</u>	<u>64,901,557</u>	<u>69,342,660</u>	<u>4,441,103</u>
EXCESS OF AMOUNTS AVAILABLE FOR OVER CHARGES TO APPROPRIATIONS	<u>(12,737,442)</u>	<u>(12,737,442)</u>	<u>6,207,610</u>	<u>18,945,052</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	50,000	50,000	242,818	192,818
Proceeds from debt issue	-	-	50,433,145	50,433,145
Cost of debt issue	-	-	(433,145)	(433,145)
Transfers in	1,362,000	1,362,000	2,944,097	1,582,097
Transfers out	(2,770,732)	(2,770,732)	(4,172,992)	(1,402,260)
TOTAL OTHER FINANCING (USES)	<u>(1,358,732)</u>	<u>(1,358,732)</u>	<u>49,013,923</u>	<u>50,372,655</u>
STATUTORY REVENUE REDUCTION	<u>(5,307,236)</u>	<u>(5,307,236)</u>	<u>-</u>	<u>5,307,236</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER CHARGES TO APPROPRIATIONS	<u>(19,403,410)</u>	<u>(19,403,410)</u>	<u>55,221,533</u>	<u>74,624,943</u>
FUND BALANCES - BEGINNING	<u>54,092,790</u>	<u>54,092,790</u>	<u>54,092,790</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$34,689,380</u>	<u>\$34,689,380</u>	<u>\$ 109,314,323</u>	<u>\$ 74,624,943</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
SEWER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original	Final	Actual Amounts (Budgetary Basis)	Variance With Final Budget Over/(Under)
OPERATING REVENUES				
Charges for services	\$ 6,900,000	\$ 6,900,000	\$ 7,386,965	\$ 486,965
Miscellaneous income	5,000	5,000	2,580	(2,420)
TOTAL OPERATING REVENUES	<u>6,905,000</u>	<u>6,905,000</u>	<u>7,389,545</u>	<u>484,545</u>
OPERATING EXPENSES				
Salaries, wages and employee benefits	1,872,500	1,872,500	2,094,597	222,097
Contractual services	300,000	300,000	224,809	(75,191)
Utilities	986,000	986,000	1,073,616	87,616
Repairs and maintenance	330,000	330,000	337,408	7,408
Other supplies and expenses	409,000	409,000	373,143	(35,857)
Bad debt expense	-	-	6,474	6,474
Bond premium amortization	-	-	125,913	125,913
Depreciation	-	-	1,626,308	1,626,308
TOTAL OPERATING EXPENSES	<u>3,897,500</u>	<u>3,897,500</u>	<u>5,862,268</u>	<u>1,964,768</u>
OPERATING INCOME (LOSS)	<u>3,007,500</u>	<u>3,007,500</u>	<u>1,527,277</u>	<u>(1,480,223)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	100,000	100,000	83,600	(16,400)
Interest expense	(710,213)	(710,213)	(860,827)	(150,615)
2012 GO Warrant debt service transfers from escrow	-	-	603,588	603,588
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(610,213)</u>	<u>(610,213)</u>	<u>(173,639)</u>	<u>436,574</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,397,288</u>	<u>2,397,288</u>	<u>1,353,638</u>	<u>(1,043,650)</u>
TRANSFERS IN (OUT)	<u>(820,000)</u>	<u>(820,000)</u>	<u>(820,000)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>1,577,288</u>	<u>1,577,288</u>	<u>533,638</u>	<u>(1,043,650)</u>
NET POSITION - BEGINNING	<u>15,711,856</u>	<u>15,711,856</u>	<u>15,711,856</u>	<u>-</u>
NET POSITION - ENDING	<u>\$17,289,144</u>	<u>\$17,289,144</u>	<u>\$ 16,245,494</u>	<u>\$ (1,043,650)</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS OF ALABAMA
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 1,084,916	\$ 1,007,589	\$ 912,787	\$ 860,452	\$ 746,774	\$ 850,584	\$ 800,331
Contributions in relation to the actuarially determined contribution	<u>1,084,916</u>	<u>1,007,589</u>	<u>912,787</u>	<u>860,452</u>	<u>746,774</u>	<u>850,584</u>	<u>800,331</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 20,401,716	 19,671,177	 17,379,983	 15,958,994	 14,999,922	 14,393,677	 13,508,477
Contributions as a percentage of covered payroll	5.32%	5.12%	5.25%	5.39%	4.98%	5.91%	5.92%

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 fiscal year 2020 were based on the September 30, 2017 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period January 1, 2021 to September 30, 2021:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	15 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25% - 5.0% including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

Methods and assumptions used to determine contribution rates for the period October 1, 2021 to December 31, 2021:

Actuarial cost method	Entry age
Amortization method	Level percent closed
Remaining amortization period	14 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25% - 5.0% including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 1,786,762	\$ 1,469,240	\$ 1,425,842	\$ 1,317,681	\$ 1,245,314	\$ 1,213,069	\$ 1,168,947	\$ 1,090,244
Interest	3,710,888	3,418,855	3,155,678	2,877,895	2,676,913	2,401,553	2,113,138	1,915,434
Changes of benefit terms	-	1,243,089	-	-	-	-	-	-
Difference between expected and actual experience	1,077,245	(291,520)	130,650	518,534	(503,971)	23,081	920,209	-
Changes of assumptions	2,537,576	-	-	258,582	-	1,601,749	-	-
Benefit payments, including refunds of employee contributions	(1,717,068)	(1,343,369)	(1,337,845)	(1,160,003)	(853,462)	(641,884)	(552,344)	(516,402)
Transfers among employers	239,995	(516,798)	46,310	124,934	181,799	29,622	-	-
Net change in total pension liability	7,635,398	3,979,497	3,420,635	3,937,623	2,746,593	4,627,190	3,649,950	2,489,276
Total pension liability - beginning	49,051,891	45,072,394	41,651,759	37,714,136	34,967,543	30,340,353	26,690,403	24,201,127
Total pension liability - ending (a)	<u>\$56,687,289</u>	<u>\$49,051,891</u>	<u>\$45,072,394</u>	<u>\$41,651,759</u>	<u>\$37,714,136</u>	<u>\$34,967,543</u>	<u>\$30,340,353</u>	<u>\$26,690,403</u>
Plan fiduciary net position								
Contributions - employer	\$ 1,089,725	\$ 921,337	\$ 849,129	\$ 786,837	\$ 804,848	\$ 806,700	\$ 801,525	\$ 782,020
Contributions - member	1,341,292	1,141,547	1,011,541	1,013,613	862,030	773,424	728,225	703,936
Net investment income	9,572,104	2,298,731	997,451	3,233,903	3,866,396	2,700,298	297,551	2,552,678
Benefit payments, including refunds of employee contributions	(1,717,068)	(1,343,369)	(1,337,845)	(1,160,003)	(853,462)	(641,884)	(552,344)	(516,402)
Transfers among employers	239,995	(516,798)	46,310	124,934	181,799	29,622	327,982	231,356
Net change in plan fiduciary net position	10,526,048	2,501,448	1,566,586	3,999,284	4,861,611	3,668,160	1,602,939	3,753,588
Plan net position - beginning	42,627,885	40,126,437	38,559,851	34,560,567	29,698,956	26,030,796	24,427,857	20,674,269
Plan net position - ending (b)	<u>\$53,153,933</u>	<u>\$42,627,885</u>	<u>\$40,126,437</u>	<u>\$38,559,851</u>	<u>\$34,560,567</u>	<u>\$29,698,956</u>	<u>\$26,030,796</u>	<u>\$24,427,857</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,533,356</u>	<u>\$ 6,424,006</u>	<u>\$ 4,945,957</u>	<u>\$ 3,091,908</u>	<u>\$ 3,153,569</u>	<u>\$ 5,268,587</u>	<u>\$ 4,309,557</u>	<u>\$ 2,262,546</u>
Plan fiduciary net position as a percentage of the total pension liability	93.77%	86.90%	89.03%	92.58%	91.64%	84.93%	85.80%	91.52%
Covered payroll	20,401,716	19,671,177	17,379,983	15,958,994	14,999,922	14,393,677	13,508,477	13,175,276
Net pension liability as a percentage of covered payroll	17.32%	32.66%	28.46%	19.37%	21.02%	36.60%	31.90%	17.17%

The accompanying notes are an integral part of the financial statements.

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF ORANGE BEACH, ALABAMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

DRAFT

	Special Revenues	Debt Service	Library	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 323,609	\$ 323,609
Restricted cash and cash equivalents	472,435	2,241,034	-	2,713,469
Accounts receivable - net	105,873	-	-	105,873
TOTAL ASSETS	<u>\$ 578,308</u>	<u>\$ 2,241,034</u>	<u>\$ 323,609</u>	<u>\$ 3,142,951</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Due to other funds	26,368	131,530	3,360	161,258
Accrued expenses	-	-	15,419	15,419
Total liabilities	<u>26,368</u>	<u>131,530</u>	<u>18,779</u>	<u>176,677</u>
Fund balances:				
Nonspendable	-	-	-	-
Spendable:				
Restricted	551,940	2,109,504	-	2,661,444
Committed	-	-	-	-
Assigned	-	-	304,830	304,830
Unassigned	-	-	-	-
Total fund balances	<u>551,940</u>	<u>2,109,504</u>	<u>304,830</u>	<u>2,966,274</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 578,308</u>	<u>\$ 2,241,034</u>	<u>\$ 323,609</u>	<u>\$ 3,142,951</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	Special Revenues	Debt Service	Library	Total Governmental Funds
REVENUES				
Intergovernmental:				
State tax	\$ 552,032	-	\$ -	\$ 552,032
Grants	-	-	7,028	7,028
Other licenses, permits and fees	2,828	-	-	2,828
Fines and forfeitures	37,687	-	-	37,687
Investment earnings	282	10,264	2,986	13,532
Miscellaneous	187,614	-	9,977	197,591
TOTAL REVENUES	<u>780,443</u>	<u>10,264</u>	<u>19,991</u>	<u>810,698</u>
EXPENDITURES				
Library	-	-	660,329	660,329
Securities lending:				
Fiscal agent fees	-	1,632	-	1,632
Debt service:				
Principal payments	-	2,195,271	-	2,195,271
Interest and other	-	41,425	-	41,425
TOTAL EXPENDITURES	<u>-</u>	<u>2,238,328</u>	<u>660,329</u>	<u>2,898,657</u>
Excess (deficiency) of revenues over expenditures	<u>780,443</u>	<u>(2,228,064)</u>	<u>(640,338)</u>	<u>(2,087,959)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,513,415	659,577	4,172,992
Transfers out	(605,776)	-	-	(605,776)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(605,776)</u>	<u>3,513,415</u>	<u>659,577</u>	<u>3,567,216</u>
NET CHANGE IN FUND BALANCES	174,667	1,285,351	19,239	1,479,257
FUND BALANCES - BEGINNING	<u>377,273</u>	<u>824,153</u>	<u>285,591</u>	<u>1,487,017</u>
FUND BALANCES - ENDING	<u>\$ 551,940</u>	<u>\$ 2,109,504</u>	<u>\$ 304,830</u>	<u>\$ 2,966,274</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2021

DRAFT

	Events Center	Refuse	BCBC	Arts Center	Total Nonmajor Proprietary Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 97,710	\$ 97,710
Accounts receivable - net	-	25,426	-	-	25,426
Due from other funds	-	1,287	-	-	1,287
Total current assets	<u>\$ -</u>	<u>\$ 26,713</u>	<u>\$ -</u>	<u>\$ 97,710</u>	<u>\$ 124,423</u>
Noncurrent assets					
Capital assets:					
Land	158,648	-	-	-	158,648
Buildings	1,667,975	-	-	2,152,541	3,820,516
Vehicles and equipment	76,104	1,471,386	-	81,630	1,629,120
Less: Accumulated depreciation	<u>(656,341)</u>	<u>(1,067,669)</u>	<u>-</u>	<u>(290,367)</u>	<u>(2,014,377)</u>
Total noncurrent assets	<u>1,246,386</u>	<u>403,717</u>	<u>-</u>	<u>1,943,804</u>	<u>3,593,907</u>
TOTAL ASSETS	<u>1,246,386</u>	<u>430,430</u>	<u>-</u>	<u>2,041,514</u>	<u>3,718,330</u>
LIABILITIES					
Current liabilities					
Accounts payable	66	7,823	-	15,237	23,126
Due to other funds	1,742,665	2,014,972	-	1,185,441	4,943,078
Accrued expenses	6,197	10,087	-	10,250	26,534
Accrued compensated absences	<u>9,375</u>	<u>14,733</u>	<u>-</u>	<u>7,350</u>	<u>31,458</u>
Total current liabilities	<u>1,758,303</u>	<u>2,047,615</u>	<u>-</u>	<u>1,218,278</u>	<u>5,024,196</u>
Noncurrent liabilities					
Accrued compensated absences	<u>3,786</u>	<u>3,473</u>	<u>-</u>	<u>573</u>	<u>7,832</u>
TOTAL LIABILITIES	<u>1,762,089</u>	<u>2,051,088</u>	<u>-</u>	<u>1,218,851</u>	<u>5,032,028</u>
NET POSITION					
Invested in capital assets, net of related debt	1,246,386	403,717	-	1,943,804	3,593,907
Unrestricted	<u>(1,762,089)</u>	<u>(2,024,375)</u>	<u>-</u>	<u>(1,121,141)</u>	<u>(4,907,605)</u>
TOTAL NET POSITION	<u>\$ (515,703)</u>	<u>\$ (1,620,658)</u>	<u>\$ -</u>	<u>\$ 822,663</u>	<u>\$ (1,313,698)</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	Events Center	Refuse	BCBC	Arts Center	Total Nonmajor Proprietary Funds
OPERATING REVENUES					
Charges for services	\$ 106,196	\$ 2,731,546	\$ 1,621,431	\$ 340,941	\$ 4,800,114
Miscellaneous income	-	14,611	-	16,395	31,006
Merchandise sales	-	-	-	284,525	284,525
TOTAL OPERATING REVENUES	<u>106,196</u>	<u>2,746,157</u>	<u>1,621,431</u>	<u>641,861</u>	<u>5,115,645</u>
COST OF GOODS SOLD	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,476</u>	<u>166,476</u>
GROSS PROFIT	<u>106,196</u>	<u>2,746,157</u>	<u>1,621,431</u>	<u>475,385</u>	<u>4,949,169</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	336,503	537,272	-	519,688	1,393,463
Contractual services	1,540	2,377,571	-	50,352	2,429,463
Utilities	68,370	7,052	-	47,390	122,812
Repairs and maintenance	64,197	99,923	-	61,691	225,811
Other supplies and expenses	37,956	106,770	-	71,391	216,117
Depreciation	60,330	141,609	-	69,576	271,515
TOTAL OPERATING EXPENSES	<u>568,896</u>	<u>3,270,197</u>	<u>-</u>	<u>820,088</u>	<u>4,659,181</u>
OPERATING INCOME (LOSS)	<u>(462,700)</u>	<u>(524,040)</u>	<u>1,621,431</u>	<u>(344,703)</u>	<u>289,988</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(462,700)</u>	<u>(524,040)</u>	<u>1,621,431</u>	<u>(344,670)</u>	<u>290,021</u>
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>(1,518,321)</u>	<u>-</u>	<u>(1,518,321)</u>
CHANGE IN NET POSITION	<u>(462,700)</u>	<u>(524,040)</u>	<u>103,110</u>	<u>(344,670)</u>	<u>(1,228,300)</u>
NET POSITION - BEGINNING	<u>(53,003)</u>	<u>(1,096,618)</u>	<u>(103,110)</u>	<u>1,167,333</u>	<u>(85,398)</u>
NET POSITION - ENDING	<u>\$ (515,703)</u>	<u>\$ (1,620,658)</u>	<u>\$ -</u>	<u>\$ 822,663</u>	<u>\$ (1,313,698)</u>

The accompanying notes are an integral part of the financial statements.

THE CITY OF ORANGE BEACH, ALABAMA
STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

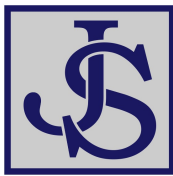
	Events Center	Refuse	BCBC	Arts Center	Total Nonmajor Proprietary Funds
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Receipts from customers	\$ 106,196	\$ 2,747,444	\$ 1,621,431	\$ 641,861	\$ 5,116,932
Payments to employees for services	(347,813)	(552,108)	-	(534,444)	(1,434,365)
Payments to suppliers of goods & services	(174,790)	(2,600,893)	-	(402,956)	(3,178,639)
Payments from (to) other funds	416,407	405,557	(103,110)	330,290	1,049,144
NET CASH PROVIDED (USED)					
BY OPERATING ACTIVITIES	-	-	1,518,321	34,751	1,553,072
CASH FLOWS FROM CAPITAL AND					
RELATED FINANCING ACTIVITIES					
Interest income	-	-	-	35	35
Increase in restricted cash	-	-	-	-	-
Principal repayments for capital purposes	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-
Acquisition of property and equipment	-	-	-	-	-
NET CASH (USED) BY CAPITAL AND					
RELATED FINANCING ACTIVITIES	-	-	-	35	35
NET (DECREASE) IN CASH	-	-	-	34,786	34,786
CASH & EQUIVALENTS AT BEGINNING OF YEAR	-	-	-	62,924	62,924
CASH & EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,710</u>	<u>\$ 97,710</u>
 Operating income (loss)	<u>\$ (462,700)</u>	<u>\$ (524,040)</u>	<u>\$ 1,621,431</u>	<u>\$ (344,703)</u>	<u>\$ 289,988</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation	60,330	141,609	-	69,576	271,515
(Increase) decrease in:					
Accounts receivable	-	1,289	-	-	1,289
Due to other funds	416,407	405,557	(103,110)	330,290	1,049,144
Increase (decrease) in:					
Accounts payable	(2,727)	(9,579)	-	(5,656)	(17,962)
Accrued payroll	(11,310)	(14,836)	-	(14,756)	(40,902)
Total adjustments	462,700	524,040	(103,110)	379,454	1,263,084
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,518,321</u>	<u>\$ 34,751</u>	<u>\$ 1,553,072</u>

Supplemental Disclosures

Noncash Investing and Financing Activities: NONE

The accompanying notes are an integral part of the financial statements.

COMPLIANCE AND INTERNAL CONTROL SECTION



Jackson & Smith
CPA Group, PC

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POST OFFICE BOX 1616
ORANGE BEACH, AL 36561
251-979-8878 OFFICE
251-929-4200 FAX

13700 PERDIDO KEY DRIVE
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850-619-9256 OFFICE

DRAFT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Orange Beach, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange Beach, Alabama, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Orange Beach, Alabama's basic financial statements and have issued our report thereon dated December 12, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Orange Beach, 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 Orange Beach, Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Orange Beach, 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. PLACEHOLDER PLACEHOLDER PLACEHOLDER.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Orange Beach, 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*.

City of Orange Beach, Alabama's Response to Findings

City of Orange Beach, Alabama's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Orange Beach, Alabama's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in blue ink that reads "Jackson & Smith". The signature is written in a cursive, flowing style.

Jackson & Smith CPA Group, PC
Orange Beach, Alabama
December 12, 2022

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE EXECUTION OF A
TASK ORDER WITH MCCOLLOUGH ARCHITECTURE, INC.
TO PROVIDE PROFESSIONAL SERVICES FOR A
NEW SOFTBALL AND BASEBALL FIELD HOUSE AT THE SPORTSPLEX
IN AN AMOUNT NOT TO EXCEED \$46,800**

FINDINGS:

1. The Orange Beach City Council, by Resolution No. 21-156 adopted July 20, 2021, approved a contract with McCollough Architecture, Inc., to perform certain architectural services (“the Contract”).
2. The Contract authorized work to be assigned by one or more task orders approved from time to time by the City Council.
3. The Construction and Facilities Manager has submitted a task order (attached Exhibit A) for Council approval.
4. The proposed Task Order requires McCollough Architecture, Inc., to provide architectural, bid, and construction administration services for a new Softball and Baseball Field House at the Orange Beach Sportsplex.
5. The scope of work described in the Task Order is authorized by the Contract and furthers public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to execute the Task Order as presented to Council between the City of Orange Beach and McCollough Architecture, Inc., on behalf of the City of Orange Beach subject to final approval by the City Attorney;
2. That the City Council authorizes payment in an amount not to exceed \$46,800.00 to McCollough Architecture, Inc., to complete the Task Order as presented; and
3. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk



TASK ORDER AUTHORIZATION

TASK ORDER NO. 18

CITY OF ORANGE BEACH - PERFORMANCE CONTRACT

ARCHITECTURAL SERVICES

This Task Order is for the Architectural Services for the new 4,460 square foot Softball and Baseball Field House for the City of Orange Beach, Alabama. The estimated cost of construction is \$892,000.00 for the new building.

The State Division of Construction Management Fee would typically be 7.4%, but we propose a lump-sum fee of **\$46,800.00 (approximately 5.2%)**, which includes a reduction for the Owner-provided floor plan drawing.

The following exhibits are made part of this Task Order and are attached here to:

Exhibit A - Scope of Work

Exhibit B - Man-Hour/Fee Estimate

OFFERED BY CONSULTANT



Representative's Signature
Sted McCollough

Printed Name

Title

McCollough Architecture

Firm Name

2022.12.13

Date

RECOMMENDED FOR APPROVAL

Signature

Date

Title

APPROVED BY CITY OF ORANGE BEACH

Signature

Date

Title



EXHIBIT A

TASK ORDER NO. 18

CITY OF ORANGE BEACH, ALABAMA

SCOPE OF WORK:

This Task Order is for the Architectural Services for the new Softball and Baseball Field House for the City of Orange Beach Alabama.

SPECIFIC TASKS TO BE COMPLETED INCLUDE:

- Draw Elevations for Floor Plan.
- Draw Interior Elevations and Select Finishes for Interior Design.
- Develop Architectural Drawings sufficient for Permit.
- Prepare Project Manual.
- Bid and Negotiate Project.
- Perform Monthly Construction Administration during Construction Phase.

PRELIMINARY SCHEDULE

- Schematic Design shall be provided within 15 days.
- Upon approval of Schematic Design, Design Development Drawings shall be provided within 25 days.
- Upon approval of Design Development Drawings, Permit Drawings including Architectural Drawings shall be completed within 9 weeks (timeline driven and determined by structural).
- Project Manual and Bid Documents shall be completed within the Permit Drawing Phase.

***NOTE: Numerous items outside of the control of the architect and engineer can greatly affect the overall schedule. Schedule will be adjusted for time required for City reviews; input; and approvals.**

END OF EXHIBIT A



EXHIBIT B

CITY OF ORANGE BEACH, ALABAMA

TASK ORDER NO. 18

MAN – HOUR RATES FOR ADDITIONAL SERVICES (IF NEEDED)

CLASSIFICATION:	HOURLY RATE:
Principal Architect	\$150.00
CAD Operator	\$85.00
Project Manager	\$100.00
Clerical	\$30.00
Engineering	(Cost plus 15%)
Landscape Architect	(Cost plus 15%)

PHASES AND PAYMENT:

- Schematic Drawings (Lump-sum \$9,250.00)
- Design Development Drawings (Lump-sum \$9,250.00)
- Construction Drawings (Lump-sum \$18,500.00)
- Project Manual (Lump-sum \$4,000.00)
- Bid and Negotiate Project (Lump-sum \$1,000.00)
- Perform Construction Administration during Construction Phase (Monthly Fee during Construction Phase \$800.00 - anticipated 6 months = \$4,800.00)

END OF EXHIBIT B

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE EXECUTION OF A
TASK ORDER WITH MCCOLLOUGH ARCHITECTURE, INC.
TO PROVIDE PROFESSIONAL SERVICES FOR A
NEW ORANGE BEACH CITY SCHOOLS CENTRAL OFFICE BUILDING
IN AN AMOUNT NOT TO EXCEED \$89,600**

FINDINGS:

1. The Orange Beach City Council, by Resolution No. 21-156 adopted July 20, 2021, approved a contract with McCollough Architecture, Inc., to perform certain architectural services (“the Contract”).
2. The Contract authorized work to be assigned by one or more task orders approved from time to time by the City Council.
3. The City Administrator has submitted a task order (attached Exhibit A) for Council approval.
4. The Orange Beach City Schools System is in need of a Central Office Building. A portion of city-owned property adjacent to 4544 Orange Beach Boulevard has been determined to be the ideal location.
5. The City of Orange Beach has agreed to construct the building with the intent to lease use of the building to the Orange Beach Board of Education.
6. The proposed Task Order requires McCollough Architecture, Inc., to provide architectural, bid, and construction administration services for a new Central Office Building for the Orange Beach City Schools System.
7. The scope of work described in the Task Order is authorized by the Contract and furthers public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to execute the Task Order as presented to Council between the City of Orange Beach and McCollough Architecture, Inc., on behalf of the City of Orange Beach subject to final approval by the City Attorney;
2. That the City Council authorizes payment in an amount not to exceed \$89,600.00 to McCollough Architecture, Inc., to complete the Task Order as presented; and
3. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk



TASK ORDER AUTHORIZATION

TASK ORDER NO. 19

CITY OF ORANGE BEACH - PERFORMANCE CONTRACT

ARCHITECTURAL SERVICES

This Task Order is for the Architectural Services for the new Orange Beach City Schools' Central Office Building for the City of Orange Beach, Alabama. The estimated cost of construction is \$1,600,000.00 for the new building.

The Architect's Fee is normally determined by the Alabama Division of Construction Management Schedule of Basic Fee Rates for Building Groups III based upon the Cost of the Work. For example, the Architect's Compensation for a project classified as Building Group III with a Cost of the Work of \$1,600,000.00 shall be \$112,000.00 (Approximately 7% of the estimated cost of construction for this project). However, we would like to propose a lump-sum fee of \$89,600.00 to be broken down in the following phases of work:

The following exhibits are made part of this Task Order and are attached here to:

Exhibit A - Scope of Work

Exhibit B - Man-Hour/Fee Estimate

OFFERED BY CONSULTANT

Representative's Signature
Sted McCollough
Printed Name

McCollough Architecture
Firm Name
2022.12.23
Date

Title

RECOMMENDED FOR APPROVAL

Signature

Date

Title

APPROVED BY CITY OF ORANGE BEACH

Signature

Date

Title



EXHIBIT A

TASK ORDER NO. 19

CITY OF ORANGE BEACH, ALABAMA

SCOPE OF WORK:

This Task Order is for the Architectural Services for the new Orange Beach City Schools' Central Office Building for the City of Orange Beach Alabama.

SPECIFIC TASKS TO BE COMPLETED INCLUDE:

- Draw Elevations for Floor Plan.
- Draw Interior Elevations and Select Finishes for Interior Design.
- Develop Architectural Drawings sufficient for Permit.
- Prepare Project Manual.
- Bid and Negotiate Project.
- Perform Monthly Construction Administration during Construction Phase.

PRELIMINARY SCHEDULE

- Schematic Design shall be provided within 30 days.
- Upon approval of Schematic Design, Design Development Drawings shall be provided within 30 days.
- Upon approval of Design Development Drawings, Permit Drawings including Architectural Drawings shall be completed within approximately 60 days (timeline driven and determined by structural).
- Project Manual and Bid Documents shall be completed within the Permit Drawing Phase.

***NOTE: Numerous items outside of the control of the architect and engineer can greatly affect the overall schedule. Schedule will be adjusted for time required for City reviews; input; and approvals.**

END OF EXHIBIT A



EXHIBIT B

CITY OF ORANGE BEACH, ALABAMA

TASK ORDER NO. 19

MAN – HOUR RATES FOR ADDITIONAL SERVICES (IF NEEDED)

CLASSIFICATION:	HOURLY RATE:
Principal Architect	\$150.00
CAD Operator	\$85.00
Project Manager	\$100.00
Clerical	\$30.00
Engineering	(Cost plus 15%)
Landscape Architect	(Cost plus 15%)

*Civil Engineer, Geotechnical Engineer, and Surveying to be provided by Owner.

PHASES AND PAYMENT:

- Schematic Drawings – 30 Days (Lump-sum \$18,775.00)
- Design Development Drawings – 30 Days (Lump-sum \$18,775.00)
- Construction Drawings – 60 Days (Lump-sum \$37,550.00)
- Project Manual (Lump-sum \$4,500.00)
- Bid and Negotiate Project (Lump-sum \$1,000.00)
- Perform Construction Administration during Construction Phase (Monthly Fee during Construction Phase \$750.00 - anticipated 12 months = \$9,000.00)

Reimbursable Expenses

- Estimated DCM Plan Review Fee for Accessibility Only - Cost TDB
- Printing Wide Format Plans

END OF EXHIBIT B

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING EXECUTION OF A
PROFESSIONAL SERVICES AGREEMENT WITH
CHRIS LITTON FOR VARIOUS SPECIAL SERVICES**

FINDINGS:

1. The City of Orange Beach has reached an agreement (attached Exhibit A) with Chris Litton, an individual, whereby Chris Litton will provide special services including but not limited to audio production, firearms training and youth shooting sports organization and management, disaster recovery management, and veterans programs management.
2. After having reviewed the agreement, the City Council has determined that the provisions are in the best interest of the City of Orange Beach, Alabama.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Council authorizes the Mayor and City Clerk to execute and attest, respectively, the agreement in substantially the form and of substantially the content now before the Council between the City of Orange Beach and Chris Litton as an act for and on behalf of the City of Orange Beach subject to final approval by the City Attorney; and
2. That this Resolution shall become effective upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk

PROFESSIONAL SERVICES CONTRACT

This Agreement is made and entered into by and between the City of Orange Beach, a Class 8 Alabama municipal corporation (hereinafter the "City") and Chris Litton, an individual (hereinafter the "Contractor"), as follows:

1. Recitals.

WHEREAS, the City desires to engage Contractor to provide special services and specialized organizational services due to contractors experience and certifications including, but not limited to audio production, firearms training and youth shooting sports organization and management, disaster recovery management, veterans programs management;

WHEREAS, the Contractor is skilled in providing such services and is available and willing to perform such services on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth to be kept and performed by the other, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties to hereby covenant and agree as follows:

2. Consulting Services to be Performed.

- a) Contractor will perform such services with regard to the City's special events, performances, shooting and firearm classes, possibly emergency management skills and general support of city activities as needed, based on many years of experience and institutional knowledge.

3. Compensation.

- a) As full and total compensation for the services to be provided pursuant to this Agreement, Contractor shall be paid \$40 / hour, plus pre-approved expenses incurred as part of Contractor's performance of this contract, in accordance with City policies.
- b) Contractor agrees to abide by the City's established policies, and agrees that any travel and expenses must be approved in advance by the City.
- c) Contractor shall be paid per invoice following city activities and events, upon the City's receipt of a properly documented invoice for specialized services performed. All estimated hours and expenses shall be pre-approved in planning for city events and activities.

4. Term.

The term of this Agreement is twelve (12) months commencing January 1, 2023, and ending December 31, 2023.

5. Independent Contractor.

- a) Notwithstanding any of the provisions of this Agreement, it is agreed that the City has no financial interest in the business of Contractor and shall not be liable for any debts or obligations incurred by Contractor, nor shall City be deemed or construed to be a partner, joint venturer or otherwise interested in the assets of Contractor, or in the sums earned or derived by Contractor.
- b) Contractor, in the performance of its operations and obligations hereunder, shall not be deemed to be an agent of City but shall be deemed to be an independent Contractor in every respect and shall take all steps at its own expense as City may from time to time request to indicate that it is an independent Contractor. City does not, and will not, assume any responsibility for the means by which or the manner in which the services by Contractor provided for herein are performed but, on the contrary, Contractor shall be wholly responsible therefor.

6. Insurance.

- a) For the term of this Agreement, the Contractor shall acquire and maintain in full force and affect the policy of insurance evidenced by the certificate of insurance attached hereto, with the City being named as an additional insured.
- b) Said certificate shall require that said insurance coverage will not be altered or terminated unless City shall be given written notice of such alteration or termination delivered to City not less than thirty (30) days before the effective date of such alteration or termination.

7. Assignment.

Contractor acknowledges that its identity and peculiar capacity to provide the services described hereinabove constitute a material consideration for City's having entered into this Agreement. Therefore, Contractor shall not transfer or assign this Agreement or any of the rights or privileges granted herein without the prior written consent of City; which consent shall be granted or denied solely at City's discretion.

8. Compliance with Law.

Contractor hereby agrees to comply strictly with all the laws of the State of Alabama and of the United States, and the laws and ordinances of any other jurisdiction in which contractor may perform any work pursuant to this Agreement. Contractor further agrees to comply with all rules, regulations, policies, and City ordinances that apply to sporting or other activities at City properties and facilities.

9. Termination.

This Agreement may be terminated by either party for any reason upon thirty (30) days notice of the intent to terminate. Upon termination, Contractor shall be paid *pro rata* for all services actually rendered up to the effective date of termination. This Agreement may be terminated immediately by the City upon failure of the required background check or drug testing, as set out in paragraph 16, below.

10. Final Agreement.

This Agreement is the final expression of the Agreement between the parties, and the complete and exclusive statement of the terms agreed upon, and shall supersede all prior negotiations, understandings or agreements. There are no representations, warranties, or stipulations, either oral or written, not contained herein.

11. Modifications.

Any alterations, variations, modifications or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, approved by the City Council, and signed by the duly authorized representatives of both parties.

12. Severability.

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire Agreement with respect to either party.

13. Law Governing.

This Agreement shall be governed by the laws of the State of Alabama, and the appropriate venue for any actions arising out of this Agreement would be Baldwin County, Alabama.

14. Permits, etc.

Contractor shall obtain, at its own expense, all necessary licenses, permits, insurance, authorizations and assurances necessary in order to abide by the terms of this Agreement.

15. Background Check and Drug Testing.

Contractor consents to the City of Orange Beach to conduct a background check and drug testing in order for Contractor to provide coaching services as set out herein. Contractor shall provide all required information to the City in order to conduct the background check and drug testing including, but not limited to, full name (maiden name), physical address, date of birth, social security number, driver's license state and number.

16. Notices.

All notices of cancellation, requests, demands or other communications shall be in writing and duly delivered to the addresses appearing below:

City of Orange Beach

City Clerk

Post Office Box 458

Orange Beach, AL 36561

And to Contractor:

Copy to:

City Attorney

P.O. Box 458

Orange Beach, AL 36561

Chris Litton

P.O. Box 441

Gulf Shores, AL 36542

IN WITNESS WHEREOF, we have hereunto set our hands and seal on this the ____ day of _____, 2023.

CITY OF ORANGE BEACH

By: _____

Tony Kennon

Mayor

ATTEST:

Renee Eberly, City Clerk

Chris Litton, an Individual

[ACKNOWLEDGEMENTS ON FOLLOWING PAGE]

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for said County in said State, hereby certify that Tony Kennon and Renee Eberly, whose names as Mayor and City Clerk, respectively, of the City of Orange Beach, a municipal corporation, are signed to the foregoing agreement, and who are known to me, acknowledge before me on this day, that, being informed of the contents of the above and foregoing, they, as such officers and with full authority, executed the same voluntarily for and as the act of said municipal corporation on the day the same bears date.

Given under my hand and seal this the _____ day of _____, 2023.

(SEAL)

Notary Public
State of Alabama
My Commission Expires: _____

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public, in and for said County in said State, hereby certify that Chris Litton, an Individual, whose name is signed to the foregoing agreement, and who is known to me, acknowledged before me this day that, being informed of the contents of the above and foregoing agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the _____ day of _____, 2023.

(SEAL)

Notary Public
State of Alabama
My Commission Expires: _____

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING EXECUTION OF A
TASK ORDER WITH WATERMARK DESIGN GROUP, LLC
TO PROVIDE DESIGN, BID, AND CONSTRUCTION ADMINISTRATION SERVICES FOR
ROOF REPLACEMENT AT THE RECREATION CENTER AND COMMUNITY CENTER
FOLLOWING THE APRIL 10, 2021, HAILSTORM
IN AN AMOUNT NOT TO EXCEED \$69,500**

FINDINGS:

1. The Orange Beach City Council, by Resolution No. 21-134, adopted June 15, 2021, approved a contract with Watermark Design Group, LLC, to perform certain professional architectural services (“the Contract”).
2. The Contract authorized work to be assigned by one or more task orders approved from time to time by the City Council.
3. The City’s Construction and Facilities Manager has submitted the Task Order attached as Exhibit A for Council approval.
4. The proposed Task Order requires Watermark Design Group, LLC, to provide services for design, preparation of documents for bidding, permitting and construction, and services for construction phase administration and observation for the purpose of replacing the Recreation Center and Community Center roofs damaged by the hailstorm on April 10, 2021.
5. The scope of work described in the Task Order is authorized by the Contract and furthers public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to execute the Task Order as presented to Council between the City of Orange Beach and Watermark Design Group, LLC, on behalf of the City of Orange Beach subject to final approval by the City Attorney;
2. That the City Council authorizes payment in an amount not to exceed \$69,500.00 to Watermark Design Group, LLC, to complete the Task Order as presented; and
3. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk

TASK ORDER AUTHORIZATION
TASK ORDER NO. 2022-06
CITY OF ORANGE BEACH ALABAMA
PERFORMANCE CONTRACT
ARCHITECTURAL SERVICES

This Task Order shall be for Architectural services as required for roof replacement design, documentation, permitting, bidding and construction administration of the City's roughly 32,000 square foot Recreational Center and 12,200 square foot Community Center. Bid and construction phase administration and construction phase observation will be provided to assist the City in managing the project, reviewing the work for compliance with the contract and close-out of the construction contract (see Exhibit A for Scope of Work and Fee Proposal).

The cost for completing this Task Order shall be a Lump Sum, not to exceed the amount of **sixty-nine thousand, five hundred dollars and 00/100 (\$69,500.00)**.

Additional Services as directed by the City of Orange Beach will be as provided for in the Watermark Design Group, LLC currently approved Professional Services Agreement with the City.

The following exhibits are made part of this Task Order and are attached hereto:

Exhibit A – Task Order 2022-06 Scope of Work and Fee Estimate

Exhibit B – Community Development Observation Report

OFFERED BY CONSULTANT

John A. McArthur, III

Representative's Printed Name



Signature

12-28-2022

Date

Watermark Design Group, LLC

Firm Name

President, Principal Architect

Title

RECOMMENDED FOR APPROVAL

Name

Title

Signature

Date

APPROVED BY CITY OF ORANGE BEACH

Name

Title

Signature

Date

EXHIBIT A
CITY OF ORANGE BEACH ALABAMA
TASK ORDER NUMBER 2022-06
SCOPE OF WORK

SCOPE OF WORK:

Based on conclusions regarding delivery of the roof replacement (including soffit) of the ±32,000SF Recreational Center and the ±12,200SF Community Center buildings as documented within the Observation Reports for the facilities that were developed under the Hail Damage Assessment Report, design and required documentation will be produced for permitting, bidding and construction of the roof replacements for both facilities. Bid and construction phase administration and construction phase observation will be provided to assist the City in managing the project, reviewing the work for compliance with the documents and close-out of the contract.

Specific tasks to be completed include:

1. Design/Document Preparation:

Drawings:

Drawings will be produced including demolition plans, renovation plans, and project specific details.

Project Manual:

A Project Manual will be produced including “Front End” Bidding and Contract requirements and technical specifications.

Alternate Design for Vertical Wall Panels:

Drawings will be produced based on Owner’s desired renovation directions for either coatings or replacement of vertical wall panels at the adjoining Gym wall only.

2. Submit design documents to the City of Orange Beach for review by staff and permit review. Coordinate as needed for approval of the Authority Having Jurisdiction.
3. Assist the City with distribution of documents to bidders, coordination of response to RFIs and clarifications, and receipt of bids.
4. Assist City with award and execution of the Construction Contract.
5. Construction Administration Services:
 - Coordination of regular Owner, Architect, Contractor (OAC) meetings and intermittent inspections as required to insure conformance with the Contract requirements.
 - Review submittals, shop drawings, pay applications.
 - Assist the City with project closeout.

FEE PROPOSAL

The cost for completing this Task Order shall be a Lump Sum, not to exceed the amount of **sixty-nine thousand, five hundred dollars and 00/100 (\$69,500.00).**

The Fee will be Lump-Sum based on a percentage of the estimated construction cost for the scope of work with reduction considerations given for redundancy of documentation and services that will be common for all projects. Percentage rates will be based on the latest edition of the Alabama Division of Construction Management “Determination of Basic Fee or Basic Fee Rate for Design Professional Services” and adjusted as noted above.

Printing of documents for permitting and bidding will be charged as a reimbursable expense based on the schedule of fees and services that are included within Watermark's approved Professional Services Agreement with the City.

All work shall be performed in accordance with Watermark Design Professional Services Agreement with the City of Orange Beach.

End of Exhibit A

EXHIBIT B

RECREATIONAL CENTER OBSERVATION REPORT

COMMUNITY CENTER OBSERVATION REPORT



September 7, 2021

Client: City of Orange Beach
Attention: Mr. Ken Grimes
Subject: Orange Beach Recreation Center Damage Observation

INTRODUCTION

Pursuant to your request, Thompson Engineering has performed a roof damage assessment of the Recreation Center located on 4849 Wilson Blvd, Orange Beach, AL. The observations were performed on September 2nd 2021 by Connor Harkey (Level IV Technician, RRO), Jonathan Fuqua (Senior Waterproofing Technician), Heath Horton (Level III Technician), and Branden Parker (Field Assistant) all representing Thompson Engineering, Inc. The purpose of the observations was to document roof damages caused by recent hail events.

BUILDING SUMMARY

The Orange Beach Recreation Center was observed to be a two story structure with a foot print of approximately 32,000 sqft. The building's exterior façade was observed to be brick masonry and the roof system was observed to be a standing seam metal roof over a structural metal deck. The roof system pitch was approximately 4/12.

FIELD OBSERVATIONS

Main Building

North elevation

- Approximately ten-thousand (10,000) impact damages were observed to the metal standing seam roof.
- Approximately one-thousand two-hundred (1,200) impact damages were observed to the metal ridge cap.

South elevation

- Approximately ten-thousand (10,000) impact damages were observed to the metal standing seam roof.
- Approximately one-thousand two-hundred (1,200) impact damages were observed to the metal ridge vent.

East elevation

- Approximately ten-thousand (10,000) impact damages were observed to the metal standing seam roof.

2970 Cottage Hill Road, Ste. 190
Mobile, AL 36606
251.666.2443 ph. / 251.666.6422 fax
www.thompsonengineering.com

A THOMPSON HOLDINGS, INC. COMPANY

- Approximately one-thousand (1,000) impact damages were observed to the metal ridge vent.

West elevation

- Approximately seven-thousand five-hundred (7,500) impact damages were observed to the metal standing seam roof.

Southeast elevation

- Approximately one-thousand five-hundred (1,500) impact damages were observed to the metal standing seam roof.
- Approximately one-thousand (1,000) impact damages were observed to the metal ridge cap.

Northwest elevation

- Approximately one-thousand five-hundred (1,500) impact damages were observed to the metal standing seam roof.
- Approximately one-thousand (1,000) impact damages were observed to the metal ridge cap.

GymEast elevation

- Approximately ten-thousand (10,000) impact damages were observed to the metal standing seam roof.
- Approximately two-thousand five-hundred (2,500) impact damages were observed to the metal ridge vent.

West elevation

- Approximately ten-thousand (10,000) impact damages were observed to the metal standing seam roof.

CONCLUSIONS

Based on the field observations, it is Thompson Engineering's opinion that the existing roof systems should be removed and replaced due to extensive hail damages.

CLOSING

Thompson Engineering appreciates the opportunity to provide our professional services to the City of Orange Beach. If there are any questions regarding this report or if additional information is required, please advise.

Respectfully,

THOMPSON ENGINEERING, INC.

Branden Parker

Branden Parker

Building Envelope Field Assistant

Thompson Engineering Building Envelope Services

Please See Photos Attached



Overview photo of the Southeast elevation



Overview photo of the South elevation



Overview photo of the Gym's North elevation



Overview photo of the North elevation roof



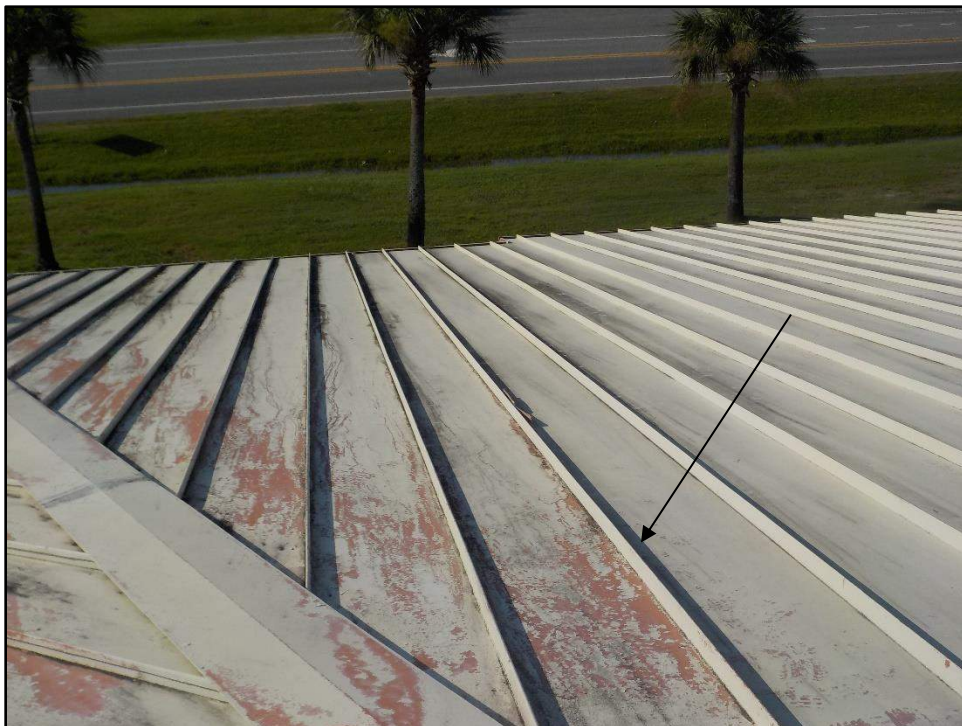
Overview photo of the East elevation roof



Overview photo of the Gym's East elevation roof



Overview photo of the North East Corner of the roof



Typical condition of the metal Standing-seam R-panels



September 09, 2021

Client: City of Orange Beach
Attention: Mr. Ken Grimes
Subject: Orange Beach Community Center Building Damage Assessment

INTRODUCTION

Pursuant to your request, Thompson Engineering has performed a roof damage assessment of the Orange Beach Community Center building located at 27235 Canal St, Orange Beach, AL. The observations were performed on September 1st 2021 by Connor Harkey (Level IV Technician, RRO), Heath Horton (Level III Technician), Jonathan Fuqua (Senior Waterproofing Technician), and Branden Parker (Field Assistant) all representing Thompson Engineering, Inc. The purpose of the observations was to document roof damages caused by recent hail events.

BUILDING SUMMARY

The Orange Beach Community Center was observed to be a single story structure with a foot print of approximately 12,200 sqft. The building's exterior façade was observed to be a synthetic cladding and the roof system was observed to be a coated metal r-panel roof. The roof system pitch was approximately 6/12. Impacts were observed at all elevations of the roof; however, the impacts observed appeared superficial and were not believed to have caused any significant damage to the integrity or functionality of the metal r-panel.

FIELD OBSERVATIONS

North Elevation

- Approximately ten-thousand (10,000) hail impacts were observed to the coated metal r-panels

South Elevation

- Approximately ten-thousand (10,000) hail impacts were observed to the coated metal r-panels

East Elevation

- Approximately seven-thousand five-hundred (7,500) hail impacts were observed to the coated metal r-panels

West Elevation

- Approximately seven-thousand five-hundred (7,500) hail impacts were observed to the coated metal r-panels

2970 Cottage Hill Road, Ste. 190
Mobile, AL 36606
251.666.2443 ph. / 251.666.6422 fax
www.thompsonengineering.com

A THOMPSON HOLDINGS, INC. COMPANY

CONCLUSIONS

Based on the field observations, it is Thompson Engineering's opinion that the existing roof system did not receive significant enough hail impact damaged to warrant the removal and replacement of the roof system.

CLOSING

Thompson Engineering appreciates the opportunity to provide our professional services to the City of Orange Beach. If there are any questions regarding this report or if additional information is required, please advise.

Respectfully,

THOMPSON ENGINEERING, INC.

Jonathan Fuqua

Jonathan Fuqua
Senior Waterproofing Technician
Thompson Engineering Building Envelope Services



Overview of the South (front) Face of the building



Overview of the South face East end of the building



Overview of the East face wall of the building



Overview of the North face East end of the building



Overview of the North face West end of the building



Overview of the South face East end of the building



Typical condition of the coated metal r-panels



Fastener and thickness of material indicates metal r-panel

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING EXECUTION OF A
SERVICE AGREEMENT WITH
WATCHTOWER SOLUTIONS, INC.
FOR DIGITAL COMMAND SOFTWARE FOR LIFEGUARDS**

FINDINGS:

1. The Fire Chief has recommended Watchtower Solutions, Inc., for digital command software for use by the lifeguards of the Fire Rescue Department
2. After having reviewed the agreement (attached Exhibit A), the City Council has determined that the provisions are in the best interest of the City of Orange Beach, Alabama.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to execute the agreement in substantially the form and of substantially the content now before the Council between the City of Orange Beach and Watchtower Solutions, Inc., as an act for and on behalf of the City of Orange Beach subject to final approval by the City Attorney; and
2. That this Resolution shall become effective immediately upon its adoption.

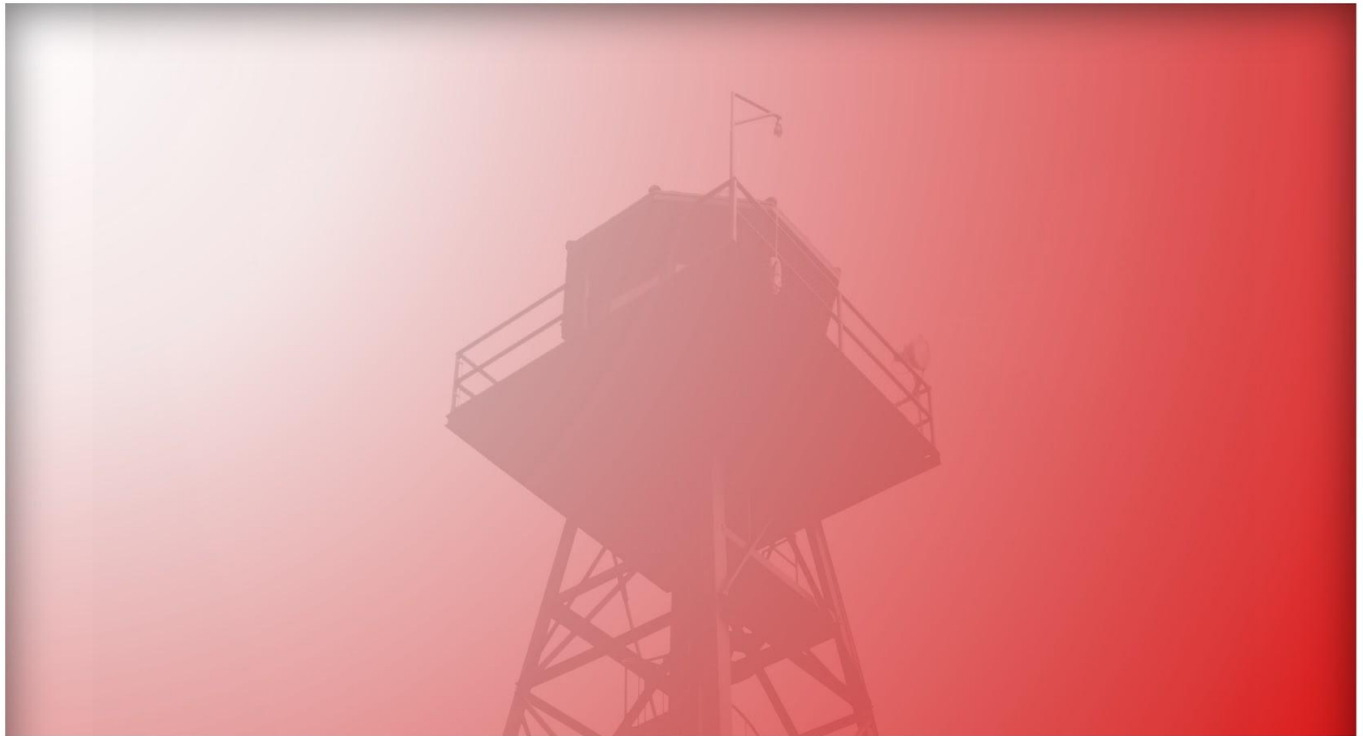
ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

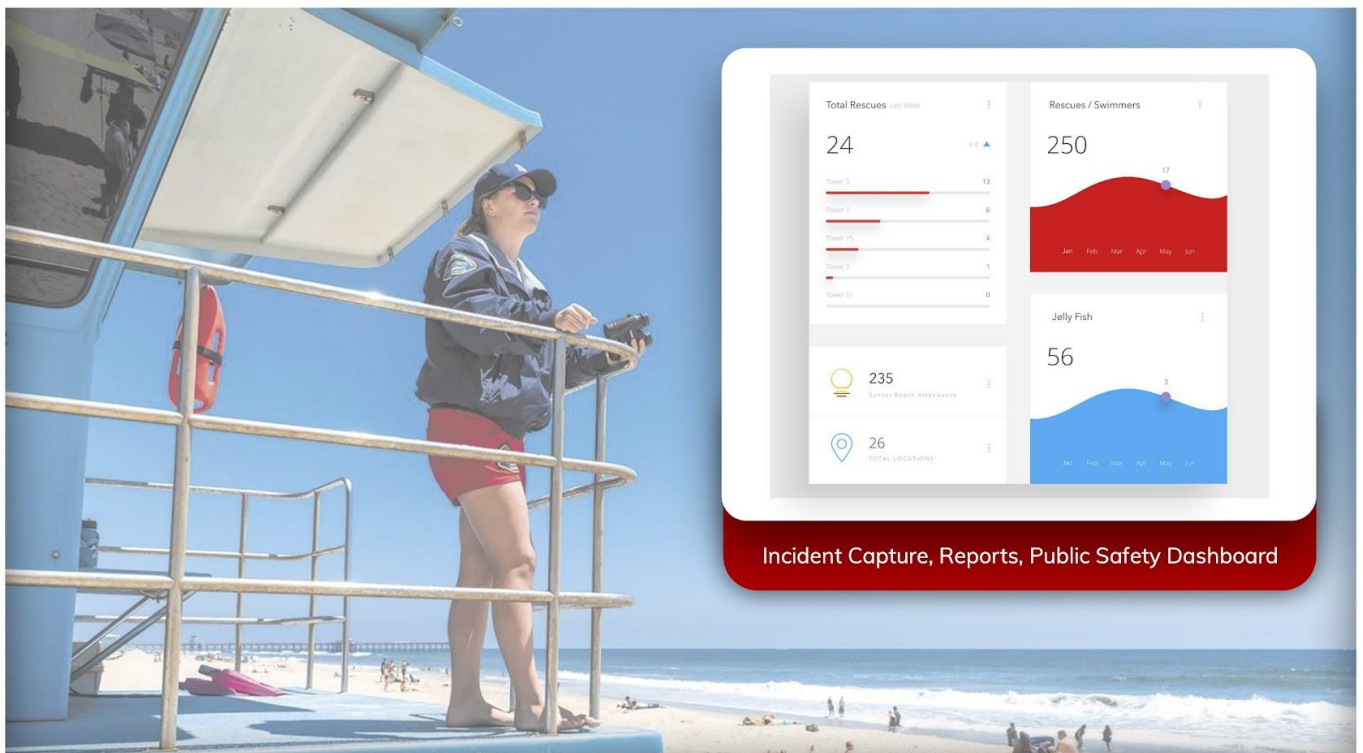
I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk



watchtower

Digital Command Center Software for Lifeguards





Orange Beach Surf Rescue

Agency Discovery

Discovery Date: 12/20/21

Agency Information

Agency Name: Orange Beach Surf Rescue
Agency Address: 25855 John Snook Dr., Orange Beach, AL 36561
Agency Phone: 251-747-1051
Web: <https://www.orangebeachal.gov/departments/fire-department/beach-patrol>

Season Type

Standard

Personnel Count

28

Annual Attendance

1,200,000

Primary Contact

Name: Brett Lesinger
Title: Beach Safety Division Chief
Email: Blesinger@orangebeachal.gov
Phone: 251-747-1051

Roster Composition

Number of Permanent Guards: 4
Number of Seasonal Guards: 24
Number of Admin Staff & Other:

Marine Safety Statistics

Annual Attendance: 1,200,000
Rescues per Year: 200
Prevents per Year: 29,676

Jurisdiction + Geography

Miles of Beach: 8
North / West Boundary:
South / East Boundary: Florida Alabama Stateline to the Gulf State Park Pavilion
Parent Agency: Orange Beach Fire Dpt.

Tools, Assets, Equipment

Number of Towers: 5
Number of Trucks: 2
Number of ATV's: 2
Number of Boats:

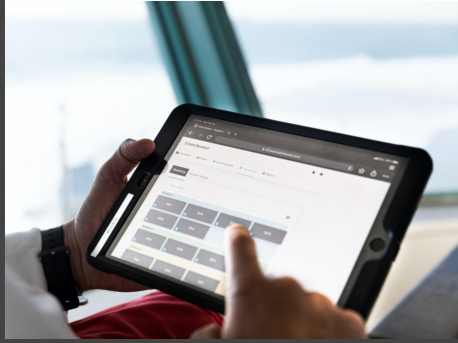
Technology and Operational Strategy

Report Generation Style: Digital Summertime Dispatcher: No Mobile Devices: Yes
Existing Software Stack:
Intra-Agency Communication: yes USLA Reporting: yes
Scheduling: yes Training: yes
Timekeeping: yes Incident Reporting: yes
Public Education: yes Dispatch: yes
Statistics Gathering: yes Telecommunications: yes

Core Challenges, Goals, Needs Analysis

WATCHTOWER CORE

Incident Capture



\$2,520



Reporting Analytics



Included



Software Modules

\$2,520

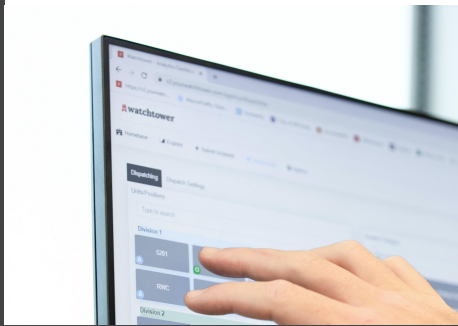
Season Type

Standard

Guard Count

28

Dispatch



\$1,470



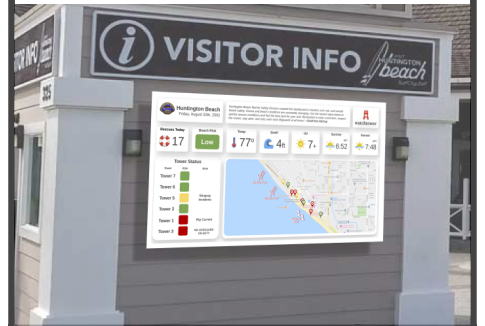
Agency Comms



Included



Public Safety Dashboard



\$2,400



Medical Reports



\$4,550



Scheduling



\$2,450



Attendance



\$1,750





Orange Beach Surf Rescue

Preliminary Quotation

Agency Information

Agency Address: 25855 John Snook Dr., Orange Beach, AL 36561
Agency Phone: 251-747-1051
Primary Contact: Brett Lesinger
Primary Email: Blesinger@orangebeachal.gov

Quote Information

Invoice Date:
Valid Until:
Invoice #:
Customer ID:

Watchtower Platform License Profile

Watchtower Core:

	Activation Status		
Incident Capture	✓	Active	\$2,520
Reporting and Analytics	✓	Active	Included

Expansion Modules:

Dispatch	⊘	Inactive	-
Agency Comms	✓	Active	Included
Public Safety Dashboard	⊘	Inactive	-
Medical Reports	⊘	Inactive	-
Scheduling	⊘	Inactive	-
Attendance	⊘	Inactive	-

License Terms

Beta-Test License Length: 11 months

Beta-test License Start Date: December 20, 2021
Beta-test License End Date: November 01, 2022

Enterprise License Length: 1 Year

Enterprise License Start Date: November 02, 2022
Enterprise License End Date: November 01, 2023

Hardware, Supplemental Notes, and Adjustments

Item	Note	Quantity	Unit Price	Total
------	------	----------	------------	-------

Total Annual Platform License

\$2,520



SOFTWARE AGREEMENT & SERVICE CONTRACT

GENERAL PROVISIONS

PLEASE READ THIS AGREEMENT BEFORE USING WATCHTOWER'S SERVICES. BY ACCESSING OR USING WATCHTOWER INCIDENT RESPONSE AND DISPATCH SOFTWARE, YOU ("the Customer") SIGNIFY ACCEPTANCE OF AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

This Software as a Service Agreement ("**Agreement**") is entered into between Customer and Watchtower Solutions, Inc, a Delaware corporation ("**Watchtower**"), with its principal place of business at 17595 Harvard Ave Ste #C-632 Irvine, CA 92614. Watchtower and Customer agree that the following terms and conditions will apply to the services provided under this Agreement and Orders placed thereunder.

1. SAAS SERVICES

During the Subscription Term, Customer will receive a nonexclusive, non-assignable, royalty free, worldwide right to access and use the SaaS Services solely for your internal business operations subject to the terms of this Agreement

2. ORDERS AND PAYMENT

Invoicing and Payment. Watchtower shall invoice Customer on an annual Schedule. Customer shall pay all invoices within 30 days. Except as expressly provided otherwise, fees are non-refundable. All fees are stated in United States Dollars, and must be paid by Customer to Watchtower in United States Dollars.

3. TERM AND TERMINATION

Term of SaaS Agreement. The term of this SaaS Agreement shall begin on the Effective Date and shall continue until terminated by either party as outlined in this Section. The Subscription Term shall remain 1-Year Evergreen, automatically renewing in successive 12-month periods.

Suspension for Non-Payment. Watchtower reserves the right to suspend delivery of the SaaS Services if Customer fails to timely pay any undisputed amounts due to Watchtower under this SaaS Agreement, but only after Watchtower notifies Customer of such failure and such failure continues for fifteen (15) days. Suspension of the SaaS Services shall not release Customer of its payment obligations under this SaaS Agreement. Customer agrees that Watchtower shall not be liable to Customer or to any third party for any liabilities, claims or expenses arising from or relating to suspension of the SaaS Services resulting from Customer's nonpayment.

4. WARRANTIES

Warranty. Watchtower represents and warrants that it will provide the SaaS Services in a professional manner consistent with general industry standards and that the SaaS Services will perform substantially in accordance with the Documentation.

WATCHTOWER NOR ANY OF ITS LICENSORS OR OTHER SUPPLIERS WARRANT OR GUARANTEE THAT THE OPERATION OF THE SUBSCRIPTION SERVICE WILL BE UNINTERRUPTED, VIRUS-FREE OR ERROR-FREE, NOR SHALL WATCHTOWER OR ANY OF ITS SERVICE PROVIDERS BE LIABLE FOR UNAUTHORIZED ALTERATION, THEFT OR DESTRUCTION OF CUSTOMER'S OR ANY USER'S DATA, FILES, OR PROGRAMS.

5. LIMITATIONS OF LIABILITY

NEITHER PARTY (NOR ANY LICENSOR OR OTHER SUPPLIER OF WATCHTOWER) SHALL BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST BUSINESS, PROFITS, DATA OR USE OF ANY SERVICE, INCURRED BY EITHER PARTY OR ANY THIRD PARTY IN CONNECTION WITH THIS SAAS AGREEMENT, REGARDLESS OF THE NATURE OF THE CLAIM (INCLUDING NEGLIGENCE), EVEN IF FORESEEABLE OR THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER PARTY'S AGGREGATE LIABILITY FOR DAMAGES UNDER



THIS SAAS AGREEMENT, REGARDLESS OF THE NATURE OF THE CLAIM (INCLUDING NEGLIGENCE), SHALL EXCEED 50% OF THE FEES PAID OR PAYABLE BY CUSTOMER UNDER THIS SAAS AGREEMENT DURING THE 12 MONTHS PRECEDING THE DATE THE CLAIM AROSE.

6. RESTRICTIONS

Customer shall not, and shall not permit anyone to: (i) copy or republish the SaaS Services or Software, (ii) make the SaaS Services available to any person other than authorized users, (iii) modify or create derivative works based upon the SaaS Services or Documentation, (iv) remove, modify or obscure any copyright, trademark or other proprietary notices contained in the software used to provide the SaaS Services or in the Documentation, (v) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code of the Software used to provide the SaaS Services, except and only to the extent such activity is expressly permitted by applicable law, or (vi) access the SaaS Services or use the Documentation in order to build a similar product or competitive product. Subject to the limited licenses granted herein, Watchtower shall own all right, title and interest in and to the Software, services, Documentation, and other deliverables provided under this SaaS Agreement, including all modifications, improvements, upgrades, derivative works and feedback related thereto and intellectual property rights therein. Customer agrees to assign all right, title and interest it may have in the foregoing to Watchtower.

7. CONFIDENTIALITY

During the term of this SaaS Agreement and for 5 years thereafter (perpetually in the case of software), each party shall treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except to exercise its rights and perform its obligations under this SaaS Agreement, and shall not disclose such Confidential Information to any third party. Without limiting the foregoing, each party shall use at least the same degree of care, but not less than a reasonable degree of care, it uses to prevent the disclosure of its own confidential information to prevent the disclosure of Confidential Information of the other party. Each party shall promptly notify the other party of any actual or suspected misuse or unauthorized disclosure of the other party's Confidential Information. Neither party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other party's Confidential Information and which are provided to the party hereunder.

8. GENERAL PROVISIONS

8.1 Non-Exclusive Service. Customer acknowledges that SaaS services are provided on a non-exclusive basis. Nothing shall be deemed to prevent or restrict Watchtower's ability to provide the SaaS Services or other technology, including any features or functionality first developed for Customer, to other parties.

8.2 Customer Data. Customer hereby acknowledges and agrees that Watchtower's performance of this SaaS Agreement may require Watchtower to process and/or store Customer data. By submitting data to Watchtower, Customer agrees that Watchtower and its Affiliates may process and/or store data only to the extent necessary for, and for the sole purpose of, enabling Watchtower to perform its obligations to under this SaaS Agreement. Customer agrees to obtain all necessary consents and make all necessary disclosures before including Data in Content and using the Enabling Software and Watchtower SaaS. Customer is solely responsible for determining the purposes and means of processing Customer Data by Watchtower under this Agreement, including that such processing according to Customer's instructions will not place Watchtower in breach of applicable data protection laws. Prior to processing, Customer will inform Watchtower about any special categories of data contained within Customer Data and any restrictions or special requirements in the processing of such special categories of data. Customer is responsible for ensuring that the Watchtower SaaS meets such restrictions or special requirements.

8.2.1 Data Preservation - Watchtower Core.

Incident-level data and all other forms of data relating to Watchtower Core, (Incident, Dispatch, Analytics) will be retained and accessible while the customer maintains an active Watchtower License contract. If for any reason the Watchtower SaaS contract is terminated, customer data will be made available, in standard format, within



30 days of termination. Additionally, customer data is also retained and preserved following delivery of requested data, for an additional 30 days.

8.2.2 Data Preservation - Communications Module and all Other Modules.

All digital media assets uploaded to, or facilitated by, the Watchtower Communications Module, will have an immediately retrievable lifespan of 12 months from the date uploaded, on a monthly rolling basis. Thereafter, data retrieval and preservation is the responsibility of the customer. If the customer desires to retain module data for longer than the allotted 12 months, written or electronic notice must be provided to Watchtower no less than 60 days prior to contract or license expiration. The customer may choose to engage Watchtower to maintain this data at an additional cost, or to make data storage accommodations in their own regard.

8.3 Watchtower Data Obligations. In performing the SaaS Services, Watchtower will comply with the Watchtower Privacy Policy, which is available at tinyurl.com/y6smmqlj. The Watchtower Services Privacy Policy is subject to change at Watchtower's discretion; however, Watchtower policy changes will not result in a material reduction in the level of protection provided for Customer data during the period for which fees for the services have been paid. Watchtower reserves the right to provide the SaaS Services from Host locations, and/or through use of subcontractors, worldwide. Watchtower will only process Customer Data in a manner that is reasonably necessary to provide SaaS Services and only for that purpose. Customer shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness and retains ownership of all of data.

8.4 Publicity. Watchtower may include Customer's name and logo in its customer lists and on its website. Upon signing, Watchtower may issue a high-level press release announcing the relationship and the manner in which Customer will use the Watchtower solution. Watchtower shall coordinate its efforts with appropriate communications personnel in Customer's organization to secure approval of the press release if necessary. This includes recorded and written and recorded customer satisfaction interviews and testimonials. Customer shall make every effort to facilitate Watchtower's request in this regard.

8.5 Statistical Information. Watchtower may anonymously compile statistical information related to the performance of the Services for purposes of improving the SaaS service. Watchtower may also anonymously compile incident reporting and dispatch information, provided that such information does not identify Customer's data or include Customer's name.

8.6 Force Majeure. Each party will be excused from performance for any period during which, and to the extent that, such party or any subcontractor is prevented from performing any obligation or Service, in whole or in part, as a result of causes beyond its reasonable control, and without its fault or negligence, including without limitation, acts of God, strikes, lockouts, riots, acts of terrorism or war, epidemics, communication line failures, and power failures.

8.7 Severability. If any term of this SaaS Agreement is held to be invalid or unenforceable, that term shall be reformed to achieve as nearly as possible the same effect as the original term, and the remainder of this SaaS Agreement shall remain in full force.

8.8 Dispute Resolution. Customer's satisfaction is an important objective to Watchtower in performing its obligations under this SaaS Agreement. Except with respect to intellectual property rights, if a dispute arises between the parties relating to the interpretation or performance of this SaaS Agreement or the grounds for the termination hereof, the parties agree to hold a meeting within fifteen (15) days of written request by either party, attended by individuals with decision-making authority, regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute prior to pursuing other available remedies. If, within 15 days after such meeting, the parties have not succeeded in resolving the dispute, either party may protect its interests by any lawful means available to it.

8.9 Service Level Agreement The Watchtower Incident Reporting and Dispatch SaaS will achieve System Availability of at least 99.5% during each calendar year of the Subscription Term. "**System Availability**" means the number of minutes in a year that the key components of the SaaS Services are operational as a percentage of the total number of



minutes in such year, excluding downtime resulting from (a) scheduled maintenance, (b) events of Force Majeure in the SaaS Agreement), (c) malicious attacks on the system, (d) issues associated with the Customer's computing devices, local area networks or internet service provider connections, or (e) inability to deliver services because of acts or omissions of Customer. Watchtower reserves the right to take the Service offline for scheduled maintenance for which Customer has been provided reasonable notice and Watchtower reserves the right to change its maintenance window upon prior notice to Customer.

8.10 **Signatures**. This SaaS Agreement may be executed in multiple counterparts, each of which when executed will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this SaaS Agreement by facsimile or other electronic transmission (including via pdf) will be effective as delivery of a manually executed counterpart.



Support and Maintenance

1. Support and Maintenance Services Support and Maintenance Services are included in the SaaS Service subscription in Exhibit A and entitles Customer to the following:

(a) Telephone or electronic support in order to help Customer locate and correct problems with the Software. (b) Bug fixes and code corrections to correct Software malfunctions in order to bring such Software into substantial conformity with the operating specifications. (c) All extensions, enhancements and other changes that Watchtower, at its sole discretion, makes or adds to the Software and which Watchtower furnishes, without charge, to all other Subscribers of the SaaS Service.

2. Response and Resolution Goals "Business hours" 8am-6pm PST, Monday thru Friday, except holidays.

Problem Severity	Response Goals	Resolution Goals
1. The production system is creating a significant impact to the Customer's business function preventing that function from being executed.	Watchtower will Respond within 4 business hours.	Upon confirmation of receipt, a Watchtower support personnel begins continuous work on the Problem, and a customer resource must be available at any time to assist with problem determination. Customer Support will provide reasonable effort for Workaround or Fix within 24 hours, once the Problem is reproducible or once we have identified the Software defect. Watchtower may incorporate Fix in future release of software.
2. The production system or application is moderately affected. There is no workaround currently available or the workaround is cumbersome to use.	Watchtower will Respond within 8 business hours.	Customer Support will provide reasonable effort for Workaround or Fix within 7 business days, once the Problem is reproducible. Watchtower may incorporate fix in future release of software.
3. The production system or application issue is not critical: no data has been lost, and the system has not failed. The issue has been identified and does not hinder normal operation, or the situation may be temporarily circumvented using an available workaround.	Watchtower will Respond within 16 business hours.	Customer Support will provide reasonable effort for Workaround or Fix within 10 business days, once the Problem is reproducible. Watchtower may incorporate Fix in future release of software.
4. Non-critical issues, general questions, enhancement requests, or the functionality does not match documented specifications.	Watchtower will Respond within 48 business hours.	Resolution of Problem may appear in future release of software.



CONTRACT SERVICE AGREEMENT - SIGNATURE PAGE

Customer Signature:

Customer Name:	
Customer Title:	
Date:	
Signature:	

Watchtower Solutions, Inc. - Representative Signature:

Watchtower Representative Name:	William Taormina
Watchtower Representative Title:	Chief Operating Officer
Date:	October 3rd, 2022
Signature:	Will TAORMINA



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/09/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER AP INTEGO INSURANCE GROUP, LLC 375 Woodcliff Dr. Suite 103 Fairport NY 14450		CONTACT NAME: AP Intego Insurance Group, LLC PHONE (A/C No. Ext): 888-289-2939 E-MAIL ADDRESS: certs@apintego.com FAX (A/C, No):	
INSURED Watchtower Solutions, Inc. 17595 Harvard Avenue Ste #C-63 Irvine CA 92614		INSURER(S) AFFORDING COVERAGE INSURER A: Sequoia Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 22985	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE \$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
							GENERAL AGGREGATE \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$
	☐ POLICY ☐ PRO-JECT ☐ LOC						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	☐ EXCESS LIAB						AGGREGATE \$
	☐ DED ☐ RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICE/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A	X	QWC1195879	01/06/2022	01/06/2023
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Waiver of Subrogation is granted in favor of City of Oceanside in regard to the Workers' Compensation as their interest may appear by written contract.

CERTIFICATE HOLDER**CANCELLATION**

City of Oceanside 300 North Coast Highway Oceanside CA 92054	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (2010/05)

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Clear All

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► 7-27-22
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE EXECUTION OF A
PROFESSIONAL SERVICES AGREEMENT WITH
WILLIAM BEAZLEY, D.O., FOR MEDICAL DIRECTOR SERVICES**

FINDINGS:

1. The City of Orange Beach and Dr. William Beazley have reached an agreement (attached Exhibit A) whereby Dr. William Beazley will provide medical director services to the Orange Beach Fire Department's EMS Division.
2. After having reviewed the agreement, the City Council has determined that the provisions are in the best interest of the City of Orange Beach, Alabama.
3. The term of this agreement shall be from the date of execution for a period of one year with the option to renew for two additional one-year terms.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Council authorizes the Mayor and City Clerk to execute and attest, respectively, the professional services agreement between the City of Orange Beach and William Beazley, D.O., as an act for and on behalf of the City of Orange Beach, subject to final approval by the City Attorney; and
2. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk

PROFESSIONAL SERVICES CONTRACT

This Agreement is entered into by and between the City of Orange Beach (“City” or “Orange Beach”), an Alabama Class 8 municipal corporation, and William Beazley, D.O., (“Provider”), a physician licensed by the State of Alabama, on this the _____ day of _____, 2023.

FINDINGS.

1. The City of Orange Beach is authorized by *Ala. Code* § 11-40-1 to enter into contracts for municipal and public purposes.
2. Orange Beach, by and through its Fire Department (OBFD), is an Alabama-licensed Emergency Medical Provider Service (EMPS) under the Alabama Department of Public Health as those services are defined in Chapter 420-2-1 of the Alabama Department of Public Health Emergency Medical Services Administrative Code.
3. Rule 420-2-1-.05(h) of the Administrative Code requires the City to engage a Service Medical Director (SMD) to be responsible for medical direction and oversight for the day-to-day operations of the City’s EMPS.
4. Provider meets the qualifications for a SMD as set out in Rule 420-2-1-.15 and wishes to serve as the City’s SMD.

NOW THEREFORE, in consideration of the mutual covenants herein below specified and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree to the following:

ARTICLE I. SCOPE OF WORK.

1. Provider shall provide EMPS medical oversight for the OBFD.
2. Provider avers that he possesses a current license to practice medicine from the Medical Licensure Commission of Alabama and a current unrestricted Drug Enforcement Agency (DEA) number and an unrestricted Alabama controlled substances certificate.
3. Provider shall provide oversight to ensure that all Emergency Medical Services Personnel (EMSP), for which he provides direction, are properly educated and licensed pursuant to these rules.
4. Provider shall provide oversight to ensure that all EMSPs, over which he provides direction, follow the Board approved Statewide Treatment Protocols.
5. Provider shall provide oversight to ensure that an effective method of quality assurance and improvement is integrated into the EMPS for which he provides direction, day-to-day patient care delivery.
6. Provider shall provide oversight to ensure that the EMPS for which he provides direction are in compliance with the Chapter 420-2-1 of the Alabama Department of Public Health Administrative Code.
7. Provider shall have the authority to remove and/or provide remedial education to any EMSP working under his license, and shall notify the OEMS&T of each occurrence.

ARTICLE II. QUALIFICATIONS.

1. Provider avers that he is board certified by the American Board of Emergency Medicine, and further agrees that he shall maintain his board certification in Emergency Medicine throughout the term of this Agreement and any extension thereof.
2. Provider avers that he has completed the Alabama EMS Medical Director Course and has been issued an Office of Emergency Medical Services and Trauma (OEMS&T) Medical Direction Physician Identification (MDPID) number.

ARTICLE III. TERM OF THE AGREEMENT.

The term of this Agreement shall be for one year, beginning on the date of its execution by the Mayor. The City may, in its sole discretion, renew this agreement for two additional one-year terms by providing notice to the Provider of its intent to renew.

ARTICLE IV. COMPENSATION.

City agrees to compensate Provider for the services as set forth herein, a total maximum amount of \$21,600.00 per year, payable at the rate of \$1,800.00 per month. The total maximum amount includes the complete and satisfactory performance of all the Services specified in this Agreement and annual continuing education.

ARTICLE V. OTHER PROVISIONS.

1. **Annual Dues.** City agrees to pay for or provide reimbursement for National Association of EMS Physicians annual dues not to exceed \$400.00 per year.
2. **Insurance.** City agrees to have in place EMS Medical Director Professional Liability Insurance and General Liability Insurance in the limits as attached for the entire term of this Agreement, and any extension thereof.
3. **Breach.** In the event of any breach or apparent breach by Provider of any of its obligations under the terms of this Agreement, the City has the right to terminate the Agreement and pay only for those services satisfactorily rendered. In the further event that City shall engage the services of any attorney to protect or to enforce its right with respect to said breach or apparent breach, then and in those events, Provider agrees to pay and to reimburse any and all reasonable attorneys' fees and expenses which City may incur with respect to City's enforcement of this Agreement; regardless of whether said attorneys' fees and costs shall be incurred in connection with any litigation or in connection merely with advice and representation provided without litigation.
4. **Indemnification.** Provider agrees to indemnify and hold the City, its elected officials, officers, agents, and employees whole and harmless from all costs, liabilities and claims for damages of any kind (including interest and attorneys' fees) arising in any way out of his performance of this Agreement and/or the activities of Provider, its principals, directors, agents, servants and employees in the performance of this Agreement, for which the City is alleged to be liable. In the event that the City, through no fault of its own, is made a party to any lawsuit or legal proceeding arising in any way from this Agreement or any activities conducted pursuant thereto, Provider hereby agrees to pay all of City's costs of defense, including but not limited to all attorneys' fees, court costs, expert witness fees and other expenses, through trial and, if necessary, appeal.

This section is not as to third parties or to anyone a waiver of any defense or immunity or statutory damages cap otherwise available to Provider or City, and these defenses and matters may be raised in the City's behalf in any action or proceeding arising under this Agreement.

5. **Entire Agreement.** This Agreement is the final expression of the agreement between the parties, and the complete and exclusive statement of the terms agreed upon, and shall supersede all prior negotiations, understandings or agreements. There are no representations, warranties, or stipulations, either oral or written, not contained herein.
6. **Jurisdiction and Venue.** This Agreement shall be governed by the laws of the State of Alabama and venue for any actions arising out of this Agreement shall be a court of proper jurisdiction in Baldwin County, Alabama.
7. **Licenses, permits, etc.** Provider shall obtain, at its own expense, all necessary professional licenses, permits, insurance, authorization and assurances necessary in order to abide by the terms of this Agreement.
8. **No Agency Relationship Established.** Provider, in the performance of its operations and obligations hereunder, shall not be deemed to be an agent of City but shall be deemed to be an independent Provider in every respect and shall take all steps at its own expense, as City may from time to time request, to indicate that it is an independent Provider. City does not and will not assume any responsibility for the means by which or the manner in which the services by Provider provided for herein are performed, but on the contrary, Provider shall be wholly responsible therefore.
9. **No assignments.** Provider hereby acknowledges that its identity and peculiar capacity to provide the services described hereinabove constitute a material consideration for City's having entered into this Agreement. Therefore, Provider shall not transfer or assign this Agreement or any of the rights or privileges granted herein without the prior written consent of the City; which consent shall be granted or denied solely at the City's discretion.
10. **Compliance with Federal and State law/ Patient Information.** Provider agrees to observe and comply at all times with all Federal and State laws and rules in effect during the term of this Agreement and any extension thereof, including all laws related to the protection of personal patient information.
11. **Records and Inspections.** Provider shall maintain complete and accurate records with respect to all matters performed pursuant to this Agreement. City shall have free access at all proper times to such records and the right to examine and audit the same and to make transcripts therefrom and to inspect all program data, documents, proceedings and activities of Provider. Such inspections shall not be in violation of confidentiality guarantees provided for herein.
12. **Method of Payment.** Provider shall provide two copies of any invoice, upon satisfactory completion of service to the Fire Chief, Orange Beach Fire Department, 25855 John Snook Drive, Orange Beach, Alabama, 36561.
13. **Termination of Agreement.** The City or Provider may terminate the contract, with or without cause, upon thirty (30) days' written notice. Notice to be provided pursuant to paragraph 17 of this Agreement. The City shall not be liable for payment to the Provider for any lost profit or other damages, as the result of early termination of the contract.
14. **Waiver.** Failure of City to exercise any rights or remedies at any time shall not constitute a waiver of any of the rights or remedies of City.
15. **Third-Party Beneficiaries.** It is the intent of the parties hereto that there shall be no third-party beneficiaries to this Agreement.
16. **Amendment in Writing.** This Agreement may not be amended, modified, altered, changed, terminated, or waived in any respect whatsoever, except by a further agreement in writing, approved by the City Council and properly executed by all of the parties.

17. **Notices.** All notices, bill, invoices, reports and correspondence required by this Agreement shall be sufficient if sent by the parties hereto in the U.S. Mail, postage prepaid, thereon to the addresses noted below:

City: Fire Chief
Orange Beach Fire Department
25855 John Snook Drive
Orange Beach, AL 36561

Copy to: City Clerk
Post Office Box 458
Orange Beach, AL 36561

Provider: William Beazley, D.O.
205 Pecan Avenue
Fairhope, AL 36532

18. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Alabama, and the venue for any actions arising out of this Agreement shall be in a court of proper jurisdiction in Baldwin County, Alabama.

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hand and seal; the Mayor of City of Orange Beach, acting under and by virtue of such office and with full authority, and the Provider by such duly authorized officers or individuals as may be required by law.

CITY OF ORANGE BEACH, ALABAMA
A Class 8 Municipality

By: Tony Kennon, Mayor

Attest:

Renee Eberly, City Clerk

I agree to comply with the terms set forth above, and so attest with my signature.

William Beazley, D.O. Date: _____

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the Undersigned Notary Public in and for said County and State, hereby certify that Tony Kennon, Mayor, and Renee Eberly, City Clerk, whose names are signed to the foregoing instrument, and who are known to me on this date that, being informed of the contents of this instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal this _____ day of _____, 2023.

Notary Public

My Commission Expires: _____

(SEAL)

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the Undersigned Notary Public in and for said County and State, hereby certify that William Beazley, D.O., whose name is signed to the foregoing instrument, and who is known to me on this date that, being informed of the contents of this instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal this _____ day of _____, 2023.

Notary Public

My Commission Expires: _____

(SEAL)

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE EXECUTION OF A
BOND AGREEMENT WITH THE ALABAMA DEPARTMENT OF TRANSPORTATION
FOR IMPROVEMENTS TO STATE HIGHWAY 180 RIGHT-OF-WAY
TO ALLOW FOR ACCESS TO FIRE STATION NO. 3**

FINDINGS:

1. It is the desire of the City of Orange Beach to create access to the new Fire Station No. 3 within the State Highway 180 right-of-way.
2. The Alabama Department of Transportation requires the execution of the Alabama Department of Transportation Bond Agreement for the cost of construction within state right-of-way in order for the roadway improvements to be built.
3. City Council has determined that the intersection improvements are in the best interest of the City of Orange Beach, Alabama.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to obtain the requested performance bond and execute the Alabama Department of Transportation Agreements (attached Exhibit A) as presented to Council between the City of Orange Beach and the Alabama Department of Transportation on behalf of the City of Orange Beach subject to final approval by the City Attorney;
2. That this Resolution shall become effective upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk

**BOND
FOR PERFORMANCE OF THE WORK**

STATE OF ALABAMA
MONTGOMERY COUNTY

PERMIT NUMBER: _____
BOND NUMBER: _____

KNOWN ALL MEN BY THESE PRESENTS: That we City of Orange Beach
_____, as Principal, and _____
_____, as Surety, are held and firmly bound unto the
ALABAMA DEPARTMENT OF TRANSPORTATION, in the penal sum of \$121,685.00
for the payment for which well and truly to be made, we hereby bind ourselves, our heirs,
executors, administrators, successors and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals, this the
5th day of January, 2023.

PROVIDED, HOWEVER, that the condition of this obligation is such that whereas the
above bound principal hereon, Namely, City of Orange Beach this day entered into
a permit Contract as applicant with the ALABAMA DEPARTMENT OF TRANSPORTATION
for work on highway right of way, attached hereto and incorporated herein, required by the
Department as provided for in the permit contract, to be performed in Baldwin
County, Alabama, Highway Number 180, a copy of which permit Contract is hereto
attached.

NOW, THEREFORE, in the event the said City of Orange Beach,
as such applicant shall faithfully and promptly perform the permit contract and all the conditions
and requirements thereof, then this obligation shall be null and void and of no effect, otherwise to
remain and be in full force and effect.

PROVIDED, further, that upon the failure of the said City of Orange Beach
_____, as such applicant, to promptly and efficiently
prosecute said permit contract work in any respect, in accordance with the permit contract, the
above bound _____ as Surety, shall take charge of said work
and complete the permit contract at their own expense, pursuant to its terms. Said Surety may, if
they so elect, by written direction given to the State Transportation Director authorize the
Director to complete or cause to be completed the said permit contract work at the expense of
said Surety, and such Surety hereby agrees and binds Surety to pay the cost and expense of the
completion of such permit contract work.

In the event said Principal shall fail or delay the prosecution and completion of said
permit contract work and said Surety shall also fail to act promptly as hereinbefore provided,
then said Transportation Director may cause ten days notice of such failure to be given, either,
either to said Principal or Surety ,and at the expiration of said ten days, if said Principal or Surety
do not proceed promptly to complete the permit contract, including all work provided therein, the
ALABAMA DEPARTMENT OF TRANSPORTATION shall have the authority to cause said
permit contract work to be done and accomplished and when the same is completed and cost
thereof determined, the said Principal and Surety shall and hereby agree to pay any and all cost of
said permit contract work.

The said Principal and Surety further agree as a part of this obligation to pay all such
damages of any kind to person or property that may result from a failure in any respect to
perform and complete said permit Contract including all work therein provided.

The decision of the Director of the Alabama Department of Transportation upon any question connected with the execution of the permit Contract, or any failure or delay in the prosecution of the permit contract work, attached hereto and incorporated herein, by said Principal or Surety, shall be final and conclusive.

WITNESS our hands and seals, this _____ day of _____, 20_____.

ATTEST:

(Name and Title) (Signature of Applicant Official)

(Title of Officer Signing)

(Affix Seal) _____
Name of Surety

City of Orange Beach

Legal Name of Applicant (Company) as Principal

Address

Contact Number

By: _____
Attorney in Fact – for Surety

NOTICE TO INSURANCE PRODUCER

Countersigned by Alabama Licensed
Insurance Producer for Surety, if applicable:

Please print or write legibly your name,
complete address, and license number below:

Name (signature)

Name (print)

Address

License Number

(A copy of the Power of Attorney properly executed by the Company authorizing the Agent signing above to bind the Company as Surety on this Bond must be attached hereto. Said Power of Attorney must be dated so as to correspond with the execution date of the bond.)

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE PURCHASE OF
A VEHICLE FOR THE FIRE DEPARTMENT
FROM STATE BID IN THE AMOUNT OF \$44,696**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the City Council for the City of Orange Beach, Alabama, hereby authorizes the purchase of a One (1) Vehicle for the Fire Department from the Alabama State Bid in the amount of \$44,696;
2. That the Mayor is hereby authorized to approve payment to Stivers Ford Lincoln, Inc., in the amount of \$44,696.00 for One (1) 2023 Ford F-150 Supercrew 4x4 Pickup Truck;
3. That the equipment as described in this Resolution is to be used only for official business of the City of Orange Beach; and
4. That this Resolution shall become effective upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk

PO # _____

City of Orange Beach
P.O. Box 458, Orange Beach, AL 36561
251/981-6979 251/981-4771 Fax

BUYING LIMITS

It shall be unlawful for any requisitioning officer to divide a purchase into separate parts to avoid a higher level of approval or to avoid competitive pricing. Any such partial contract shall be null and void and the offending city employee may be subjected to reprimand, suspension without pay, termination of employment or any other disciplinary action as stated in the City of Orange Beach Personnel Policy.

Date: 12/29/22 Source: Stivers Ford Lincoln
 For Fire Department Address: 4000 Eastern BLVD
 Purpose/Use: Replace Beach 11 Montgomery, AL 36116
 Charge to Account #: 001-607-730 Source Phone/Fax: 334-613-5000

Quantity	Part #	Item Description	Unit Price	Total Cost
1		Ford F-150	\$44,696.00	\$44,696.00
				\$0.00
				\$0.00
				\$0.00
		Total	-----	\$44,696.00

Alternate Quotes Obtained From:

1) State Bid _____ Name _____ 2) State Bid _____ Name _____
 _____ Phone/ Fax _____ Phone/ Fax _____
 _____ Quote Price _____ Quote Price _____

MISC INFORMATION State Contract T191
2023 Budgeted Item

Requested By: 
eSigned via SeamlessDocs.com
 Key: 8d96c2f2c0b7c0f747318b20ddc51fd1
 Verified By: _____ / _____
 (PO initials) (Treas. Initials)
 Approving Authority: _____
 (Signature)

TERMS: NET 30

SHIP TO: City of Orange Beach
Fire Department Annex
25855 John Snook Drive
Orange Beach, AL 36561

STIVERS FORD LINCOLN
4000 EASTERN BLVD
MONTGOMERY, AL 36116

Dated: 7/18/22
Version: 23.0

2023 FORD F150 SUPERCREW 4x4 PICKUP -- STATE CONTRACT T191

CONTRACT NUMBER: MA220000003128-15

CONTRACT AMOUNT: \$37,087

MODEL SERIES W1E

INCLUDES: 3.3L V6 Engine, 10-Spd Auto, 4x4, 145" Wheelbase, 5.5' Bed, Power Windows, Power Door Locks w/ Integrated Key Transmitter Keyless Entry, Power Tailgate Lock, Cruise Control, Black Vinyl Flooring, 17" Silver Steel Wheels.

RECOMMENDED OPTIONS

STATE CONTRACT PRICE (T191) \$ 37,087

STIVERS PREMIUM VALUE PACKAGE - PACKAGE # 1:

995	5.0 V8 Engine	\$ 2,325
86A	Appearance Package - 17" Silver painted Aluminum Wheels; Chrome Front & Rear Bumpers; Fog Lamps	\$ 895
53B	Trailer Tow Package - Class IV Receiver Hitch, 4/7 Pin Connector	\$ 315
18B	Black Platform Running Boards	\$ 250

PACKAGE TOTAL COST: \$ 40,872 ☒

STATE CONTRACT PRICE (T191) \$ 37,087

STIVERS PREMIUM VALUE PACKAGE - PACKAGE # 2:

995	5.0 V8 Engine	\$ 2,325
53B	Trailer Tow Package - Class IV Receiver Hitch, 4/7 Pin Connector	\$ 315
18B	Black Platform Running Boards	\$ 250

PACKAGE TOTAL COST: \$ 39,977 ☐

STATE CONTRACT PRICE (T191) \$ 37,087

STIVERS STX PACKAGE - PACKAGE #1:

995	5.0 V8 Engine	\$ 2,325
19S	STX- SYNC4 w/ 8" Touchscreen, Wireless Communications and 911; 275/65R18 AT Tires w/ Aluminum Wheels; Body Color Grille Surround w/ Black Insert, Front Facia, Front & Rear Bumpers; Rear Window Defrosters; Fog Lamps; Privacy Glass; Sport Cloth 40/Console/40 Seats (code JB at extra cost)	\$ 2,585
JB	Unique Sport Cloth 40/ Console /40 Front Seat w/ Flow Thru Console - Black Earth Gray (STX only)	\$ 295
642	275/60R20 AT Tires w/ 20" Aluminum Wheels w/ Magnetic Pockets	\$ 1,225
53B	Trailer Tow Package - Class IV Receiver Hitch, 4/7 Pin Connector	\$ 315
18B	Black Platform Running Boards	\$ 250

PACKAGE TOTAL COST: \$ 44,082 ☐

WHEELBASE OPTION:

157	Wheelbase 157" - 6.5' Bed	\$ 1,252
-----	---------------------------	----------

EXTERIOR COLOR OPTIONS -- Colors are NC:

YZ	Oxford White	☒	HX	AniMatter Blue	☐	M7	Carbonized Gray	☐
UM	Agate Black	☐	B3	Atlas Blue	☐	D1	Stone Gray	☐
JS	Iconic Silver	☐	PQ	Race Red	☐			

STIVERS OPTIONS:

LED	4 Corner LED Strobe Lights	\$ 689	☐
WT1	All Weather Rubber Mats	\$ 189	☐
TB1	Tool Box - Standard (15")	\$ 499	☐
TB2	Tool Box - Deep Well (18")	\$ 549	☐
BL6	Bed Liner - Drop In (5-1/2")	\$ 289	☒
BL6	Bed Liner - Drop In (6-1/2")	\$ 299	☐
SL1	Spray-in Bed Liner (5-1/2" bed)	\$ 595	☒
SL2	Spray-in Bed Liner (6-1/2' bed)	\$ 635	☐
TN1	Tonneau Cover - Non Folding Hardshell	\$ 1,795	☐
TN2	Tonneau Cover - Retractable	\$ 1,585	☐
TN3	Tonneau Cover - Tri Fold	\$ 1,289	☐
CAM	Camper Shell	\$ 2,930	☐
BS	Bed Slide	\$ 1,520	☐
BG	Brush Guard w/ Wraps over Headlamps and Winch	\$ 2,839	☒
MX1	Liftgate - Maxon	Request	☐

STIVERS FORD LINCOLN
4000 EASTERN BLVD
MONTGOMERY, AL 36116

Dated: 7/18/22
Version: 23.0

DRIVE TRAIN OPTIONS:

99B	3.3L V6 Engine	IN BASE	☐
99P	2.7L EcoBoost V6	\$ 1,285	☐
998	3.5L V6 Ecoboost	\$ 2,735	☐
X26	3.73 Regular Ratio Axle (Standard Axle for 3.3L)	IN BASE	☐
XL6	3.73 Electronic Locking Axle (Optional Axle for 3.3L & 5.0L)	\$ 570	☐
X27	3.31 Regular Ratio Axle (Standard Axle for 5.0L & 3.5L Ecoboost)	NC	☐
XL3	3.31 Electronic Locking Axle (Optional Axle for 5.0L & 3.5L Ecoboost)	\$ 420	☐
XL9	3.55 Electronic Locking Axle (Optional Axle for 2.7L Ecoboost & 3.5L Ecoboost)	\$ 470	☐

INTERIOR OPTIONS:

AS	Vinyl 40/ 20 /40 Front & Rear Seat - Medium Dark Slate Gray	NC	☐
CS	Cloth 40/ 20 /40 Front & Rear Seat - Medium Dark Slate Gray	NC	☐
WS	Cloth 40/ Console /40 Front Seat w/ Flow Thru Console - Medium Dark Slate Gray	\$ 295	☐

OPTIONS:

53A	Trailer Tow Package: 4/7 Pin Connector, Class IV Receiver Hitch, Trailer Brake Controller, Tailgate LED, & Pro Trailer Backup Assist.	\$ 1,325	☐
67T	Trailer Brake Controller	\$ 275	☐
655	Extended Range Fuel Tank - 36 gallon	\$ 445	☐
85H	Back-up Alarm	\$ 145	☐
91V	Power Inverter - 100Volt / 400 Watt	\$ 440	☐
KEY	2 Extra Keys	\$ 600	☐
413	Skid Plates	\$ 160	☐
T7C	LT265/70R17C All Terrain Tires	\$ 295	☐

DELIVERY: State Contract Provisions for \$2.00 / mile one-way 195 \$ 390.00 ☒

Delivery Address: 25855 JOHN M. SNOOK DR OB, AL 36561

TOTAL VEHICLE (Required) \$44,696.00

Customer: CITY OF ORANGE BEACH

Contact: JEFF SMITH

Phone: 251-747-5981

Email: JSMITH@ORANHEBEACHAL.GOV

STATE CONTRACT TERMS: PAYMENT DUE AT TIME OF DELIVERY

SIGNATURE: (Required)


12/28/22

DATE (Required):

PURCHASE ORDER NUMBER: (Required)

QUANTITY

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING THE APPROVAL OF A
VARIANCE FROM CHAPTER 30, ARTICLE VII OF THE CITY CODE,
ENTITLED “COASTAL CONSTRUCTION,”
TO ALLOW FOR DEWATERING BY PHOENIX KEY, LLC**

FINDINGS:

1. The City Council adopted the Coastal Construction Ordinance and the Beach and Dune Protection and Preservation Ordinance codified in Chapter 30, Articles VI and VIII of the Code of Ordinances for the City of Orange Beach, Alabama.
2. The area for which the Coastal Construction Ordinance applies includes:

Those properties lying south of and/or adjacent to the southern Right of Way of U.S. Highway 182, south to the Gulf of Mexico, and lying within the corporate limits of the City of Orange Beach.
3. Pursuant to the Beach and Dune Protection and Preservation Ordinance, discharge of storm water or other point-source discharges are not allowed without a permit. Pursuant the Coastal Construction Ordinance, Alabama Department of Environmental Management (ADEM) approval is required prior to issuance of a Coastal Construction Permit.
4. Phoenix Key, LLC, has applied for a Coastal Construction Permit for development of property located at 29040 Perdido Beach Boulevard, Orange Beach, Alabama.
5. Phoenix Key, LLC, has applied for a variance to allow dewatering during the deep foundation construction process and temporarily pump the excess water to the Gulf of Mexico. This variance is required to meet ADEM requirements.
6. Council has reviewed the variance and determined that the dewatering process has been planned in a manner such that impacts on coastal resources will be minimized and that no feasible alternative means to accomplish the activity are available.
7. The City reviewed the project and determined the variance meets the requirements of Section 30-185 of the Code of Ordinances of Orange Beach, Alabama, and all other applicable city ordinances.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Council authorizes the Mayor to approve the provisions of the requested variance subject to final review by the City Attorney; and
2. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk



December 28, 2022

Coastal Resources
P.O. Box 3950
4697 Walker Avenue
Orange Beach, AL 36561

Attn: Savannah Rollins

Re: Variance Application
Phoenix Key Project

Dear Savannah,

Brett Real Estate Robinson Development Company, Inc. (Brett/Robinson) respectfully requests a variance to change the way we dewater our Phoenix Key deep foundation allowing us to pump our excess water to the Gulf of Mexico the way we have on previous projects.

Attached are three copies of the following:

1. Variance Application dated 12/28/2022.
2. Revised drawing showing Sales Trailer location & 20' Temporary Buffer Fence.
3. Architect's Narrative, 12/22/2022.
4. Burn's Dewatering Project Performance & Data Sheet, dated 12/22/2022.

We will issue our application fee in the amount of \$275.00 and deliver it to your office on Friday (12/30/2022).

Let me know if you have any questions or if there is anything else we need to provide along with this Variance Application.

Sincerely,

A handwritten signature in black ink, appearing to read "Harris Newman", written in a cursive style.

Harris Newman
Senior Project Manager

Attachments

City of Orange Beach

A L A B A M A
Life is better here



Application for a Permit for the Construction of a Motel, Hotel, or Other Multi-Unit Development on a Property Intersected by the Construction Control Line in the Alabama Coastal Area

I hereby make application for a permit for a construction project on a property/properties intersected by the Construction Control Line in the Alabama Coastal Area:

1. Name of Applicant (Owner or Developer): **Phoenix Key, LLC**
Name of Contractor: **Brett Real Estate Robinson Dev. Co., Inc.**
2. Name and Title of Responsible Official: **William T. Robinson, Jr.**
Name of Contact w/Contractor: **William T. Robinson, Jr.**
3. Mailing Address: **25299 Canal Road, Suite B-4**
Orange Beach, Alabama 36561
Mailing Address of Contractor: **25299 Canal Road, Suite B-4**
Orange Beach, Alabama 36561
4. Phone Number: **(251) 981-4713**
Phone Number of Contractor: **(251) 981-4713**
5. Email Address: **TommyR@brettrobinson.com**
Email Address of Contractor: **TommyR@brettrobinson.com**
6. Project Location (Street Address, City and County):
Phoenix Key A Condominium
29040 Perdido Beach Blvd.
Orange Beach, Alabama 36561
Baldwin County

7. Indicate the parts of this application which are attached:

A. Survey of the project site showing location of <u>all existing and proposed structures</u> , lot dimensions, the location of the Construction Control Line as determined by state plane coordinates, the distance to the nearest Construction Control Line monuments, mean high tide line and all wetland areas.	☐ ☐ ☒ ☐ ☐	E. List of Required Local, State or Federal Permits: Building (may be obtained concurrently) Wetlands (if applicable) Variance (if applicable) Incidental Take Permit (USFWS, if applicable) Other
B. Legal Description of Property		F. Environmental Impact and Natural Hazards Study
C. Location or Vicinity Map		G. Beach and Dune Enhancement Plan
D. Map of Wetlands		H. Certified Copy of Deed or Lease

7. Project Description:

Type of Project:

☐ Motel
☐ Hotel
☒ Condominium
☐ Other (Specify):

Number of Stories:

25

Number of Units:

56

Number of Parking Spaces:

199

Lot Size in Acres:

1.71

Lot Dimension in Feet

225' x 331'

8. Size of Units:

No. of 4 & 5 Bedroom units: **18**

Square Feet/Unit: **3,003**

No. of 5 & 6 Bedroom units: **36**

Square Feet/Unit: **3,182**

No. of 7 Bedroom units: **2**

Square Feet/Unit: **4,253**

9. Water Supply:

☒ Water System
☐ Well

Name of System: **Orange Beach Water Authority**

10. Waste Water System:

☒ Sewer System
☐ Other (Specify):

Name of System: **City of Orange Beach Sewer
Department**

Approximate gpd effluent: **12,000**

11. Tax I.D. & Parcel Number:

See Attached

12. 911 Property Address

29040 Perdido Beach Blvd.

Orange Beach, Alabama 36561

Petrick A. McLean Sr.
Signature of Responsible Official

Signature of Agent or Person Preparing
Application if Different from Responsible Official

12/28/22
Date

Date

A **30** day public comment period is required for all applications. Submit **3** copies of completed application form and all required information to:

Savannah Rollins
Coastal Resources
City of Orange Beach
P.O. Box 3950
4697 Walker Avenue
Orange Beach, AL 36561
Page 2 of 4

03/2022

Additional Information Requirements

The following information or data must be submitted as part of an application for a permit for construction of Motels, Hotels, and other Multi-Unit Developments on a property intersected by the Construction Control Line in the Coastal Area of Alabama. A 30 day public comment period is required for all applications. Additional information may be required.

1. Completed Application Form.
2. Legal description of property, as well as the street address.
3. A survey of the property prepared by a duly licensed surveyor of the State of Alabama showing the location of all existing and proposed structures, approximate location of adjacent structures, lot dimensions, the location of the Construction Control Line as determined by state plane coordinates, and the distance to the nearest Construction Control Line monuments.
4. In the case of multi-family units, the proposed structures' location should be clearly indicated on proposed project site by placing surveyor stakes at the structures' corners (only surveyor stakes or similar materials, such as capped rebar, shall be utilized, no structures, batter boards, etc., shall be constructed). The stakes should be labeled (example: "~S.W. Corner, Building #1", etc.). This will serve to expedite the Departments' initial inspection and review of the project site.
5. A certified copy of the deed, lease or other instrument under which the applicant claims title, possession or permission from the owner of the property to carry out the project.
6. A wetlands delineation signed by the U.S. Army Corps of Engineers which identifies and maps all wetlands, especially those to be impacted by construction on the property (if applicable).
7. The method to be used for waste water disposal and the proposed drinking water supply for the proposed project.
8. Location of the project site and access roads using USGS 7-1/2 minute Quad as base map.
9. An Environmental Impact and Natural Hazards Study, which includes, at a minimum:
 1. a Wave Height Study addressing the flood hazard and erosion potential at the project site using eroded beach profiles for pre and post developed conditions,
 2. location and delineation of velocity zones, and;
 3. analysis of the projects potential to significantly increase the likelihood that damage will occur from floods, hurricanes or storms.
10. A Beach and Dune Enhancement Plan, which includes, at a minimum, the following:
 1. dune walkovers designed to accommodate the anticipated pedestrian traffic from the completed project,
 2. the placement of sand fences;
 3. the planting of suitable native vegetation in areas devoid of vegetation; and
 4. a maintenance and monitoring program for the sand fences and plantings.

Additional Information Requirements, Cont.

11. Application fee. Check made payable to the **City of Orange Beach**.

Project Description	
Coastal Use Review Base Fee	\$50
Construction on Beaches and Dunes:	
Single Family Dwelling or Duplex	\$450
2 Single Family Dwellings or 2 Duplexes on a Single Property	\$600
Commercial (non-residential) Structure or Residential Structures having more than 4 Units	\$6,000
Retaining Wall, Sea Wall, or other Hardened Erosion Control Structure	\$700
All Other Projects, Their Modifications and Extension	\$275
Variance (variance fee is in addition to base project fee)	\$1,125

BURNS

DEWATERING SERVICES, INC.

P O Box 473;
Theodore, AL 36590
Office: 251-653-1113
Fax: 251-653-1187

Performance and Data Sheet

Date: 12-22-22

Service/Project: Phoenix Key, Orange Beach AL
Company: Brett Robinson Const. Contact: Josh Floyd

Qty / Part Service Description

- 1 WELLPOINT PUMP - PRIMARY OPERATOR 50 H.P. 1500 GPM MAX.
- 1 WELLPOINT PUMP - BACK-UP 65 H.P. 1800 GPM MAX.
- 700 - 740' HEADER MANIFOLD TO ENCOMPASS FOUNDATION SITE.
- 65 - 90 WELLPOINTS WITH SWINGS 1 1/2".
- 300' - 400' 6" +/- 8" DISCHARGE HOSE + PVC PIPE.
- 80' - 100' 8" STEEL FLANGED PIPE INTO THE GULF.

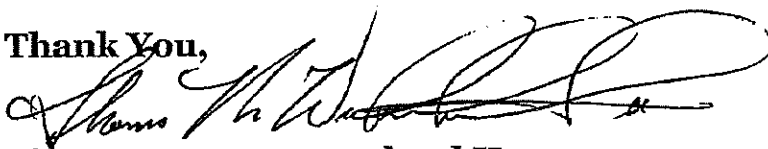
Performance Estimates:

- THE SYSTEM AS PLANNED WILL PRODUCE AN ESTIMATED 400-600 GAL PER MINUTE FOR SEVERAL HOURS THEN TAPER DOWN AS THE WATER TABLE IS DRAWN DOWN ACROSS THE ENCOMPASSED SITE.
- THE SYSTEM WILL PROVIDE AN ESTIMATED 75-150 GAL PER MINUTE ON A CONSTANT BASIS UPON WATER TABLE DRAWDOWN. VARIATIONS WILL BE DUE TO RAINFALL AND TIDAL INFLUENCE.

Comments:

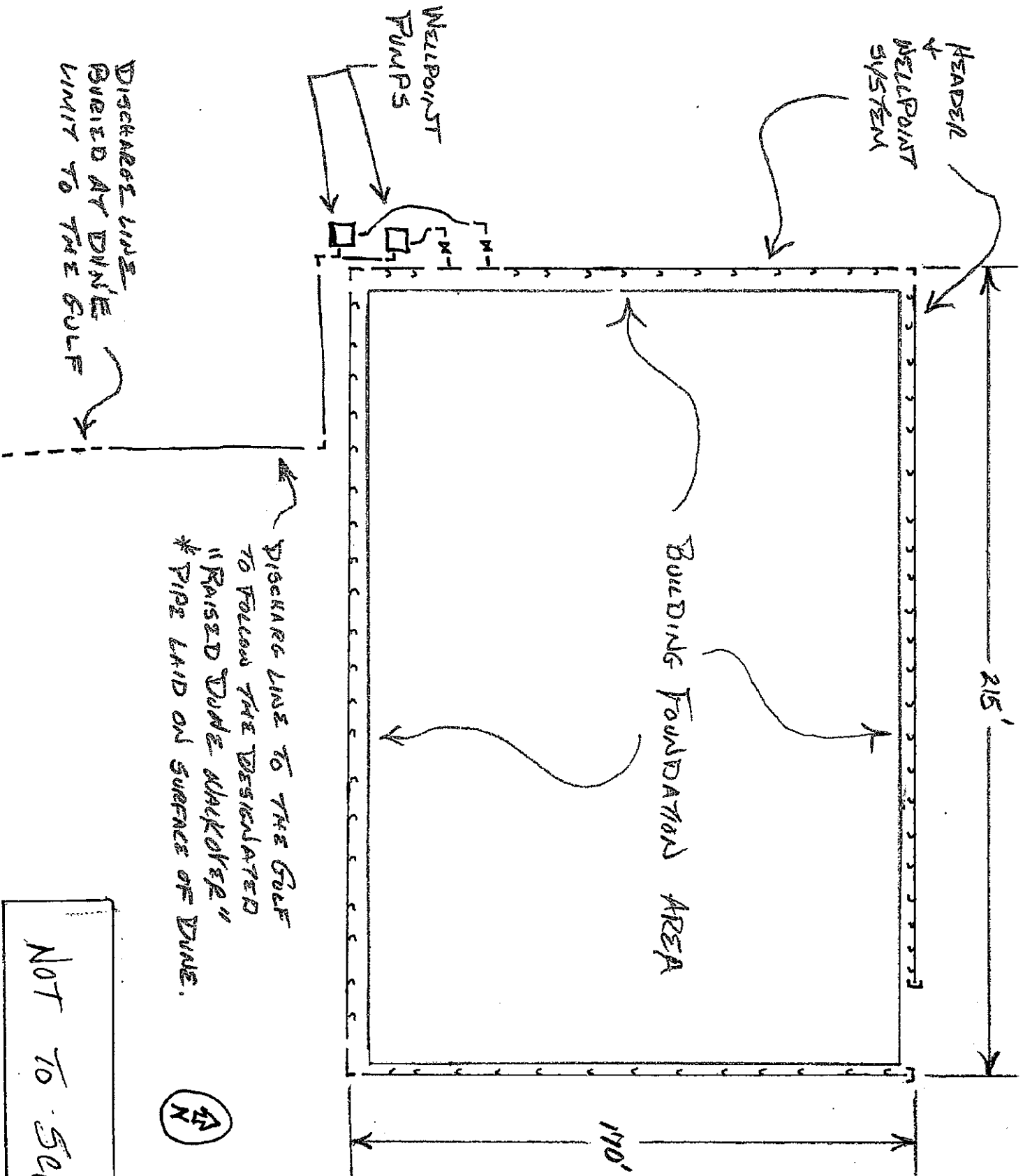
- BDSI WILL FOLLOW THE GUIDANCE AND INSTITUTED GUIDELINES FOR DISCHARGE PIPE ROUTING AND PLACEMENT.
- BDSI INTENDS TO PROVIDE QUALITY MATERIALS FOR PIPE AND HOSES AS NEEDED TO DISCHARGE THE CLEAN WATER DISCHARGE TO THE GULF.

Thank You,



Thomas M Westmoreland II
Burns Dewatering Services, Inc.

Sales, Rental, Consulting, & Contracting



(42)

WELLPOINT
SYSTEM
OVERVIEW

PHOENIX KEY
ORANGE BEACH, AL.

WP 1

NOT TO SCALE

RESOLUTION NO. 23-xxx

**A RESOLUTION AUTHORIZING EXECUTION OF A
TASK ORDER WITH MARK D. PAVEY
TO PROVIDE PROFESSIONAL DESIGN SERVICES FOR THE
ORANGE BEACH MEDICAL PLAZA
IN AN AMOUNT NOT TO EXCEED \$29,366.01**

FINDINGS:

1. The Orange Beach City Council, by Resolution No. 22-144, adopted July 26, 2022, approved a contract with Mark D. Pavey, AIA, to perform certain professional architectural and engineering services (“the Contract”).
2. The Contract authorized work to be assigned by one or more task orders approved from time to time by the City Council.
3. The City’s Community Development Director has submitted the Task Order attached as Exhibit A for Council approval.
4. The proposed Task Order requires Mark D. Pavey, AIA, to provide schematic design documents for the Orange Beach Medical Plaza.
5. The scope of work described in the Task Order is authorized by the Contract and furthers public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That the Mayor is hereby authorized to execute the Task Order as presented to Council between the City of Orange Beach and Mark D. Pavey, AIA, on behalf of the City of Orange Beach subject to final approval by the City Attorney;
2. That the City Council authorizes payment in an amount not to exceed \$29,366.01 to Mark D. Pavey, AIA, to complete the Task Order as presented; and
3. That this Resolution shall become effective immediately upon its adoption.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

C E R T I F I C A T E

I, Renee Eberly, City Clerk of the City of Orange Beach, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx, which was duly and legally adopted at a regular meeting of the City Council on January 17, 2023.

City Clerk



TASK ORDER NO. 2022-1 12/12/2022

This Task Order is entered into by and between Mark D. Pavey, AIA-Architect ("Architect"), and the City of Orange Beach ("the City"). This Task Order incorporates by reference the Performance Contract entered into by Mark D. Pavey, AIA-Architect and The City of Orange Beach dated, July 12, 2022, the ("Performance Contract"). The Performance Contract is hereby amended and supplemented as follows:

I. RECITALS

1. WHEREAS, the City is constructing a 9,785 sf +/- Medical Office Building, on five lots totaling 350'x145' 39,860 square foot site area. The project will consist of one unit and one building. The clinic will be operated by the South Baldwin Medical Group.
2. WHEREAS, the cost for completing the design work shall be on a total estimated fee of Twenty Nine Thousand Three Hundred and Sixty Six Dollars and one cents (\$29,366.01). This is based on billing rates and fees provided in the currently approved Professional Services Agreement with the City.
3. THEREFORE, in consideration of the mutual covenants and promises between the parties thereto, it is hereby agreed as follows:

ARTICLE 1 INITIAL INFORMATION

1.1.5 The Owner shall retain the following consultants and contractors:

1.1.6 The Architect shall retain the consultants identified below:

- a. Civil Engineer (Lieb Engineering – Chris Leib)
- b. Landscape Architecture (WAS Landscape Designs)

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement or shall cause such services to be performed by appropriately licensed design professionals.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

for the approval of governmental authorities having jurisdiction over the Project.

3.2 Schematic Design Phase Services

3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, preliminary building plans, and



elevations and digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

3.2.7 The Architect shall submit the Schematic Design Documents to the City of Orange Beach Planning & Zoning Board and request their approval. This has been accomplished.

ARTICLE 4 OWNER'S RESPONSIBILITIES

4.1 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

OFFERED BY CONSULTANT

A handwritten signature in black ink, appearing to read 'Mark D. Pavey', written over a horizontal line.

Mark D. Pavey, AIA

Mark D. Pavey, AIA – Architect

Date: 12/12/2022

RECOMMENDED FOR APPROVAL

Signature

Title

Date

APPROVED BY CITY OF ORANGE BEACH

Signature

Title

Date

Attachment “A” – COMPENSATION

A	Schematic Design Phase (P&Z Submittal)	\$30,085
	Architecture	\$13,785
	Civil Engineering	\$9,900
	Landscape Architect	\$6,400

F. Reimbursables

1. Costs quoted above do include certain reimbursables.
2. Other reimbursables not included are printing, postage, and shipping. These costs will be billed at direct cost, with no mark-up.
3. Survey cost is not included.
4. There were no Plan Review Fees.
5. The geotechnical report was not engaged.

G. Additional Services Payment

1. Fixed Architectural hourly rates are stated below:

Principal Architect:	\$175/hour
Engineer	\$175/hour
Architect/Engineer:	\$125/hour
Interior Designer	\$90/hour
Lead CAD Operator/Draftsperson:	\$75/hour
Clerical:	\$50/hour

ORDINANCE NO. 2023-xxxx

**AN ORDINANCE AMENDING CHAPTER 42, ARTICLE II, DIVISION 2, SECTION 42-41(d)
OF THE CODE OF ORDINANCES FOR THE CITY OF ORANGE BEACH, ALABAMA
TO ADOPT THE 2021 INTERNATIONAL FIRE CODE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE BEACH, ALABAMA, AS FOLLOWS:

1. That Chapter 42, Article II, Division 2, Section 42-41(d) of the Code of Ordinances for the City of Orange Beach is hereby amended to read as follows:

CHAPTER 42. – LAND DEVELOPMENT CODE

ARTICLE II. – BUILDINGS AND BUILDING REGULATIONS

DIVISION 2. – TECHNICAL CODES

Sec. 42-41. - Technical codes.

- (d) The *2021 International Fire Code* including Appendix Chapters A, B, C, D E, F, H, I, and M as published by the International Code Council, be and is hereby adopted as the Fire Code of the City of Orange Beach, in the State of Alabama and the following sections are hereby revised:

Section 101.1 City of Orange Beach, Alabama and its Police and Planning Jurisdiction.

Section 110.4 (SPECIFY OFFENSE) Fire Code Violation

(AMOUNT) As outlined in §1-7 of the city code.

(NUMBER OF DAYS) As outlined in §1-7 of the city code.

Section 112.4 Delete in its entirety and replace with: "Failure to comply. It shall be unlawful and a violation of the city code for any person to continue work after having been served with a stop work order, except such work as the person is directed to perform to remove a violation or unsafe condition. Penalties shall be provided in §1-7 of the city code."

Section 307.1.1 Insert: "Prohibited Open Burning. Open burning is prohibited unless approved by the fire chief."

Section 307.1.2 Insert: "Burning of dangerous or hazardous materials. No permit shall be issued for the burning of organic or other debris from lot clearing activities, or the burning of any materials which may produce dangerous, noxious, or toxic fumes, smoke, odors, or which may be considered dangerous to the health and general welfare of the people of the city."

Section 307.4.3 Exception; Delete and Insert: "Portable outdoor fireplaces used at one –and-two family dwellings equipped with approved spark arrestors."

Section 308.1.4 Delete "combustible balconies" and insert: "balconies"

Section 308.1.4 Delete Item 3 under Exceptions.

Section 505.1 Insert: "Address Identification. New and existing buildings shall be provided with approved address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property. Address identification characters shall contrast with their background. Address numbers shall be arabic numbers or alphabetical letters. Numbers shall not be spelled out. Each character shall be not less than 4 inches (102 mm) high with a minimum stroke width of ½ inch (12.7 mm). Where required by the

fire code official, address identification shall be provided in additional approved locations to facilitate emergency response. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address identification shall be maintained. Address and building numbers for commercial properties shall be as follows:

1. 50' or less setback from addressed street curb - 4"
2. 51' to 100' or less setback from addressed street curb - 6"
3. 101' - 150' setback from addressed street curb - 8"
4. 151' - 200' setback from addressed street curb - 10"
5. 201' or greater setback from addressed street curb - Permanent sign that is not more than 50' from the street curb"

Section 505.1.1 Insert: "Beach address Identification. New and existing buildings (excluding single family dwellings) located on the south side of State Highway 182 (Perdido Beach Boulevard) with frontage on the Gulf of Mexico shall comply with the following requirements for identification signs:

1. All new and existing buildings (excluding single family residential) with dune walkovers or boardwalks in excess of one hundred (100) feet in length, an *minimum of eighteen (18) inch by twenty-four (24) inch and a maximum of twenty-four (24) by thirty-six (36) inch* sign shall be installed at the south end of the boardwalk or walkover and shall face southward. Such sign shall comply with the specifications in paragraph 2, below.
2. All new and existing buildings (excluding single family residential) without dune walkovers or boardwalks, or with dune walkovers or boardwalks less than one hundred (100) feet in length, one (1) eighteen (18) inch by twenty-four (24) inch to twenty-four (24) inch by thirty-six (36) inch sign with (3) inch high letters and the background shall be white. Signs shall be properly mounted and shall be placed north of the Construction Control Line (CCL) established by the Alabama Department of Environmental Management. The sign shall be no less or greater than four (4) feet above grade.
3. Signs shall be attached to posts with two (2) inch minimum stainless steel screws or bolts as applicable.
4. Content of sign: Name of establishment and its street address.
5. The sign shall be maintained in good condition at all times."

Section 507.5.7 Insert: "A private service fire hydrant shall be banded with a durable, high visibility (reflective) fire hydrant collar that is 1.75" in width and white in color.

Section 901.2.1.1 Insert: "All sprinkler and fire alarm design drawings submitted to the fire department for review shall abide by the Alabama State Board of Licensure for Professional Engineers and Land Surveyors' fire protection position statement. NICET certification does not replace the requirement for professional licensure. The designing of fire protection and detection systems is engineering and as such must be designed by or under the direct supervision of professional engineers qualified to design fire protection and detection systems. Only fire protection and detection designs that have been signed and sealed by a qualified Alabama licensed professional engineer shall be approved for construction."

Section 901.2.1.2 Insert: "Contractor Qualification Requirements. Copies of applicable permits and Certifications as required shall be submitted to the Fire Marshall for review.

| Restaurant Fixed Extinguishing Systems:

- The qualifier must possess manufacturer certification (which restricts them to that manufacturer) and/or NAFED/ICC certification (which would allow them to be unrestricted and service, maintain, or install any system).

Sprinkler Systems:

- Must possess a current sprinkler permit through the Alabama State Fire Marshal's Office and applicable NICET certification.

Fire Alarm Systems:

- Must possess a fire alarm permit through the Alabama State Fire Marshal's Office and applicable NICET certification. Must possess a minimum of NICET II to perform technician work, or work under the direct supervision of a NICET II.

Portable Fire Extinguishers:

- Current certificate of training on portable fire extinguishers in compliance with NFPA 10."

Section 903.4.4 Insert: "Multi-Tenant Buildings. In multi-tenant buildings requiring automatic fire sprinkler systems, and where no fire alarm is required by Section 907, each tenant shall have at least one notification device (horn/strobe) to provide audible and visual notification upon activation of the listed sprinkler monitoring system."

Section 905.4.3 Insert: "Pressure Regulating Devices. Where hose valve pressure regulating devices are installed on 2 1/2 in. (65 mm) outlets, they shall be field adjustable, capable of being adjusted through the full adjustment range by a 3/8 in. (12 mm) rod with a maximum required torque of 30 foot-pounds (41 nm) while flowing water. Field adjustment shall not require any hose valve disassembly."

Section 905.6.3 Insert: "Pressure Regulating Devices. Where hose valve pressure regulating devices are installed on 2 1/2 in. (65 mm) outlets, they shall be field adjustable, capable of being adjusted through the full adjustment range by a 3/8 in. (12 mm) rod with a maximum required torque of 30 foot-pounds (41 nm) while flowing water. Field adjustment shall not require any hose valve disassembly."

Section 912.6.1 Insert: "All above-ground piping exposed to the weather shall be insulated to protect from freezing."

Section 913.5 Delete in its entirety and replace with: "Testing and maintenance. Fire pumps shall be inspected, tested and maintained in accordance with this section and NFPA 25. More specifically, a weekly test of electric fire pump assemblies shall be conducted without flowing water due to the susceptibility to lightning in our area. Records of inspection, testing and maintenance shall be maintained."

Section 1103.5.4 Insert: "Building owners shall file a compliance schedule with the fire code official not later than 365 days after receipt of written notice. The compliance schedule shall not exceed 12 years for completion of the automatic sprinkler retrofit."

Section 5704.2.9.6.1 Insert: [City of Orange Beach, AL]

Section 5706.2.4.4 Insert: [City of Orange Beach, AL]

Section 5806.2 Insert: [City of Orange Beach, AL]

Section 6104.2 Insert: [City of Orange Beach, AL]

2. All ordinances, resolutions or parts in conflict with this ordinance, to the extent of such conflict, are repealed; and
3. That this Ordinance shall become effective immediately upon its adoption and publication as required by law.

ADOPTED THIS 17th DAY OF JANUARY, 2023.

Renee Eberly
City Clerk

The City Clerk of the City of Orange Beach, Alabama hereby certifies
that the foregoing **ORDINANCE 2023-xxx**
was posted on _____ in the following three
(3) public places:
Orange Beach City Hall _____
Orange Beach Post Office _____
Orange Beach Public Library _____

Renee Eberly, City Clerk