CITY OF DAPHNE
1705 MAIN STREET, DAPHNE, AL
CITY COUNCIL BUSINESS MEETING AGENDA
May 20, 2019
6:30 P.M.

1. **CALL TO ORDER**

2. **ROLL CALL**
   INVOCATION: Daphne Fire Chaplain Lamar Green
   PLEDGE OF ALLEGIANCE

   PRESENTATION: Proclamation: National Boating Safety Week

   PRESENTATION: Proclamation: School Crossing Guard Week

3. **APPROVE MINUTES:** Council Meeting – May 13, 2019

4. **REPORTS OF STANDING COMMITTEES**
   - **A. FINANCE COMMITTEE** – Conaway
   - **B. BUILDINGS & PROPERTY COMMITTEE** – Goodlin
   - **C. PUBLIC SAFETY COMMITTEE –** Scott
     Review the minutes from the April 8, 2019 Meeting.
   - **D. CODE ENFORCEMENT/ORDINANCE COMMITTEE** – Phillips
   - **E. PUBLIC WORKS COMMITTEE** – Coleman

5. **REPORTS OF SPECIAL BOARDS & COMMISSIONS**
   - **A. BOARD OF ZONING ADJUSTMENTS** – Adrienne Jones
   - **B. DOWNTOWN REDEVELOPMENT AUTHORITY –** Conaway
   - **C. INDUSTRIAL DEVELOPMENT BOARD -** Rudicell
   - **D. LIBRARY BOARD –**Phillips
   - **E. PLANNING COMMISSION –** Scott
   - **F. RECREATION BOARD –** LeJeune
   - **G. UTILITY BOARD –** LeJeune

6. **MAYOR'S REPORT**

7. **CITY ATTORNEY REPORT**

8. **DEPARTMENT HEAD REPORTS**

9. **CITY CLERK'S REPORT**

10. PUBLIC PARTICIPATION

11. RESOLUTIONS & ORDINANCES

A. RESOLUTIONS:

2019-39 – Declaring Certain Property Surplus and Authorizing Mayor to Dispose – Two 2016 Mowers

2019-40 – Declaring Certain Property Surplus and Authorizing Mayor to Dispose – Kyrocera Copy Machine

2019-41 – Facility Use Agreement for Overlook Building – Community Foundation

B. 2ND READ ORDINANCES:

2019-21 – Flood Damage Prevention

2019-22 - Additional Appropriation: Poles and Signal Upgrade Johnson Road/Hwy 98 & US 98/CR64 Intersection - $30,127

2019-23 – Additional Appropriation: Daphne Sports Complex - $37,450

2019-24 – Appropriation: Daphne Sports Complex 120 Day Contract Extension - $11,978

2019-25 – ICC Building Code – Repeal and Replace 2012-40

C. 1ST READ ORDINANCES:

2019-26 – Ordinance Authorizing the Issuance of $9,515,000 of General Obligation Refunding Improvement Warrants, Series 2019

12. COUNCIL COMMENTS

13. ADJOURN

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CITY OF DAPHNE, ALABAMA

Proclamation

WHEREAS; each year during the month of May, the United States Coast Guard joins partners nationwide to raise awareness about boating responsibly; and

WHEREAS; safe boating starts onshore, with individuals preparing a float plan for their passengers, getting a free vessel safety check and participating in boating safety courses; and

WHEREAS; as they embark, boaters should make sure they check the marine forecast and that all passengers are equipped with a life jacket; and

WHEREAS; the chance of drowning while wearing a life jacket is 1 in 66, and the chance of drowning with no life jacket is 1 in 11; and

WHEREAS; every 2½ hours someone is injured or killed in a boating accident; and

WHEREAS, to put an end to preventable accidents that claim too many lives each year, individuals should never operate a boat under the influence of drugs or alcohol; and

WHEREAS; boating is an important part of our national heritage, it is imperative that all individuals operating or occupying a boat follow commonsense safety procedures that keep them safe and also keep our lakes, rivers and oceans safe for all to enjoy.

NOW, THEREFORE; I, Dane Haygood, as the Mayor of the City of Daphne, along with the Daphne City Council, do hereby proclaim May 18-24, 2019 as

NATIONAL SAFE BOATING WEEK

in the City of Daphne and the start of the year-round effort to promote safe boating, encouraging all those who boat to practice safe boating habits.

Dane Haygood, Mayor

ATTEST:

Candace G. Antinarella, City Clerk

CITY OF
DAPHNE, ALABAMA

Proclamation

WHEREAS; Our School Crossing Guards provide an invaluable service in helping to ensure the safe passage of our youngest, most vulnerable pedestrians – children walking between home and school; and

WHEREAS; School Crossing Guards typically serve with a dedication that discounts the rigors of harsh weather, split shifts, and heavy traffic; and

WHEREAS; School Crossing Guards have served our community and helped to drive down the rates of young pedestrian deaths and injuries in Alabama, while traffic volume has increased; and

WHEREAS; School Crossing Guards help reinforce in the minds of the young people they assist the importance of traffic hazard recognition and safe street crossing behavior.

NOW, THEREFORE; I, Dane Haygood, as the Mayor of the City of Daphne, along with the Daphne City Council, do hereby proclaim May 20 - 24, 2019 as

School Crossing Guard Week

in the City of Daphne and recognize our crossing guards for the services they provide to our community.

Dane Haygood, Mayor

ATTEST:

Candace G. Antinarella, City Clerk

May 13, 2019
CITY COUNCIL MEETING
REGULAR BUSINESS MEETING
1705 MAIN STREET
DAPHNE, AL
6:30 P.M.

1. CALL TO ORDER:

There being a quorum present Council President Rudicell called the meeting to order at 6:31 p.m.

2. ROLL CALL:

COUNCIL MEMBERS PRESENT: Pat Rudicell, Tommie Conaway, Joel Coleman, Doug Goodlin, Ron Scott and Robin LeJeune

Council Member Absent: Angie Phillips

Also Present: Jay Ross, City Attorney; Candace Antinarella, City Clerk; Kelli Reid, Finance Director/Treasurer; Joey Wehrman, Facilities Director; Betsy Schneider, Operations Director; Adrienne Jones, Planning Director; James White, Fire Department; David Carpenter, Police Department, Vickie Hinman, HR Director; Jeremy Sasser, Public Works Director; Tonja Young, Library Director; and Jessica Linne, Assistant City Clerk.

INVOCATION/PLEDGE OF ALLEGIANCE:

Invocation was given by Councilman Ron Scott.

PRESENTATION: Mayor Haygood presented Daphne Police Department and Officers with the National Police Week Proclamation. The Mayor commended the department and offered his appreciation for their service.

PRESENTATION: Mayor Haygood presented City Clerk Candace Antinarella with the National Municipal Clerk's Week Proclamation. The Mayor stated that it was the 50th anniversary of Municipal Clerk's Week. He thanked Mrs. Antinarella for all she does for the city.

3. APPROVE MINUTES:

The minutes of the April 15, 2019 regular meeting were approved.

4. REPORT OF STANDING COMMITTEES:

A. FINANCE COMMITTEE

Councilwoman Conaway said the minutes from the April 15, 2019 meeting were in the packet. She stated the financial reports were Unrestricted Fund Balance for March 2019 was $14,943,687; Sales Tax for February 2019 was $1,311,553; Lodging Tax for February 2019 was $88,819 and Total Cash Balance was $24,734,563. Councilwoman Conaway said there were three motions from the Finance Committee.

MOTION by Councilman Scott to add the three motions to the Council Agenda. Seconded by Councilman LeJeune.
MOTION CARRIED UNANIMOUSLY.

City Clerk did a roll call vote.

Councilwoman Conaway	**Aye**
Councilman Coleman	**Aye**
Councilman Goodlin	**Aye**
Councilman Scott	**Aye**
Councilman LeJeune	**Aye**
Councilwoman Phillips	**Absent**
Council President Rudicell	**Aye**

MOTION CARRIED UNANIMOUSLY.

MOTION by Councilwoman Conaway to approve DAC's new Policy and Procedure manual including event notices recently adopted by the SEC.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilwoman Conaway to approve to use Bond Proceeds from the 2019 Warrant for the Fires Station #5 project. Councilman LeJeune said he thought it was around $600,000. Mayor Haygood said the last time he checked it was close to $900,000.
MOTION CARRIED UNANIMOUSLY.

Councilman LeJeune said there is a motion concerning a bid for concession services. He said the Recreation Department has a recommendation to change this motion.

MOTION by Councilman LeJeune to amend Resolution 2019-34 from the contract starting date from July 1, 2019 to upon execution of the contract. Seconded by Councilman Scott.
MOTION CARRIED UNANIMOUSLY.

B. BUILDINGS & PROPERTY COMMITTEE
Councilman Goodlin said the committee met that afternoon. He said the April 2019 Building Report is in the packet. The next meeting will be June 10th at 5:15pm.

C. PUBLIC SAFETY COMMITTEE
Councilman Scott said the committee met that afternoon and they have a great report from the School Resource Officers. The next meeting will be June 10th.

D. CODE ENFORCEMENT/ORDINANCE COMMITTEE
Councilman Rudicell gave report for Councilwoman Phillips who was absent. He said the next meeting is June 3rd at 4:30pm. He said the subcommittee is currently discussing speed calming devices.

E. PUBLIC WORKS COMMITTEE
Councilman Coleman said the minutes from the April 8, 2019 Museum Meeting are in the packet. The next meeting will be June 3rd at 5:30pm.

5. <u>REPORTS OF SPECIAL BOARDS & COMMISSIONS</u>:

A. Board of Zoning Adjustments
Adrienne Jones said the minutes from the March 2019 meeting were in the packet.

MOTION by Councilman Scott to appoint Thomas Warner to the Board of Zoning Adjustments for a three year term ending May 2022. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilman Scott to appoint Carolyn Courson to the Board of Zoning Adjustments for a three year term ending May 2022. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilman Scott to appoint Derek Wolstenhome to the Board of Zoning Adjustments for a three year term ending May 2022. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.

Councilman Scott asked if one of the positions was an alternate. Ms. Jones said that Carolyn Courson was. She also presented a letter/resume for a new individual interested in serving on the Board.

B. Downtown Redevelopment Authority
Councilwoman Conaway said the next meeting will be May 28th at 5:30pm.

C. Industrial Development Board
Councilman Rudicell said the next meeting will be May 14th at 11:30am.

D. Library Board
Councilwoman Phillips was absent. There was no report.

E. Planning Commission
Councilman Scott said the minutes from the March 29, 2019 and April 25, 2019 meetings as well as the April 9, 2019 are in the packet. The next meeting is May 23rd at 5:00pm.

F. Recreation Board
Councilman LeJeune said they are missing David McKelroy, but wishes him well on his retirement. He said the Sports Complex and Lott Park are coming along well.

G. Utility Board
Councilman LeJeune said the Utility Board met that morning and discussed strategic planning. They are working with the City on creating a "litter getter". The next meeting will be May 29th at 5pm.

6. MAYOR'S REPORT:

Mayor Haygood said there were some rain issues to a few city facilities from the storms over the weekend, including significant damage in the City Clerk's Office. He mentioned the refunding from the 2019 General Obligation Funds which will be around $900,000. He said that Rouses Supermarket is planning to open May 31st in Daphne. He mentioned that the property to the north of City Hall has had the building removed and says he likes the "new landscape".

7. CITY ATTORNEY REPORT:
City Attorney had no report.

8. DEPARTMENT HEAD COMMENTS:

No report from the Fire and Police Departments.

City Clerk reported on the Daphne Civic Center. She said there were three upcoming events in May.

9. CITY CLERK'S REPORT:

City Clerk thanked the Council and Mayor for the Proclamation given this evening. She also thanked Assistant City Clerk, Jessica Linne, for her work in the City Clerk Office.

MOTION by Councilman LeJeune to approve the issuance of the 050 – Retail Beer (Off Premises Only) and 070 – Retail Table Wine (Off Premises Only) to Rouses Enterprises LLC dba Rouses Market 78 located at 3075 US Highway 98, Daphne, Alabama. Seconded by Councilwoman Conaway.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilman LeJeune to approve the Eastern Shore Out of the Darkness Walk on October 20, 2019 from 1:00 – 4:00pm (no street closure requested). Seconded by Councilman Scott. Councilman Scott said that this walk was to raise suicide awareness.
MOTION CARRIED UNANIMOUSLY.

10. PUBLIC PARTICIPATION:

Councilman Rudicell said that some of the Council received a letter about an issue in Lake Forest and wanted to know if anyone was there who needed to speak not with Lake Forest.

Public Participation opened at 7:04pm.

Ian Walters, 202 Bradbury Circle S, Daphne, presented for the homeowners of Lake Forest. He read a letter to the Council concerning the discord in Lake Forest amongst the residents and the POA Board. He said the letter was signed by over 1,300 residents.

Steve Sasser, Lake Forest POA President, thanked the Council for all they are doing within Lake Forest neighborhood.

Councilman Rudicell asked City Attorney Jay Ross to give his opinion on the issue within Lake Forest. Attorney Ross said the dispute between the property owners and the association and that the City has no legal standing to be involved with it because it is not a “city issue”.

Councilman LeJeune said he’s met with the Lake Forest POA and that he’s been involved with a few projects from the city including the sidewalks. He said that when he’s met with the Board, it seems to him that the Board is listening and trying to be involved in the progression of Lake Forest.

Councilman Scott stated that the City has spent over $12 million in drainage and roads within Lake Forest. He said that the sidewalks and pool upgrades have been great improvements to the neighborhood.

Ann Armstrong, 169 Rolling Hill, Daphne, said she is concerned with the $3 billion the Lake Forest Golf Club and Yacht Club that costs $1,000 a day to run.

Liz Warden, Lake Forest, Daphne, said that she has fears over the actions of Lake Forest POA.

James Sluth, 138 Fairway Drive, Daphne, stated that the property values are not increasing. He said he wants to know that the Council appreciates Lake Forest Citizens.

Lynn Davis, 137 Rolling Hill Drive, Daphne, said she wanted to thank the Council for the work they are doing. She said that Lake Forest has over 9,000 residents and over 3,200 homes. She is concerned about the dues have already increased this year to $70 a month.

Cathie Marx, 201 Bradbury Circle S, Daphne, provided a letter to the Council where she discussed dues and concerns with the Lake Forest POA. She said many of the residents in Lake Forest are living on fixed income and they are worried they will not be able to pay the dues. She said the POA Board doesn’t listen to the residents.

Michelle White, 105 Victor Circle, Daphne, said the Lake Forest POA collects $2.9 million a year in dues and assessments. She said the Board refuses to provide access to the financials even though they are a 501c3. She wants to know if the City Attorney can get involved.

Harry Tolbert, 525 Ridgewood Drive, Daphne, asked questions about legal recourse when dealing with Lake Forest POA Board.

Public Participation closed at 7:41pm.

11. RESOLUTIONS & ORDINANCES:

RESOLUTIONS:

2019 -34 - Concession Services Bid - Greek Catering and Events

2019 -35 - Acceptance of Roads and Rights of Way – Pollard Park

2019 -36 - Acceptance of Roads and Rights of Way – HSC Johnson Road LLC Subdivision

2019 -37 – RFQ-MBNEP/ADEM 319: Tiawasee Creek Sub-Watershed Management and Restoration

2019 -38 – Montclair Loop Ditch Stabilization – NRCS Emergency Watershed Protection Program

MOTION by Councilwoman Conaway to waive the reading of Resolution 2019-34, 2019-35, 2019-36, 2019-37 and 2019-38. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilwoman Conaway to adopt Resolution 2019-34. Seconded by Councilman Coleman. Councilman LeJeune made note that this was the amended Resolution as discussed earlier.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilwoman Conaway to adopt Resolution 2019-35. Seconded by Councilman Coleman.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilwoman Conaway to adopt Resolution 2019-36. Seconded by Councilman LeJeune.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilman Coleman to adopt Resolution 2019-37. Seconded by Councilman Goodlin.
MOTION CARRIED UNANIMOUSLY.

MOTION by Councilman Coleman to adopt Resolution 2019-38. Seconded by Councilman Goodlin.
MOTION CARRIED UNANIMOUSLY.

ORDINANCES:

2nd READ:

1st READ:

2019-21 – Flood Damage Prevention

2019-22 - Additional Appropriation: Poles and Signal Upgrade Johnson Road/Hwy 98 & US 98/CR64 Intersection - $30,127

2019-23 – Additional Appropriation: Daphne Sports Complex - $37,450

2019-24 – Appropriation: Daphne Sports Complex 120 Day Contract Extension - $11,978

2019-25 – ICC Building Code – Repeal and Replace 2012-40

12. COUNCIL COMMENTS:

Mayor Haygood thanked everyone who came out from Lake Forest to represent. He said he hopes the decisions being made are being made for the good of the residents. He hopes everyone can work together.

Councilwoman Conaway thanked the residents for coming out that evening and sharing their concerns. She hopes everyone can work together to address the concerns.

Councilman Coleman said he lived in Lake Forest for over 20 years, but still represents a portion of Lake Forest. He said everyone made great comments. He hopes everyone knows that their voices have been heard.

Councilman Goodlin thanked everyone for coming out and he said a small portion of his area is in Lake Forest. He also reminded everyone that Tuesday night is Daphne's graduation and he hopes everyone goes out to support the students.

Councilman Scott thanked everyone for coming out and expressing their concerns. He says that he has heard that most golf courses are struggling right now.

Councilman LeJeune thanked everyone for coming out to share their thoughts and concerns. He says that it is always the Council's hope to work well with all POA and HOA Boards.

Councilman Rudicell thanked everyone for coming out. He asked Andy Bobe with Dewberry Engineers if he would mind rescheduling his presentation that was scheduled for the Work Session.

MOTION by Councilman Scott to table all items on the Work Session until June's regularly scheduled Work Session. Seconded by Councilman Goodlin.
MOTION CARRIED UNANIMOUSLY.

City Clerk did a roll call vote.

Councilwoman Conaway	**Aye**
Councilman Coleman	**Aye**
Councilman Goodlin	**Aye**
Councilman Scott	**Aye**
Councilman LeJeune	**Aye**
Councilwoman Phillips	**Absent**
Council President Rudicell	**Aye**

13. ADJOURN:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, THE MEETING ADJOURNED AT 7:58 P.M.

Respectfully submitted by,

Certification of Presiding Officer

Candace G. Antinarella, City Clerk

Pat Rudicell, Council President

Public Safety Committee

Monday, April 8, 2019

Councilman Ron Scott Councilman Doug Goodlin Councilman Robin LeJeune Councilman Pat Rudicell Councilwoman Tommie Conaway Councilman Joel Coleman Councilwoman Angie Phillips	Police Chief David Carpenter Fire Chief James White Public Works Director, Jeremy Sasser Samantha Cooper - Secretary

Committee Members Attending:
Councilman Ron Scott, Councilman Doug Goodlin, Councilman Robin LeJeune, Councilman Pat Rudicell, Councilman Joel Coleman, Councilwoman Angie Phillips, Police Lieutenant David Smith, Fire Chief James White, Public Works Director Jeremy Sasser, Mayor Dane Haygood.

CALL TO ORDER

Councilman Ron Scott **convened** the meeting at 4:30 p.m.

PUBLIC PARTICIPATION –

Mr. Bill Hughes, 23900 block Kilkenny Ln., Daphne, AL – addressed the committee stating he was a US Border Patrol agent living at this location for the last 10 years and all of a sudden parking his government issued "police" car in front of his house has become an issue recently that they don't like. He stated that he knows the HOA "covenants" say one thing, and he explained his rationale for parking his vehicle on the street, due to having to get out on a moment's notice 24 hours a day, on call for 4 different states, but they did not like that rationale. He was inquiring from the city if there is some type of City Ordinance addressing this.
Councilman Scott stated that there is not a city ordinance for this and we do not enforce HOA covenants. He added that unfortunately it is a civil matter between him and his HOA, and his solution is not here with the council.

Prior to Mr. Hughes arrival, Councilman Goodlin addressed this committee for open discussion regarding this issue that Mr. Hughes was having (Mr. Hughes was not in attendance yet, coming later on in the meeting). Goodlin inquired in regards to city-owned roadways, which are not owned by the HOA, if the police are able to allow and enforce someone to park on the street if the HOA says they can't. Lt. Smith (police) stated it is not against the law for someone to park on the street, assuming there are no signs preventing it, however we do not get involved nor enforce HOA covenants. He added that we had a similar issue with a City of Daphne Police employee parking his police vehicle on the street, which the HOA covenants restricted, and we resolved it by having the conversation with our officer to be the good citizen and follow what your HOA says even though you are not breaking the law by parking on the street. Mayor Haygood added that when the streets are dedicated to the city and the city acquires the street as city property, all HOA's have already had to submit to the city in advance their covenants and restrictions, which we review and approve before the city even acquires the right of way to the street. Mayor Haygood added that law enforcement vehicles are not immune to covenants and restrictions of an HOA, and it is not up to us to determine that. Councilman LeJeune added that HOA's cannot be more lenient then the law, but they can be more restrictive than the law within their covenants and restrictions. Councilman Scott agreed and stated that we are not here to be involved in "civil" issues and are only here to enforce the law, and covenants/restrictions are civil issues between the homeowner and the association. This conversation was later reiterated to Mr. Hughes when he arrived toward the end of the meeting.

APPROVAL OF MINUTES FROM PREVIOUS MEETING
Minutes from March 11, 2019, were approved as presented.

POLICE DEPARTMENT

A. New Business –
February 2019 stats were presented. February 2019 D-runs were also presented.

Councilman Scott inquired to Lt. David Smith if the officers of both Baldwin County and the City of Daphne (officers) that are working for the ALDOT roadway site on Hwy 181 are off-duty officers being paid by contractor. Smith stated, yes, those that are working that are off-duty and paid by the contractor. Public Works Director Jeremy Sasser added to that note stating a recent meeting he attended with ALDOT regarding this roadway project, they stated they (ALDOT) is using too much for their budget too quickly, so they will likely be cutting back on the off-duty officers aspect unless it is absolutely needed. Smith added for clarification, regarding the use of their city vehicles while off-duty, our officers are allowed to take their vehicles to off-duty jobs/functions within the city limits, however they are not allowed to take them for any jobs that take them outside of the city, for example working security at places on the causeway etc., they are not able to take their city issued police vehicle.

Councilman Coleman inquired about the high number for juvenile arrests by an SRO on the monthly report, and what those arrests are for. Lt. Smith stated most of those arrests are within the highschool ages for disorderly conduct for fighting or marijuana use/possession, arrest-able offenses. Mayer Dane Haygood added that there is a fine line with our SRO's and the school disciplinary aspects, that our SRO's are there not for disciplinary reasons, but for visibility and protection and to make arrests when crimes are happening and laws are being broken. Councilman Goodlin asked if it was true that we are now ticketing students who are caught vaping on campus. Lt. Smith stated that our SRO's have not been ticketing anyone, however vaping does fall in line with cigarette laws, which is a ticket-able offense for anyone underage if caught vaping. To the best of his knowledge, we are not ticketing students who are caught vaping but having schools handle the disciplinary aspects from the school policies itself. Councilwoman Phillips stated that she recently attended three different high schools in north Alabama and she recognized that our policies compared to other schools in the northern part of the state are *extremely* lax. She added that these schools for first time offense within their vaping policies is a 20 day suspension, with a second offense of expulsion to be determined through a formal hearing. She stated they are so strong on these polices because students can put other things in the vaping pipes to include THC among other things. Councilman LeJeune addressed this and said this is not a city nor state policy, those policies are determined within the school board and what they decide for disciplinary policies if broken. Lt. Smith added that they only thing we can "legally" do is issue a ticket that follows the cigarette law for underage use. Mayor Haygood requested that it would maybe be beneficial to have one of our SRO's at next month's meeting to speak about the SRO program, the issues they are facing in the schools, and what their function is within the school regarding disciplinary (school) vs. being there to police when crimes are happening.

Councilman Scott inquired about a supposed recent armed robbery or gun being stolen out of a vehicle in Lake Forest, something that was all over social media today. Lt. Smith stated they did have several B&E's over the last several nights a few on Lake Forest Blvd., but no guns were taken from those, and then several last night on the south end of Pollard Rd. in the new town homes where 2 guns were stolen out of vehicles there. He added that there was video of the kid, and we have a pretty good idea of who it is.

FIRE DEPARTMENT

A. New Business –

The stats were presented for February 2019 in the packet.

Fire Chief James White stated he had put the packet of information regarding the Training Chief position in each of the council's boxes for them to look over and understand all of those aspects. Councilman Scott asked when we need to create this position for the academy resident program. Chief White said creating this Training Chief position will be the first step in this process and that he has to get with HR to create a job description. He stated that creating this position to start for the beginning of FY2020 would be ideal, and then that person will need to have some time to get the resident program in order to start recruiting, with that program likely starting toward the end of FY2020 in the fall. Councilman Scott felt like this was an incredible opportunity for the right person to get into a great, meaningful career at a young age, as well as for the city to have this program. The rest of the council agreed. Chief White stated there will need to be some changes to accommodate the housing of those in the resident program, and that they recently had an architect come to draw up some preliminary drawings of how to modify our existing training area. He stated he felt it was necessary that all of those in the resident program be housed in the same location so that they can be supervised properly.

Councilman Scott inquired as to where we stand at Fire Station #5. Chief White stated when he recently spoke to Joey, he stated we were about 90% ready to get started. Jeremy Sasser stated that the contractor has submitted his plans to the planning and zoning committee for the April meeting. He stated he has reviewed them, not just as the Public Works Director, but also from the owner's perspective and he has some comments for Scott (HMR) and is meeting with him tomorrow at 2:00pm to discuss his comments and get changes made.

Councilwoman Phillips inquired regarding the Fire stats for February about the Rescue Call and Emergency Medical Service Incidents, year to date we are at 455, with February alone having 222 of those, nearly half of all for FY-to-date. Chief White said we don't plan when things happened but we have noticed these numbers steadily increasing. Councilman Scott asked for an overview of the type of calls they are receiving and responding to, stating we have several nursing/assisted living homes located in the city. White said we take a lot of calls from the nursing facilities here, if someone falls out of bed they have to respond, if someone's toe hurts and they call us, we have to respond, if someone has a headache and they call us we have to respond.

OTHER BUSINESS –

Councilman Scott inquired as to where we stand with the Belrose Ave. parking / fishing issue that was previously presented. Councilwoman Phillips stated she drove down there to just check the area out herself and stated she was surprised to see a "No Parking Sign" towards the top of Belrose, as she was under the assumption that there were no signs at all preventing parking on Belrose. She asked if this was a new addition. Public Works Director Jeremy Sasser stated, no, this was not a new addition and to my understanding the council has not made the go ahead or decision to put any "No Parking" signs down Belrose. He added that this particular sign was requested and put in earlier in the year due to parking issues with Bayside football games and events. He added that as of right now there are no other signs going down Belrose towards the "park" area where the residents complained about parking, that no decision or go ahead has been made regarding that yet. Troy added that he did have a discussion with a local resident who is building a house down there last week and he stated that there were about 8 people down on the beach fishing with about 6 cars lining the street, parked on the street in this area. Lt. David Smith (police) added that one of the biggest issues is that with that being a "park" at the end of the street, there is no provided parking for those that are utilizing the "park" or public access to the beach area, so they have no were to park. He added that they have set up security checks down in this area and increased patrol and made one arrest, which happened to be a local resident of Daphne who had a warrant. Councilman Rudicell stated that he felt if we have a “park” there, that he doesn’t feel like they can’t say “no parking” on the street to those that are coming to utilize this area.

Councilwoman Phillips inquired about the traffic study in Timbercreek and what the dates were of that and if it coincided with the Police D-Runs that were done in this area for February. Jeremy Sasser stated that the traffic study they did was all done in March so it was following what the February D-Runs showed from officer activity. He stated it was March 2^{nd} – 8^{th} on the west-bound side, and March 13^{th} – 19^{th} on the east-bound side.

ADJOURN

There being no further business to discuss, Councilman Scott made a motion to adjourn the meeting at 5:10 p.m. The next meeting will be Monday, May 13, 2019, at 4:30 p.m. at City Hall Council Chambers.

Respectfully submitted,

Daphne Public Safety Committee

CITY OF DAPHNE
RESOLUTION 2019 - 39

A Resolution Declaring Certain Personal Property Surplus and Authorizing the Mayor to Dispose of Such Property

WHEREAS, the Management of the City of Daphne have determined that the item listed below is no longer required for public or municipal purposes; and

WHEREAS, the items listed below is recommended for disposal.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA that

1. The property listed below is hereby declared to be surplus property; and

DEPT	EQ/VEH/#	DESCRIPTION	VIN/SN
Mowing	1592-L	2015 JD 1575 TERRAINCUTI FRONT MOWER - 72" RD 1500 FM	1TC1575VCFS020021
Mowing	1589-L	2016 JD 1575 TERRAINCUTI FRONT MOWER - 72" RD 1500 FM	1TC1575VJGS020026

2. The Mayor is authorized to advertise and accept bids through Govdeals.com as Contracted for the sale of such personal property; and

3. The Mayor is authorized to sell said property to the highest bidder and deposit any and all proceeds to the appropriate City Fund. All proceeds from the sale of the two mowers will be designated for the purchase of new mower decks. The Mayor is further authorized to direct the disposition of any property which is not claimed by any bidder and sign all necessary documents.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _______ day of ________, 2019

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

CITY OF DAPHNE, ALABAMA
RESOLUTION 2019 - 40

Resolution Declaring Certain Personal Property Surplus and Authorizing the Mayor to Dispose of Such Property

WHEREAS, the Management of the City of Daphne have determined that the item listed below is no longer required for public or municipal purposes; and

WHEREAS, the items listed below is recommended for disposal.

NOW, THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA that

1. The property listed below is hereby declared to be surplus property; and

DEPT	DESCRIPTION
Court	Kyrocera 4050 Copy Machine *(fax/scanner not working)*

2. The Mayor is authorized to advertise and accept bids through Govdeals.com as contracted for the sale of such personal property; and

3. The Mayor is authorized to sell said property to the highest bidder and deposit any and all proceeds to the appropriate City Fund. The Mayor is further authorized to direct the disposition of any property which is not claimed by any bidder and sign all necessary documents.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS _______ day of ________, 2019

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

CITY OF DAPHNE
RESOLUTION 2019-41

Resolution to Authorizing Facility Use Agreement for Overlook Building

WHEREAS, the City of Daphne, Alabama (hereinafter referred to as the "City") owns a facility known as "the Overlook" located at 29750 Larry Dee Cawyer Drive, Daphne, Alabama, which consists of public parking, a public gazebo, and overlook areas as well as a structure that the City desires to use as a Community Facility; and

WHEREAS, the COMMUNITY FOUNDATION OF SOUTH ALABAMA, a not-for-profit corporation organized and existing under the laws of the State of Alabama (hereinafter referred to as the "User"), is an established organization that provides public services to our community by assisting with charitable giving, helping nonprofit organizations with grant writing services, and educational scholarships; and

WHEREAS, the City Council has determined that the services provided by the User serve a public purpose that promotes the culture, education, morals, prosperity, contentment, and general welfare of the community; and

WHEREAS, the City believes that the User's efforts will be aided by having a location for (i) having a facility to conduct meetings, and (ii) having an office to conduct general business and storage of appropriate paperwork; and

WHEREAS, the City wishes to permit the User to utilize designated space in the Overlook building, subject to the terms and conditions of a Facility Use Agreement and the City's policies regarding facility use.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, as follows:

1. The Mayor is hereby authorized to execute a Facility Use Agreement between the City of Daphne and the COMMUNITY FOUNDATION OF SOUTH ALABAMA..

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA this _____ day of _______________, 2019.

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

(STATE OF ALABAMA)

(COUNTY OF BALDWIN)

FACILITY USE AGREEMENT

THIS FACILITY USE AGREEMENT (this "Agreement") is made and entered into by and between the CITY OF DAPHNE, a municipal corporation of the State of Alabama (the "City"), and the COMMUNITY FOUNDATION OF SOUTH ALABAMA, a not-for-profit corporation organized and existing under the laws of the State of Alabama (the "User") (collectively, the City and User are sometimes referred to as the "Parties").

RECITALS

WHEREAS, the City is the owner of a facility known as the "Overlook Facility" located at 29750 Larry Dee Cawyer Drive, Daphne, Alabama, which consists of public parking, a public gazebo, and overlook areas as well as a structure that the City desires to use as a Community Facility; and

NOW, THEREFORE, upon and in consideration of the respective promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

I. Duration of Agreement. This Agreement shall commence on the date executed by all parties and shall remain in effect for an 18 month term. Term may be extended as agreed upon by parties. Either Party may terminate this Agreement, with or without cause, upon written notice to the other Party. Such notice shall be deemed effective, and the Agreement deemed terminated, sixty (60) days after the date of such notice is mailed by certified mail to the other Party.

II. Affirmative Covenants:

2.01 User. User agrees to continue its operations in the City and to continue its efforts to expand and enhance those operations in the City during the term of this Agreement. User further agrees to abide by all terms and conditions set forth herein.

2.02 City of Daphne. Subject to the provisions set forth herein, the City hereby agrees to permit User to utilize certain designated space within the "Overlook Facility" as described in Appendix A, attached hereto and incorporated herein.

III. Conditions of Use.

3.01 Permitted Uses and Limitations. The City agrees to permit User to utilize the Overlook Facility as described in Appendix A under the following terms and conditions:

3.01.1 User shall be responsible for assuring that the facility/premise is not used for any unlawful purpose or unsafe activity during its use by User and shall comply with all City policies, rules, and regulations and any applicable federal, state, or municipal law, including any applicable fire or building codes. User shall adhere to all minimum lighting requirements set by the Fire Marshall at all times during activities or events.

3.01.2 City, for its own protection, reserves the right to enforce all applicable laws, policies, rules, and regulations. City retains the right to enter any and all areas of the facility premises at any time, and on any occasion without restrictions whatsoever. User shall stop any event/activity immediately upon instruction by authorized City personnel and clear the facility upon the sounding of fire alarms or at the request of the City. City retains the right to direct the interruption of any event in the interest of public safety and to terminate such event when, in the sole judgment of City administration or its employees or designees, such act is in the interest of public safety. User hereby waives any claims for damages or compensation should any event be so interrupted or terminated.

3.01.3 User shall ensure that no alcoholic beverages, illegal drugs, or tobacco products are brought into the facility/premises, or any part of the facility/premises, including parking lots.

3.01.4 User shall use only the described portion of the facility/premises, during the times and for the purposes stated. Use of the public space is to be scheduled through the City.

3.01.5 User shall at all times comply with the City's Facility Use Rules, as they exist as of the Effective Date and as they may be amended in the future. A copy of the current Facility Use Rules is attached hereto as Appendix B.

3.02 Schedule of Use Periods. Scheduling shall be within the sole discretion of City. User shall, upon request, submit written schedules of dates and times for its use of the facility/premises during periods covered by the request. Upon approval of any schedule, City will make a good faith effort to reserve the facility/premises for the date and time requested. The parties acknowledge that there are numerous Users of the facilities/premises whose time and needs City must attempt to coordinate and prioritize. City does not guarantee availability of the facility/premises. The City shall have the right, and will endeavor to provide reasonable written notice to User, to pre-empt use of the facility/premises for any reason determined by City of major importance to the City on the condition that the City either a) reschedule the Event(s) cancelled at a mutually agreeable time and date, or b) at the City's discretion, refund or credit fees to User. City's liability under this Agreement shall be limited to such refund or credit of the fees. City shall not, in any event, be liable for any loss or damage caused by the unavailability of the facility/premises due to City events and unforeseen or other reasonably uncontrollable events which cause failure of the facilities to operate or function during the period of this Agreement.

3.03 Advertising and Publicity. When utilizing City facilities or premises, User shall ensure that, except to identify the location of the event, City's logo or name is NOT being used in any advertising and publicity. User shall provide proofs to City for approval of all advertising materials, commercials, and flyers whether radio, television, or print, PRIOR to advertising for any event.

3.04 Cancellation. User must notify City as soon as possible regarding its intent to cancel a scheduled use. If an event is cancelled, City may require payment of a cancellation fee, rental fee, and any other previously contracted expenses.

3.05 Equipment. Generally, the User must provide all equipment needed by User. User shall have the right to use City equipment only if the parties sign an approved equipment list, which upon execution shall be incorporated herein as Addendum No. 1. User shall keep any equipment owned and used by User at the facility/premises in good working condition at all times at User's own expense. The User shall be responsible for repairing or replacing any equipment or other property owned by City and used by User that is lost, damaged, or otherwise rendered unfit for use for reasons other than reasonable wear and tear. Any and all damages that result from User's failure to maintain its equipment in proper working order are the responsibility of the User and will be expeditiously mitigated or repaired at the User's expense. City reserves the right to make or contract repair of such damages, as it deems appropriate, and to bill the User for the actual costs of parts, materials and labor, and any potential loss of use of the facility/premises.

3.06 User Demeanor. In the event that User is not the sole user of the facility/premises during schedule use periods, User and all participants, employees, and invitees shall conduct themselves in a professional, inoffensive, and unobtrusive manner.

3.07 Cleaning, Vandalism, and Other Damage. During the periods of facility/premises use by User, User shall be responsible for the control of its members, agents, employees, participants, spectators, and others admitted to the premises by User. User shall be responsible for repair of all vandalism and/or damages and for the expense of cleanup at the conclusion of each use. User shall not drive, nor permit to be driven, any nails, hooks, tacks, or screws in any part of the building, nor shall User make, or allow to be made, any building alteration of any kind. User must perform general cleanup at the conclusion of the event. General cleanup includes the cleaning necessary to return the facility/premises to a clean, safe, orderly, and sanitary condition.

3.08 Additional Services. User shall reimburse City for any and all services not included in this Agreement but requested by User or required to fulfill User's responsibilities under the terms of this Agreement including, but not limited to, cleanup not accomplished by User. Charges for any such items will be billed to the address of the User as shown below and shall be due in full upon receipt of the billing.

3.09 Minors. If any event involves minors, User shall defend, indemnify, and hold harmless the City, its officials, officers, and employees from and against any and all claims, causes of action, losses, liabilities, damage, or judgments directly or indirectly related to any mental or physical injury or death arising out of its contact or its conduct or the contact or conduct of its directors, employees, subusers, agents, or volunteers with minors including sexual abuse of minors as defined by Alabama law. Furthermore, User shall comply at all times with any current or future City policy regarding interactions with minors on City property.

IV. **Remedies:**

4.01 User agrees that upon violation of any of the covenants and agreements herein contained, on account of any act or omission or commission of User, the City may, at its option, terminate and cancel this Agreement.

4.02 In the event of any breach or apparent breach by User of any of its obligations under the terms of this Agreement, and in the further event that the City shall engage the services of an attorney to protect or to enforce its rights with respect to said breach or apparent breach, then and in those events, User agrees to pay and to reimburse any and all reasonable attorneys' fees and expenses which the City may incur with respect to the 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.

V. **Insurance:**

5.01 City assumes no responsibility for the loss or damage of User's property placed on or in the facility/premises, and User hereby expressly releases and discharges City from any and all liability for loss to such property. City recommends that User maintain property insurance sufficient to cover any items brought to City facilities/premises. City shall have the sole right to collect and have custody of all articles left in the facilities/premises fifteen (15) days after the intended use of the facility.

VI. **Indemnification:**

6.01 User 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 the performance of this Agreement and/or the activities of User, 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 is made a party to any lawsuit or legal proceeding arising in any way from this Agreement or any activities conducted pursuant thereto, User hereby agrees to pay all of the 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. User shall accept any such cause or action or proceeding within 15 days of tender by the City of Daphne. This indemnification shall survive the termination of the Agreement. User expressly waives any and all claims of whatever nature, for any and all loss or damage sustained from any cause whatever, prior, during, or subsequent to the rental period, by reason of any defect, deficiency, failure, or impairment of the premises, including, but not limited to the water supply system, heating system, wires leading to or inside the premises, gas, electric, or telephone systems, automatic sprinkler systems or from any other source whatsoever. City is not liable or responsible for any financial loss incurred by the User due to unforeseen, extenuating or reasonably uncontrollable events, which cause failure of any or all of the facilities to operate or function during the period of this Agreement. This section is not as to third parties or to anyone a waiver of any defense of immunity or statutory damages cap otherwise available to User or City, and these defenses and matters may be raised on the City's behalf in any action or proceeding arising from this Agreement.

VII. Notice:

7.01 All notices of termination, cancellation, requests, demands, or other communications shall be in writing and duly delivered to the following address:

To the City:

City of Daphne
Office of the Mayor
1705 Main Street
Daphne, AL 36526

To the User:

Community Foundation of Alabama
Director
P.O. Box 990
Mobile, AL 36601

VIII. Miscellaneous:

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

8.02 User acknowledges that its identity and peculiar capacity to provide the services and fulfill its obligations described hereinabove constitute a material consideration for the City's having entered into this Agreement. Therefore, User 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 such consent shall be granted or denied solely at the City's discretion.

8.03 User hereby agrees to comply strictly with all applicable ordinances of the City and laws of the State of Alabama and of the United States while performing its obligations under the terms of this Agreement.

8.04 User agrees that it will comply with Title 6 of the Civil Rights Act of 1964 assuring that no person will be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination on the grounds of race, sex, national origin, disability, or sexual orientation, in connection with any federally funded programs.

8.05 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.

8.06 Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by authorized representatives of both parties. The City, however, may at any time and at its sole discretion amend the provisions and rules contained in Appendices A and B of this Agreement.

8.07 The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid, or unenforceable, it 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 any party.

8.08 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 shall be Baldwin County, Alabama.

8.09 User 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.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on the day and year first written.

[Remainder of Page Intentionally Blank]

[Signature Page for Facility Use Agreement Between the City of Daphne, Alabama and the Community Foundation of South Alabama]

CITY OF DAPHNE, ALABAMA

Date: _____________ **BY_______________________________________**
Dane Haygood, Mayor

ATTEST:

BY________________________________
Candace G. Antinarella, City Clerk

COMMUNITY FOUNDATION OF SOUTH ALABAMA

Date: _____________ **BY______________________________________**
Its Authorized Agent

Name: ___________________________________

Title: ____________________________________

STATE OF ALABAMA
COUNTY OF BALDWIN

I HEREBY CERTIFY that on this ______ day of ________________, 2019, before me, the subscriber, a Notary Public in and for said County and said State, personally appeared ____________________________, the ____________________________ of the COMMUNITY FOUNDATION OF SOUTH ALABAMA, whose name is signed to the foregoing instrument as User, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the document, he, with full authority, executed the same voluntarily on the day the same bears date for and as the act of the COMMUNITY FOUNDATION OF SOUTH ALABAMA.

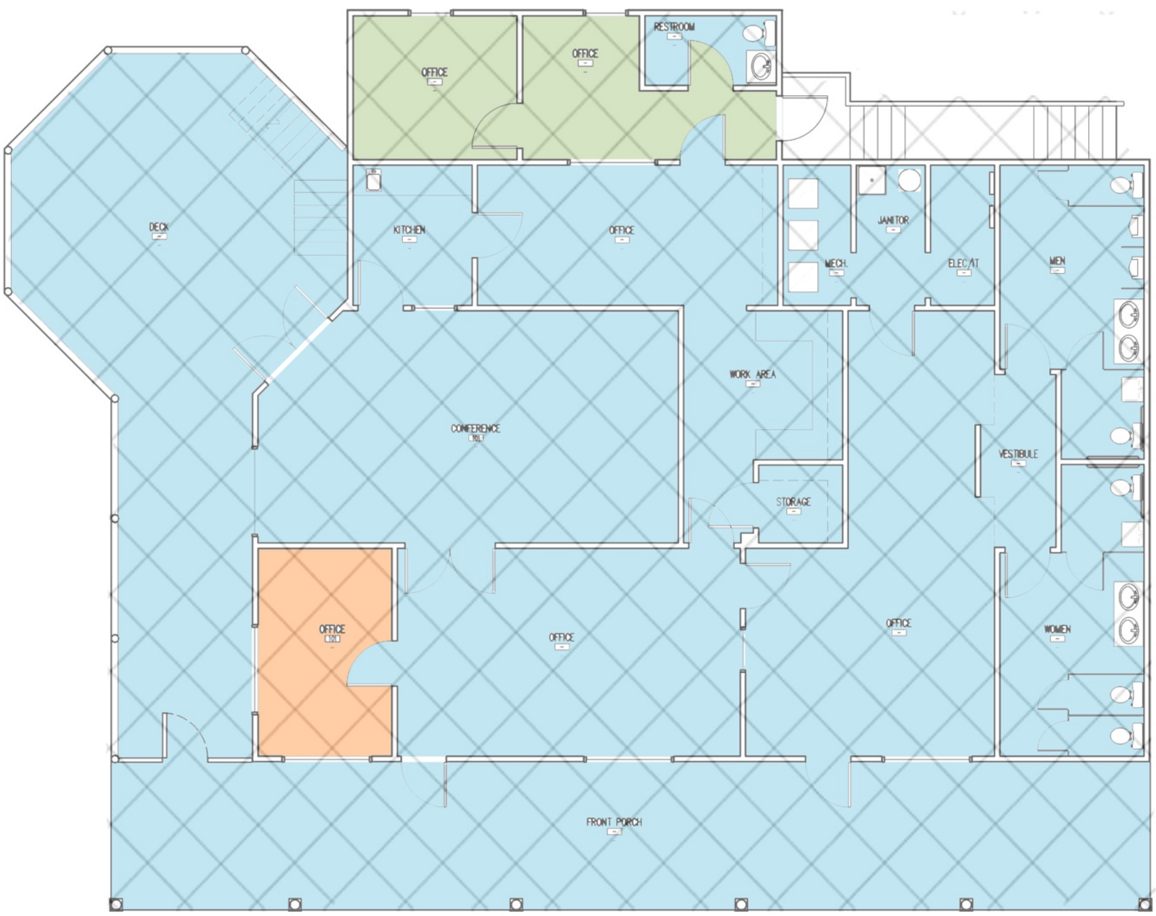
Given under my hand and official seal this ______ day of ___________________, 2018.

____
Notary Public

(SEAL) My Commission Expires: _______________

Appendix A

City of Daphne Overlook



SCOPE OF FACILITY USE

1. User shall be allowed the use of two offices in the Overlook facility building as designated. Any such space for which User is permitted to use may be moved, changed or otherwise assigned in the sole discretion of the City.

LEGEND
- Common use areas
- Community Foundation use area
- Honor Guard use area

2. User shall have non-exclusive use of public restrooms and other generally accessible public areas.

3. User shall be allowed scheduled use of other public facilities such as meeting rooms, conference rooms, outdoor spaces and other shared spaces that require permission from the City for scheduled use.

Appendix B

Additional Rules for City of Daphne Facilities

1. The requested use of a city facility must conform to the design and intended function of the facility; shall comply with all Federal, state, and local laws; and must not be injurious to the public health, safety, or general welfare.

2. The possession or consumption of alcoholic beverages is prohibited.

3. Smoking or any use of tobacco products including e-cigarettes is not permitted in City facilities.

4. All fire safety regulations must be strictly observed. The use of pyrotechnics, open flames, or combustible materials is forbidden.

5. A quiet environment free from profanity is required.

6. No gambling of any kind shall be conducted on the premises of City facilities, and the permittee shall insure that no disorderly or illegal conduct shall be allowed.

7. No animals or pets are allowed inside the facility with the exception of certified service animals.

8. User shall immediately clean up the City facility at the conclusion of the event or activity, and restore the facility to the condition it was in prior to use.

9. The City shall not be responsible for loss or damage to personal property placed in or about the facility.

10. Use of the facility will be limited to business hours or “reasonable use” for meetings after work hours or on weekends.

11. Vehicles may not be parked or driven on the grass or sidewalks around any City facility. Vehicles loading or unloading must remain on a street or other paved area. Vehicles may not block the handicap accessible area from the street surface.

12. Any event requiring the use of either Police and/or Fire Emergency Medical Services (EMS) assets is required to be coordinated in writing with the Daphne Police Department and/or Fire Department, as applicable.

13. Signs or posters may not be displayed indoors or on the outside grounds without written approval of the Facilities Director.

14. Lessee, Lessee’s agent, employees, guests, or anyone entering the building that are under the supervision of the Lessee may not move or remove any City owned decorations in the facility or on the property. All decorations must be free standing. No nails, tacks, brackets, glue or self-adhesive tape or any other similar items will be allowed on or in the walls, ceilings, floors, or any material that will deface, mar or damage a finish.

CITY OF DAPHNE
ORDINANCE 2019-21

Repealing and Replacing Ordinance 2019-10 Flood Damage Prevention Ordinance

WHEREAS, on March 4, 2019, the City Council adopted Ordinance 2019-10, repealing and replacing Ordinance 2009-01; and

WHEREAS, the City Council has determined that there were minor, non-substantive errors in Ordinance 2019-10 which require correction to meet requirements of the Alabama Department of Economic and Community Affairs.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THAT ORDINANCE 2019-10 IS HEREBY REPEALED AND REPLACED AS FOLLOWS:

ARTICLE 1. STATUTORY AUTHORIZATION, FINDINGS OF FACT, PURPOSE AND OBJECTIVES

Section A. Statutory Authorization. The legislature of the State of Alabama has in Title 11, Chapter 19, Sections 1-24, Chapter 52, Sections 1-84, and Title 41, Chapter 9, Section 166 of the Code of Alabama, 1975, authorized local government units to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry. Therefore, the City Counsel of Daphne, Alabama, does ordain as follows:

Section B. Findings of Fact. The flood hazard areas of Daphne, Alabama are subject to periodic inundation which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood relief and protection, and impairment of the tax base, all of which adversely affect the public health, safety and general welfare. These flood losses are caused by the occupancy in flood hazard areas of uses vulnerable to floods, which are inadequately elevated, flood proofed, or otherwise unprotected from flood damages, and by the cumulative effect of obstructions in floodplains causing increases in flood heights and velocities.

Section C. Statement of Purpose. It is the purpose of this ordinance to promote the public health, safety and general welfare and to minimize public and private losses due to flood condition in specific areas by provisions designed to:

(1) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;

(2) Restrict or prohibit uses which are dangerous to health safety and property due to water or erosion hazards, or which increase flood heights, velocities, or erosion

(3) Control filling, grading, dredging and other development which may increase flood damage or erosion, and ;

(4) Prevent or regulate the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards to other lands;

(5) Control the alteration of natural floodplains, stream channels, and natural protective barriers which are involved in the accommodation of flood waters.

Section D. Objectives. The objectives of this ordinance are:

(1) To protect human life and health;

(2) To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;

(3) To help maintain a stable tax base by providing for the sound use and development of flood prone areas in such a manner as to minimize flood blight areas,

(4) To minimize expenditure of public money for costly flood control projects;

(5) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(6) To minimize prolonged business interruptions, and;

(7) To insure that potential home buyers are notified that property is in a flood area.

ARTICLE 2. GENERAL PROVISIONS

Section A. Lands to which this Ordinance Applies. This ordinance shall apply to all Areas of Special Flood hazard within the jurisdiction of Daphne, Alabama.

Section B. Basis for Area of Special Flood Hazard. The Areas of Special Flood Hazard identified by the Federal Emergency Management Agency in its DFIRM and Flood Insurance Study (FIS), dated April 19, 2019, with accompanying maps and other supporting data and revision thereto, are adopted by reference and declared a part of this ordinance. For those land areas acquired by a municipality through annexation, the current effective FIS and data for Baldwin County are hereby adopted by reference. Areas of Special Flood Hazard may also include those areas known to have flooded historically or defined through standard engineering analysis by governmental agencies or private parties but not yet incorporated in a FIS.

Upon the issuance of a Letter of Final Determination (LFD) by FEMA, the revised flood hazard data shall be used and replace all previously effective flood hazard data provided by FEMA for the purposes of administrating these regulations. Where adopted regulatory standards conflict, the more stringent base flood elevation shall prevail. Preliminary FIS data may be subject to change by a valid appeal.

Section C. Establishment of Development Permit. A development permit shall be required in conformance with the provisions of this ordinance PRIOR to the commencement of any development activities in identified areas of special flood hazard and community flood hazard areas within the community.

Section D. Compliance. No structure or land shall hereafter be located, extended, converted or altered without full compliance with the terms of this ordinance and other applicable regulations.

Section E. Abrogation and Greater Restrictions. This ordinance is not intended to repeal, abrogate, or impair any existing ordinance, easements, covenants, or deed restrictions. However, where this ordinance and another conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Section F. Interpretation. In the interpretation and application of this ordinance, all provisions shall be:

(1) Considered as minimum requirements;

(2) Liberally construed in favor of the governing body; and

(3) Deemed neither to limit nor repeal any other powers granted under state statutes.

Section G. Warning and Disclaimer of Liability. The degree of flood protection required by this ordinance is considered reasonable for regulatory purposes and is based on scientific and engineering consideration. Larger floods can and will occur; flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside the Areas of Special Flood Hazard or uses permitted within such areas will be free from flooding or flood damages. This ordinance shall not create liability on the part of the City of Daphne or by any officer or employee thereof for any flood damage that result from reliance on this ordinance or any administrative decision lawfully made there under.

Section H. Penalties for violation.

(1) <u>Notice of Violation.</u> If the community determines that an applicant or other responsible person has failed to comply with the terms and conditions of a permit, or the provisions of this ordinance, it shall issue a written notice of violation, by certified return receipt mail, to such applicant or other responsible person. Where the person is engaged in activity covered by this ordinance without having first secured a permit, the notice shall be served on the owner or the responsible person in charge of the activity being conducted on the site. The notice of violation shall contain:

(a) The name and address of the owner or the applicant or the responsible person;

(b) The address or other description of the site upon which the violation is occurring;

(c) A statement specifying the nature of the violation;

(d) A description of the remedial measures necessary to bring the action or inaction into compliance with the permit or this ordinance and the date for the completion of such remedial action;

(e) A statement of the penalty or penalties that may be assessed against the person to whom the notice of violation is directed, and;

(f) A statement that the determination of violation may be appealed to the community by filing a written notice of appeal within thirty days after the notice of violation (except, that in the event the violation constitutes an immediate danger to public health or public safety, 24-hour notice shall be sufficient).

(2) Additional Enforcement Actions. If the remedial measures described in the Notice of Violation have not been completed by the date set forth for such completion in the Notice of Violation, any one or more of the following enforcement actions may be enacted against the person to whom the Notice of Violation was directed. Before taking any of the following actions or imposing any of the following penalties, the City of Daphne shall first notify the applicant or other responsible person in writing of its intended action. The City of Daphne shall provide reasonable opportunity, of not less than ten days (except, that in the event the violation constitutes an immediate danger to public health or public safety, 24-hour notice shall be sufficient) to cure such violation. In the event the applicant or other responsible person fails to cure such violation after such notice and cure period, the City of Daphne may take or impose any one or more of the following enforcement actions or penalties:

(a) Stop Work Order: The community may issue a stop work order, which shall be served on the applicant or other responsible person. The stop work order shall remain in effect -until the applicant or other responsible person has taken the remedial measures set forth in the notice of violation or has otherwise cured the violation or violations described therein, provided the stop work order may be withdrawn or modified to enable the applicant or other responsible person to take the necessary remedial measures to cure such violation or violations.

(b) Termination of water service and/or withhold or revoke Certificate of Occupancy: The community may terminate utilities and/or refuse to issue and/or revoke a certificate of occupancy for the building or other improvements and/or repairs conducted or being conducted on the site until the applicant or other responsible person has taken the remedial measures set forth in the notice of violation or has otherwise cured the violation or violations described therein.

(c) Suspension, revocation, or modifications of permit: The community may suspend, revoke, or modify the permit authorizing the development project. A suspended, revoked, or modified permit may be reinstated after the applicant or other responsible person has taken the remedial measures set forth in the notice of violation or has otherwise cured the violations described therein, provided such permit may be reinstated (upon such conditions as the community may deem necessary) to enable the applicant or other responsible person to take the necessary remedial measures to cure such violations.

(d) Civil penalties: Violation of the provisions of this ordinance or failure to comply with any of its requirements, including violation of conditions and safeguards established in connection with grants of variance or special exceptions shall constitute a misdemeanor. Any person who violates this ordinance or fails to comply with any of its requirements shall, upon conviction thereof, be fined not more than $500.00 or imprisoned for not more than 30 days, or both, and in addition, shall pay all costs and expenses involved in the case: Each day such violation continues shall be considered a separate offense. Nothing herein contained shall prevent the City of Daphne from taking such other lawful actions as is necessary to prevent or remedy any violation.

(e) Section 1316 Declaration: Section 1316 of the National Flood Insurance Act authorizes FEMA to deny flood insurance to a property declared by the State, County, or Municipal government to be in violation of the local floodplain management ordinance. A Section 1316 declaration shall be used when all other legal means to remedy a violation have been exhausted and the structure is noncompliant. Once invoked, the property’s flood insurance coverage will be terminated and no new or renewal policy can be issued; no flood insurance claim can be paid on any policy on the property, and disaster assistance will be denied.

The declaration must be in writing (letter or citation), from the community to the property owner and the applicable FEMA Regional Office, and must contain the following items:

i. The name(s) of the property owner(s) and address or legal description of the property sufficient to confirm its identity and location;

ii. A clear and unequivocal declaration that the property is in violation of a cited State or local law, regulation or ordinance;

iii. A clear statement that the public body making the declaration has authority to do so and a citation to that authority;

iv. Evidence that the property owner has been provided notice of the violation and the prospective denial of insurance; and

v. A clear statement that the declaration is being submitted pursuant to section 1316 of the National Flood Insurance Act of 1968, as amended.

If a structure that has received a Section 1316 declaration is made compliant with the community's floodplain management ordinance, then the Section 1316 declaration can be rescinded by the community and flood insurance eligibility restored.

(3) <u>Administrative appeal; judicial review.</u> Any person receiving a Notice of Violation may appeal the determination of the community, including but not limited to the issuance of a stop work order, the assessment of an administratively-imposed monetary penalty, the suspension, revocation, modification, or grant with condition of a permit by the community upon finding that the holder is in violation of permit conditions, or that the holder is in violation of any applicable ordinance or any of the community's rules and regulations, or the issuance of a notice of bond forfeiture. The Notice of Appeal must be in writing and must be received within ten days from the date of the Notice of Violation. A hearing on the appeal shall take place within thirty days from the date of receipt of the Notice of Appeal by the Floodplain Administrator.

(4) All appeals shall be heard and decided by the community's designated Appeal Board, which shall be the Board of Zoning Adjustments, or their designees. The Appeal Board shall have the power to affirm, modify, or reject the original penalty, including the right to increase or decrease the amount of any monetary penalty and the right to add or delete remedial actions required for correction of the violation and compliance with the community's flood damage prevention ordinance, and any other applicable local, state, or federal requirements. The decision of the Appeal Board shall be final.

(5) A judicial review can be requested by any person aggrieved by a decision or order of the community, after exhausting his/her administrative remedies. They shall have the right to appeal de novo to the Baldwin County Circuit Court.

Section I. Savings Clause. If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held to be noncompliant with 44 Code of Federal Regulation 59-78, such decision shall not affect the validity of the remaining portions of this ordinance.

ARTICLE 3. <u>ADMINISTRATION</u>

Section A. Designation of Floodplain administrator. The Mayor of the City of Daphne shall designate and appoint a Floodplain Administrator to administer and implement the provisions of this ordinance.

Section B. Permit Procedures. Applications for a Development Permit shall be made to the Floodplain Administrator on forms furnished by the community PRIOR to any development activities, and may include, but not be limited to the following: plans in duplicate drawn to scale showing the elevations of the area in question and the nature, location, dimensions of existing or proposed structures, fill placement, storage of materials or equipment, and drainage facilities.

Specifically, the following procedures and information are required for all projects in the Special Flood Hazard Areas within the jurisdiction of the City of Daphne:

(1) <u>Application Stage.</u> Plot plans shall include:

(a) The Base Flood Elevation (BFE) where provided as set forth in Article 2, Section B; Article 4, Section C; or Article 5, Section D;

(b) Boundary of the Special Flood Hazard Area and floodway(s) as delineated on the FIRM or other flood map as determined in Article 2, Section B;

(c) Flood zone designation of the proposed development area as determined on the FIRM or other flood map as determined in Article 2, Section B;

(d) Elevation in relation to mean sea level (or highest adjacent grade) of the regulatory lowest floor level, including basement, of all proposed structures;

(e) Elevation in relation to mean sea level to which any non-residential structure will be flood proofed;

(f) Design certification from a registered professional engineer or architect that any proposed non-residential flood-proofed structure will meet the flood-proofing criteria of Article 4, Sections B(2) and E(2);

(g) A Foundation Plan, drawn to scale, that shall include details of the proposed foundation system to ensure all provisions of this ordinance are met. These details include, but are not limited to, the proposed method of elevation (i.e., fill, solid foundation perimeter wall, solid backfilled foundation, open foundation on columns/posts/piers/piles/shear walls) and description of any flood openings required in accordance with Article 4, Sections B(1), B(3), D(7), and E(1) when solid foundation perimeter walls are used.

(h) Usage details of any enclosed areas below the lowest floor shall be described.

(i) Plans and/or details for the protection of public utilities and facilities such as sewer, gas, electrical, and water systems to be located and constructed to minimize flood damage.

(j) Description of the extent to which any watercourse will be altered or relocated as a result of a proposed development including current and proposed locations of the watercourse. An engineering report shall be provided on the effects of the proposed project on the flood-carrying capacity of the watercourse and the effects to properties located both upstream and downstream. The affected properties shall be depicted on a map or on the plot plan.

(k) Certification of the plot plan by a licensed professional engineer or surveyor in the State of Alabama is required.

(2) <u>Construction Stage</u>. For all new construction and substantial improvements, the permit holder shall provide to the Administrator an as-built certification of the regulatory floor elevation or flood proofing level using appropriate FEMA elevation or flood proofing certificate immediately after the lowest floor or flood-proofing is completed.

(a) When flood-proofing is utilized for non-residential structures, said certification shall be prepared by or under the direct supervision of a professional engineer or architect and certified by same.

(b) Any work undertake prior to submission of these certifications shall be at the permit holder's risk.

(c) The Floodplain Administrator shall review the above referenced certification data submitted. Deficiencies detected by such a review shall be corrected by the permit holder immediately and prior to further progressive work being allowed to proceed. Failure to submit certification or failure to make said corrections required hereby shall be cause to issue a stop-work order for the project.

(d) The Floodplain Administrator shall make periodic inspections of projects during construction throughout the Special Flood Hazard Areas within the jurisdiction of the community to ensure that the work is being done according to the provisions of the local ordinance and the terms of the permit. Members of his or her inspections/engineering department shall have a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action.

(e) The Floodplain Administrator may revoke and require the return of the floodplain development permit by notifying the permit holder in writing stating the reason(s) for the revocation. Permits shall be revoked for any substantial departure from the approved application, plans, and specifications; for refusal or failure to comply with the requirements of State or local laws; or for false statements or misrepresentations made in securing the permit. Any floodplain development permit mistakenly issued in violation of an applicable State or local law may also be revoked.

(f) In any lot or lots/areas that will be or have been removed from the special flood hazard area utilizing a Letter of Map Revision Based on Fill (LOMR-F), the top of fill level must meet the community's freeboard elevation at that location. If the top of fill level is below the freeboard elevation, all new structures, additions to existing buildings or substantial improvement must meet the required community freeboard elevation.

(3) Finished Construction. Upon completion of construction, a FEMA elevation certificate (FEMA Form 81-31), which depicts all finished construction elevations, is required to be submitted to the Floodplain Administrator prior to issuance of a Certificate of Occupancy.

(a) If the project includes a floodproofing measure, a FEMA floodproofing certificate is required to be submitted by the permit holder to the Floodplain Administrator.

(b) The Floodplain Administrator shall review the certificate(s) data submitted. Deficiencies detected by such review shall be corrected by the permit holder immediately and prior to Certificate of Compliance/Occupancy issuance.

(c) In some instances, another certification may be required to certify corrected as-built construction. Failure to submit the certification or failure to make required corrections shall be cause to withhold the issuance of a Certificate of Compliance/Occupancy.

(d) Documentation regarding completion and compliance with the requirements stated in the permit application and with Article 3, Section B(1) of this ordinance shall be provided to the local Floodplain Administrator at the completion of construction or records shall be maintained throughout the Construction Stage by inspectors for the Floodplain Administrator. Failure to provide the required documentation shall be cause to withhold the issuance of a Certificate of Compliance/Occupancy.

(e) All records that pertain to the administration of this ordinance shall be maintained and made available for public inspection, recognizing that such information may be subject to the Privacy Act of 1974, as amended.

Section C. Duties and responsibilities of the administrator. Duties of the Floodplain Administrator shall include, but shall not be limited to:

(1) Review all development permits to assure that the permit requirements of this ordinance have been satisfied and that the site is reasonable safe from flooding.

(2) Review copies of all necessary permits have been received from governmental agencies from which approval is required by Federal or State law, including <u>Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 USC 1334.</u> Maintain such permits permanently with floodplain development permit file.

(3) When Base Flood Elevation data or floodway data have not been provided in accordance with Article 2, Section B, then the Floodplain Administrator shall obtain, review and reasonably utilize any base flood elevation and floodway data available from the federal, state or other sources in order to administer the provisions of Article 4.

(4) Verify and record the actual elevation in relation to mean sea level (or highest adjacent grade) of the regulatory floor level, including basement, of all new construction or substantially improved structures in accordance with Article 3, Section B (2).

(5) Verify and record the actual elevation, in relation to mean sea level to which any new or substantially improved structures have been flood-proofed, in accordance with Article 4, Sections B (2) and D (2).

(6) When flood-proofing is utilized for a structure, the Floodplain Administrator shall obtain certification of design criteria from a registered professional engineer or architect in accordance with Article 3, Section B (1) (c) and Article 4, Section B (2) or D (2).

(7) Notify adjacent communities and The Alabama Department of Natural Resources prior to any alteration or relocation of a watercourse and submit evidence of such notification to the Federal Emergency Management Agency (FEMA), and the Alabama Department of Economic and Community of Affairs (ADECA) and the Office of Water Resources (OWR).

(8) For any altered or relocated watercourse, submit engineering data/analysis within six (6) months to FEMA and ADECA/OWR to ensure accuracy of community

flood maps through the Letter of Map Revision process. Assure flood carrying capacity of any altered or relocated watercourse is maintained.

(9) Where interpretation is needed as to the exact location of boundaries of the Areas of Special Flood Hazard (for example, where there appears to be a conflict between a mapped boundary and actual field conditions) the Floodplain Administrator shall make the necessary interpretation. Any person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in this ordinance.

(10) All records pertaining to the provision of this ordinance shall be maintained in the office of the Floodplain Administrator and shall be open for public inspection.

(11) In addition, the Floodplain Administrator and his or her designated staff is hereby authorized and directed to enforce the provisions of this ordinance. The Administrator is further authorized to render interpretations of this ordinance, which are consistent with its spirit and purpose.

(12) <u>Right of Entry</u>

(a) Whenever necessary to make an inspection to enforce any of the provisions of this ordinance, or whenever the Administrator has reasonable cause to believe that there exists in any building or upon any premises any condition or ordinance violation which makes such building, structure or premises unsafe, dangerous or hazardous, the Administrator may enter such building, structure or premises at all reasonable times to inspect the same or perform any duty imposed upon the Administrator by this ordinance.

(b) If such building or premises are occupied, the Administrator shall first present proper credentials and request entry. If such building, structure, or premises are unoccupied, he shall first make a reasonable effort to locate the owner or other persons having charge or control of such building or premises.

(c) If entry is refused, the Administrator shall have recourse to every remedy provided by law to secure entry.

(d) When the Administrator shall have first obtained a proper inspection warrant or other remedy provided by law to secure entry, no owner or occupant or any other persons having charge, care or control of any building, structure, or premises shall fail or neglect, after proper request is made as herein provided, to promptly permit entry therein by the Administrator for the purpose of inspection and examination pursuant to this ordinance.

(13) Stop Work Orders

(a) Upon notice from the Administrator, work on any building, structure or premises that is being performed contrary to the provisions of this ordinance shall immediately cease.

(b) Such notice shall be in writing and shall be given to the owner of the property, or to his or her agent, or to the person doing the work, and shall state the conditions under which work may be resumed.

(14) Revocation of Permits

(a) The Administrator may revoke a permit or approval, issued under the provisions of this ordinance, in case there has been any false statement or misrepresentation as to the material fact in the application or plans on which the permit or approval was based.

(b) The Administrator may revoke a permit upon determination that the construction, erection, alteration, repair, moving, demolition, installation, or replacement of the structure for which the permit was issued is in violation of, or not in conformity with, the provisions of this ordinance.

ARTICLE 4. PROVISIONS FOR FLOOD HAZARD REDUCTION

Section A. General Standards. In all areas of special flood hazard the following provisions are required:

(1) Require copies of all necessary permits from governmental agencies from which approval is required by Federal or State law, including section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334. Maintain such permits be on file.

(2) New construction and substantial improvements of existing structures shall be anchored to prevent flotation, collapse and lateral movement of the structure;

(3) New construction and substantial improvements of existing structures shall be constructed with materials and utility equipment resistant to flood damage;

(4) New construction and substantial improvements of existing structures shall be constructed by methods and practices that minimize flood damage;

(a) All subdivision proposals shall be consistent with the need to minimize flood damage;

(b) All subdivision proposals shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize flood damage;

(c) All subdivision proposals shall have adequate drainage provided to reduce exposure to flood hazards.

(5) All heating and air conditioning equipment and components, all electrical, ventilation, plumbing, and other service facilities shall be designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.

(6) Manufactured homes shall be anchored to prevent flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over the top or frame ties to ground anchors. This standard shall be in addition to and consistent with applicable State requirements for resisting wind forces.

(7) New and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood water into the system;

(8) New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood water into the systems and discharges from the systems into flood water;

(9) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding, and;

(10) Any alteration, repair, reconstruction or improvement to a structure which is not compliant with the provisions of this ordinance, shall be undertaken only if the non-conformity is not furthered, extended or replaced.

(11) Proposed new construction and substantial improvements that are partially located in an area of special flood hazard shall have the entire structure meet the standards for new construction.

(12) Proposed new construction and substantial improvements that are located in multiple flood hazard risk zones or in a flood hazard risk zone with multiple base flood elevations shall have the entire structure meet the standards for the most hazardous flood hazard risk zone and the highest base flood elevation.

Section B. Specific Standards. In ALL Areas of Special Flood Hazard designated as A1-30, AE, AH, A (with estimated BFE), the following provisions are required;

(1) Residential and Non-residential Structures. Where base flood elevation data are available, new construction or substantial improvement of any structure or manufactured home shall have the lowest floor, including the basement, elevated not lower than one foot above the base flood elevation. Should the solid foundation perimeter walls be used to elevate a structure, openings sufficient to facilitate the unimpeded movements of flood waters shall be provided in accordance with standards of Article 4, Section A (4), “elevated Building”.

(2) Non-Residential Structures. New construction or the substantial improvement of any non-residential structure located in A1-30, AE, or AH zones, may be flood-proofed in lieu of elevation. The structure, together with attendant utility and sanitary facilities, must be designed to be water tight to one (1) foot above the base flood elevation, with walls substantially impermeable to the passage of water, and structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional engineer or architect shall certify that the design and methods of construction are in accordance with accepted standard of practice for meeting the provisions above, and shall provide such certification to the official as set forth above and in Article 3, Section C (6).

Dry floodproofing is allowed only where flood velocities are less than or equal to five feet per second. A registered professional engineer or architect shall certify that the standards of this subsection are satisfied. A Flood Emergency Operation Plan and an Inspection and Maintenance Plan must be provided by the design professional for the building. Such certification shall be provided to the Floodplain Administrator.

(3) Enclosures for Elevated Buildings. All new construction and substantial improvements of existing structures that include ANY fully enclosed area below the base flood elevation, located below the lowest floor formed by the foundation and other exterior walls shall be designed so as to be an unfinished or flood resistant enclosure. The enclosure shall be designed to equalize hydrostatic flood forces on exterior walls by allowing for the automatic entry and exit of flood waters.

(a) Designs for complying with this requirement must either be certified by a professional engineer or architect or meet the following minimum criteria:

i. Provide a minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding (if a structure has more than one enclosed area below the base flood elevation, each shall have openings on exterior walls);

ii. The bottom of all openings shall be no higher than one foot above grade; and

iii. Openings may be equipped with screens, louvers, valves and other coverings and devices provided they permit the automatic flow of floodwater in both directions.

(b) So as not to violate the “Lowest Floor” criteria of this ordinance, the unfinished or flood resistant enclosure shall only be used for parking of vehicles, limited storage of maintenance equipment used in connection with the premises, or entry to the elevated area.

(c) The interior portion of such enclosed area shall not be partitioned or finished into separate rooms. All interior walls, ceilings and floors below the base flood elevation shall be unfinished and/or constructed of flood resistant materials.

(d) Mechanical, electrical or plumbing devices shall not be installed below the Base Flood Elevation. The interior portion of such enclosed area(s) shall be void of utilities except for essential lighting and power as required.

(4) Standards for manufactured homes and recreational vehicles. Where base flood elevation data are available:

(a) All manufactured homes placed or substantially improved on:

i. Individual lots or parcels

ii. In new or substantially improved manufactured home parks or subdivisions

iii. In expansions to existing manufactured home parks or subdivisions,

iv. On a site in an existing manufactured home park or subdivision where a manufactured home has incurred substantial damages as the result of a flood, must have the lowest floor including basement elevated no lower than one foot above the base flood elevation.

(b) Manufactured homes placed or substantially improved in an existing manufactured home park or subdivision may be elevated so that either:

i. The lowest floor of the manufactured home is elevated no lower than one foot above the level of the base flood elevation, or

ii. The manufactured home chassis is elevated and supported by reinforced piers or other foundation elements of at least an equivalent strength of no less than 36 inches in height above grade.

iii. Where no Base Flood Elevation exists, the manufactured home chassis and supporting equipment is supported by reinforced piers or other foundation elements of at least equivalent strength and is elevated to a maximum of 60 inches (five feet) above grade.

(c) All manufactured homes must be securely anchored to an adequately anchored foundation system to resist flotation, collapse and lateral movement. (refer to Article 4, Section A, above)

(d) All recreational vehicles places on sites must either:

i. Be on the site for fewer than 180 consecutive days, fully licensed, on its wheels or jacking system, attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached structures or additions; or

ii. The recreational vehicle must meet all the requirements for "New Construction", including the anchoring and elevation requirements of Article 4 , Section B (3) (a) (c).

(5) Require, until a regulatory floodway is designated, that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A1-30 and AE on the City of Daphne FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.

(6) Accessory Structures (also referred to as appurtenant structures) – This provision generally applies to new and substantially improved accessory structures. When an accessory structure complies with all other provisions of this ordinance (including floodway encroachment), represents a minimal investment (less than $1,000), and meets the requirements outlined below, these structures may be wet-floodproofed and do not have to be elevated or dry floodproofed.

Accessory structures include, but are not limited to, residential structures such as detached garages, storage sheds for garden tools or woodworking, gazebos, picnic pavilions, boathouses, small pole barns, and similar buildings. The following provisions apply to accessory structures built below the base flood elevation:

(a) A permit shall be required prior to construction or installation.

(b) Must be low value (less than $1,000) and not be used for human habitation.

(c) Use must be restricted to parking of personal vehicles or limited storage (low-cost items that cannot be conveniently stored in the principal structure).

(d) Must be designed with an unfinished interior and constructed with flood damage-resistant materials below the BFE.

(e) Must be adequately anchored to prevent flotation, collapse, or lateral movement.

(f) Must have adequate flood openings as described in Article 4, Section A (5) and be designed to otherwise have low flood damage potential.

(g) Shall be constructed and placed on the building site so as to offer the minimum resistance to the flow of floodwaters.

(h) Any mechanical and other utility equipment in the structure must be elevated to or above the BFE or must be floodproofed.

(i) Under limited circumstances communities may issue variances to permit construction of wet-floodproofed accessory structures. Communities should not grant variances to entire subdivisions for accessory structures, especially detached garages. Variances should only be reviewed and issued on an individual or case-by-case basis and be based on the unique characteristics of the site.

Section C. Floodways. Located within Areas of Special Flood Hazard established in Article 2, Section B, are areas designated as floodway. A floodway may be an extremely hazardous area due to velocity floodwaters, debris or erosion potential. In addition, the area must remain free of encroachment in order to allow for the discharge of the base flood without increased flood heights. Therefore, the following provisions shall apply:

(1) The community shall select and adopt a regulatory floodway based on the principle that the area chosen for the regulatory floodway must be designed to carry the waters of the base flood, without increasing the water surface elevation of that flood more than one foot at any point;

(2) Encroachments are prohibited, including fill, new construction, substantial improvements or other development within the regulatory floodway. Development may be permitted however, provided it is demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the encroachment shall not result in any increase in flood levels or floodway widths during a base flood discharge. A registered professional engineer must provide supporting technical data and certification thereof.

(3) A community may permit encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations, provided that the community first applies for a conditional letter of map revision (CLOMR) and floodway revision, fulfills the requirements for such revisions as established under the provisions of § 65.12, and receives the approval of FEMA;

(4) 44 CFR 60.3: “Require until a regulatory floodway is designated, that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A and AE on the FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other

existing and anticipated development, will not increase the water surface elevation of the base flood more than on foot at any point within the City."

(5) ONLY if Article 4, Section C, provisions (1) through (3) are satisfied, then any new construction or substantial improvement shall comply with all other applicable flood hazard reduction provisions of Article 4.

Section D. Building standard for streams without established base flood elevation and/or floodway (a-zones). Located within the Areas of Special Flood Hazard established in Article 2, Section B, where streams exist but no base flood data have been provided (a-zones), the following provisions apply:

(1) Base flood elevation data shall be provided for subdivision proposals and all other proposed development, including manufactured home parks and subdivisions, greater than fifty (50) lots or five (5) acres, whichever is the lesser.

(2) All development in Zone A must meet the requirements of Article 4, Section A and Section B(1) through B(4).

(3) When base flood elevation data or floodway data have not been provided in accordance with Article 2, Section B, then the Floodplain Administrator shall obtain, review and reasonably utilize any scientific or historic Base Flood Elevation and floodway data available from a Federal, State, or other source, in order to administer the provision of Article 4. ONLY if data are not available from these sources, then the following provisions shall apply:

a. No encroachments, including structures or fill material shall be located within an area equal to the width of the stream or twenty-five (25) feet, whichever is greater, measured from the top of the stream bank, unless certification by a registered professional engineer is provided demonstrating that such encroachment shall not result in any increase in flood levels during the occurrence of the base flood discharge.

b. In special flood hazard areas without base flood elevation data, new construction and substantial improvements of existing structures shall have the lowest floor of the lowest enclosed areas (including basement) elevated no less than three (3) feet above the highest adjacent grade.

c. In the absence of a base flood elevation, a manufactured home must also meet the elevation requirements of Article 4, Section B(4)(b)(ii) in that the structure must be elevated to a maximum of 60 inches (5 feet).

d. Openings sufficient to facilitate automatic equalization of flood water hydrostatic forces on exterior walls shall be provided in accordance with standards of Article 4, Section B(3)(a). The Floodplain Administrator shall certify the lowest floor elevation level and the record shall become a permanent part of the permit file.

e. Fill within the area of special flood hazard shall result in no net loss of natural floodplain storage. The volume of loss of floodwater storage due to filling in the special flood hazard area shall be offset by providing an equal volume of flood storage by excavation or other compensatory measures at or adjacent to the development site. Any excavation or other measures taken for compensatory storage shall be properly designed to provide protection against erosion or overgrowth of vegetation in order to preserve the storage volume. Proper maintenance measures shall also be undertaken to ensure the intended storage volume remains in perpetuity.

Section E. Standards for areas of shallow flooding (A-O Zones). Areas of Special Flood Hazard established in Article 2, Section B, may include designated "AO" shallow flooding areas. These areas have base flood depths of one to three feet (1' to 3') above ground, with no clearly defined channel. The following provisions apply:

(1) All new construction and substantial improvements of residential and nonresidential structures shall have the lowest floor, including basement, elevated above the highest adjacent grade at least as high as the depth number specified on the Flood Insurance Rate Map (FIRM) plus one foot of freeboard. If no flood depth number is specified, the lowest floor, including the basement, shall be elevated at least three feet (3) above the highest adjacent grade. Openings sufficient to facilitate the unimpeded movements of flood waters shall be provided in accordance with standards of Article 4, Section B(3), "Elevated Buildings." The Floodplain Administrator shall certify the lowest floor elevation level and the record shall become a permanent part of the permit file.

(2) New construction or the substantial improvement of a non-residential structure may be flood-proofed in lieu of elevation. The structure, together with attendant utility and sanitary facilities, must be designed to be water tight to the specified FIRM flood level plus two (2) feet, above highest adjacent grade, with walls substantially impermeable to the passage of water, and structural components having the capability of resisting hydrostatic and hydrodynamic loads and the effect of buoyancy. A registered professional engineer or architect shall certify that the design and methods of construction are in accordance with accepted standards of practice for meeting the provisions above, and shall provide such certification to the official as set forth above and as required in Article 3 (B), 1 (C) and 3 (B) (2).

(3) Drainage paths shall be provided to guide floodwater around and away from any proposed structure.

Section F. Coastal high hazard areas (V-Zones). Located within the areas of special flood hazard established in Article 2, Section B, are areas designated as Coastal High Hazard Areas (V-Zones). These areas have special flood hazards associated with wave action and storm surge; therefore, the following provisions shall apply, in addition to the standards of Article 4:

(1) All new construction and substantial improvements of existing structures shall be located landward of the reach of the mean high tide;

(2) All new construction and substantial improvements of existing structures shall be elevated on piles, columns, or shear walls parallel to the flow of water so that:

(a) The bottom of the lowest supporting horizontal structural bottom of the lowest supporting horizontal structural member (excluding pilings or columns) is located no lower than one foot above the base flood elevation level. All space below the lowest supporting member shall remain free of obstruction.

(b) Open lattice work, break away walls, or decorative screening may be permitted for aesthetic purposes only and built in accordance with Article 4, Section F (5) below.

(c) All pile and column foundations and the structures attached thereto shall be anchored to resist flotation, collapse, and lateral movement due to the combined effects of wind and water loads acting simultaneously on ALL building components, both (non-structural and structural). Water loading values shall equal or exceed those of the base flood. Wind loading values shall be in accordance with the most current edition of the INTERNATIONAL BUILDING CODES.

(3) All new construction and substantial improvements of existing structures shall be securely anchored on pilings, columns, or shear walls.

(4) A registered professional engineer or architect shall certify that the design, specifications and plans for construction are in full compliance with the provisions contained in Article 4 Sections F (2), (3), and (4) herein.

(5) All space below the lowest horizontal supporting member must remain free of obstruction. Open lattice work or decorative screening may be permitted for aesthetic purposes. For all new construction and substantial improvements in VE Zones and Coastal AE Zones, the space below the lowest horizontal-supporting member must remain free of obstruction. As an alternative, the space may be constructed with non-supporting breakaway walls, open wood or vinyl latticework, or insect screening which must be designed to break away or collapse under wind and water loads without causing collapse, displacement, or other

structural damage to the elevated portion of the building or supporting foundation system. The following design specifications are required:

(a) No solid walls shall be allowed, and;

(b) Material shall consist of lattice or mesh screening only.

(c) If aesthetic lattice work or screening is utilized, any enclosed space shall not be used for human habitation, but shall be designed to be used only for parking of vehicles, building access, or limited storage of maintenance equipment used in connection with the premises.

(d) For the purpose of this section, a breakaway wall shall have a design safe loading resistance of not less than 10 and no more than 20 pounds per square foot. Breakaway wall enclosures shall not exceed 299 square feet. Use of breakaway walls which exceed a design safe loading resistance of 20 pounds per square foot (either by design or when so required by local codes) may be permitted only if a registered professional engineer or architect certifies that the designs proposed meet the following conditions:

i. Breakaway wall collapse shall result from water load less than that which would occur during the base flood, and;

ii. The effects of wind and water loads acting simultaneously on all building components (structural and nonstructural) must be taken into account. Water loading values used shall be those associated with the base flood. Wind loading values used shall be those requirements by state or local building codes.

iii. The lowest horizontal structural member should be oriented perpendicular to the expected wave crest.

(6) Enclosures below elevated buildings shall be useable solely for storage, parking of vehicles, or building access. Such space will not be used for human habitation and not finished or partitioned into separate rooms.

(7) Prior to construction, plans for any structure using lattice, breakaway walls, or Decorative screening must be submitted to the Floodplain Administrator for approval;

(8) Any alteration, repair, reconstruction or improvement to any structure shall not enclose the space below the lowest floor except with lattice work or decorative screening, as provided in this Section.

(9) Obtain the elevation (in relation to mean sea level) of the bottom of the lowest structural member of the lowest floor (excluding pilings and columns) of all new

and substantially improved structures in VE Zones and Coastal AE Zones. The Floodplain Administrator shall maintain a record of all such information.

(10) There shall be no fill material used as structural support. Non-compacted fill may be used around the perimeter of a building for landscaping/aesthetic purposes provided the fill will wash out from storm surge, (thereby rendering the building free of obstruction) prior to generating excessive loading forces, ramping effects, or wave deflection. The Floodplain Administrator shall approve design plans for landscaping/aesthetic fill only after the applicant has provided an analysis by an engineer, architect, and/or soil scientist, which demonstrates that the following factors have been fully considered:

(a) Particle composition of fill material does not have a tendency for excessive natural compaction;

(b) Volume and distribution of fill will not cause wave deflection to adjacent properties; and

(c) Slope of fill will not cause wave run-up or ramping.

(11) Under the buildings or structures, no fill may be used except for minor site grading for drainage purposes. Nonstructural fill may be used on coastal building sites for minor landscaping and site grading for drainage purposes to the extent that the fill does not interfere with the free passage of floodwaters and debris underneath the building or cause changes in flow direction during coastal storms. Changes to site grades, other than those prescribed, must be avoided as they can cause additional damage to buildings on the site or to adjacent buildings.

Fill placed in coastal zones should be similar (compatible) to the natural soils in the area and not contain large rocks or debris, organic materials, or clay. Minor site grading is to be limited to the addition of one to two feet of coastal zone compatible soils. If additional fill (greater than two feet) or non-compatible soils are to be added to the site, certification by a professional engineer or architect shall be submitted along with design calculations demonstrating that no adverse impacts will result to the building. (For guidance, see FEMA Technical Bulletin #5 “Free of Obstruction Requirements”).

(12) Prohibit man-made alteration of sand dunes or mangrove stands which would increase which would increase potential flood damage.

(13) Prohibit the placement of manufactured homes (mobile homes), except in an existing manufactured homes park or subdivision. A replacement manufactured home may be placed on a lot in an existing manufactured home park or subdivision provided the anchoring and elevation standards of Article 4, Section B (4) are met.

(14) Permit recreational vehicles in VE Zones and Coastal AE Zones if they meet all of the requirements of Article 4, Section B (4) (d).

Section G. Standards for Subdivisions.

(1) All subdivision proposals shall be consistent with the need to minimize flood damage.

(2) All subdivision proposals shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize flood damage.

(3) All subdivisions proposals shall have adequate drainage provided to reduce exposure to flood hazards.

(4) Base flood elevation data shall be provided for subdivision proposals and all other proposed development, including manufactured home parks and subdivisions, greater than fifty (50) lots or five (5) acres, whichever is less.

(5) All preliminary plans for platted subdivisions shall identify the flood hazard area and the elevation of the base flood.

(6) All final subdivision plats will provide the boundary of the special flood hazard area, the floodway boundary, and the base flood elevations.

(7) In platted subdivisions, all proposed lots or parcels that will be future building sites shall have a minimum buildable area outside the natural (non-filled) 1% chance annual floodplain. The buildable area shall be, at a minimum, large enough to accommodate any primary structure and associated structures such as sheds, barns, swimming pools, detached garages, on-site sewage disposal systems, and water supply wells, where applicable.

Section H. Critical Facilities. Construction of new and substantially improved critical facilities shall be located outside the limits of the special flood hazard area (one percent annual chance floodplain). Construction of new critical facilities shall be permissible within the SFHA only if no feasible alternative site is available and access to the facilities remains available during a 0.2 percent chance flood.

(1) Critical facilities constructed within the SFHA shall have the lowest floor elevated three feet above the base flood elevation at the site (or to the 0.2 percent chance flood elevation whichever is greater).

(2) Floodproofing and sealing measures must be implemented to ensure that any and all on-site toxic substances will not be displaced by or released into floodwaters.

(3) Multiple access routes, elevated to or above the 0.2 percent flood elevation, shall be provided to all critical facilities to the maximum extent possible.

(4) Critical facilities must be protected to or above the 0.2 percent chance flood and must remain operable during such an event.

a. The community's flood response plan must list facilities considered critical in a flood.

b. Other facilities in low risk flood zones that may also be needed to support flood response efforts must be included on the critical facility list.

(5) The use of any structure shall not be changed to a critical facility, where such a change in use will render the new critical facility out of conformance with this section.

ARTICLE 5. VARIANCE PROCEDURES

Section A. Designation of Variance and Appeals Board. The Board of Zoning Adjustments as established by the City Council shall hear and decide requests for appeals or variance from the requirements of this ordinance.

Section B. Duties of Board. The Board of Zoning Adjustments shall hear and decide appeals when it is alleged an error in any requirement, decision, or determination is made by the Floodplain Administrator in the enforcement or administration of this ordinance. Any person aggrieved by the decision of the Board of Zoning Adjustments may appeal such decision to the Baldwin County Circuit Court, as provided in Code of Alabama 1975.

Section C. Variance Procedures. In reviewing requests for variance, the Board of Zoning Adjustments shall consider all technical evaluations, relevant factors, and standards specified in other sections of this ordinance, and:

(1) Variance may be issued for development necessary for the conduct of a functionally dependent use, provided the criteria of the Article are met, no reasonable alternative exists, and the development is protected by methods that minimize flood damage during the base flood and create no additional threats to public safety.

(2) Variances shall not be issued within any designated floodway if ANY increase in flood levels during the base flood discharge would result.

(3) In reviewing such request, the Board of Zoning Adjustments shall consider all technical evaluation, relevant factors, and all standards specified in this and other sections of this ordinance.

(4) The evaluation must be based on the characteristics unique to that property and not be shared by adjacent parcels. The characteristics must pertain to the land itself, not to the structure, its inhabitants, or its owners.

(5) Variances should never be granted for multiple lots, phases of subdivisions, or entire subdivisions.

(6) The danger of life and property due to flooding or erosion damage including materials that may be swept onto other lands to the injury of others.

(7) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner and the community.

(8) The safety of access to the property during flood conditions for daily traffic and emergency vehicles.

(9) The importance of the services provided by the proposed facility to the community.

(10) The necessity of the facility to be at a waterfront location, where applicable.

(11) The compatibility of the proposed use with existing and anticipated development based on the community's comprehensive plan for that area.

(12) The expected heights, velocity, duration, rate of rise, and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site.

(13) The costs associated with providing governmental services to the development during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and community infrastructure such as streets, bridges, and culverts.

Upon consideration of factors listed above, and the purpose of this ordinance, the Board of Zoning Adjustments may attach such conditions to the granting of variances as it deems necessary to further the purposes of this ordinance.

Section D. Variances for Historic Structures. Variances may be issued for the repair or rehabilitation of Historic Structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a Historic Structure and the variance is the minimum to preserve the historic character and design of the structure.

Section E. Conditions for Variances. The provisions of this Ordinance are minimum standards for flood loss reductions, therefore any deviation from the standards must be weighed carefully. Variances shall only be issued upon determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(1) A variance may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size, contiguous to and surrounded by lots with existing structures constructed below the base flood level, in conformance with the procedures of Sections E(3), E(4), F(1) and F(2) of this Article.

(2) In the instance of a Historic Structure, a determination that the variance is the minimum necessary so as not to destroy the historic character and design of the building.

(3) A Variance shall be issued ONLY when there is:

a. A finding of good and sufficient cause,

b. A determination that failure to grant the variance would result in exceptional hardship, and;

c. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisance cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(4) A variance shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(5) Variances shall not be issued "after the fact."

Section F. Variance Notification AND Records.

(1) Any applicant to whom a variance is granted shall be given written notice over the signature of a community official that specifies the difference between the base flood elevation and the elevation of the proposed lowest floor and stating that the issuance of such a variance could:

a. result in rate increases in the hundreds and possibly thousands of dollars annually depending on structure and site-specific conditions; and

b. increase the risk to life and property resulting from construction below the base flood level.

(2) The Floodplain Administrator shall maintain a record of all variance actions and appeal actions, including justification for their issuance. Report any variances to the Federal Emergency Management Agency Region 4 and the Alabama Department of Economic and Community Affairs/Office of Water Resources upon request.

(3) A copy of the notice shall be recorded by the Floodplain Administrator in the Office of the City Clerk and shall be recorded in a manner so that it appears in the chain of title of the affected parcel of land.

ARTICLE 6 DEFINITIONS

For the purpose of this ordinance the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, the words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely derivative.

A Zone means the Area of Special Flood Hazard without base flood elevations determined.

Accessory Structure means a structure which is located on the same parcel of property as a principal structure to be insured and the use of which is incidental to the use of the principal structure. They should constitute a minimal initial investment, may not be used for human habitation, and be designed to have minimal flood damage potential. These structures are used solely for parking (two-car detached garages or smaller) or limited storage (small, low cost storage sheds). They are included under the general definition of structure and are consequently subject to all floodplain management regulations pertaining to structures. "*Appurtenant structure*" shall have the same meaning as accessory structure.

Addition (to an existing building) means any improvement that increases the square footage of a structure. These include lateral additions added to the front, side, or rear of a structure, vertical additions added on top of a structure, and enclosures added underneath a structure. NFIP regulations for new construction apply to any addition that is considered a perimeter expansion or enclosure beneath a structure. If it is considered to be a substantial improvement (more than 50% of market value) to a structure, the existing structure will also need to be treated as new construction. Depending on the flood zone and details of the project, the existing building may not have to be elevated. The determining factors are the common wall and what improvements are made to the existing structure. If the common wall is demolished as part of the project, then the entire structure must be elevated. If only a doorway is knocked through it and only minimal finishing is done, then only the addition has to be elevated.

AE Zone means the Area of Special Flood Hazard with base flood elevations determined.

AH Zone means an area of one percent chance of shallow flooding where depths are between one to three feet (usually shallow ponding), with base flood elevations shown.

AO Zone means an area of one percent chance of shallow flooding where depths are between one to three feet (usually sheet flow on sloping terrain), with depth numbers shown.

Appeal means a request for a review of the Building Official's interpretation of any provision of this ordinance

AR/AE, AR/AH, AR/AO, and *AR/A Zones* means a flood zone that results from the decertification of a previously accredited flood protection system or levee that is in the process of being restored to provide a one percent chance or greater level of flood protection. After restoration is complete, these areas will still experience residual flooding from other flooding sources.

A99 Zone means that part of the special flood hazard area inundated by the one percent annual chance flood to be protected from the one percent chance flood by a Federal flood protection system or levee under construction, no base flood elevations are determined.

Area of shallow flooding means a designated AO or AH Zone on a community's Flood Insurance Rate Map (FIRM) with base flood depths from one to three feet, and/or where a clearly defined channel does not exist where the path of flooding is unpredictable and indeterminate, and where velocity flow may be evident.

Area of special flood hazard is the land the floodplain within a community subject to one percent or greater chance of flooding in any given year. In the absence of official designation by the Federal Emergency Management Agency, Areas of Special Flood Hazard shall be those designated by the local community and referenced in Article 2, Section B.

Base flood means the flood having one (1) percent chance of being equaled or exceeded in any given year.

Base flood elevation means the computed elevation to which floodwater is anticipated to rise during the base flood. It is also the elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year. Base Flood Elevations are shown in the FIS and on the Flood Insurance Rate Map (FIRM) for zones AE, AH, A1–A30, AR, AR/A, AR/AE, AR/A1– A30, AR/AH, AR/AO, V1–V30 and VE.

Basement means that portion of a building having its floor sub-grade (below ground level) on all sides.

Breakaway wall means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or the supporting foundation system.

Building means any structure built for support, shelter or enclosure for any occupancy or storage. (See *Structure*)

Building (also see *Structure*) means (1) A structure with 2 or more outside rigid walls and a fully secured roof, that is affixed to a permanent site; or (2) a manufactured home (a "manufactured home," also known as a mobile home, is a structure built on a permanent chassis, transported to its site in 1 or more sections, and affixed to a permanent foundation); or (3) a travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and building ordinances or laws.

Coastal High Hazard Area means the area subject to high velocity waters caused by, but not limited to, hurricane wave wash. The area is designated on a FIRM as Zone V1-30, VE or V.

Community means a political entity and/or its authorized agents or representatives that have the authority to adopt and enforce floodplain ordinances for the area under its jurisdiction.

Community Rating System (CRS) means a program developed by the Federal Insurance Administration to provide incentives for those communities in the Regular Program that have gone beyond the minimum floodplain management requirements to develop extra measures to provide protection from flooding.

Critical facility (aka, *critical action*) means facilities for which the effects of even a slight chance of flooding would be too great. The minimum floodplain of concern for critical facilities is the 0.2 percent chance flood level. Critical facilities include, but are not limited to facilities critical to the health and safety of the public such as: emergency operations centers, designated public shelters, schools, nursing homes, hospitals, police, fire and emergency response installations, vital data storage centers, power generation and water and other utilities (including related infrastructure such as principal points of utility systems) and installations which produce, use or store hazardous materials or hazardous waste (as defined under the Clean Water Act and other Federal statutes and regulations).

D Zone means an area in which the flood hazard is undetermined.

Dam means any artificial barrier, including appurtenant works, constructed to impound or divert water, waste water, liquid borne materials, or solids that may flow if saturated. All structures necessary to maintain the water level in an impoundment or to divert a stream from its course will be considered a dam.

Development means any man-made change to improved or unimproved real estate, including, but not limited to, buildings or other structures, mining, dredging, filling, grading, paving, excavation, drilling operations, and storage of equipment or material.

Dry Floodproofing means any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate flood damages to real estate or improved real estate property, water, and sanitary facilities, structures, and their contents. Structures shall be floodproofed with a minimum of 12 inches above the base flood elevation (more is recommended). Dry floodproofing of a pre-FIRM residential structure that has not been substantially damaged or improved is allowed. Dry floodproofing of a post-FIRM residential building is not allowed. Non-residential structures may be dry floodproofed in all flood zones with the exception of the Coastal High Hazard Area or the Coastal AE Zone.

Elevated Building means a non-basement building built to have the lowest floor of the lowest enclosed area elevated above the ground by means of solid foundation perimeter walls, pilings, columns, piers, or shear walls adequately anchored so as not to impair the structural integrity of the building during a base flood event.

Elevation Certificate means a FEMA form used as a certified statement that verifies a building's elevation information.

Encroachment means the advance or infringement of uses, plant growth, fill, excavation, buildings, structures or development into a floodplain, which may impede or alter the flow capacity of a floodplain.

Existing Construction – Any structure for which the start of construction commenced before January 5, 1981 (i.e., the effective date of Ordinance 1981-1, the first floodplain management code or ordinance adopted by the City of Daphne as a basis for that community's participation in the National Flood Insurance Program (NFIP)), or before January 1, 1975, for FIRMs effective before that date. Existing construction may also be referred to as existing structures.

Existing manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured home are to be affixed (including at a minimum the installation of utilities, the construction of streets, and final site grading or the pouring of concrete pads) is completed before January 5, 1981 (i.e., the effective date of the FIRST floodplain management regulations adopted by a community).

Expansion to an existing manufactured home park or subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed, including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads.

Flood or *Flooding* means a general and temporary condition partial or complete inundation of normally dry land areas from:

(a) The overflow of inland or tidal waters; or

(b) The unusual and rapid accumulation or runoff of surface waters from any source.

(c) Mudslides which are proximately caused by flooding as described in part "b." of this definition and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.

(d) The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually highwater level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature, such as flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event which results in flooding as defined in part "a." of this definition.

Flood Hazard Boundary Map (FHBM) means an official map of the community, issued by the Federal Insurance Administration, where the boundaries of areas of special flood hazard have been designated a Zone A.

Flood Insurance Rate Map (FIRM) means an official map of a community, issued by the Federal Insurance Administration, delineating the areas of special flood hazard and/or risk premium zones applicable to the community.

Flood Insurance Study means the official report by the Federal Insurance Administration evaluating flood hazards and containing flood profiles and water surface elevations of the base flood.

Floodplain means any land area susceptible to flooding.

Floodplain management means the operation of an overall program of corrective and preventive measures for reducing flood damage and preserving and enhancing, where possible, natural resources in the floodplain, including but not limited to emergency preparedness plans, flood control works, floodplain management regulations, and open space plans.

Floodplain management regulations means this ordinance and other zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances, and other applications of police power which control development in flood-prone areas. This term describes federal, state, or local regulations in any combination thereof, which provide standards for preventing and reducing flood loss and damage.

Floodproofing means any combination of structural and nonstructural additions, changes or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities or structures with their contents.

Floodway means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. "*Regulatory Floodway*" shall have the same meaning.

Floodway fringe means that area of the special flood hazard area on either side of the regulatory floodway.

Flood Protection Elevation means the base flood elevation plus the community freeboard. In areas where no base flood elevations exist from any authoritative source, the flood protection elevation can be historical flood elevations or base flood elevations determined and/or approved by the floodplain administrator plus freeboard.

Functionally dependent facility means a facility which cannot be used for its intended purpose unless it is located or carried out in close proximity to water, such as a docking or port facility necessary for the loading and unloading of cargo or passengers, shipbuilding, or ship repair facilities. The term does not include long-term storage, manufacture, sales, or service facilities.

Hardship (as related to variances of this ordinance) means the exceptional difficulty that would result from a failure to grant the requested variance. The Board of Zoning Adjustments requires that the variance is exceptional, unusual, and peculiar to the property involved. Mere economic or financial hardship alone is NOT exceptional. Inconvenience, aesthetic considerations, physical handicaps, personal preferences, or the disapproval of one's neighbors likewise cannot, as a rule, qualify as an exceptional hardship. All of these problems can be resolved through other means without granting a variance, even if the alternative is more expensive, or requires the property owner to build elsewhere or put the parcel to a different use than originally intended.

Highest adjacent grade means the highest natural elevation of the ground surface, prior to construction, adjacent to the proposed walls of a structure.

Historic Structure means any structure that is:

(a) Listed individually in the National Register of Historic Places (a listing maintained by the U.S. Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(b) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance for a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

(c) Individually listed on a state inventory of historic places and determined as eligible by states with historic preservation programs which have been approved by the Secretary of the Interior; or

(d) Individually listed on a local inventory of historic places and determined as eligible by communities with historic preservation programs that have been certified either:

(i) By an approved state program as determined by the Secretary of the Interior, or

(ii) Directly by the Secretary of the Interior in states without approved programs.

Letter of Map Change (LOMC) is an official FEMA determination, by letter, to amend or revise effective Flood Insurance Rate Maps, Flood Boundary and Floodway Maps, and Flood Insurance Studies. LOMC's are broken down into the following categories:

(a) <u>Letter of Map Amendment</u> (LOMA): an amendment based on technical data showing that a property was incorrectly included in a designated SFHA, was not elevated by fill (only by a natural grade elevation), and will not be inundated by the one percent chance flood. A LOMA amends the current effective FIRM and establishes that a specific property is not located in a SFHA.

(b) <u>Letter of Map Revision</u> (LOMR): a revision based on technical data that, usually due to manmade changes, shows changes to flood zones, flood elevations, floodplain and floodway delineations, and planimetric features. One common type of LOMR, a LOMR-F, is a determination concerning whether a structure or parcel has been elevated by fill above the BFE and is, therefore, excluded from the SFHA.

(c) Conditional Letter of Map Revision (CLOMR): a formal review and comment by FEMA as to whether a proposed project complies with the minimum NFIP floodplain management criteria. A CLOMR does not revise effective Flood Insurance Rate Maps, Flood Boundary and Floodway Maps, or Flood Insurance Studies.

Lowest adjacent grade means the point of the ground level immediately next to a building. This may be the sidewalk, patio, deck support, or basement entryway immediately next to the structure after the completion of construction. It does not include earth that is placed for aesthetic or landscape reasons around a foundation wall. It does include natural ground or properly compacted fill that comprises a component of a building's foundation system.

Levee means a man-made structure; usually an earthen embankment designed and constructed, in accordance with sound engineering practices to contain, control, or diverts the flow of water so as to provide protection from temporary flooding.

Levee System means a flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

Lowest Floor means the lowest floor of the lowest enclosed area (including Basement). An unfinished or flood resistant enclosure, used solely for parking of vehicles, building access, or storage in areas other than a basement, is not considered a building's lowest floor, provided that such enclosure is not built so as to render the structure in violation of other provision of this code.

Manufactured Home means a building, transportable in one or more sections built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. The term includes park trailer, travel trailers and similar transportable structures placed on a site for 180 consecutive days or longer and intended to be improved property.

Market value means the property value (as agreed between a willing buyer and seller), excluding the value of land as established by what the local real estate market will bear. Market value can be established by independent certified appraisal; replacement cost depreciated by age of building (Actual Cash Value); or adjusted assessed values.

Mean Sea Level means the average height of the sea for all stages of the tide. It is used as a reference for the base flood elevations shown on a community's Flood Insurance Rate Map (FIRM). For purposes of this ordinance, the term is synonymous with National Geodetic Vertical Datum (NGVD) of 1929, North American Vertical Datum (NAVD) of 1988, or other datum.

National Geodetic Vertical Datum (NGVD) as corrected in 1929 is a vertical control used as a reference for establishing varying elevations within the floodplain.

New Construction means ANY structure (see definition) for which the "start of construction" commenced after January 5, 1981, and includes any subsequent improvements to the structure (i.e., the effective date of the FIRST floodplain management ordinance adopted by the community as a basis for community participation in the (NFIP)) and includes any subsequent improvements to such structures.

New manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after January 5, 1981 (i.e., the effective date of the first floodplain management regulations adopted by a community).

Non-Residential means, but is not limited to; small business concerns, churches, schools, farm buildings (including grain bins and silos), pool houses, clubhouses, recreational buildings, mercantile structures, agricultural and industrial structures, warehouses, and hotels and motels with normal room rentals for less than 6 months duration.

North American Vertical Datum (NAVD) of 1988 means a vertical control, corrected in 1988, used as a reference for establishing varying elevations within the floodplain.

Obstruction means, but is not limited to, any dam, wall, wharf, embankment, levee, dike, pile, abutment, protection, excavation, channel construction, bridge, culvert, building, wire, fence, rock, gravel, refuse, fill, structure, vegetation or other material in, along, across or projecting into any watercourse which may alter, impede, retard or change the direction and/or velocity of the flow of water, or due to its location, its propensity to snare or collect debris carried by the flow of water, or its likelihood of being carried downstream.

One Percent Flood (aka *100-Year Flood*) is the flood that has a one percent chance of being equaled or exceeded in any given year. Any flood zone that begins with the letter A or V is subject to inundation by the one percent chance flood. Over the life of a 30-year loan, there is a 26-percent chance of experiencing such a flood within the SFHA.

Participating Community is any community that voluntarily elects to participate in the NFIP by adopting and enforcing floodplain management regulations that are consistent with the standards of the NFIP.

Post-FIRM Construction means new construction and substantial improvements for which start of construction occurred after December 31, 1974, or on or after the effective date of the initial FIRM of the community, whichever is later.

Pre-FIRM Construction means new construction and substantial improvements for which start of construction occurred on or before December 31, 1974, or before the effective date of the initial FIRM of the community, whichever is later.

Probation means an action taken by FEMA to formally notify participating communities of the first of the two NFIP sanctions due to their failure to correct violations and deficiencies in the administration and enforcement of the local floodplain management regulations.

Public safety and nuisance means anything which is injurious to the safety or health of an entire community or neighborhood, or any considerable number of persons, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin.

Recreational vehicle means a vehicle which is:

(a) Licensed and titled as a recreational vehicle or park model;

(b) Built on a single chassis;

(c) 400 square feet or less when measured at the largest horizontal projection;

(d) Has no attached deck, porch, or shed;

(e) Has quick-disconnect sewage, water, and electrical connectors;

(f) Designed to be self-propelled or permanently towable by a light duty truck; and

(g) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

Regular Program means the second phase of the community's participation in the NFIP in which second layer coverage is available based upon risk premium rates only after FEMA has completed a flood risk study for the community.

Remedy a violation means to bring the structure or other development into compliance with State or local floodplain management regulations, or, if this is not possible, to reduce the impacts of its noncompliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the ordinance or otherwise deterring future similar violations, or reducing Federal financial exposure with regard to the structure or other development.

Repetitive Loss means flood related damages sustained by a structure on two separate occasions during a 10 year period for which the cost of repairs at the time of each such flood event, on the average, equals or exceeds 25 percent of the market value of the structure before the damages occurred.

Repetitive Loss Property means any insurable structure for which two or more claims of more than $1,000 were paid by the National Flood Insurance Program (NFIP) within any rolling 10-year period, since 1978. At least two of the claims must be more than ten days apart but, within ten years of each other. A repetitive loss property may or may not be currently insured by the NFIP.

Section 1316 means no new flood insurance policy or federal disaster assistance shall be provided for any property which the Administrator finds has been declared by a duly constituted State or local zoning authority or other authorized public body, to be in violation of State or local laws, regulations or ordinances which are intended to discourage or otherwise restrict land development or occupancy in floodprone areas. If the structure is made compliant with the applicable community's floodplain management ordinance, then the Section 1316 declaration can be rescinded by the community and flood insurance and disaster assistance eligibility restored.

Severe Repetitive Loss Structure means any insured property that has met at least one of the following paid flood loss criteria since 1978, regardless of ownership:

(a) Four or more separate claim payments of more than $5,000 each (including building and contents payments); or

(b) Two or more separate claim payments (building payments only) where the total of the payments exceeds the current market value of the property.

In either case, two of the claim payments must have occurred within ten years of each other. Multiple losses at the same location within ten days of each other are counted as one loss, with the payment amounts added together.

Special flood hazard area (SFHA) means that portion of the floodplain subject to inundation by the base flood and/or flood-related erosion hazards as shown on a FHBM or FIRM as Zones A, AE, AH, AO, AR, AR/AE, AR/AO, AR/AH, AR/A, A99, or VE.

Sand Dunes means naturally occurring accumulations of sand in ridges or mounds landward of the beach.

Start of construction means the date the development permit was issued, provided the actual start of construction, repair, reconstruction, or improvement was within 180 days of the permit date. The actual start means the first placement of permanent date. The actual start means the first placement of permanent construction of the structure such as the pouring of slabs or footing, installation of piles, construction of columns, or any work beyond the stage of excavation, and includes the placement of a manufactured home on a foundation. (Permanent construction does not include initial land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footing, piers or foundation or the erection of temporary forms; note does it include the installation on the property of buildings appurtenant to the permitted structure, such as garages or sheds not occupied as dwelling units or part of the main structure. (NOTE: accessory structures are NOT exempt from any ordinance requirements) For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure means a walled and roofed building that is principally above ground, a manufactured home, a gas or liquid storage tank.

Substantial Damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to it's before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. Substantial damage means flood-related damages sustained by a structure on two separate occasions during a 10-year period for which the cost of repairs at the time of each such flood event, on the average equals or exceeds 25 percent of the market value of the structure before the damages occurred.

Substantial Improvement means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "repetitive Loss" or "substantial damage", regardless of the actual repair work performed. The market value of the building should be (1) the appraised value of the structure prior to the start of the initial repair or improvement, or (2) in the case of damage, the value of the structure prior to the damage occurring. This term includes structures which have incurred "substantial damage", regardless of the actual amount of repair work performed.

For the purposes of this definition, "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the building. The term does not, however, include either:(1) any project for improvement of a structure to correct existing violations of state or local health, sanitary or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions, or; (2) any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure".

Substantially improved existing manufactured home parks or subdivisions is where the repair, reconstruction, rehabilitation or improvement of the streets, utilities and pads equals or exceeds 50 percent of the value of the streets, utilities and pads before the repair, reconstruction or improvement commenced.

Variance is a grant of relief from the requirements of this ordinance which permits construction in a manner otherwise prohibited by this ordinance.

Violation means the failure of a structure or other development to be fully compliant with the community's flood plain management regulation. A structure or other development without the elevation certificate, other certification, or other evidence of compliance required in the Code of Federal Regulations (CFR,44,Sec 60.3(b)(5), (c)(4), (c)(10), (d)(3),(e)(4), or (e)(5) and corresponding parts of this ordinance is presumed to be in violation until such time as that documentation is provided.

Watercourse means any flowing body of water including a river, creek, stream, or a branch.

Water surface elevation means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929, the North American Vertical Datum (NAVD) of 1988, (or other datum, where specified) of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

Wet floodproofing means a method of construction which allows water to enter a structure in such a way that will minimize damage to the structure and its contents. Wet floodproofing is appropriate for functionally dependent use and uses that facilitate open space use by variance only, structures utilized for parking or limited storage, or when all other techniques are not technically feasible. Wet floodproofing shall not be utilized as a method to satisfy the requirements of this ordinance for bringing substantially damaged or improved structures into compliance. Wet floodproofing is not allowed in lieu of complying with the lowest floor elevation requirements for new residential buildings.

X Zones (shaded) are areas of 0.2 percent chance flood that are outside of the SFHA subject to the one percent chance flood with average depths of less than one foot, or with contributing drainage area less than one square mile, and areas protected by certified levees from the base flood.

X Zones (unshaded) are areas determined to be outside the 0.2 percent chance floodplain.

Zone means a geographical area shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map that reflects the severity or type of flooding in the area.

ARTICLE 7. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion hereof.

ARTICLE 8. REPEALER

Ordinance 2019-10 is hereby repealed and replaced by this Ordinance. Any other Ordinance of parts of Ordinances conflicting with the provisions of this Ordinance is hereby repealed insofar as they conflict. This Repealer shall not, however, effect, terminate, or preclude any rights, duties, requirements or terms which arose or existed while said Ordinance was in effect, all of which are specifically preserved.

ARTICLE 9. EFFECTIVE DATE

This Ordinance shall take effect and be in force from and after the date of its approval by the City Council of Daphne and publication as required by law.

ADOPTED AND APPROVED BY THE CITY COUNCIL OF DAPHNE, ALABAMA, ON THE 1st DAY OF April, 2019.

____

Dane Haygood, Mayor

ATTEST:

____

Candace G. Antinarella, City Clerk

CITY OF DAPHNE, ALABAMA
ORDINANCE 2019-22

ADDITIONAL APPROPRIATION: MAST ARM POLES & SIGNAL UPGRADE: JOHNSON ROAD / US HWY 98 & US 98/CR64 INTERSECTION IMPROVEMENTS

WHEREAS, Ordinance 2018-35 approved and adopted the Fiscal Year 2019 Budget on October 1, 2018; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2019 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2019 budget; and

WHEREAS, ALDOT is closing out various projects from the last 15 years; and

WHEREAS, two of the projects were to systematically upgrade signals throughout the City as needed for enhanced traffic flow and to allow the use of an Intelligent Traffic Signal System and Mast Arm Poles & Signal Upgrades were installed; and

WHEREAS, Alabama Department of Transportation (ALDOT) has completed the reconfiguring of intersection of U.S. 98 and Johnson Road (ST-002-042-024) by shifting and adding turn lanes and making improvements for the intersection of U. S. 98 and County Road 64 (ST-002-042-020); and

WHEREAS, Ordinance 2014-32 appropriated $75,000, 50% of the estimated $150,000 project cost, for the Mast Arm Poles installation and Signal Upgrades for U. S. 98 and Johnson Road; and

WHEREAS, ALDOT has invoiced the City for the final amount due for the two projects (ST-002-042-020 & ST-002-042-024) in the amount of $30,127.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, that

1. Funds in the amount of $30,127 from Capital Reserve Fund and made a part of the Fiscal Year 2019 budget for the Mast Arm Poles & Signal Upgrade at Johnson Road / US Highway 98 and Improvements at the intersection of U. S. 98 / County Road 64 (ALDOT Project No. ST-002-042-024 & ST-002-042-020).

2. the Mayor is hereby authorized to execute any documents required in order for the City of Daphne related to such ALDOT projects.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE ALABAMA this ____ day of __________, 2019.

____
Dane Haygood, Mayor

Attest:

____
Candace G. Antinarella, City Clerk

CITY OF DAPHNE
ORDINANCE 2019-23

Additional Appropriation: Daphne Sports Complex

WHEREAS, Ordinance 2018-35 approved and adopted the Fiscal Year 2019 Budget on October 1, 2018; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2019 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2019 budget; and

WHEREAS, construction of the Daphne Sports Complex Phase 2 and Phase 3 have been bid and awarded; and

WHEREAS, Ordinance 2018-31 and 2019-01 was adopted to approve additional changes to the Daphne Sports Complex Phase III project and appropriate additional funds for a maintenance building, pond liner, batting cages, hardscape enhancements, sod in lieu of sprigging, and other miscellaneous changes; and

WHEREAS, further additional changes and appropriations are needed for the Daphne Sports Complex and have been requested through the change order process as required; and

WHEREAS, an additional appropriation of $37,450 is immediately needed for said work to progress on improvements to the park; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, that

1) The following additions will be needed to complete the Daphne Sports Complex:
- Quazite boxes and footers for scorer stands - $9,350
- Sod at original batting cage location - $3,767
- Additional concrete and coloring – $14,063
- Waste receptacles and benches - $4,961
- Miscellaneous - $5,309

2) Funds in the amount of **$37,450 from the General Fund and transferred to the Capital Reserve Fund** are appropriated and made a part of the Fiscal Year 2019 budget for additional improvements for the Daphne Sports Complex project.

3) The Mayor is hereby authorized to execute any and all documents required for these additions.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS ________ DAY OF____________, 2019.

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

CITY OF DAPHNE
ORDINANCE 2019-24

Appropriation: Daphne Sports Complex Phase: Excess Engineering Fees for 120 Day Contract Extension – Hutchinson Moore & Rauch LLC.

WHEREAS, Ordinance 2018-35 approved and adopted the Fiscal Year 2019 Budget on October 1, 2018; and

WHEREAS, subsequent to the adoption of the Fiscal Year 2019 budget, the City Council has determined that certain appropriations are required and should be approved and made a part of the Fiscal Year 2019 budget; and

WHEREAS, initial engineering fees were previously appropriated in Ordinance 2017-18 and 2018-19**;** and

WHEREAS, excess engineering services were performed for the Daphne Sports Complex Phase 2 & 3 to improve the plans and accommodate changes; and

WHEREAS, additional monies in the amount of $106,622 were appropriated in Ord 2018-26 and additional appropriation in the amount of $11,978 is needed for February 2019 engineering services performed during the 120 day contract extension timeframe: February, March, April, and May 2019 ; and

WHEREAS, Hutchinson Moore and Rauch LLC will submit March, April, and May 2019 invoices for engineering services provided at a later date.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, that

1). Funds in the amount of **<u>$11,978 from the General Fund and transferred to the Capital Reserve Fund</u>** are appropriated and made a part of the Fiscal Year 2019 budget for the additional cost for engineering services that were performed for the Daphne Sports Complex Phase 3 during the 120 day contract extension timeframe to accommodate changes and completion of the project.

2). The Mayor is hereby authorized to execute any and all documents required in order for the City of Daphne to participate in such project.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA, THIS ________ DAY OF____________, 2019.

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

CITY OF DAPHNE
ORDINANCE 2019-25

An Ordinance Providing for the Repeal of Ordinance 2012-40 Providing for the Adoption of Certain Technical Codes by Reference and Relating to Building Permit and Re-inspection Fees

WHEREAS, the City Council of the City of Daphne (the "City") desires to promote the health, safety, and welfare of the citizens of the City by establishing uniform rules and regulations for the building, constructing, and all other related activities within the City of Daphne; and

WHEREAS, the City Council recognizes that the procedures set forth hereafter will protect both the City and its citizens and the owners of properties coming under the jurisdiction of this ordinance and made the subject of these procedures; and

WHEREAS, the City Council has determined that it is wise and prudent that certain sections of the City's Building Permit and Re-Inspection Fee Table be tied to square foot construction costs as established from time-to-time by the International Code Council ("ICC").

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

Ordinance No. 2012-40 is hereby repealed in its entirety and replaced as follows:

SECTION 1: TECHNICIAL CODES ADOPTED BY REFERENCE

(a) For the purposes of establishing uniform rules and regulations, the Council hereby adopts by reference the following codes and subsequent amendments issued thereto, and from the date on which this ordinance shall take effect, the provisions thereof shall be controlling in the construction, alteration, or repair of all buildings and other structures therein contained within the corporate limits of the City of Daphne:

1.) International Building Code, 2018 edition;
2.) International Fuel Gas Code, 2018 edition;
3.) International Plumbing Code, 2018 edition;
4.) International Mechanical Code 2018 edition;
5.) International Residential Code 2018 edition;
6.) National Electrical Code, 2017 edition,
Copyrights 2010 by the National Fire Prevention Association Incorporated;
7.) Alabama Energy Code for one and two family dwellings, 2015 International Energy Conversation Code with Alabama amendments;
8.) Commercial Energy Code, 2015 International Energy Conversation Code or ASHRAE 90.1, 2013;
9.) International Swimming Pool and Spa Code, 2018 edition
10.) City of Daphne supplemental Code for Residential Structures in addition to the International Residential Code 2018. (attached hereto as Appendix A)

(b) The following section of the International Residential Code, 2018 Edition, is hereby revised in its entirety to read as follows:

R.106.1 **Submittal documents.** Construction documents, special inspection, and structural observation programs and other data shall be submitted in two sets with each application for a permit prepared by a registered design professional for all new residential homes and for additions exceeding 750 sq ft. Where special conditions exist, the Building Official is authorized to require additional construction documents to be prepared by a registered design professional.

EXCEPTION: The Building Official is authorized to waive the submission of construction documents and other data not required to be prepared by a registered design professional if it is found that the nature of the work applied for is such that reviewing of construction documents is not necessary to obtain compliance with this code.

(c) Section 105.2 of the International Building Code, 2018 Edition, is hereby amended to delete the following permit exemption in its entirety:

[Building]

"7. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work."

SECTION II: BUILDING PERMIT FEE SCHEDULE & RE-INSPECTION FEES

(a) New Residential

Valuation per square foot shall be calculated in accordance with the ICC Building Valuation Data ("BVD") as published by the ICC as follows:

i. Heated and Cooled Spaces: 85% of the Square Foot Construction Costs
ii. Unheated/Uncooled Spaces: 100 % of the Square Foot Construction Costs

The initial ICC BVD in effect as of the effective date of this Ordinance is the February, 2019, edition attached hereto as Appendix B. Said BVD shall remain in effect for purposes of this Ordinance through and until March 1, 2020, on which date the most recently published February edition of ICC BVD valuation rates shall take effect through and until March 1^{st} of the following year. Valuation rates shall renew each year thereafter on March 1^{st} of each year using the most recently published February edition of ICC BVD valuation rates as of March 1^{st} of each said year.

Permits will be $30.00 for the 1st $1,000.00 of the contract amount and $5.00 for each additional $1,000.00 thereafter. Permit holder will also be charged a plan review and Land Disturbance Permit fee.

Plan Review	$25.00
Land Disturbance	$100.00
Mechanical	$110.00 flat fee
Plumbing	$110.00 flat fee
Electrical	$110.00 flat fee

(b) Miscellaneous Permits

(Additions, Remodels, Repairs, Carports, Garages, Pools, Decks, Fences, Sunrooms, etc.)

Building	$30.00 for 1st $1,000 of contract amount, $5 for each additional $1,000 thereafter
Electrical	$30.00 for 1st $1,000 of contract amount, $5 for each additional $1,000 thereafter
Mechanical	$30.00 for 1st $1,000 of contract amount, $5 for each additional $1,000 thereafter
Plumbing	$30.00 for 1st $1,000 of contract amount, $5 for each additional $1,000 thereafter
Well Permit	$50.00 flat fee

($30.00 minimum fee for all permits)

(c) Commercial Permits

Building	$6.00 per $1,000.00 of total contract amount. Permit holder will also be charged a Plan Review Fee and must provide proof of site fee payment from City of Daphne Community Development office.
Plan Review	$100.00
Mechanical	1.5% of subcontractors total contract amount
Plumbing	1.5% of subcontractors total contract amount
Electrical	1.5% of subcontractors total contract amount
Well Permit	$50.00 flat fee

(Commercial Building, Mechanical, Plumbing, and/or Electrical Permits will have a minimum fee of $50.00)

(d) Re-Inspection Fees

Fees will only be applied to items on original list. Any new items will not be considered a re-inspection at the time of the next inspection. All re-inspection fees must be paid prior to the re-inspection.

1st Re-inspection	No Charge
2nd Re-inspection	$50.00
3rd Re-inspection	$100.00
4th Re-inspection	$200.00

(e) Stop Work Fee

Any Stop Work Order issued will be charged $100.00 for a re-inspection.

SECTION III: ADOPTION BY REFERENCE

The above referenced technical codes are hereby adopted as the Building Code of the City of Daphne. Copies of the above referenced codes are on file in the office of the City Clerk.

SECTION IV: REPEALER

Any Ordinance heretofore adopted by the Council, which is in conflict with this Ordinance is hereby repealed to the extent of such conflict.

SECTION V: EFFECT OF REPEAL

(a) The repeal of Ordinance No. 2012-40 does not revive any previously repealed ordinance.
(b) The repeal of Ordinance No. 2012-40 does not affect any punishment or penalty incurred before the repeal took effect, nor does such repeal effect any suit, prosecution, or proceeding pending at the time of the repeal.

SECTION VI: SEVERABILITY

The provisions of this Ordinance are severable. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION VII: EFFECTIVE DATE

This Ordinance shall be in full force and effect upon its adoption by the City Council of the City of Daphne and publication as required by law.

APPROVED AND ADOPTED THIS ____ DAY OF ___________, 2019.

____
Dane Haygood, Mayor

ATTEST:

____
Candace G. Antinarella, City Clerk

APPENDIX A TO ORDINANCE 2019-25
CITY OF DAPHNE SUPPLEMENTAL CODE IN ADDITION TO THE 2018 INTERNATIONAL RESIDENTIAL CODE

The requirements specified in this Code Supplement apply to detached One and Two family dwellings not more than three stories above grade plane in height. The provisions of this supplement are intended to complement the locally adopted codes. The elements of design not addressed by the provisions of this supplement shall be in accordance with the locally adopted code. In the event a conflict between this document and the adopted code, the more stringent shall apply.

FOUNDATIONS

1. Compaction test shall be submitted to the Building Department prior to foundation inspection.

STRUCTURAL

1. Garage doors shall be rated to or above the applicable wind design load.

2. Wood frame chimney chases shall be structurally connected to rafters and/or ceiling joists. The attachment must be detailed in the plans or must meet the following minimum requirements:
   a) Each corner of the chimney structure must have a tension strap fastened to the corner stud and continues downward to the roof and/or ceiling support members below. The tension strap must have a minimum tension capacity of 700 lbs. at each end.
   b) Chimney framing shall be sheathed with minimum 7/16 inch structural panel on exterior four sides.
   c) The base perimeters of chimney framing must be continuously supported by minimum 2 x 4 blocking fastened to roof framing members with joist hangers.

3. Exterior and Interior Shear walls and/or braced wall panel locations shall be indicated on the plans and shall be nailed in accordance with the engineered drawings but no less than 6 inches OC maximum intermediate and edge using 8d irregular shank (i.e., ring shank or spiral) nails with full round heads. All exterior walls and gable ends shall be fully sheathed with structural sheathing.

ROOF COVERINGS

ASPHALT SHINGLES – REQUIREMENTS

Wind Speed	Shingle Testing Standard/Classification
130 mph	ASTM D3161 Class F
130 mph	ASTM D7158 Class H

1. Asphalt shingles shall be installed according to the manufacturer recommended listed installation instructions for High Wind areas with minimum 6 nails.

2. All Asphalt shingle roof covering underlayment shall be of a synthetic tear resistant Polypropylene, polyester or fiberglass fabric certified by an approved testing Agency or ICC-ES report. The Building Official may approve an equal or higher performing product. Asphalt felt roofing underlayment shall not be installed as a roof covering underlayment.
    a. Roof underlayment shall be installed and fastened in accordance with the Manufacturer's installation instructions. NOTE – Most Manufacturers' do not allow staples as an approved fastener or staple button caps.
3. **All Aluminum/Vinyl Soffit covering shall be attached to minimum 7/16 OSB or plywood or minimum 2 x 2 wood supports 8 inches OC maximum.**
4. Metal roof covering shall be fastened to roof assembly with a maximum 2 foot OC spacing of fasteners in the length dimensions of the panels. Minimum Number of fasteners in width dimension of the panel shall be no less than 4.
5. 1x4 or 2 x 4 wood purlins for attachment of metal roof coverings shall be a maximum 2 feet OC. Wood purlins shall be nailed with a maximum two deformed (spiral, ring shank) #16D nails at maximum of 24 inches OC.
6. Roof decks shall be nailed in accordance with the engineered drawings but no less than 6 inches OC maximum intermediate and edge, with minimum 8d irregular shank (i.e., ring shank or spiral) nails with full round heads. Staples are not permitted for fastening of the roof decking.
7. All new One and Two Family dwellings shall have a sealed roof deck. Roof deck seams shall be taped with a minimum 4" Peel and Stick tape meeting ASTM D-1970 to achieve a sealed roof deck or closed cell foam meeting ASTM D-1622 may be applied underneath to each side of framing member and sheathing seams.

ENERGY

1. Attic: minimum insulation R-38 Wall: minimum insulation R-13 floor: minimum insulation R-13
2. Batt insulation shall be cut neatly to fit around pipes and wires or be placed behind piping & wiring
    a) Staple insulation to face of stud
3. Air permeable insulation shall not be used as a sealing material
4. Space between windows & door jams to be sealed
5. Corners, headers & sill plates shall be sealed
6. Rim joists are to be insulated
7. A continuous air barrier shall be installed in the building envelope
8. Break or joints in the air barrier shall be sealed (taped)
9. Access openings to un-air-conditioned spaces shall be sealed (weather stripping)
10. Building cavities shall not be used as ducts or plenums
11. Programmable thermostat shall be used
12. A minimum of 75% of lights used shall be of high efficacy

13. Recessed light fixtures shall be sealed to be airtight.
14. U factor of 40 must be used and also SHGC of .25 for windows.
15. At the time of rough-in inspection Peel and Stick aluminum backed tape or other approved material shall be applied to all edges of all windows to prevent air exchange.
16. All holes interior and exterior wall top plates shall be sealed with caulking or expandable foam.
17. Space around plumbing pipes penetrating interior or exterior wall top plates shall be sealed with caulking or expandable foam.

The City of Daphne Building Inspection Department may at any time inspect for compliance for items above.

PLUMBING

1. Pex supply piping shall be inspected at a minimum Pressure of 75 lbs.
2. Potable water supply at street pressure shall be connected to copper supply piping at time of inspection. Copper piping will be inspected at street pressure.
3. CPVC shall be tested at street pressure.
4. The Contractor responsible for construction shall call in for all 4-way inspections.
5. All Bathtubs and showers shall be connected to the drain waste and vent system at the time of top out inspection. **Exception: Whirlpool and Garden tubs may be installed after top out inspection. The trap servicing the whirlpool and garden tub shall be installed at the time of inspection.**

ELECTRICAL

1. All receptacles shall be supplied by a minimum #12 AWG protected by a 20 Amp Circuit Breaker.
2. General Lighting, Smoke/carbon monoxide Alarms shall be allowed to be supplied by a minimum #14 AWG protected by a 15 Amp Circuit Breaker.

FUEL GAS

1. Gas Supply Piping shall be galvanized piping from the point of connection at the meter to a point of transition at an accessible Union.

HVAC

1. Air Handler's return air filters shall have a minimum one square inch of filter for every 2 CFM of air the HVAC moves. This equals 200 CFM per ton of AC capacity. **Example: A 3 ton system will require a minimum of 600 square inch of return air filter area.**

MODULAR HOMES

1. Submit AMHC (Alabama Manufactured Home Commission) stamped plans.
2. Modular Homes shall be certified by an Alabama Registered Engineer to meet adopted wind loads.
3. Submit foundation plans and anchorage to foundation plan. Shall equal or exceed local adopted codes.
4. And other on-site construction shall require a separate permit by the Building Inspection Department.
5. Modular Homes shall be required to have a Final Inspection after exterior of structure and any on-site construction are complete.
6. Modular Homes shall be installed as per the engineered installation instructions.
7. Modular Homes shall be inspected for compliance with engineered instructions and any applicable current local adopted codes.
8. In factory construction and components are not the responsibility of the City of Daphne Building Inspection Department.
9. Existing houses that are moved from one site to another shall comply with Items 3, 4 & 5 and require a Final Inspection. Any new construction shall be in compliance with current adopted codes.

APPENDIX B
INTERNATIONAL CODE COUNCIL – BUILDING VALUATION DATA, FEBRUARY 2019 EDITION

(attached)

* The February, 2019, edition of the ICC BVD shall be in effect for purposes of this Ordinance through March 1, 2020. On March 1st of each year, the most recently published February edition of the ICC BVD shall replace this edition. A copy of the BVD table in effect may be obtained by contacting the City of Daphne Building Official.

EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DAPHNE, ALABAMA HELD ON MAY 20, 2019

The City Council of the City of Daphne, Alabama met at the City Hall in the City of Daphne on Monday, May 20, 2019 at ____ a.m./p.m., Central Time. The following members of the City Council of the City of Daphne, Alabama were:

PRESENT	ABSENT

Mayor Dane Haygood acted as Chairman of the meeting and Candace Antinarella, City Clerk, acted as Clerk of the meeting. The Chairman stated that due notice of the time, place and purpose of the meeting having been posted as required by law, and a quorum being present, the meeting was open for the transaction of business.

* * * * * *

The Chairman then stated that it would be appropriate to consider the issuance of $9,515,000 in aggregate principal amount of the City's General Obligation Refunding and Improvement Warrants, Series 2019, for the purposes of refunding certain of the City’s outstanding indebtedness, paying a portion of the costs of a certain capital improvement project and paying the expenses of issuing such Warrants. The following ordinance was thereupon introduced in writing by Council member ___________:

CITY OF DAPHNE
ORDINANCE 2019-26

Ordinance Authorizing the Issuance of $9,515,000 of General Obligation Refunding and Improvement Warrants, Series 2019

BE IT ORDAINED by the City Council of the City of Daphne, Alabama, as follows:

ARTICLE I

Definitions, Use of Words and Phrases, and Findings by the City

Section 1.1 Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations:

"**Bank"** means The Bank of New York Mellon Trust Company, N.A., in its role as Warrant Registrar and Paying Agent.

"Beneficial Owner" means the owner of a Warrant or portion thereof for federal tax purposes.

"**Business Day"** means any day other than a Saturday, Sunday or day on which banking institutions are required or authorized to close in the city in which the designated corporate trust agency office of the Bank is located, or on which the Federal Reserve Bank is closed.

"Capital Improvements" shall have the meaning given that term in Section 1.3(c) hereof, subject to being amended and supplemented as provided in Section 8.1 hereof.

"**City"** means the municipal corporation in the State of Alabama known as the City of Daphne, Alabama, as it now exists, and any political subdivision resulting from any merger or consolidation thereof with any other political subdivision.

"**City Clerk**" means the city clerk of the City, or any person acting in such capacity for purposes of the issuance of the Warrants.

"**Code**" means the Internal Revenue Code of 1986 as amended.

"**Council**" means the governing body of the City as from time to time constituted.

"**Direct Participant**" means securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations which participate in the Securities Depository with respect to the Warrants.

"**Escrow Trustee**" means The Bank of New York Mellon Trust Company, N.A., as escrow trustee for the Refunded 2012 Warrants under the terms of the Escrow Trust Agreement.

"**Government Obligations**" means direct obligations of the United States of America and obligations unconditionally guaranteed by the United States of America.

"**Interest Payment Date**" means, with respect to the Warrants, any February 1 or August 1, prior to payment thereof.

“Overdue Interest” means interest due but not paid on the Interest Payment Date on which such interest is required to be paid.

“Record Date” means, as to any Interest Payment Date, the January 15 or July 15 immediately preceding such Interest Payment Date.

“Refunded 2012 Warrants” shall have the meaning given such term in Section 2.1 hereof.

“**Securities Depository**” has the meaning given that term in Section 3.5 hereof.

“Series 2012 Warrants” means the City’s General Obligation Refunding and Improvement Warrants, Series 2012, dated April 1, 2012, originally issued in the principal amount of $13,495,000.

“**Supplemental Ordinance**” means an ordinance duly adopted by the Council and specifying the particular terms of the Warrants.

“**Treasurer**” shall mean the treasurer or any assistant treasurer of the City.

“**Warrant Authorizing Law**” means Section 2, Chapter 47 of Title 11, Code of Alabama, 1975, as amended.

“**Warrant Fund**” means the special account created pursuant to Section 8.3 hereof.

“**Warrant Holder**” or “**Holder**” means the registered holder, from time to time, of any of the Warrants.

“**Warrants,**” unless otherwise indicated, means $9,515,000 in aggregate principal amount of the City's General Obligation Refunding and Improvement Warrants, Series 2019, as more particularly described in Article II hereof and issued hereunder.

Section 1.2 Use of Words and Phrases. The following provisions shall be applied wherever appropriate herein:

Whenever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

"Hereby", "herein", "hereinafter", "hereof", "hereunder" and other equivalent words refer to this Ordinance as a whole and not solely to any particular portion thereof in which any such word is used.

The definitions set forth in Section 1.1 hereof shall be deemed applicable whether the words defined are herein used in the singular or plural.

Section 1.3 Findings of Council. Having made due and proper investigation of the matters hereinafter referred to, the Council hereby finds and determines:

(a) The City of Daphne, Alabama (the “City”) has heretofore issued pursuant to an Ordinance adopted by the Council on April 2, 2012, (the “2012 Ordinance”), its General Obligation Refunding and Improvement Warrants, Series 2012, dated April 1, 2012, originally issued in the aggregate principal amount of $13,495,000 with a current balance of $10,285,000 (the “Series 2012 Warrants”).

(b) The City is not in default in the payment of the principal of and the interest on the Series 2012 Warrants or under the 2012 Ordinance.

(c) The City has determined that it is necessary, advisable and in the public interest that it pay a portion of the costs of the construction, installation and equipping of a new fire station for the benefit of citizens of the City (the “Capital Improvements”). The City has determined that the Capital Improvements are expected to cost at least $1,000,000.

(d) Pursuant to the Warrant Authorizing Law the City is authorized to issue its warrants, in order to refund outstanding indebtedness of the City and to finance the Capital Improvements.

(e) It is necessary, advisable and in the interest of the public that the City issue its General Obligation Refunding and Improvement Warrants, Series 2019 to refund a portion of the Series 2012 Warrants, to pay a portion of the costs of the Capital Improvements and to pay costs of issuance and sale of such Warrants.

(f) Neither the City nor any "subordinate entity" or “on behalf of issuer”, as such terms are used in Section 265(b) of the Internal Revenue Code of 1986, as amended, has issued in 2019, or expects to issue within the remainder of 2019, tax-exempt obligations in an amount in excess of $10,000,000.

ARTICLE II

Authorization, Description, Execution, Payment and Form of the Warrants

Section 2.1 Authorization of the Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, and for the purposes of refunding the Series 2012 Warrants maturing on February 1 in years 2022 through 2036, inclusive (the "Refunded 2012 Warrants"), financing a portion of the costs of the Capital Improvements and paying the costs of issuance thereof, there is hereby authorized to be issued by the City $9,515,000 in aggregate principal amount of its General Obligation Refunding and Improvement Warrants, Series 2019.

Section 2.2 Description of the Warrants. The Warrants shall be issued only in fully registered form, without coupons, shall be issued in principal amounts of $5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in the order of their issuance and delivery. The Warrants shall be dated the date of their initial issuance and delivery, shall bear interest from their date (or in the case of a Warrant registered in the name of a Holder on or after August 1, 2019, from the Interest Payment Date next preceding the date of such registration or, if the date of such registration is an Interest Payment Date, from the date of registration) at the rates shown below (calculated on the basis of a 360-day year of twelve 30-day months), payable on each February 1 and August 1 until payment of the principal amount thereof, beginning August 1, 2019, and shall mature on the dates and in the amounts as follows:

Date of Maturity	Principal Amount	Interest Rate
08/01/2019	$105,000	3.000%
02/01/2022	520,000	3.000%
02/01/2023	540,000	3.000%
02/01/2024	555,000	3.000%
02/01/2025	570,000	4.000%
02/01/2026	590,000	4.000%
02/01/2027	615,000	4.000%
02/01/2028	635,000	4.000%
02/01/2029	675,000	4.000%
02/01/2030	690,000	4.000%
02/01/2031	720,000	4.000%
02/01/2032	745,000	4.000%
02/01/2033	610,000	3.000%
02/01/2034	630,000	3.000%
02/01/2035	645,000	3.000%
02/01/2036	670,000	3.000%

Section 2.3 Execution of the Warrants. The Warrants shall be executed in the name of the City by the manual or facsimile signatures of the Mayor of the City and its City Clerk inscribed or printed or otherwise reproduced thereon (it being herein provided that a condition to the validity of each Warrant is the manual execution on behalf of the Bank of the Registration Certificate endorsed on each Warrant). The Warrants shall be registered by the Treasurer of the City, in the records maintained by the Treasurer, as a claim against the City and the Warrant Fund, which registration shall be made simultaneously as to all the Warrants. The certificate of registration on each of the Warrants shall be executed by the manual or facsimile signature of the Treasurer of the City. The official seal of the City shall be impressed or printed or otherwise reproduced thereon and shall be attested by the aforementioned signature of the City Clerk. The said officers are hereby directed to cause the Warrants to be executed, sealed and registered in the manner provided by this section. Anything herein to the contrary notwithstanding, any assistant city clerk shall be empowered to execute any Warrant in the absence or unavailability of the City Clerk and any assistant treasurer of the City shall be empowered to execute any Warrant in the absence or unavailability of the Treasurer.

Section 2.4 **<u>Places and Medium of Payment of the Warrants</u>**. Principal of and interest on the Warrants shall be payable in lawful money of the United States of America. The principal of the Warrants shall be payable at the designated corporate trust agency office of the Bank, upon presentation and surrender of the Warrants as the same become due and payable. Interest on the Warrants shall be payable by check or draft mailed by the Bank to the lawful holders of the Warrants at the address shown on the registry books of the Bank pertaining to the Warrants as of the Record Date and shall be deemed timely made if so mailed on the Interest Payment Date (or if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

Section 2.5 **<u>Forms of the Warrants and Related Certificates</u>.** The Warrants, the certificate of registration thereof, the registration thereof as a claim against the Warrant Fund, and the form of assignment thereof shall be in substantially the following forms, with appropriate changes therein to conform to the applicable provisions hereof.

(Form of Warrant)

[FORM OF CAPTION FOR WARRANTS HELD IN BOOK ENTRY FORM]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-________________ $________________

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF DAPHNE
GENERAL OBLIGATION REFUNDING
AND IMPROVEMENT WARRANT
SERIES 2019

MATURITY DATE	CUSIP NUMBER	INTEREST RATE

THE CITY OF DAPHNE, ALABAMA, a municipal corporation in the State of Alabama (the "City"), for value received, hereby acknowledges that it is indebted in the principal sum of

______________________________ DOLLARS

and hereby directs the Treasurer of the City to pay such principal sum to

____

or registered assigns, on the maturity date specified above or such earlier date as this Warrant may be called for redemption, and to pay (but solely out of the Warrant Fund) interest on such principal sum from the date hereof (or in the case of a Warrant registered in the name of the registered Holder hereof on or after August 1, 2019, as evidenced by the Certificate of Registration attached hereto, from the Interest Payment Date next preceding the date of such registration or, if the date of such registration is an Interest Payment Date, from the date of registration), until such principal sum shall become due and payable, at the per annum rate of interest specified above. Interest shall be payable on February 1 and August 1 in each year, beginning August 1, 2019 (each such date herein called an "Interest Payment Date"), and shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest shall be payable on overdue principal (and premium, if any) on this Warrant and (to the extent legally enforceable) on any overdue installment of interest on this Warrant at the rate borne hereby.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Authorizing Ordinance hereinafter described, be paid to the person in whose name this Warrant is registered at the close of business on the 15th day of the month next preceding such Interest Payment Date.

The Warrants are being issued by means of a book-entry system with no physical distribution of warrant certificates to be made except as provided in the Authorizing Ordinance (as hereinafter defined). One warrant certificate, in the aggregate principal amount of each maturity of the Warrants, registered in the name of Cede & Co. as nominee of the DTC, is being issued and required to be deposited with DTC (or an authorized banking institution acceptable to DTC) and immobilized in its custody. The book-entry system will evidence ownership of the Warrants, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal, interest and any redemption premium payments to beneficial owners of the Warrants by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, and to participants or persons acting through such participants. While Cede & Co. is the registered owner of this Warrant, notwithstanding the provisions hereinabove contained, payments of principal, interest and any redemption premium on this Warrant will be made in accordance with the existing arrangements between the Paying Agent and DTC.

Subject to the foregoing paragraph, payment of interest on this Warrant due on each Interest Payment Date shall be made by check or draft mailed by the Paying Agent to the person entitled thereto at his address appearing in the Warrant Register maintained with respect to the Warrants. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a business day, on the business day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) this Warrant and payment of accrued interest on this Warrant due upon redemption shall be made only upon surrender of this Warrant at the designated corporate trust agency office of the hereinafter described Bank. Upon the terms and conditions provided in the Authorizing Ordinance, the Holder of any Warrant or Warrants in an aggregate principal amount of not less than $500,000 may request that payment of interest on such Warrant or Warrants be made by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for same-day funds that is acceptable to the Bank. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Warrant is one of the duly authorized issue of warrants of the City, aggregating $9,515,000 in principal amount, entitled "General Obligation Refunding and Improvement Warrants, Series 2019" (the "Warrants") and issued under and pursuant to an ordinance duly adopted by the governing body of the City on May 20, 2019 (the "Authorizing Ordinance") and the constitution and laws of the State of Alabama, including particularly Section 2, Chapter 47, of Title 11 of the Code of Alabama, 1975, as amended. Capitalized terms not otherwise defined herein shall have the meanings assigned in the Authorizing Ordinance.

The Authorizing Ordinance provides that The Bank of New York Mellon Trust Company, N.A. (the "Bank"), will serve as Paying Agent and Registrar with respect to the Warrants unless and until a successor is appointed pursuant to the terms and conditions of the Authorizing Ordinance. For purposes of this Warrant and the Authorizing Ordinance, the principal office of the Bank shall mean the office where the Bank maintains its designated corporate trust agency office in Birmingham, Alabama or at such other location as shall be designated by the Bank by written notice to the City and the Holders of the Warrants.

The indebtedness evidenced by the Warrants is a general obligation of the City for the payment of which the full faith and credit of the City have been irrevocably pledged, pro rata and without preference or priority of one Warrant over another.

Pursuant to the Authorizing Ordinance, the City has established a special fund for the payment of debt service on the Warrants (the "Warrant Fund") that will be held by the Bank. The City has obligated itself to pay or cause to be paid into the Warrant Fund from the taxes, revenues or other funds of the City sums sufficient to provide for the payment of debt service on the Warrants as the same becomes due and payable.

Optional Redemption. The Series 2019 Warrants maturing on or after February 1, 2030 will be subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, 2029 and on any date thereafter (in principal amounts of $5,000 and any integral multiple thereof and if less than all of the Series 2019 Warrants are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2019 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2019 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. The Series 2019 Warrants are not subject to mandatory redemption.

Written notice of the call for redemption of this Warrant (or portion of the principal thereof) shall be forwarded by registered or certified mail to the registered owner hereof, not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this Warrant is to be redeemed, the registered Holder hereof shall surrender this Warrant to the Bank in exchange for a new Warrant of like tenor herewith except in a principal amount equal to the unredeemed portion hereof. Upon the giving of notice of redemption in accordance with the provisions of the Authorizing Ordinance, the Warrants (or principal portions thereof) so called for redemption and prepayment shall become due and payable on the date specified in such notice, anything herein or in the Authorizing Ordinance to the contrary notwithstanding, and the Holders thereof shall then and there surrender them for payment, and all future interest on the Warrants (or principal portion thereof) so called for prepayment shall cease to accrue after the date specified in such notice, whether or not the Warrants are so presented.

This Warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Bank, as Registrar and Transfer Agent of the City, and only upon surrender of this Warrant to such Registrar for cancellation, and upon any such transfer a new Warrant of like tenor herewith will be issued to the transferee in exchange therefor, all as more particularly described in the Authorizing Ordinance. Each Holder hereof, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that this Warrant may be transferred only in accordance with the provisions of the Authorizing Ordinance. Provision is also made in the Authorizing Ordinance for the exchange of Warrants for a like aggregate principal amount and in authorized denominations, all upon the terms and subject to the conditions set forth in the Authorizing Ordinance.

The Registrar shall not be required to transfer or exchange this Warrant during the period of fifteen (15) days next preceding any interest payment date; and, in the event that this Warrant (or any principal portion hereof) is duly called for redemption and prepayment, the Registrar shall not be required to register or transfer this Warrant during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

Registration, transfer and exchange of Warrants, other than to replace mutilated, lost, stolen or destroyed Warrants, shall be without expense to the Holder or transferee, but the Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

It has been ascertained and found, and it is hereby certified and recited, that all conditions, actions and things required by the constitution and laws of Alabama to exist, be performed or happen precedent to or in the issuance of this Warrant and the creation of the indebtedness evidenced and ordered paid hereby exist, have been performed and have happened, that such indebtedness has been registered as a claim against the Warrant Fund and is lawfully due without condition, and that the indebtedness evidenced and ordered paid by this Warrant, together with all other indebtedness of the City, was when incurred and is now within every debt and other limit prescribed by the constitution and laws of Alabama.

Unless the Registration Certificate hereon has been executed by the Bank, as Registrar for the Warrants, by manual signature, this Warrant shall not be entitled to any benefit under the Authorizing Ordinance or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the City has caused this Warrant to be executed in its behalf by the Mayor and by the City Clerk of the City, each of whom have caused their signatures to be hereunto imprinted, has caused the official seal of the City to be imprinted hereon, and has caused this Warrant to be dated May ___, 2019.

CITY OF DAPHNE, ALABAMA

(SEAL)

By______________________________________
Dane Haygood, Mayor

ATTEST:

By______________________________________
Candace Antinarella, City Clerk

* * * * * * *

(Form of Registration as Claim against Warrant Fund)

I hereby certify that this Warrant has been registered by me as a claim against the Warrant Fund referred to in this Warrant.

____
Kelli Reid, Treasurer

* * * * *

[Form of Registration Certificate]

This Warrant was registered in the name of the above-registered owner on the date hereinafter set forth.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By______________________________________
Its Authorized Officer

DATE OF REGISTRATION: ________________

The following abbreviations, when used in the inscription on this Warrant or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	As tenants in common
TEN ENT	-	As tenants by the entireties
JT TEN	-	As joint tenants with right of survivorship and not as tenants in common and not as community property
UNIF TRANS MIN ACT	-	______________________________________ (Custodian) (Minor) under Uniform Transfer to Minors Act ______________________________________ (State)

Additional abbreviations may be used although not in the above list.

* * * * *

(Form of Assignment)

For value received ______________________________ hereby sell(s), assign(s) and transfer(s) unto _______________________ the within Warrant and hereby irrevocably constitute(s) and appoint(s), attorney, with full power of substitution in the premises, to transfer the Bond on the books of the within mentioned Bank.

Dated this the ____ day of ____________________, ____.

____

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:
(Bank, Trust company or Firm)

By: _____________________________
(Authorized Officer)

Its Medallion Number ___________________________________

Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP)

ARTICLE III

Further Provisions with Respect to Warrants

Section 3.1 Home Office Payment Agreement. Upon the written request of the Holder of any Warrant or Warrants in an aggregate principal amount of not less than $500,000, the Bank will make payment of interest due on such Warrant or Warrants upon any Interest Payment Date by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Bank, provided that payment of the principal of and redemption premium (if any) on such Warrant or Warrants shall be made only upon surrender of such Warrant or Warrants to the Bank, as Paying Agent.

Section 3.2 Interest After Payment Due Date. The Warrants, any premiums thereon and, to the extent legally enforceable, overdue installments of interest thereon, shall bear interest after the maturity dates thereof or such earlier date as they may be called for redemption, until paid or until money sufficient for the payment thereof shall have been deposited for that purpose with the Bank, at the respective rates borne thereby.

Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to the Warrant Holder solely by reason of such Warrant Holder having been the Holder on the Record Date next preceding the Interest Payment Date on which such interest became due and payable, but shall be payable by the Bank as follows:

(a) Not less than ten (10) days following receipt by the Bank of immediately available funds in an amount sufficient to enable the Bank to pay all Overdue Interest, the Bank shall fix an Overdue Interest Payment Date for payment of such Overdue Interest, which date shall be not more than twenty (20) days following the expiration of the ten-day period after receipt of funds by the Bank;

(b) Overdue Interest shall be paid by check or draft mailed by the Bank to the persons in whose names the Warrants were registered in the registry books of the Bank pertaining to the Warrants on the Overdue Interest Payment Date.

Payment of Overdue Interest in the manner herein prescribed to the persons in whose names the Warrants were registered on the Overdue Interest Payment Date shall fully discharge and satisfy all liability for the same.

Section 3.3 Temporary Certificates. Pending the preparation of definitive Warrants the City may execute, and upon request of the City, the Bank shall register and deliver, temporary certificates which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Warrants in lieu of which they are issued, but numbered from R-1 upwards, without other identification numbers, and with such other appropriate insertions, omissions, substitutions and other variations as the officers executing such temporary certificates may determine, as evidenced by their execution of such temporary certificates.

Any such temporary certificates shall be executed by the manual signatures of the appropriate officers of the City as required in Article II of this Ordinance and be executed and attested by the City Clerk. All such temporary certificates shall have impressed thereon the seal of the City.

If temporary Warrants are issued, the City will cause definitive Warrants to be prepared without unreasonable delay. After the preparation of definitive Warrants, the temporary Warrants shall be exchangeable for definitive Warrants upon surrender of the temporary Warrants at the principal office of the Bank, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Warrants the City shall execute and the Bank shall authenticate and deliver in exchange therefor a like principal amount of definitive Warrants of like tenor, and in authorized denominations. Until so exchanged, temporary Warrants shall in all respects be entitled to the security and benefits of this Ordinance.

Section 3.4 Payments Due on a Day Other Than a Business Day. If any payment on the Warrants is due on a day which is not a Business Day, such payment shall be made on the first succeeding date which is a Business Day with the same effect as if made on the day such payment was due.

Section 3.5 Book Entry System. The City may from time to time enter into, and discontinue, an agreement with a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended (a "Securities Depository"), which is the owner of the Warrants, to establish procedures with respect to the Warrants, not inconsistent with the provisions of this Ordinance; provided, however, that any such agreement may provide:

(a) that such Securities Depository is not required to present a Warrant to the Paying Agent in order to receive partial payment of principal;

(b) that a legend shall appear on each Warrant so long as the Warrants are subject to such agreement; and

(c) that different provisions for notice to such Securities Depository may be set forth therein.

So long as an agreement with a Securities Depository is in effect, the City, the Bank and any paying agent or bond registrar shall not have any responsibility or liability with respect to the payment of principal, purchase price, premium, if any, or interest on the Warrants to the Beneficial Owners or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or any payments made to such Beneficial Owners.

Prior to any transfer of the Warrants outside of the Book-Entry Only system (including, but not limited to, the initial transfer outside the Book-Entry Only system) the transferor shall provide or cause to be provided to the Paying Agent all information necessary to allow the Paying Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Paying Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

ARTICLE IV

General Obligation; Provision for Payment of Obligations

Section 4.1 General Obligation. The indebtedness evidenced by the Warrants is and shall be a general obligation of the City and the full faith and credit of the City are hereby irrevocably pledged to the payment of the principal thereof and interest thereon.

Section 4.2 Continued Levy of Taxes; Maintenance of Warrant Fund. The City agrees that, so long as the principal of or interest on any of the Warrants remains unpaid, the City will annually levy and collect taxes, insofar as such taxes may be permitted by the present or any future provisions of the Constitution of Alabama, in such amounts as may be necessary to provide for the payment of the principal of and interest on the Warrants. The City further agrees that so long as the principal of or interest on any of the Warrants remains unpaid it will deposit in the Warrant Fund with respect to such Warrants, not later than the Business Day next preceding an Interest Payment Date, an amount which, when added to the amounts then on deposit in such Warrant Fund, will equal the principal, interest and redemption premium (if any) to come due with respect to the Warrants on such Interest Payment Date.

Section 4.3 Provision for Payment. (a) If the principal of and interest and redemption premium (if any) on the Warrants is paid in accordance with the terms thereof and this Ordinance, then all covenants, agreements and other obligations of the City to the Holders of such Warrants shall thereupon cease, terminate and become void and be discharged and satisfied. In the event the Warrants are so paid the Bank shall pay to the City any surplus remaining in the Warrant Fund.

(b) Warrants shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 4.3 if

(1) the City and the Bank (or another bank acting as trustee) enter into an appropriate trust agreement under which there shall be deposited, for payment or redemption of such Warrants and for payment of the interest to accrue thereon until maturity or redemption, and any redemption premium thereon, Government Obligations and cash or any combination of cash and Government Obligations which, together with the income to be derived from such, will produce monies sufficient to provide for the payment, redemption and retirement of such Warrants as and when the same become due;

(2) the City shall have adopted all necessary proceedings providing for the redemption of any such Warrants that are required to be redeemed prior to their respective maturities and shall have instructed the Bank or other trustee under the aforesaid trust agreement to provide such notices of redemption as are required under this Ordinance;

(3) the City and the Bank shall have been furnished with an opinion of nationally recognized bond counsel to the effect that the creation of any such trust will not result in subjecting to federal income taxation the interest on any of the Warrants that are to be paid in accordance with such trust; and

(4) the City and the Bank shall have been furnished a certificate of a firm of certified public accountants satisfactory to the Bank stating that such trust will produce monies sufficient to provide for the full payment and retirement of such Warrants as and when the principal of and interest and redemption premium (if any) on such Warrants shall come due.

Section 4.4. **Retention of Moneys for Payment of Warrants**. The amounts held by the Bank for the payment of the principal of and interest on any Warrants due on any date shall, pending such payment, be held in trust by the Bank for the holders of the Warrants entitled thereto, and for the purposes of this Ordinance the principal of and interest on such Warrants shall no longer be considered to be unpaid. All liability of the City to the Holders of such Warrants and all rights of such Holders against the City under the Warrants or under this Ordinance shall thereupon cease and terminate, and the sole right of such Holders shall thereafter be against such funds. If any Warrant shall not be presented for payment within a period of five (5) years following the date when such Warrant becomes due, whether by maturity, redemption or otherwise, or if the check or draft providing for any payment of interest on any Warrant shall not have been negotiated within such period, the Bank shall return to the City any moneys theretofore held by it for payment of such Warrant or such interest, subject to applicable laws of escheat.

ARTICLE V

Redemption Provisions

Section 5.1 <u>Mandatory and Optional Redemption</u>.

(a) Mandatory Redemption**.** The Series 2019 Warrants are not subject to mandatory redemption.

(b) Optional Redemption**.** Those of the Series 2019 Warrants maturing on or after February 1, 2030 will be subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, 2029 and on any date thereafter (in principal amounts of $5,000 and any integral multiple thereof and if less than all of the Series 2019 Warrants are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2019 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2019 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.

Section 5.2 <u>Procedure for Redemption; Ordinance Authorizing Redemption</u>. Not more than sixty (60) or less than thirty (30) days prior to the Redemption Date, the City (or the Bank on behalf of the City) shall give, or cause to be given, written notice of such redemption and prepayment by United States mail, registered or certified, to the Holders of each of the Warrants to be redeemed, in whole or in part, at the address of such registered Holder as such address appears on the registry books of the Registrar, stating that the Warrants (or principal portions thereof) have been called for redemption and will become due and payable at the Redemption Price, on a specified Redemption Date and that all interest thereon will cease to accrue after the Redemption Date. The holders of any of the Warrants to be redeemed may waive the requirements for notice with respect to the Warrants held by them without affecting the validity of the call for redemption of any other Warrants. The City shall cause to be paid and made available at the office of the Bank, on or prior to the Redemption Date, the total Redemption Price of the Warrants (or portions thereof) so called for redemption on such date. Out of the moneys so deposited with it, the Bank shall make provision for payment of the Warrants (or principal portions thereof) so called for redemption at the Redemption Price and on the Redemption Date.

In addition to the foregoing notice, further notice shall be given by the City to all registered securities depositories and to one or more national information services that disseminate notices of redemption of obligations such as the Warrants. No defect in the further notice required in this paragraph, and no failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described in the first paragraph of this Section 5.2.

Any optional redemption or prepayment of the Warrants or any portion thereof shall be effected upon a call by the City, as evidenced by a resolution of the Council, for redemption and prepayment of the Warrants to be so redeemed. Any such resolution pertaining to the Warrants shall state (i) that the City is not in default in the payment of the principal of or interest on any of the Warrants to be redeemed or (ii) that all of the Warrants then outstanding are to be retired on the Redemption Date.

Section 5.3 <u>Result of Redemption of Warrants</u>. Upon compliance with the requirements set forth in this Article V, and if the City is not on the Redemption Date in default in the payment of the principal of or interest on the Warrants, the Warrants (or principal portions thereof) called for redemption shall become due and payable at the Redemption Price and on the Redemption Date specified in the notice provided for in Section 5.2, and the Holders thereof shall then and there surrender them for redemption; provided, however, that in the event that less than all of the outstanding principal of any Warrant is to be redeemed, the registered Holder thereof shall surrender the Warrant that is to be prepaid in part to the Bank in exchange, without expense to the Holder, for a new Warrant of like tenor except in a principal amount equal to the unredeemed portion thereof. All future interest on the Warrants (or principal portions thereof) so called for redemption shall cease to accrue after the Redemption Date.

ARTICLE VI

Registration and Transfer of the Warrants

Section 6.1 Registration and Transfer of the Warrants. The Warrants shall be registered as to both principal and interest. Each Warrant shall have endorsed thereon a registration certificate substantially in the form provided in Section 2.5 hereof, and a condition to the validity of each Warrant shall be the manual execution of such certificate on behalf of the Bank. The Bank is hereby appointed as the Registrar and Transfer Agent for the Warrants, and shall be authorized to keep at its designated corporate trust agency office, proper registry books in which it shall register the Warrants, as to both principal and interest, noting the registry on the Warrants so presented. Such registration shall conclusively designate the Warrant Holder as the sole person to whom or on whose order the payment of the principal of and interest on the Warrants so registered may be made. After such registration no transfer of a Warrant so registered shall be valid unless it is presented at the said office with written power to transfer, properly stamped if required, in form and with guaranty of signature satisfactory to the Registrar, and such new registration noted thereon by the Registrar. The Registrar shall not be required to transfer or exchange such Warrant during the period of fifteen (15) days next preceding any interest payment date. If any Warrant shall be duly called for redemption pursuant to the provisions hereof, the Registrar shall not be required to transfer such Warrant during the period of sixty (60) days next preceding the date fixed for its redemption.

Section 6.2 Exchange of Warrants. Upon request of the Holder of any Warrant, the City shall execute, and the Bank shall register and deliver, upon surrender to the Bank of the Warrant or Warrants, in exchange therefor, a Warrant or Warrants of the same tenor in different authorized principal amounts (of $5,000 or integral multiples thereof), together aggregating the same principal amount as the then unpaid principal of the Warrant or Warrants so surrendered, all as may be requested by the persons surrendering such Warrant or Warrants.

Section 6.3 Costs of Registration, Transfer and Exchange. The registration, transfer and exchange of Warrants (other than pursuant to Section 6.5 hereof) shall be without expense to the Holder or transferee. In every case involving a transfer, registration or exchange, such Holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

Section 6.4 Effect of Registration. The City, the Registrar, and the Paying Agent may deem and treat the person in whose name a Warrant is registered on the books of the Registrar as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by any of them to the person in whose name a Warrant is registered shall, to the extent of such payment, fully discharge all liability thereof.

Section 6.5 Replacement of Mutilated, Lost, Stolen or Destroyed Warrants. In the event that any Warrant is mutilated, lost, stolen or destroyed, the City may execute and deliver a new Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided, that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the City and the Bank, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the City and the Bank evidence of such loss, theft or destruction satisfactory to each of them, together with indemnity satisfactory to each of them. The City may charge the Holder with the expense of issuing any such new Warrant.

Section 6.6 Provisions with Respect to Bank. (a) Appointment of Bank and Acceptance of Duties. The Bank is herein designated and appointed and shall act as registrar, transfer agent and payment agent with respect to the Warrants. By its acceptance of such duties hereunder, the Bank shall accept and agree to perform the duties required by this Ordinance, subject, however, to the following conditions:

(i) The Bank shall undertake to perform such duties and only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Bank.

(ii) In the absence of bad faith or negligence on its part, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bank and conforming to the requirements of this Ordinance; provided, however, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Ordinance.

(iii) The Bank shall not be answerable for other than its gross negligence or willful default and the Bank may act through its agents and attorneys with respect to any of its duties hereunder.

(iv) No provision of this Ordinance shall be construed to relieve the Bank from liability for its own gross negligence or willful misconduct, except that no provision of this Ordinance shall require the Bank to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(v) The Bank may consult counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of counsel, provided that its action or inaction is not contrary to any express provision hereof.

(vi) The Bank need not recognize a Holder of a Warrant as such without the satisfactory establishment of his title to such Warrant.

(vii) Any action taken by the Bank at the request of and with the consent of the Holder of a Warrant will bind all subsequent Holders of the same Warrant and any Warrant issued hereunder in lieu thereof.

(viii) The Bank may be a Holder or a pledgee of any of the Warrants as if not Bank hereunder.

(ix) The Bank shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(x) The Bank shall not be liable to pay or allow interest on any moneys to be held by it under this Ordinance or otherwise to invest any such moneys, except as specifically required by this Ordinance or as may be required by law or other written agreement between the City and the Bank.

(xi) The Bank may make any investments permitted or required hereby through its own investment department, and any Eligible Investments issued or held by it hereunder shall be deemed investments and not deposits.

(xii) The Bank shall, upon reasonable written request, inform the City of the amount at the time on deposit in any of the special funds or accounts created hereunder.

(xiii) The recitals of fact herein and in the Warrants are statements by the City and not by the Bank, and the Bank is in no way responsible for the validity or security of the Warrants or the validity of the security afforded hereby.

(b) Resignation by Bank. The Bank and any successor Bank may resign and be discharged from the duties under this Ordinance by causing written notice specifying the effective date of such resignation to be delivered by United States registered or certified mail, postage prepaid, to the City and to every Holder of a Warrant. Unless the effective date of the Bank's resignation shall coincide with the appointment of a successor Bank by the Holders of the Warrants as herein provided, such date shall be at least thirty (30) days after the date on which notice to the City and the Holders of the Warrants shall have been mailed.

(c) Removal of Bank. The Bank may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bank and to the City and signed by the Holders of a majority in aggregate principal amount of the Warrants then outstanding.

(d) Appointment of Successor Bank; Interim Bank. In case the Bank shall resign, be removed, be dissolved, be in course of dissolution of liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by Holders of a majority in aggregate principal amount of Warrants then outstanding through an instrument or concurrent instruments in writing signed by such Holders. In case of any such resignation or event which causes the Bank to be incapable of acting, the City, by an instrument signed by the Mayor, shall appoint an interim Bank to serve until a successor Bank shall be appointed by the Holders of a majority in aggregate principal amount of the Warrants, as provided above. Whenever necessary to avoid or fill a vacancy in the office of Bank, the City will appoint an interim Bank in order that there shall at all times be a Bank hereunder. Any interim Bank so appointed by the City shall immediately and without further act be superseded by the Bank appointed by the holders of the Warrants.

The City shall cause notice of the appointment of an interim Bank, in the event that such an appointment is made, to be forwarded by United States registered or certified mail, postage prepaid, to every Holder of a Warrant. When the appointment of a successor Bank, as selected by the Holders of a majority in principal amount of the Warrants then outstanding, becomes effective, the City shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim Bank. Every interim or successor Bank appointed pursuant to this Section shall be a trust company or bank which is qualified to perform all duties of the Bank under this Ordinance and which has, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than $25,000,000, if there be such an institution willing, qualified and able to accept appointment as Bank upon reasonable or customary terms.

(e) Concerning any Successor Bank. Every successor Bank shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting its appointment as Bank hereunder, and thereupon such successor Bank, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of its predecessor. Such predecessor shall nevertheless, on the written request of the City or such successor Bank, execute and deliver an instrument transferring to such successor Bank all rights, powers and interests of such predecessor hereunder; and every predecessor Bank shall deliver all securities and moneys held by it as Bank hereunder to its successor.

(f) Merger or Consolidation of Bank. Any corporation into which the bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank, shall be the successor of the Bank hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the registration certificates with respect to any Warrants shall have been executed by the Bank then in office, any successor by merger or consolidation to such Bank may adopt the registration of such Warrants and deliver such Warrants with the same effect as if such successor Bank had itself registered such Warrants.

(g) Compensation of Bank. Subject to the provisions of any separate agreement with the Bank, the City shall pay to the Bank from time to time reasonable compensation for all services rendered by it under this Ordinance, including its services as registrar and paying agent for the Warrants, and also all its reasonable expenses, charges, counsel fees, costs and expenses and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its duties hereunder.

ARTICLE VII

Execution and Delivery of the Warrants; Use of Proceeds Therefrom

Section 7.1 Authority to Execute and Deliver the Warrants. The Mayor of the City, the City Clerk and the Treasurer are hereby authorized and directed to cause the Warrants to be executed, sealed, attested and registered as a claim against the City and the Warrant Fund as provided herein and delivered to the purchaser thereof upon payment to the City of the sale price therefor.

Section 7.2 Application of Proceeds of Sale; Additional Sums. The gross proceeds derived from the sale of the Warrants shall be paid to the Bank and shall be used solely for the following purposes:

(i) The amount of $9,384,371.17 shall be paid directly to the Escrow Trustee, for deposit into the Escrow Fund established pursuant to the Escrow Trust Agreement hereinafter authorized, to be applied to the payment of the principal of and interest on the Refunded 2012 Warrants; and

(ii) The remaining amount of proceeds shall be deposited with Bryant Bank, Daphne, Alabama, as depository, in the Capital Improvements Account and applied for the purposes described Section 8.1.

ARTICLE VIII

Creation of Capital Improvement Account, and Warrant Fund; Covenants with Respect to Warrant Proceeds

Section 8.1 **Capital Improvements Account**. There shall be created a special account the full name of which shall be the "City of Daphne Capital Improvements Account, 2019." The Capital Improvements Account shall be maintained as a separate account until the moneys in said account shall have been fully expended as hereinafter provided. Except as hereinafter provided, the City will apply the moneys in the Capital Improvements Account solely for payment of costs of issuance of the Warrants and costs of the construction and installation of the Capital Improvements described in Section 1.3(c) hereof. Bryant Bank, Daphne, Alabama shall be the depository for the Capital Improvements Account.

The Mayor or any other person designated in writing by the Mayor are hereby authorized and directed to make withdrawals from the Capital Improvements Account for the purpose of paying the costs of issuance of the Warrants and the costs of the construction and installation of the Capital Improvements described in Section 1.3(c) hereof. The City shall have the right to supplement or revise the list of Capital Improvements to be paid from proceeds of the Warrants by resolution or ordinance; provided, that no revisions or addition to the Capital Improvements as herein approved shall adversely affect the excludability of interest on the Warrant for federal income tax purposes.

Section 8.2 **Warrant Fund**. There is hereby created a special account, the full name of which shall be the "City of Daphne Warrant Fund, 2019." The Warrant Fund shall be maintained as a separate fund until payment in full of the principal of and interest on the Warrants. The Bank is hereby designated as the custodian of the Warrant Fund.

On or before the Business Day next preceding any Interest Payment Date, the City shall deposit into the Warrant Fund an amount which, when added to the amounts already on deposit therein, will be sufficient to provide for the payment of all principal of and interest on the Warrants coming due on such Interest Payment Date. Monies deposited in the Warrant Fund shall be used by the Bank for the payment of principal, interest and redemption premium (if any) on, the Warrants, and for no other purpose until the payment in full of the Warrants.

Section 8.3 **Investment of Moneys in Accounts**. Pending the expenditure of moneys in the Warrant Fund for any other purpose, the City shall have the privilege at any time and from time to time of investing and reinvesting, or causing to be invested and reinvested, all or part of the moneys at any time on deposit in such account, in Government Obligations or in money market funds consisting of Government Obligations. Pending the expenditure of moneys in the Capital Improvements Account for any other purpose, the City shall have the privilege at any time and from time to time of investing and reinvesting, or causing to be invested and reinvested, all or part of the moneys at any time on deposit in such account in Government Obligations, money market funds consisting of Government Obligations, or certificates of deposit issued by banks or trust companies having at the time of the deposit combined capital, surplus and undivided profits of not less than $5,000,000.

The Bank is hereby directed to invest and reinvest such amounts promptly upon receipt of, and in accordance with, the written instructions of the City. The Bank may conclusively rely upon the City's written instructions as to both the suitability and legality of the directed investments. In the absence of written investment instructions from the City, the Bank shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. The Bank shall not be liable for any losses from such directed investments.

Section 8.4 Security for Funds. Any money on deposit in any fund or account or held by the Bank pursuant to this Ordinance shall, unless invested as provided herein or secured by the Federal Deposit Insurance Corporation (or any successor agency of the United States of America) or under the State of Alabama Security for Alabama Funds Enhancement Program, be secured for the benefit of the City and the Holders by holding on deposit as collateral security direct obligations of the United States of America or securities designated by the Office of the Comptroller of the Currency in 12 CFR 9.10(b) as acceptable collateral for funds held by a national bank in a fiduciary account awaiting investment or distribution, having a market value (exclusive of accrued interest) not less than the amount of money being secured.

Section 8.5 Covenants with Respect to Exemption of Interest from Federal Income Taxation; Non-Arbitrage Covenant. The City acknowledges and agrees that the Warrants are to be issued in compliance with the conditions necessary for the interest income thereon to be exempt from federal income taxation pursuant to the relevant provisions of the Code. The City hereby covenants and agrees as follows:

(a) It will not use or apply the proceeds of the Warrants or direct the investment of moneys in any funds or accounts established or maintained with respect to the Warrants in such manner as to constitute any Warrant an "arbitrage bond" within the meaning of Section 148 of the Code;

(b) It will make timely rebate payments to the United States of America with respect to any "excess" arbitrage profits as required by Section 148(f) of the Code;

(c) It will maintain all records required by Section 148(f) of the Code and the applicable regulations thereunder and shall furnish such data or information regarding compliance with Section 148(f) of the Code as any Holder shall reasonably request in writing, which records shall be furnished to any Holder upon its request;

(d) It will, within 60 days after a written request of the Bank therefor, furnish to the Bank and to any Holder a certificate by an independent certified public accountant or opinion of nationally recognized bond counsel stating that as of such date it had made all rebate payments to the United States of America necessary to prevent the Warrants from becoming "arbitrage bonds" under Section 148(f) of the Code;

(e) It will comply with the terms of the City's Tax Certificate and Agreement with regard to use of proceeds of the Warrants in any private business use; payment of the Warrants shall not be secured by, or derived from, property used in a private business use; proceeds of the Warrants shall not be used to make or finance loans to persons other than governmental units; and proceeds of the Warrants shall not be used in any manner that would cause the Warrants to be or become private activity bonds, as defined in Section 141 of the Code;

(f) It will not cause or permit the Warrants to be federally guaranteed, within the meaning of Section 149(b) of the Code; and

(g) It will not in any other way cause or permit the proceeds of the Warrants to be used in a manner which would cause the interest on the Warrants to lose the exemption from federal income taxation as provided under the Code and the applicable regulations thereunder and will comply with all applicable provisions of the Code (including, without limitation, the provisions relating to post-issuance actions affecting tax exemption) to the extent necessary for interest on the Warrants to be excludable from gross income of the holders thereof.

(h) It has in place procedures providing for compliance with each of the matters described above and for keeping records with respect to such compliance.

ARTICLE IX

Redemption of Certain Refunded 2012 Warrants; Approval of Escrow Trust Agreement

Section 9.1. Call for Redemption. As of the date of this Ordinance there is presently outstanding $10,285,000 of the Series 2012 Warrants, which bear interest at the rates, and mature on February 1 in the years, as set forth below:

Year of Maturity	Principal Amount	Interest Rate
2020	$ 505,000	2.250%
2021	515,000	2.500%
2022	525,000	2.750%
2023	545,000	3.000%
2024	555,000	3.000%
2025	570,000	3.250%
2026	590,000	3.250%
2027	605,000	3.250%
2028	625,000	3.500%
2029	655,000	3.500%
2030	670,000	3.600%
2036	3,925,000	4.000%

The City hereby calls the Refunded 2012 Warrants, being those of the Series 2012 Warrants maturing on February 1 in years 2022 through 2036, inclusive, for redemption and payment on June 28, 2019 (said date herein called the "Redemption Date"), the said redemption to be effected at a redemption price equal to 100% of the principal amount of the Refunded 2012 Warrants plus accrued interest thereon to the Redemption Date. The Bank of New York Mellon Trust Company, N.A., in its capacity as paying agent for the Series 2012 Warrants, is hereby authorized and directed to give notice of and effect said redemption of the Refunded 2012 Warrants in the manner provided in the provisions of the Series 2012 Warrants and the 2012 Ordinance, and to take all such other action as shall be necessary or desirable to carry out the foregoing.

Section 9.2. Payment of Redemption Price. The redemption price, including the outstanding principal amount of the Refunded 2012 Warrants and interest accrued and payable thereon to the date of redemption, shall be paid from a portion of the proceeds of the Warrants.

Section 9.3. Authorization of Escrow Trust Agreement. The City does hereby approve and authorize the form of the Escrow Trust Agreement between the City and The Bank of New York Mellon Trust Company, N.A., as escrow trustee, in substantially the form presented at the meeting of the Council at which this Ordinance is adopted. Upon issuance and delivery of the Warrants, the Mayor of the City is hereby authorized and directed to execute and deliver the Escrow Trust Agreement in the name and on behalf of the City in the form presented to the Council at this meeting, with such changes or additions thereto or deletions therefrom as the executing officer shall approve, which approval shall be conclusively evidenced by his execution of such document.

ARTICLE IX

Approval of Official Statement; Authorization of Continuing Disclosure Agreement; Approval of Sale; Miscellaneous Provisions

Section 10.1 Approval of Official Statement. The Council has previously authorized the preparation and distribution on behalf of the City of a preliminary official statement with respect to the Warrants, which preliminary official statement was "deemed final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. A final Official Statement with respect to the Warrants, in substantially the form presented at the meeting at which this Ordinance is adopted, is hereby approved, and the Mayor of the City is hereby authorized and directed to sign such Official Statement on behalf of the City in substantially the form herein approved, with such changes therein and additions thereto as shall be necessary to conform to the provisions of this Ordinance authorizing the Warrants and such other changes and additions as the Mayor of the City shall deem necessary and appropriate and the execution of the final official statement by the Mayor of the City as hereby authorized shall be conclusive evidence of any such approval. The distribution of such Official Statement on behalf of the City by Piper Jaffray & Co. is hereby authorized and approved.

Section 10.2 Authorization of Continuing Disclosure Agreement. Upon delivery of the Warrants to the purchaser thereof, the Mayor of the City is hereby authorized and directed to execute and deliver for and on behalf of the City, the Continuing Disclosure Agreement in substantially the form presented at the meeting of the Council at which this Ordinance is adopted. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder or with respect to the Warrants; provided, however, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 10.2. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Warrants for federal income tax purposes.

Section 10.3 Sale of Warrants. The City does hereby (i) authorize and approve the sale of the Warrants to Piper Jaffray & Co. at a purchase price of $10,346,449.20, which amount reflects an underwriter's discount of $47,575.00 plus original issue premium of $879,024.20 and (ii) ratify and approve the execution of the Warrant Purchase Agreement dated May 16, 2019 between the City and Piper Jaffray & Co.

Section 10.4 Designation Under Section 265 of the Code. The City hereby designates the Warrants as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 10.5 Further Acts. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Warrants and in the delivery of the Official Statement or as contemplated by this Ordinance.

The Mayor and City Clerk are authorized and directed to prepare and furnish to the purchaser of the Warrants, when the Warrants are issued, certified copies of all the proceedings and records of the Council relating to the Warrants, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Warrants as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

Section 10.6 Contractual Provisions. The provisions of this Ordinance shall constitute a contract between the City and the Holders at any time of the Warrants. Upon payment in full of the principal of and interest on the Warrants the obligations of the City hereunder shall cease with respect thereto.

Section 10.7 Warrants Payable at Par. Each bank at which the Warrants may at any time be payable, by acceptance of its duties as Paying Agent therefor, shall be construed to have agreed thereby with the Holders of the Warrants that all remittances made by it on the Warrants shall be made in bankable funds at par and without deduction for exchange, fees or expenses.

Section 10.8 Severability. The various provisions of this Ordinance are hereby declared to be severable. In the event any provisions hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

Section 10.9 Repeal of Conflicting Provisions. All resolutions, orders or parts thereof in conflict with this Ordinance are to the extent of such conflict are hereby repealed.

After discussion, Councilmember ____________ moved that the foregoing ordinance be adopted and spread upon the minutes of this meeting, which motion was seconded by Councilmember ___________, and, on roll call the following vote was registered:

<u>YEAS</u>	<u>NAYS</u>

The Chairman thereupon announced that the said ordinance had been carried by unanimous vote of the Council present.

* * * * * *

There being no further business to come before the meeting, the meeting was, upon motion duly made, seconded and unanimously carried, adjourned.

____
Dane Haygood, Mayor

[SEAL]

ATTEST:

____
Candace Antinarella, City Clerk

CLERK'S CERTIFICATE

I, Candace Antinarella, City Clerk of the City of Daphne, Alabama, DO HEREBY CERTIFY that the foregoing pages of typewritten material constitute excerpts from the minutes of a regular meeting of the City Council of Daphne, Alabama, held on May 20, 2019 pertaining to the City's General Obligation Refunding and Improvement Warrants, Series 2019, which meeting was called and assembled and was open to the public and at which a quorum was present and acting throughout, and that the original of said minutes appears of record in the minute books of the City Council of Daphne, Alabama, which are in my custody and control.

Given under my hand and the seal of the City of Daphne, Alabama, this 29th day of May, 2019.

[SEAL]

____

Candace Antinarella, City Clerk

DAC Bond®

OFFICIAL STATEMENT

NEW ISSUE-BOOK ENTRY ONLY
BANK QUALIFIED

Rating: Standard & Poor's: AA+
(Stable Outlook)
(See "RATING" herein)

In the opinion of Bond Counsel, assuming continuing compliance by the City with certain conditions imposed by the Internal Revenue Code of 1986, referred to herein under "Tax Matters," the interest income on the Series 2019 Warrants (i) will be excludable from gross income of the recipients thereof for federal income tax purposes, and (ii) will not be an item of tax preference for purposes of the alternative minimum tax on individuals and corporations. However, see "Tax Matters" herein for certain other federal tax consequences to the recipients of the interest income on the Series 2019 Warrants. Bond Counsel is of the further opinion that the interest income on the Series 2019 Warrants is, under existing statutes and regulations, exempt from Alabama income taxation.

$9,515,000
CITY OF DAPHNE, ALABAMA
General Obligation Refunding and Improvement Warrants
Series 2019

Dated: Date of Issuance

Due: As shown on the inside cover

Interest on the Series 2019 Warrants is payable on February 1 and August 1 of each year, commencing August 1, 2019. The Series 2019 Warrants when issued will be issued in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2019 Warrants. Purchases of beneficial interest in the Series 2019 Warrants will be made in book-entry form, in denominations of $5,000 or any integral multiple thereof. Except as herein described, purchasers will not receive certificates representing their beneficial interests in the Series 2019 Warrants. So long as DTC or its nominee, Cede & Co. is the registered owner of the Series 2019 Warrants, payments of principal and interest will be made directly to DTC or to such nominee. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of Direct Participants and Indirect Participants of DTC, all as more fully described herein.

The Series 2019 Warrants are subject to redemption prior to maturity as more fully described herein.

See inside front cover for information on maturity dates, principal amounts, interest rates, yields and prices.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to an informed investment decision.

The Series 2019 Warrants are offered when, as and if issued by the City of Daphne, Alabama, at the offering price set forth above, subject to the approval of the validity thereof by Hand Arendall Harrison Sale LLC, Mobile, Alabama, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Adams & Reese LLP, Mobile, Alabama. Certain legal matters will be passed upon for the Underwriter by its counsel, Ezell Law, LLC, Birmingham, Alabama. It is expected that the Series 2019 Warrants in definitive form will be available for delivery through DTC in New York, New York on or about May 29, 2019.

PiperJaffray®

Date: May 16, 2019

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$9,515,000
CITY OF DAPHNE, ALABAMA
General Obligation Refunding and Improvement Warrants
Series 2019

Maturity Date	Amount Maturing	Interest Rate	Yield	Cusip**
August 1, 2019	$105,000	3.000%	1.700%	237019JG0
February 1, 2022	520,000	3.000%	1.750%	237019JH8
February 1, 2023	540,000	3.000%	1.800%	237019JJ4
February 1, 2024	555,000	3.000%	1.850%	237019JK1
February 1, 2025	570,000	4.000%	1.900%	237019JL9
February 1, 2026	590,000	4.000%	1.950%	237019JM7
February 1, 2027	615,000	4.000%	2.000%	237019JN5
February 1, 2028	635,000	4.000%	2.050%	237019JP0
February 1, 2029	675,000	4.000%	2.100%	237019JQ8
February 1, 2030	690,000	4.000%	2.200%*	237019JR6
February 1, 2031	720,000	4.000%	2.300%*	237019JS4
February 1, 2032	745,000	4.000%	2.400%*	237019JT2
February 1, 2033	610,000	3.000%	2.650%*	237019JU9
February 1, 2034	630,000	3.000%	2.700%*	237019JV7
February 1, 2035	645,000	3.000%	2.750%*	237019JW5
February 1, 2036	670,000	3.000%	2.800%*	237019JX3

* Yield computed to first optional redemption date: February 1, 2029.

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CITY OF DAPHNE, ALABAMA

<u>Mayor</u>

Dane Haygood

<u>City Council Members</u>

Tommie Conaway, District 1
Pat Rudicell, Council President, District 2
Joel Coleman, District 3
Doug Goodlin, District 4
Ron Scott, District 5
Robin LeJeune, District 6
Angie Phillips, District 7

<u>City Clerk</u>

Candace Antinarella

<u>Finance Director</u>

Kelli Kichler Reid

<u>Counsel to the City</u>

Adams & Reese LLP
Mobile, Alabama

<u>Bond Counsel</u>

Hand Arendall Harrison Sale LLC
Mobile, Alabama

<u>Underwriter</u>

Piper Jaffray & Co.
Birmingham, Alabama

In connection with the sale of the Series 2019 Warrants herein described, no person has been authorized to give any information or to make any representation not contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by the City of Daphne, Alabama. The information in this Official Statement has been obtained from the City and other sources which are considered dependable and which are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any of such Series 2019Warrants, nor shall there be any sale of such Series 2019 Warrants by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2019 Warrants shall under any circumstances create any implication that there has been no change in the affairs of the City of Daphne, Alabama, since the date hereof.

This Official Statement is intended to reflect information as of its date. The delivery of this Official Statement does not imply that the information contained herein is correct on any date subsequent to the date hereof.

In connection with the offering of the Series 2019 Warrants, the Underwriter may over allot or effect transactions that stabilize or maintain the market prices of the Series 2019 Warrants at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Certain statements contained in this Official Statement including, without limitation, statements containing the words "estimates," "believes," "anticipates," "expects," and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the City or other entities to which the forward-looking statements relate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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OFFICIAL STATEMENT

CITY OF DAPHNE, ALABAMA

$9,515,000
General Obligation Refunding and Improvement Warrants
Series 2019

INTRODUCTION

This Official Statement provides certain information in connection with the sale and issuance by the City of Daphne, Alabama (the "***City***") of $9,515,000 principal amount of its General Obligation Refunding and Improvement Warrants, Series 2019, dated the date of their initial issuance and delivery (the "***Series 2019 Warrants***"). The Series 2019 Warrants will be issued pursuant to the Constitution and laws of the State of Alabama and an ordinance (the "***Warrant Ordinance***") adopted by the governing body of the City (the "***City Council***"). The Warrant Ordinance will constitute a contract with the holders of the Series 2019 Warrants.

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Warrant Ordinance or any contract, indenture, ordinance, resolution or other document or official act related to the Series 2019 Warrants are qualified in their entirety by the exact terms of such documents or official acts which are items of public record available from the City. All references herein to, or summaries of, the Series 2019 Warrants are qualified in their entirety by the definitive form thereof and the information with respect thereto included in the Warrant Ordinance.

PURPOSES OF THE SERIES 2019 WARRANTS

The City has determined to issue the Series 2019 Warrants for the purposes of (i) refunding certain outstanding debt of the City; (ii) financing a portion of the costs of various improvement projects for the City; and (iii) paying the expenses of issuing the Series 2019 Warrants.

Refunding Plan

The City has heretofore issued its $13,495,000 General Obligation Refunding and Improvement Warrants, Series 2012 (the ***"Series 2012 Warrants"***), which are outstanding in the aggregate principal amount of $10,285,000. The Series 2012 Warrants maturing on February 1 in years 2022 through 2036, inclusive (the ***"Refunded 2012 Warrants"***), will be refunded on a current basis with a portion of the Series 2019 Warrants.

In order to effect the refunding of the Refunded 2012 Warrants, the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Trustee") will enter into an escrow trust agreement (the "Escrow Agreement") simultaneously with the issuance of the Series 2019 Warrants. Pursuant to the Escrow Agreement, the City will establish an irrevocable trust fund for the benefit of the holders of the Refunded 2012 Warrants (the "Escrow Fund") and will deposit therein a portion of the proceeds of the Series 2019 Warrants. The amount so deposited in the Escrow Fund will be used to purchase certain United States government securities (the "Escrow Securities"). The cash flow from the Escrow Securities, without reinvestment, when added to any uninvested cash in the Escrow Fund, will be sufficient to pay the redemption price (principal, premium, and accrued interest) of the Refunded 2012 Warrants, which will be called for redemption on June 28, 2019.

Improvements

A portion of the proceeds of the Series 2019 Warrants will be used to pay a portion of the costs of the installation and construction of a fire station for use in serving the citizens of the City (the "***2019 Improvements***"). The 2019 Improvements are expected to have a total cost of at least $1,000,000. Any such cost not paid by the proceeds of the Series 2019 Warrants will be funded by the City from other sources. The Warrant Ordinance permits the City to supplement and amend the 2019 Improvements to be funded from proceeds of the Series 2019 Warrants.

Estimated Sources and Use of Proceeds

The estimated sources and uses of funds for this financing are as follows:

Sources of Funds:	
Par Amount	$ 9,515,000.00
Plus Original Issue Premium	879,024.20
Total	$10,394,024.20
Uses of Funds:	
Deposit into 2019 Capital Improvements Account	$ 916,178.03
Deposit into Escrow Fund	9,384.371.17
Issuance Expenses (including underwriting discount)	93,475.00
Total	$10,394,024.20

THE SERIES 2019 WARRANTS

Description of the Series 2019 Warrants

The Series 2019 Warrants will be fully registered warrants issued initially in the denomination of $5,000 or any integral multiple thereof and subject to exchange as hereinafter provided. The Series 2019 Warrants will be dated the date of their initial issuance and delivery, will bear interest payable semiannually on each February 1 and August 1, commencing August 1, 2019, at the rates set forth on the inside cover hereof, and will mature on the dates and in the principal amounts set forth on the inside cover hereof. So long as the Series 2019 Warrants are in book-entry-only form payments will be made as described below in "Book-Entry System."

The principal of and the premium, if any, on the Series 2019 Warrants will be payable, with par clearance guaranteed, at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Birmingham, Alabama, the registrar, transfer agent and paying agent for the Series 2019 Warrants (said bank acting in such capacity, together with any successor thereto, being herein called the "Registrar" or "Paying Agent"). The interest payable on the Series 2019 Warrants on each interest payment date will be paid by check or draft mailed by the Registrar to the registered holders thereof on such interest payment date. If any interest payment date shall fall on a Saturday, Sunday or legal holiday on which the Registrar is not open for business, such payment shall be made on the next following business day.

The Warrant Ordinance makes special provision for payment of overdue interest which may be paid to a holder other than the registered holder of a Series 2019 Warrant at the time such overdue interest becomes due and payable.

Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2019 Warrants. The Series 2019 Warrants will be issued as fully-registered warrants in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Warrant certificate will be issued for each maturity of the Series 2019 Warrants and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Warrants under the DTC system must be made by and through Direct Participants, which will receive a credit for the Series 2019 Warrants on DTC's records. The ownership interest of each actual purchaser of each Warrant ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2019 Warrants are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Warrants, except in the event that the use of the book-entry system for the Series 2019 Warrants is discontinued.

To facilitate subsequent transfers, all Series 2019 Warrants deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Warrants with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Warrants are being redeemed, DTC's practice is to determine by lot the amount of the beneficial interest of each Direct Participant in such Series 2019 Warrants to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Series 2019 Warrants unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and premium, if any, and interest payments on the Series 2019 Warrants will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the City or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and Paying Agent; disbursement of such payments to Direct Participants is the responsibility of DTC; and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Warrants at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, warrant certificates are required to be printed and delivered. In addition, the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, warrant certificates will be printed and delivered as described below.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the City believes to be reliable, but the City and the Underwriter take no responsibility for the accuracy thereof.

None of the City, the Underwriter or the Paying Agent has any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in any global Warrant or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Discontinuation of Book-Entry System

In the event the book-entry system is discontinued, Warrant certificates in fully registered form would be delivered to, and registered in the names of, the Direct Participants, or such other persons as such Direct Participants may specify (which may be the Indirect Participants or Beneficial Owners), in denominations of $5,000 or any integral multiple thereof. The ownership of the Series 2019 Warrants so delivered (and any Series 2019 Warrants thereafter delivered upon a transfer or exchange described below) would be registered in the registration books to be kept by the Paying Agent as the Warrant Registrar for the City. Except as provided in the Warrant Ordinance, the City and the Paying Agent are entitled to treat the registered owners of such Series 2019 Warrants, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Warrant Ordinance. See "CERTAIN PROVISIONS RESPECTING REGISTRATION AND TRANSFER OF THE SERIES 2019 WARRANTS" below.

Certain Provisions Respecting Registration and Transfer of the Series 2019 Warrants

The Series 2019 Warrants shall be registered as to both principal and interest and may be transferred only on the registry books of the Paying Agent pertaining to the Series 2019 Warrants. No transfer of the Series 2019 Warrants shall be permitted except upon presentation and surrender of such Warrant at the office of the Paying Agent with written power to transfer signed by the registered owner thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Paying Agent. The Paying Agent will not be required to register or transfer any Warrant during the period of fifteen (15) calendar days next preceding any interest payment date and shall not be required to transfer or exchange any Warrant during the period of sixty (60) calendar days next preceding the date for redemption or prepayment of any Warrant. The holder of one or more of the Series 2019 Warrants may, upon request, and upon the surrender to the Paying Agent of such Warrant, exchange such Warrant for Series 2019 Warrants of other authorized denominations of the same series, maturity and interest rate and together aggregating the same principal amount as the Series 2019 Warrant so surrendered. Any registration, transfer and exchange of Series 2019 Warrants shall be without expense to the holder thereof, except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange. The holder of any Warrant will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Warrant.

The Warrant Ordinance provides that each holder of the Series 2019 Warrants, by receiving or accepting the Series 2019 Warrants, consents and agrees and is estopped to deny that, insofar as the City and the Paying Agent are concerned, the Series 2019 Warrants may be transferred only in accordance with the provisions of the Warrant Ordinance. The Warrant Ordinance also provides that each transferee of the Series 2019 Warrants takes them subject to all principal and interest payments in fact made with respect to the Series 2019 Warrants.

No transfer of any Series 2019 Warrant will be valid except upon presentation and surrender of such Series 2019 Warrant at the principal corporate trust office of the Registrar with written power to transfer signed by the registered owner in person or by duly authorized attorney. Upon the proper transfer of any Series 2019 Warrant, the City will execute a new Series 2019 Warrant, and the Registrar will deliver to the transferee such new Series 2019 Warrant registered in the name of such transferee.

Any holder of one or more of the Series 2019 Warrants may, upon the surrender thereof to the Registrar, exchange such Series 2019 Warrant or Warrants for other Series 2019 Warrants, in the denomination of $5,000 or any integral multiple thereof, of the same maturity and interest rate and together aggregating the same principal amount as the Series 2019 Warrant or Warrants so surrendered.

Authority for Issuance

The Series 2019 Warrants are issued by the City under authority of the Constitution and laws of the State of Alabama, including particularly Title 11, Chapter 47, Section 2 of the Code of Alabama (1975), as amended and pursuant to authorization contained in the Warrant Ordinance.

Redemption Prior to Maturity

The Series 2019 Warrants will be subject to redemption and payment prior to their maturity as follows:

Optional Redemption. The Series 2019 Warrants maturing on or after February 1, 2030 will be subject to redemption prior to their maturity, at the option of the City, in whole or in part, on February 1, 2029 and on any date thereafter (in principal amounts of $5,000 and any integral multiple thereof and if less than all of the Series 2019 Warrants are to be redeemed, those maturities or portions thereof to be called for redemption shall be selected by the City in its discretion, and if less than all the Series 2019 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot), at and for a redemption price equal to 100% of the principal amount of each Series 2019 Warrant or portion thereof redeemed, plus accrued interest to the date fixed for redemption.

Notice of any such redemption is required to be given, not less than thirty (30) days prior to the date fixed for redemption, by United States registered or certified mail to the registered holder of any Series 2019 Warrant called for redemption.

SECURITY

General

The Series 2019 Warrants will be general obligations of the City for the payment of which the full faith and credit of the City will be irrevocably pledged. Revenues of the City legally available for payment of the principal of and the interest and premium (if any) on the Series 2019 Warrants will include ad valorem taxes, gross receipts taxes, privilege license taxes and other taxes, and other general revenues of the City.

Application of Tax Revenues and Creation of Funds

General. The Warrant Ordinance will provide for the maintenance of a special fund designated the "City of Daphne Warrant Fund, 2019" (the "***Warrant Fund***"). The Bank of New York Mellon Trust Company, N.A. will be designated in the Warrant Ordinance as the depository, custodian and disbursing agent for the Warrant Fund.

The Warrant Fund. The City will be required to transfer to the Warrant Fund, on or before the business day next preceding each February 1 and August 1, commencing August 1, 2019, an amount equal to the sum of (i) the semiannual installment of interest that will mature with respect to the Series 2019 Warrants on the then next succeeding interest payment date, plus (ii) the principal, if any, of the Series 2019 Warrants that will mature on the then next succeeding interest payment date. Moneys on deposit in the Warrant Fund are to be used for the payment of the principal of and interest on the Series 2019 Warrants.

Investment of Funds. The City may, at its option, from time to time cause any or all of the moneys on deposit in the Warrant Fund to be invested in Federal Obligations (as hereinafter defined) having a specified maturity, or being redeemable at the option of the holder, prior to the date when it is anticipated by the City that such moneys will be needed. In the event of any such investment of moneys in the Warrant Fund, the Federal Obligations in which such investment shall be made, together with all income therefrom, shall become a part of said fund and shall be held by the Paying Agent to the same extent as if they were moneys on deposit therein. As used in this Official Statement, the term "Federal Obligations" means securities that are direct obligations of the United States of America or that are unconditionally guaranteed by the United States of America as to the payment of both principal and interest (including money market funds investing solely in such obligations of the United States of America).

Bankruptcy

Chapter 9 of the United States Bankruptcy Code permits political subdivisions and public agencies or instrumentalities that are insolvent or unable to meet their debts to file petitions for relief in a federal bankruptcy court if authorized by state law. Alabama law as presently construed authorizes the City and other political subdivisions in Alabama to file petitions for relief under the Bankruptcy Code.

Bankruptcy proceedings by the City could have significant adverse effects on the holders of the Series 2019 Warrants, including (a) delay in the enforcement of their remedies, (b) subordination of their claims to the claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings or to other claims of creditors of the City, (c) subordination of liens, (d) avoidance of liens or preferential transfers, and (e) imposition without their consent of a plan for the adjustment of the City's debts that may modify the rights of creditors generally, including the rights of the owners of the Series 2019 Warrants. The Bankruptcy Code permits the use of a plan for the adjustment of debts of a political subdivision which is binding upon all creditors who had notice or knowledge of the plan and which discharges all claims against such political subdivision provided for in the plan, subject to certain requirements and conditions. The effect of these and other provisions of the Bankruptcy Code cannot be predicted with any certainty and may be significantly affected by judicial interpretation or future action of the Congress of the United States or the Alabama Legislature.

RISK FACTORS

An investment in the Series 2019 Warrants involves certain risks which should be carefully considered by investors. Prospective investors should carefully examine this Official Statement and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2019 Warrants are an appropriate investment for them. The sufficiency of general fund moneys to pay debt service on the Series 2019 Warrants may be affected by events and conditions relating generally to, among other things, the assessed value of taxable property in the City, the value of retail sales in the City, and population trends and economic developments, the exact nature and extent of which are not presently determinable.

The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Series 2019 Warrants. This discussion is not comprehensive or definitive and does not summarize all risks that may be associated with the Series 2019 Warrants.

Limitations on Rights of Holders of the Series 2019 Warrants/Limitations on City Revenue Increases

Holders of the Series 2019 Warrants should be aware that their rights and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases, including the law-imposed requirement that the City may first use its taxes and other revenues to pay the expenses of providing necessary governmental services before paying debt service on the Series 2019 Warrants.

Holders of the Series 2019 Warrants also should be aware that, under present law, the rates at which Alabama property taxes are levied may be increased only after approval by the legislature and a majority vote of the qualified electors of the affected jurisdiction, and that, under applicable judicial precedents, neither Alabama general sales and use taxes nor Alabama business license taxes may be levied at rates that are confiscatory or unreasonable.

The United States Bankruptcy Code

Information describing the applicability of the United States Bankruptcy Code to the City and the Series 2019 Warrants is set forth in this Official Statement under the caption "SECURITY – Bankruptcy".

Hurricanes and Other Severe Weather

The Gulf Coast region is subject to occurrences of severe weather, including hurricanes, in which winds and tidal surges are powerful enough to cause severe destruction. The City, which is located in a coastal area, is particularly susceptible to such storms and their effects. While the City's property and equipment is insured against damage from such weather hazards in amounts the City's management believes to be reasonable, the City is not insured against risks like business interruption or loss of taxes and other revenues that could result from such weather hazards. There can be no assurance that the City has provided adequate financial reserve funds against such uninsured risks.

Tax-Exempt Status of Series 2019 Warrants

It is expected that the Series 2019 Warrants will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. See "TAX MATTERS". It is anticipated that Bond Counsel will render an opinion substantially in the form attached hereto as APPENDIX C, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2019 Warrants could be affected by post-issuance events. There are various requirements of the Internal Revenue Code of 1986, as amended, that must be observed or satisfied after the issuance of the Series 2019 Warrants in order for the Series 2019 Warrants to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2019 Warrants, use of the facilities financed by the Series 2019 Warrants, investment of warrant proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the City.

The Internal Revenue Service conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2019 Warrants, the City would be treated as the taxpayer, and the owners of the Series 2019 Warrants may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2019 Warrants could adversely affect the market value and liquidity of the Series 2019 Warrants, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2019 Warrants do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2019 Warrants.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2019 Warrants could affect the tax-exempt status of the Series 2019 Warrants or the effect of investing in the Series 2019 Warrants. For example, the United States Congress could eliminate or limit the exemption for interest on the Series 2019 Warrants, or it could reduce or eliminate the federal income tax, or it could adopt a so-called flat tax. It cannot be predicted whether or in what form any such change in law may be enacted or whether, if enacted, any such change in law would apply to the Series 2019 Warrants.

The Warrant Ordinance does not require the City to redeem the Series 2019 Warrants and does not provide for the payment of any additional interest or penalty if a determination is made that the Series 2019 Warrants do not comply with the existing requirements of the Internal Revenue Code of 1986, as amended, or if a subsequent change in law adversely affects the tax-exempt status of the Series 2019 Warrants or the effect of investing in the Series 2019 Warrants.

Risk of Future Legislative Changes and/or Court Decisions

The Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2019 Warrants. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2019 Warrants will not have an adverse effect on the tax status of interest on the Series 2019 Warrants or the market value or marketability of the Series 2019 Warrants. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2019 Warrants from gross income for federal or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2019 Warrants may be affected and the ability of holders to sell their Series 2019 Warrants in the secondary market may be reduced. The Series 2019 Warrants are not subject to special mandatory redemption, and the interest rates on the Series 2019 Warrants are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Series 2019 Warrants. Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Ratings on the Series 2019 Warrants

The ratings of the Series 2019 Warrants may be lowered or withdrawn depending on various factors, including the ratings agencies' assessment of the City's financial strength.

The ratings of the Series 2019 Warrants are not a recommendation to purchase, hold or sell the Series 2019 Warrants, and the ratings do not comment on the market price or suitability of the Series 2019 Warrants for a particular investor. The ratings of the Series 2019 Warrants may not remain for a given period of time and may be lowered or withdrawn depending on, among other things, each rating agency's assessment of the City's financial strength and changes in each rating agency's methodology in assigning a credit rating to the Series 2019 Warrants. The City is not required to maintain a specified rating in respect to the Series 2019 Warrants.

Suitability of the Series 2019 Warrants for Investment

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

CONTINUING DISCLOSURE

General

Pursuant to Rule 15c2-12 (the "***Rule***") promulgated by the Securities and Exchange Commission, the City has covenanted for the benefit of the holders and beneficial owners of the Series 2019 Warrants to provide its audited financial statements and certain financial information and operating data relating to the City by not later than June 30 of the City's succeeding fiscal year (the "***Annual Report***"), commencing with the report for the 2019 Fiscal Year, and to provide notices of the occurrence of certain enumerated events as described below. The Annual Report and notices of material events will be filed by the City with the Electronic Municipal Market Access System ("***EMMA***") maintained by the Municipal Securities Rulemaking Board and with a State of Alabama State Repository, if any is established.

Annual Reports

Each Annual Report will include an audited financial statement of the City and certain annual financial information and operating data of the kind set forth in the Official Statement under the caption "CITY DEBT", "CITY REVENUES" and "APPENDIX A – Other Post Employment Benefits and Top Ten Taxpayers of the City." If the audited financial statements are not available by the time the Annual Report is due, it is required to be filed when available, provided, in such event unaudited financial statements are required to be delivered as part of the Annual Report.

Material Events Notices

Notices of the following events will be provided in a timely manner not in excess of 10 business days after the occurrence of the event:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on any reserve funds reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants
- Modifications to rights of Warrantholders, if material
- Warrant calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the Series 2019 Warrants, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event with respect to the City
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of the name of a trustee, if material
- Incurrence of a financial obligation (as defined for purposes of the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Warrant holders, if material
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation (as defined for purposes of the Rule) of the City, any of which reflect financial difficulties

In addition, the City must give notice of any failure to file its required Annual Report on or before the date specified in the Continuing Disclosure Agreement.

The City may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above if, in the judgment of the City, such other events are material with respect to the Series 2019 Warrants, but the City does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Other Provisions of Continuing Disclosure Agreement

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided, that the City agrees that any such modification will be done in a manner consistent with the Rule. The City reserves the right to terminate its obligations to provide annual financial information and notices of material events, as set forth above, if and when the City no longer remains an obligated person with respect to the Series 2019 Warrants within the meaning of the Rule. The City acknowledges that its undertaking, pursuant to the Rule described under this heading is intended to be for the benefit of beneficial owners of the Series 2019 Warrants and that the City's obligations may be enforced by any beneficial owner of the Series 2019 Warrants; provided, that the beneficial owner's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations under the Continuing Disclosure Agreement and any failure by the City to comply with the provisions of such undertaking shall not be in event of default with respect to the Series 2019 Warrants.

Digital Assurance Certification

In order to provide certain continuing disclosure in compliance with the Rule, the City has entered into a Disclosure Dissemination Agent Agreement (the "Disclosure Dissemination Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), under which the City has designated DAC as Disclosure Dissemination Agent.

DAC has only the duties specifically set forth in the Disclosure Dissemination Agreement. DAC' s obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the City has provided such information to DAC as required by the Disclosure Dissemination Agreement. DAC has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. DAC has no duty or obligation to review or verify any information in any Annual Report, audited financial statement, Material Event Notice or voluntary report, or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Series 2019 Warrants or any other party. DAC has no responsibility for the City's failure to report to DAC a Notice Event or a duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the City has complied with the Disclosure Dissemination Agreement. DAC may conclusively rely upon certifications of the City at all times.

Compliance with Disclosure Obligations

During the past five years the City has filed all continuing disclosure reports currently required by its prior undertakings under the Rule.

CITY DEBT

General Obligation Indebtedness

The City's outstanding long-term indebtedness after the issuance of the Series 2019 Warrants will be as follows:

Issue	**Principal Amount Outstanding**
General Obligation Refunding and Improvement Warrants, Series 2019	$ 9,515,000
Limited Obligation Revenue Warrants, Series 2002**	1,875,897
General Obligation Refunding and Improvement Warrants, Series 2012	1,020,000
General Obligation Refunding and Improvement Warrants, Series 2014	7,380,000
General Obligation Refunding and Improvement Warrants, Series 2016	4,725,000
2017 Warrants	11,855,000
TOTAL	$36,370,897

** Payments are solely made from related business sales tax revenues.

Other Indebtedness

In addition to the long-term indebtedness shown above, the City has a loan entered into September 27, 2018 in favor of First Security Finance, Inc., currently outstanding in the principal amount of approximately $779,102 and maturing on October 15, 2022 (the "2018 Loan"), and capital leases for the purchase of vehicles, currently outstanding in the amount of $1,112,984.

The City has no authorized but unissued debt outstanding. The City does not expect to incur additional long-term indebtedness, other than the Series 2019 Warrants within the next 12 months.

Subordinate Entity Debt

As of September 30, 2018, the Utilities Board of the City of Daphne, a public corporation which was incorporated by the City and has a five-member board of directors, has outstanding principal indebtedness (including State Revolving Fund loans) in the amount of $11,560,000.

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Debt Service Requirements

The following table presents the annual debt service on the Series 2019 Warrants, the 2018 Loan, the 2017 Warrants, the Series 2016 Warrants, the Series 2014 Warrants and the Unrefunded Series 2012 Warrants after the issuance of the Series 2019 Warrants and the defeasance of the Refunded 2012 Warrants:

Fiscal Year	Principal of the Series 2019 Warrants	Interest on the Series 2019 Warrants	2018 Loan	2017 Warrants	Series 2016 Warrants	Series 2014 Warrants	Unrefunded Series 2012 Warrants	Total Debt Service
2019	$105,000	$ 58,185		$336,495			$ 12,119	$ 511,799
2020		334,700	$214,382	523,283	$1,113,950	$301,495	523,556	3,011,366
2021		334,700	214,382	523,481	1,050,450	364,095	521,438	3,008,545
2022	520,000	326,900	214,382	876,520	423,000	990,395		3,351,197
2023	540,000	311,000	214,382	877,175	423,550	989,095		3,355,202
2024	555,000	294,575		879,289	418,800	996,665		3,144,329
2025	570,000	274,850		878,799	425,600	992,000		3,141,249
2026	590,000	251,650		880,768	421,600	991,120		3,135,138
2027	615,000	227,550		878,102	422,200	993,870		3,136,722
2028	635,000	202,550		878,926	427,200	989,165		3,132,841
2029	675,000	176,350		879,115	426,400	992,985		3,149,850
2030	690,000	149,050		878,668				1,717,718
2031	720,000	120,850		879,584				1,720,434
2032	745,000	91,550		878,801				1,715,351
2033	610,000	67,500		876,350				1,553,850
2034	630,000	48,900		876,264				1,555,164
2035	645,000	29,775		875,445				1,550,220
2036	670,000	10,050		879,896				1,559,946
2037				880,424				880,424
2038				880,125				880,125
TOTAL	$9,515,000	$3,310,685	$857,528	$16,317,510	$5,552,750	$8,600,885	$1,057,113	$45,211,470

Constitutional Limitation on Debt of City

General Limitation. Section 225 of the Constitution of Alabama provides that cities having a population of six thousand or more may not become indebted in an amount in excess of 20% of the assessed valuation of the property situated therein (the "***General Debt Limit***"). The Constitution exempts from this General Debt Limit several categories of indebtedness, including (i) temporary loans, to be paid in one year, made in anticipation of the collection of taxes and not exceeding one-fourth of the general revenues; (ii) bonds or other obligations issued for the purpose of acquiring, providing or constructing schoolhouses, water works and sewers; and (iii) obligations incurred and bonds issued for street or sidewalk improvements where the cost of the same, in whole or in part, is to be assessed against the property abutting said improvements. The Constitution also provides for a separate debt limit for certain economic development projects issued pursuant to Section 94.01 of the Constitution (the "***Economic Development Debt Limit***") and not against the General Debt Limit. As of September 30, 2018, the City has outstanding $1,654,496 of obligations for Sewer Projects and thus not chargeable to its General Debt Limit.

The General Debt Limit based on assessed value of real and personal property of $435,853,834 as of October 1, 2018 is computed as follows, following the issuance of the Series 2019 Warrants:

General & Limited Obligation Debt	$38,262,983
Debt Chargeable to 20% Debt Limit	$36,608,487
Debt Limit (20% of Assessed Value)	$87,170,766
Debt Margin	$50,508,279
Debt to Assessed Valuation	8.7%
2018 Population of City	25,960
Total Debt Per Capita	1,474

CITY REVENUES

General

The City operates on a fiscal year basis beginning October 1 and ending September 30. The City prepares a detailed budget for each fiscal year that is approved by the City Council prior to October 1 and all departments are required by City policy to operate within their respective budgets. There is no constitutional requirement that the budget be balanced each year, but the City has, as a matter of policy, required a balanced budget.

The significant accounting practices for City finances are summarized in the audited financial statements of the City. A copy of the audited financial statements of the City for the fiscal year which ended September 30, 2018, is included as APPENDIX B to this Official Statement including statements of revenues, expenditures and changes in fund balances. The General Fund finances substantially all current operations. These financial statements should be reviewed by prospective purchasers of the Series 2019 Warrants.

Summary of Primary Sources of Revenues and Expenditures

The following table sets forth the primary sources of General Fund revenues, as well as primary categories of expenditures, for the fiscal years ended September 30, 2014 through 2018:

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GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN GENERAL FUND BALANCE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30,

REVENUES	**2018**	**2017**	**2016**	**2015**	**2014**
Taxes:					
Sales, use, luxury	$17,641,013	$16,374,881	$15,703,733	$14,683,837	$14,334,075
Property	5,712,928	5,490,960	5,209,599	4,499,713	5,720,564
Total Taxes	23,353,941	21,865,841	20,913,332	19,183,550	20,054,639
Licenses & Permits	3,160,105	2,811,350	2,674,035	2,654,101	2,250,864
Payments in Lieu of Taxes	2,652,495	2,563,873	2,455,818	2,502,967	2,510,663
Fines	330,761	331,029	385,482	366,045	366,073
Charges for Services	363,094	342,786	360,456	343,525	351,877
Intergovernmental	358,441	373,838	288,590	271,556	273,690
Grants	492,590	406,162	1,431,603	164,801	93,840
Interests/Investment Earnings	52,694	21,152	184,660	211,928	76,960
Contributions and Donations	121,522	81,565	369,869	321,918	65,139
Miscellaneous	74,944	125,193	193,919	50,969	165,902
Total Revenues	30,960,587	28,922,789	29,257,764	26,071,360	26,209,647
EXPENDITURES					
Current:					
General Government	5,023,529	4,138,844	3,771,952	3,410,801	3,262,423
Public Safety	10,818,961	10,166,139	9,903,728	9,599,095	9,656,544
Public Works	4,029,139	4,190,915	4,998,649	3,838,102	4,490,598
Recreation and Library	2,063,789	1,836,500	1,816,295	1,773,455	1,860,630
Hurricane Nate	20,487				
Capital Outlay	1,833,138	1,814,769	2,317,944	1,507,216	1,487,821
Debt Service:					
Principal					
Interest					
Cost of Debt Issuance					
Total Expenditures	23,789,043	22,147,167	22,808,568	20,128,669	20,758,016
Excess (deficiency of revenues over (under) expenditures	7,171,544	6,775,622	6,449,196	5,942,691	5,451,631
OTHER FINANCING SOURCES (USES)					
Transfers In					
Transfers Out	(6,714,173)	(7,117,149)	(5,584,820)	(5,321,830)	(6,171,983)
Issuance of Debt	293,038	570,560	1,285,397	481,289	
Total other financing sources (uses)	(6,421,135)	(6,546,589)	(4,299,423)	(4,840,541)	(6,171,983)
Net change in fund balances	750,409	229,033	2,149,773	1,102,150	(720,352)
Fund Balance, Beginning	13,959,664	13,730,631	11,580,858	10,141,607	10,861,959
Prior Period Adjustment				337,101	
End Balance, Ending	**$14,710,073**	**$13,959,664**	**$13,730,631**	**$11,580,858**	**$10,141,607**

Sales Taxes

The City levies a privilege license tax at the rate of 2.5% pursuant to Ordinance No. 1977-3, as amended by Ordinance No. 1989-13, on persons, corporations and others engaging in the business of selling at retail tangible personal property or conducting places of amusement (the said tax being measured by the gross proceeds or gross receipts of the said business) to the extent that the said tax is levied with respect to business conducted within the corporate limits of the City. Such privilege license tax is herein referred to as the "Sales Tax."

Collections of the Sales Taxes have been as follows for the past five fiscal years:

Fiscal Year	Collection
2017-18	$18,180,419
2016-17	16,777,248
2015-16	16,090,539
2014-15	13,381,388
2013-14	13,248,434

Business License Fee

The City levies, under general authority granted by the Legislature of the State of Alabama, a business license fee on the privilege of engaging in certain businesses and professions within the corporate limits of the City and its police jurisdiction. Businesses and professions are charged a fee based on gross receipts of the prior year, subject to certain limitations with respect to rate. The business license fee is collected by the City's Revenue Department.

Collections of the City's Business License Fee have been as follows for the last five fiscal years indicated:

Fiscal Year	Collection
2017-18	$2,324,471
2016-17	2,227,395
2015-16	2,106,216
2014-15	1,995,923
2013-14	1,818,811

Property Taxes

The levy and collection of ad valorem taxes in Alabama are subject to the provisions of the Alabama Constitution as amended, which, among other things, fix the percentage of market value at which property can be assessed for taxation, limit the rates of municipal taxation that can be levied against property and provide a maximum value for the aggregate ad valorem taxes that can be levied by all taxing authorities on any property in any tax year.

The amount of any specific ad valorem tax in Alabama is computed by multiplying the tax rate by the assessed value of the taxable property. The assessed value of taxable property is a specified percentage (ranging from 10% to 20%) of its fair and reasonable market value or, in certain circumstances, its current use value. Ad valorem tax rates are generally stated in terms of mills (one-thousandth of a dollar) per dollar of assessed value. Thus, for any given ad valorem tax, each mill in the rate of taxation represents a tax on property equal to one-tenth of one percent of the assessed value of such property.

The following taxes (expressed in mills) are currently levied on taxable property situated in the City, but except for the City's tax, are levied by other taxing authorities:

Taxing Entity	Mills
State of Alabama	6.5
City of Daphne	15.0
Baldwin County:	
General	5.0
Schools	9.0
Road & Bridges	2.5
Special School District	3.0
Fire	1.5
Health Department	0.5
	43.0

There are, therefore, 43 mills currently being levied on taxable property situated in the City.

The following classifications of taxable property and corresponding ratios of assessed value to fair and reasonable market value are established pursuant to amendments (the "***1978 Amendments***") to the Alabama Constitution for all ad valorem taxation (state and local), subject to certain exceptions stated below:

Class I -Property of utilities used in their business - 30%

Class II -Property not otherwise classified (generally, business or commercial property, including railroad property) - 20%

Class III -Agricultural, forest and single-family owner-occupied residential property and historical buildings and sites - 10%; and

Class IV -Private passenger automobiles and small trucks for personal use - 15%

All property, other than utility property, is now assessed at a lower ratio under the 1978 Amendments than under prior law.

The 1978 Amendments provide that all ad valorem taxes payable to the State and to all counties, municipalities and other taxing authorities with respect to any items of taxable property shall not exceed the following percentage of the fair and reasonable market value of such property in any single tax year: 2% in the case of Class I property; 1-1/2% in the case of Class II property; 1% in the case of Class III property; and 1-1/4% in the Class IV property. The limitations are not exceeded as to any class of property in the City.

The total assessed values of taxable real and personal property (including motor vehicles) located in the City as assessed for ad valorem taxation (net of exemptions) for the tax year which ended on September 30, 2018 was $435,853,834.

The following table sets forth the total real property assessed valuation within the corporate limits of the City, the ad valorem taxes levied and the percentage collected:

Tax Year	Assessed Valuation	Taxes Due	Tax Collected	Total
2011	$349,723,930	$4,674,857	$4,666,793	99.91%
2012	$335,467,376	$4,411,487	$4,407,784	99.85%
2013	$345,316,918	$4,513,658	$4,508,357	97.99%
2014	$358,662,928	$4,740,854	$4,738,364	99.95%
2015	$374,493,002	$4,898,061	$4,893,036	99.90%
2016	$394,407,722	$5,185,562	$5,182,604	99.94%
2017	$414,197,104	$5,464,020	$5,460,494	99.94%
2018	$435,853,834	$5,862,726	$4,745,238	80.94%*

Source: City of Daphne, Alabama
* Collections through March 31, 2019. The City expects the collection rate to be consistent with prior years prior to the end of the year.

Property taxes are generally collected and received by municipalities by February 1 of each fiscal year. For purposes of ad valorem taxation, taxes are due and payable in the fiscal year following the fiscal year in which the assessment and levy is made. Ad valorem taxes on taxable properties (except motor vehicles) in the City are required to be collected by the Tax Collector of Baldwin County. Ad valorem taxes on motor vehicles in the City are collected by the Judge of Probate of Baldwin County.

Payments in Lieu of Taxes

Certain entities that are otherwise exempt from tax have agreed to make payments in lieu of taxes. Such payments have been as follows for the last five fiscal years indicated:

Fiscal Year	Amount Received
2017-18	$2,625,495
2016-17	2,563,873
2015-16	2,455,818
2014-15	2,502,967
2013-14	2,510,663

Lodging Taxes

The City levies a lodging tax for renting or furnishing rooms, lodgings or accommodations and for renting or furnishing space for accommodation of trailers at a rate based upon percentage of charges. Collections of the lodging tax for the last five years have been as follows:

Fiscal Year	Collection
2017-18	$1,229,247
2016-17	1,212,988
2015-16	1,127,457
2014-15	1,150,070
2013-14	933,033

Other Taxes

The City also levies a beer tax, the revenues of which were $282,088 for 2017-18 and $301,667 for 2016-17; a gasoline tax, the revenues of which were $227,979 for 2017-18 and $202,720 for 2016-17; a liquor tax, the revenues of which were $85,691 for 2017-18 and $78,999 for 2016-17; a tobacco tax, the revenues of which were $126,380 for 2017-18 and $123,953 for 2016-17; and certain other miscellaneous taxes.

LITIGATION

There is no litigation pending or, to the knowledge of the City, threatened contesting the validity of the Series 2019 Warrants or relating to the organization or boundaries of the City, the incumbency of any of the City's officers, or the issuance or sale of the Series 2019 Warrants. Simultaneously with the delivery of the Series 2019 Warrants, the City will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the City, threatened.

The City is not a defendant in any lawsuits or other pending litigation which it believes would have a materially adverse effect upon its financial condition.

Recent court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama. Chapter 93 of Title 11 of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property. However, Chapter 93 has no application to causes of action under Section 1983 of Title 42 of the United States Code. Municipalities and other local governmental units throughout the country have been increasingly subject to lawsuits, many of which claim damages in large amounts for alleged denials of civil rights under the provisions of Section 1983. The City has procured liability insurance coverage from the Alabama Municipal Insurance Corporation which does afford, within limits, coverage and costs of defense for such lawsuit brought pursuant to federal law.

Legal counsel is currently representing the City of Daphne in various legal proceedings arising principally in the normal course of operations of a city government. On October 12, 2018 the Circuit Court of Baldwin County issued a final judgment in the amount of $450,000, plus plaintiff litigation costs and expenses of $126,867, against the City of Daphne for an ongoing lawsuit. The City has filed a Notice of Appeal to the Alabama Supreme Court raising a variety of errors that the trial court purportedly made during the trial and post-trial proceedings. The City expects that it will take nine to twelve months for the Alabama Supreme Court to make a ruling. As a result of this judgment, the City has recorded a contingent liability and corresponding expense in the amount of $576,867 for the year ended September 30, 2018.

In the opinion of the city officials and its legal counsel, the outcome of the remaining legal proceedings is not likely to have a material adverse effect on the financial condition of the City.

TAX MATTERS

General

In the opinion of Bond Counsel, under the Internal Revenue Code of 1986 (the "***Code***"), as presently construed and administered, and assuming compliance by the City with the all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2019 Warrants in order that interest thereon be and remain excludable from gross income, the interest income on the Series 2019 Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103 of the Code and will not constitute an item of tax preference for the purpose of computing the liability of individuals and corporations for the alternative minimum tax imposed by Section 55 of the Code; provided, that it should be noted that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The City has covenanted to comply with all such requirements but failure to comply with certain of such requirements could cause the interest on the Series 2019 Warrants to be included in gross income, retroactive to the date of issuance of the Series 2019 Warrants. Bond Counsel will express no opinion with respect to the federal tax consequences to the recipients of the interest income on the Series 2019 Warrants under any provision of the Code not referred to above.

Bond Counsel's opinion represents its legal judgment based upon its review of the Code, as presently construed and administered, and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that existing law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2019 Warrants.

Prospective purchasers of the Series 2019 Warrants should be aware that ownership of the Series 2019 Warrants may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2019 Warrants. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2019 Warrants should consult their tax advisors as to collateral federal income tax consequences.

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2019 Warrants will be exempt from State of Alabama income taxation.

Original Issue Premium

The initial public offering price to be paid for certain of the Series 2019 Warrants (the "***Original Issue Premium Warrants***") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Warrant in the initial public offering of the Series 2019 Warrants is required to reduce his basis in such Original Issue Premium Warrant by the amount of premium allocable to periods during which he holds such Original Issue Premium Warrant, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Warrants should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Warrant and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Warrant.

Bank Qualification

The City has designated the Series 2019 Warrants as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institution's interest expense allocable to interest on the Series 2019 Warrants.

UNDERWRITING

The Series 2019 Warrants will be purchased by Piper Jaffray & Co. (the "***Underwriter***") at a purchase price of $10,346,449.20, which reflects an underwriter's discount of $47,575.00 and original issue premium of $879,024.20. The initial public offering prices set forth on the cover page may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2019 Warrants to certain dealers (including dealers depositing the Series 2019 Warrants into investment trusts) and others at prices lower than the offering price set forth on the cover page. The Underwriter will purchase all the Series 2019 Warrants if any are purchased. The Underwriter is obligated to purchase and pay for all the Series 2019 Warrants in cash.

Piper Jaffray has entered into a distribution agreement (the "***Distribution Agreement***") with Charles Schwab & Co., Inc. ("***CS&Co.***") for the retail distribution of certain securities offerings, including the Series 2019 Warrants, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Series 2019 Warrants from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019 Warrants that CS&Co. sells.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("***S&P***") is expected to assign a rating to the Series 2019 Warrants of "AA+ (Stable Outlook)." Any definitive explanation of the significance of any such ratings may be obtained only from S&P. There is no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Series 2019 Warrants could have an adverse effect on their market price.

LEGAL MATTERS

The legality and validity of the Series 2019 Warrants will be approved by Hand Arendall Harrison Sale LLC, of Mobile, Alabama, Bond Counsel, whose approving opinion will be delivered at the time of the delivery of the Series 2019 Warrants. It is anticipated that the opinion of Bond Counsel will be in substantially the form attached hereto as APPENDIX C. Certain matters will be passed upon for the City by its counsel, Adams & Reese LLP, Mobile, Alabama, and for the Underwriter by its counsel, Ezell Law, LLC, Birmingham, Alabama.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the City relating to (a) computation of forecasted receipts of principal and interest on the escrowed Government Obligations and the forecasted payments of principal and interest to redeem the Refunded 2012 Warrants, and (b) computation of the yields on the Series 2019 Warrants and the escrowed Government Obligations was examined by The Arbitrage Group, Inc. Such computations were based solely upon assumptions and information supplied by the City. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

INFORMATION IN THE APPENDICES

The Comprehensive Annual Financial Report for the Year Ended September 30, 2018, of the City attached hereto as APPENDIX B has been examined by Hartmann, Blackmon & Kilgore, P.C., Certified Public Accountants, Fairhope, Alabama, independent auditors, to the extent and for the periods indicated in their report which appears in such Appendix. Such financial statements have been included in reliance upon such report.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

References herein to the Alabama Constitution and all legislative acts referred to herein are intended to be only brief outlines of certain provisions of each thereof and do not purport to summarize or describe all provisions thereof.

The distribution of this Official Statement and its use in the offering and sale of the Series 2019 Warrants have been approved by the governing body of the City.

CITY OF DAPHNE, ALABAMA

By: *__/s/ Dane Haygood__*
Mayor

Dated May 16, 2019

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APPENDIX A

FINANCIAL AND STATISTICAL DATA
RELATIVE TO THE CITY OF DAPHNE, ALABAMA

General

The City of Daphne, Alabama (the "City"), was founded in 1927, and is the largest city in Baldwin County, comprising 17.71 square miles. It is located on the eastern shore of Mobile Bay and is adjacent to Interstate 10, a major east/west thoroughfare. The City is 39 miles west of Pensacola, Florida and 9 miles east of Mobile, Alabama. The City is primarily a residential area with its residents working on the eastern shore of Baldwin County or in the Mobile or Pensacola areas.

Population

The following table sets forth population statistics for the State of Alabama, the City, Baldwin County and the United States for the years indicated.

	2010	2011	2012	2013	2014	2015	2016	2017
State of Alabama	4,785,448	4,798,834	4,815,564	4,830,460	4,842,481	4,853,160	4,864,745	4,875,120
City of Daphne*	21,790	22,224	22,688	23,307	24,073	24,544	25,508	25,960
Baldwin County*	183,110	186,534	190,048	195,147	199,064	202,863	207,509	212,628
United States	309,326,085	311,580,009	313,874,218	316,057,727	318,386,421	320,742,673	323,071,342	325,147,121

Source: U.S. Department of Commerce, Bureau of Census, Population Estimates Division, December 2018 Release. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2017. *May 2018 Release.

Governmental Organization and Administration

The City is a municipal corporation incorporated under the Constitution and laws of the State of Alabama. The City is governed by an elected Mayor and a City Council. The Mayor, elected at large for a four-year term, is the chief administrative officer of the City and is responsible for the daily management of the City and supervision of its employees. The members of the City Council serve part-time and along with the Mayor are responsible for adopting all legislative ordinances and setting the policies of the City, including the appropriation of money. The City Clerk and City Treasurer are each appointed for a four-year term by the City Council and are responsible for managing the official records of the City and managing the fiscal affairs of the City, respectively. The present Mayor and the members of the City Council are as follows:

The City's governing body consists of the following officers:

Name	Office	Occupation
Dane Haygood	Mayor	Owner/ H Properties LLC
Tommie Conaway	Council Member, District 1	Retired/Teacher
Pat Rudicell	Council Member, District 2	Retired/Alabama National Guard
Joel Coleman	Council Member, District 3	Land Development/D.R. Horton
Doug Goodlin	Council Member, District 4	Retired Air Force Lt Colonel AF JROTC Instructor/Daphne High School
Ron Scott	Council Member, District 5	Retired/Tameron Eastern Shore Honda
Robin LeJune	Council Member, District 6	Owner/Market by the Bay
Angie Phillips	Council Member, District 7	Teacher/Spanish Fort High School
Candance Antinarella	City Clerk	
Kelli Kichler Reid	Finance Director	

The current terms of said officers expire October 1, 2020. The City Clerk and Finance Director serve at the pleasure of the City Council.

Personnel and Retirement System

The City employed approximately 818 full-time and part-time persons in its several departments as of September 30, 2018. The benefits and compensation for all employees of the City's several departments are established by the City Council and are paid from the City's general fund revenues. The City participates in a retirement system established by the Alabama Legislature known as the Employee's Retirement System of Alabama, to which contributions are made by both the employees and the City. See the Audited Financial Statements of the City in APPENDIX B attached hereto for a description of the City's obligations with respect to the Employee's Retirement System of Alabama.

No employees of the City are represented by labor unions or similar employee organizations, and the City does not bargain collectively with any labor unions or employee organizations. The City considers its relations with its employees to be generally good.

Other Post Employment Benefits

The City of Daphne offers certain Post Employment Benefits to employees under the age of 65 who meet the criteria for retirement as set by the Retirement System of Alabama. Medical and Dental benefits are provided through a comprehensive plan and life insurance coverage is provided with a $5,000 cap. Employees do not contribute to their post employment benefits until they retire and begin receiving those benefits. The City of Daphne's Annual Required Contribution rate is actuarially determined in accordance with GASB 45 and totals $672,500 as of September 30, 2018. The total OPEB liability is $5,857,432,

Utilities

The water and sanitary sewer service is supplied by the Utilities Board of the City of Daphne (the "Utilities Board"), a public corporation, the directors of which are appointed by the City Council. The Utilities Board also provides gas service. Electrical service is supplied by the Utilities Board of the City of Foley.

Education

The County Board of Education of Baldwin County, Alabama provides public school facilities for the County's students in the City. The County Board of Education has located a high school, a middle school and three elementary schools in the City. For 2013-207, it is estimated that approximately 96.1% of the population of the City are high school graduates and 41.9% are college graduates. State averages are 87.3% and 30.9%, respectively.

Four institutions of higher learning located in Mobile County, which are accessible to residents of the City, are University of Mobile, Spring Hill College, Bishop State Community College and the University of South Alabama. Coastal Alabama Community College, whose main campus is located in Bay Minette, Alabama, is also nearby. Pensacola, Florida, located approximately thirty-five miles from the City, also provides certain educational opportunities

Source: Baldwin County Economic Development Alliance

Income Level

There are two basic methods of measuring annual income: per capita income, which is the total income of all families and individuals in a given area divided by the total population of the area, and median family income above and below which there are an equal number of family incomes.

The following tables present comparative information regarding income levels in the City, Baldwin County, the State of Alabama, and the United States:

Per Capita Income

Year	City of Daphne	Baldwin County	State of Alabama	United States
2017	$34,313	$29,364	$25,746	$31,177
2014	$32,447	$26,851	$23,936	$28,555
2012	$33,106	$26,769	$23,587	$28,051
2010	$31,895	$26,469	$22,984	$27,334

Median Family Income

Year	City of Daphne	Baldwin County	State of Alabama	United States
2017	$91,021	$67,732	$59,115	$70,850
2014	$80,718	$61,621	$54,724	$65,443
2012	$81,196	$61,756	$54,326	$64,585
2010	$76,117	$58,429	$52,863	$62,982

Source: U.S. Census Bureau, 2013-2017 American Community Survey Five-year Estimates.

The percentage of all ages in the City, in Baldwin County, in the State of Alabama and in the United States with income below the poverty level in 2017 is as follows:

Daphne, Alabama	7.4%
Baldwin County	11.8%
State of Alabama	18.0%
United States	14.6%

Sources: U.S. Census Bureau, 2013-2017 American Community Survey 5 Year Estimates.

Employment

The following table sets forth labor force estimates, employment, unemployment and unemployment rates for Daphne-Fairhope-Foley, Alabama Metropolitan Area on the dates indicated:

	2012	2013	2014	2015	2016	2017	2018*	Feb 2019*
Civilian Labor Force	82,762	83,755	84,645	86,818	89,018	90,001	92,494	93,580
Employment	76,822	78,313	79,906	81,969	84,342	87,006	89,401	90,112
Unemployment	5,940	5442	4739	4849	4676	2995	3093	3468
Rate	7.2%	6.5%	5.6%	5.6%	5.3%	3.3%	3.3%	3.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics; Not Seasonally Adjusted.
*February, 2019; Preliminary; subject to change.

The following table sets forth comparative unemployment rates for Baldwin County, the State of Alabama and the United States in each of the years indicated:

Calendar Year	Baldwin County (%)	State of Alabama (%)	United States (%)
2019*	N/A	2.1	3.8
2018**	3.2	3.9	3.6
2017	4.0	4.4	4.4
2016	5.4	5.9	4.9
2015	5.5	6.1	5.3
2014	6.1	6.8	6.2
2013	6.6	7.2	7.3
2012	7.5	8.0	8.1

Source: U.S. Department of Labor, Bureau of Labor Statistics; Not Seasonally Adjusted.
*February 2019, **May 2018; Preliminary; subject to change.

Labor Force Characteristics

The following table sets forth annual 2017 estimated employment and wages employment statistics for Baldwin County:

Baldwin County
Employment by Industry

	Number Employed	Total Wages	%
Health Care and Social Assistance	8,813	$376,473,814	14.1
Retail Trade	13,681	369,474,975	21.8
Manufacturing	4,197	201,632,324	6.7
Accommodation and Food Services	13,756	265,290,589	22.0
Administrative and Waste Services	3,158	85,920,693	5.0
Construction	3,729	179,095,708	6.0
Professional and Technical Services	1,950	110,082,099	3.1
Transportation and Warehousing	1,495	71,562,218	2.4
Wholesale Trade	1,760	105,061,396	2.8
Other Services, Ex. Public Admin.	1,910	63,095,166	3.1
Finance and Insurance	1,875	107,405,575	3.0
Real Estate, Rental and Leasing	1,974	69,308,324	3.1
Educational Services	979	38,438,669	1.6
Information	359	17,447,411	0.6
Arts, Entertainment and Recreation	1,480	28,704,064	2.3
Utilities	306	21,095,161	0.5
Management of Companies and Enterprises	292	16,406,609	0.5
Agriculture, Forestry, Fishing & Hunting	819	27,177,196	1.3
Mining	74	4,676,562	0.1
Total wage and salary employees	62,607	$2,158,348,553	100

Source: Alabama Department of Labor– Labor Market Division. Estimates prepared by the U.S. Department of Labor, Bureau of Labor Statistics. Estimates adjusted to a 2017 benchmark; Alabama Department of Labor.

Major Employers

The top ten (10) manufacturing and nonmanufacturing employers in Baldwin County, their principal activity and the number of employees of each are as follows:

Top Manufacturers in Baldwin County

Company	Industry	Employed
Collins Aerospace	Thrust Reversers, Cawlings, and Nacelle Components	1,160
Standard Furniture	Bedroom and Dining Furniture	520
Ace Hardware Support Center	Hardware Distribution Support Center	300
Vulcan, Inc.	Aluminum & Steel Products	270
Quincy Compressors	Air Compressors	220
Bon Secour Fisheries	Seafood Processing	150
Segers Aerospace	Aerospace and Defense MRO	140
Quality Filters	Air Filters	130
International Paper	Paper Products	130
Ascend Materials	Fibers and Resins	100
Dental EZ	Medical Instruments	100

Top Non-Manufacturers in Baldwin County

Company	Industry	Employed
Baldwin County Board of Education	Education	3,900
Wal-Mart	Retail	1,700
Infirmary Health	Medical Care	1,250
Columbia Southern University	Education	1,050
South Baldwin Regional Medical Center	Medical Care	860
Marriott Grand Hotel	Hotel & Country Club	800
Baldwin County Commission	Government	650
Publix	Retail	560
Brett/Robinson Gulf Corp.	Vacation Rental Management	520
S.H. Enterprises	Vacation Rental Management	320

Source: Baldwin County Economic Development Alliance; December 2018

City's Major Employers

Employers	Number of Employees
Wal-Mart Super Center	325
City of Daphne	315
Lowe's	160
Eastern Shore Toyota/Hyundai	159
Target	130
Chris Myers	125
The Brennity	120
Home Depot	100
Nolan Eastern Shore	100
Publix	100
Bayside Academy	72

Source: City of Daphne, Alabama.

Top Ten Taxpayers of the City - 2018

Taxpayers	Assessed Value (000's)	Taxes Paid	City Taxes Paid
Jubilee Square, LLC	$6,826,280	$292,554	$102,394
Audubon 344, LLC	6,852,420	293,674	102,786
Colonnade at Eastern Shore	5,106,440	218,849	76,597
Ashley Gates - Brookfield LLC	4,180,300	179,156	62,705
Esfahani Real Estate Holding of AL	4,105,880	175,966	61,588
Myers Family Limited Partnership	3,697,540	158,466	55,463
OCP Whispering Pines LLC	3,246,020	139,114	48,690
Palladian at Daphne	2,791,160	119,620	41,867
Jubilee Ridge LLC	2,696,160	115,549	40,442
Daphne 451 I LLC	2,462,620	105,540	36,939

Source: City of Daphne, Alabama. Data only available for top ten organizations.
*Includes state, county and school taxes.

Housing

The U.S. Department of Commerce, U.S. Census Bureau reports that the median value of owner-occupied houses in the City, 2013-2017 was $189,700.

Transportation

The City is located along a 3 mile stretch of Interstate 10 approximately 9 miles east of Mobile, Alabama. Interstate 10 is the southernmost transcontinental highway in the American Interstate Highway System. The 2,460 mile Interstate 10 highway spans from Santa Monica, California to Jacksonville, Florida.

Additionally, Interstate Highway 65, which runs northward from Mobile, Alabama through Nashville, Tennessee, is located approximately 30 miles north of the City where it passes through Baldwin County. The City is served by two major north/south corridors in U.S. Highway 98 and State Highway 181. Both highways allow access to Daphne from Interstate 10 and run south through U.S. Highway 90 and County Highway 64 which connect to the City to the east.

Bus. Nationwide bus service is available. Greyhound, Trailways and Megabus Bus Lines provides bus service to the Baldwin and Mobile Counties.

Water. The Port of Mobile is the largest and best equipped gulf port located close to deep water. The Port's major waterfront facilities are located along the lower five miles of the Mobile River at the head of Mobile Bay just across the bay from Baldwin County. The harbor is situated about thirty miles north of the Bay entrance from the Gulf of Mexico. The present depth-controlling entrance to the inner harbor is 40 feet. The Port is authorized for 55 feet south of the I-10 tunnels.

The Intracoastal Waterway traverses South Baldwin County. It is 12 feet deep and accommodates all types of barge traffic. The waterway extends along the lower end of Mobile Bay and Gulf Coast for 1,100 miles. An extensive system of Alabama inland waterways, with docking facilities, is tributary to the Port of Mobile, permitting barge traffic as far north as Birmingham.

APPENDIX B

FINANCIAL STATEMENTS OF
THE CITY OF DAPHNE

APPENDIX C

FORM OF LEGAL OPINION

City of Daphne, Alabama
Daphne, Alabama

Re: $9,515,000 City of Daphne, Alabama General Obligation Refunding and Improvement Warrants, Series 2019

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the warrant issue in caption (the "Series 2019 Warrants") and as such have examined certified copies of proceedings of the governing body of the City of Daphne, Alabama (the "City") in connection therewith, including the ordinance of such governing body, adopted May 20, 2019 (the “Authorizing Ordinance”) and other documents submitted to us pertaining to the authorization, sale and issuance of the Series 2019 Warrants. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2019 Warrants (except to the extent stated in the Official Statement) and we express no opinion relating thereto other than the matters set forth as our opinion in the Official Statement.

As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the aforesaid examinations, we are of the opinion that:

1. The Series 2019 Warrants have been duly authorized and issued and constitute valid orders on the City Treasurer of the City for the payment thereof as therein provided, and that the indebtedness ordered paid by the Warrants is a valid general obligation of the City for the payment of the principal of and interest on which the full faith and credit of the City have been validly and irrevocably pledged.

2. The interest income on the Series 2019 Warrants will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”). In addition, the interest income on the Series 2019 Warrants will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, that it should be noted that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Series 2019 Warrants in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement, but failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2019 Warrants in gross income for federal income tax purposes to be retroactive to the date of the issuance of the Series 2019 Warrants. We express no opinion regarding other federal tax consequences arising with respect to the Series 2019 Warrants.

3. Under existing law the interest on the Series 2019 Warrants is exempt from State of Alabama income taxation.

Pursuant to the Authorizing Ordinance, the City has designated the Series 2019 Warrants as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code.

The rights of the holders of the Series 2019 Warrants and the enforceability of the Series 2019 Warrants and the Authorizing Ordinance are subject to all applicable bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

HAND ARENDALL HARRISON SALE LLC

By: ___________________________________

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the City of Daphne, Alabama (the "City") in connection with the issuance of its $9,515,000 General Obligation Refunding and Improvement Warrants, Series 2019 (the "Warrants"). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Warrants and in order to assist the Participating Underwriters in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Authorizing Ordinance, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Authorizing Ordinance" means the Ordinance adopted by the City Council of the City of Daphne with respect to the Warrants on May 20, 2019.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Warrants for federal income tax purposes.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Warrants and the 9-digit CUSIP numbers for all Warrants to which the document applies.

"Dissemination Agent" shall mean any third party designated in writing by the City for the purposes of making filings in compliance with the Rule and which has filed with the City a written acceptance of such designation. The City's initial Dissemination Agent shall be Digital Assurance Certification ("DAC").

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board through its EMMA website at www.emma.msrb.org, and any other Nationally Recognized Municipal Securities Information Repository designated by the United States Securities and Exchange Commission for purposes of the Rule.

"Participating Underwriter" shall mean Piper Jaffray & Co.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Alabama.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than June 30 of the City's succeeding fiscal year (presently September 30), commencing with the report for the Fiscal Year ending September 30, 2019, provide to each Repository, and each Participating Underwriter, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be made to EMMA as word-searchable PDF files configured to permit the documents to be saved, viewed, printed or retransmitted by electronic means. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the National Repository and Participating Underwriters, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(c) The Dissemination Agent, if any, shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and

(ii) file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing each National Repository to which it was provided.

(d) The City shall provide or cause to be provided, in a timely manner, to each National Repository notice of any failure by it to provide the annual financial information described in Section 3(a), on or prior to the dates respectively set forth in said section. Such notice shall be in substantially the form attached hereto as Exhibit A or as is prescribed for such filings on the EMMA website.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board or its successor.

(b) Updated reports on the tabular information furnished in the Official Statement under the caption "CITY DEBT", "CITY REVENUES" and in APPENDIX A under the captions "Other Post Employment Benefits" and "Top Ten Taxpayers of the City."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the

Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Warrants, in a timely manner not in excess of 10 business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on any reserve funds reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notice of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants;

7. Modifications to rights of Warrant holders, if material;

8. Warrant calls, if material;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Warrants, if material;

11. Rating changes;

12. Tender offers;

13. Bankruptcy, insolvency, receivership or similar event with respect to the City;

14. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

15. Appointment of a successor or additional trustee or the change of the name of a trustee, if material;

16. Incurrence of a Financial Obligation (as defined for purposes of the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other

similar terms of a Financial Obligation of the City, any of which affect Warrant holders, if material; and

17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation (as defined for purposes of the Rule) of the City, any of which reflect financial difficulties.

In addition, the City must give notice within a reasonable time of any failure to file its required Annual Report on or before the date specified in this Continuing Disclosure Agreement.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Warrants. If such termination occurs prior to the final maturity of the Warrants, the City shall give notice of such termination or redemption in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Warrants, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Warrants, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Warrants.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event. Any filing under this Disclosure Agreement may be made solely by transmitting such filing through EMMA or in such other manner as shall then be required or permitted by the Securities and Exchange Commission.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Warrants may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Warrants or the Authorizing Resolution and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Warrants.

SECTION 12. Compliance. Except as disclosed in the Official Statement, the City is in compliance with all of its disclosure obligations under the Rule.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and Holders and Beneficial Owners from time to time of the Warrants and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: May 28, 2019

CITY OF DAPHNE

By:___________________________________
Dane Haygood, Mayor

Attest:

____
Candace Antinarella, City Clerk

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL FILING

Name of Issuer: City of Daphne, Alabama ______________________________

Name of Warrant Issue: $___________ General Obligation Refunding and Improvement Warrants, Series 2019 ______________________________

____

____

Date of Issuance: May 30, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Filing with respect to the above-mentioned Series 2019 Warrants as required by Section 3(a) of the Continuing Disclosure Agreement relating to the above referenced Series 2019 Warrants dated May 20, 2019. The Issuer anticipates that the Annual Filing will be filed by _________________.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _________________________.

Dated:___________________

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ESCROW TRUST AGREEMENT

between

CITY OF DAPHNE, ALABAMA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Relating to

City of Daphne, Alabama
General Obligation Refunding and Improvement Warrants
Series 2012

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This ESCROW TRUST AGREEMENT between the CITY OF DAPHNE, ALABAMA (herein called the "City") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., (herein called "the Trustee").

R E C I T A L S

The City makes the following recitals and representations as the basis for the undertakings herein contained:

(1) The City of Daphne, Alabama (the "City") has heretofore issued pursuant to an Ordinance adopted by the Council on April 2, 2012, (the "2012 Ordinance"), its General Obligation Refunding and Improvement Warrants, Series 2012, dated April 1, 2012, originally issued in the aggregate principal amount of $13,495,000 with a current balance of $10,285,000 (the "Series 2012 Warrants").

(2) The City has called those of the Series 2012 Warrants maturing on February 1 in years 2022 through 2036, inclusive (the "Refunded 2012 Warrants") for redemption and payment on June [28], 2019 (the "Call Date"), as provided in the 2012 Ordinance.

(3) In order to provide the funds necessary to pay the principal and interest that will be payable as the redemption price of the Refunded 2012 Warrants on the Call Date, the City has, contemporaneously with the execution and delivery of this Trust Agreement, issued $9,515,000 aggregate principal amount of its General Obligation Refunding and Improvement Warrants, Series 2019 (herein called the "Series 2019 Warrants").

NOW, THEREFORE, in consideration of the premises and the respective agreements on the part of the City and the Trustee herein contained, the City and the Trustee hereby agree as follows:

Section 1. The Escrow Fund . There is hereby created a special trust fund, the full name of which shall be the "City of Daphne Refunding Escrow Fund, 2019" (the "Escrow Fund") and which shall be applied for the purpose hereinafter specified. The cash and maturing principal of and interest on all securities held in the Escrow Fund shall be applied to payment of the principal and interest that will be payable as the redemption price of the Refunded 2012 Warrants on the Call Date, as provided herein.

Section 2. Deposit of Proceeds from Issuance of the Series 2019 Warrants. The City hereby deposits with the Trustee the sum of $9,384,371.17 in cash from a portion proceeds of the Series 2019 Warrants. The Trustee hereby acknowledges receipt of said cash and its deposit in the Escrow Fund in the amount set forth in the preceding sentence of this section.

Section 3. Investment of Escrow Fund. Contemporaneously with the delivery of this Trust Agreement, the Trustee shall cause the sum of $9,384,371.17 to be deposited with it pursuant to Section 2 hereof to be invested in the investments (herein called the "Federal

Securities") that are described on Exhibit A attached hereto and made a part hereof as if set out in full herein. All Federal Securities shall be purchased from the United States of America or in the open market pursuant to acceptable bids. Any balance of the amount deposited with the Escrow Trustee and into the Escrow Fund not used to purchase the Federal Securities shall be held as uninvested cash in the Escrow Fund.

Section 4. Application of the Escrow Fund. The Trustee shall apply all cash in the Escrow Fund solely to pay the redemption price for the Refunded 2012 Warrants on the Call Date ("Refunded Debt Service") by transferring to the Paying Agent with respect to the Series 2012 Warrants cash available to make all payments herein required with respect to the Refunded Debt Service. The cash flow required and to be provided from the Escrow Fund for the payment of Refunded Debt Service is described on the schedule attached hereto as Exhibit B and made a part hereof.

Section 5. Sufficiency of Escrow. The City represents and warrants that if the principal and interest on the Federal Securities held in the Escrow Fund are paid according to their respective terms, the payment of the principal and interest on such Federal Securities, together with the cash sums held therein uninvested, will provide cash in the Escrow Fund sufficient to provide for payment of the Refunded Debt Service.

Section 6. Redemption of Refunded 2012 Warrants. (a) In order to effect the redemption of the Refunded 2012 Warrants, the City has called the Refunded 2012 Warrants for redemption on the Call Date, the redemption of which shall be effected at a redemption price equal to 100% of the principal amount of each Refunded 2012 Warrant so called for redemption plus accrued interest thereon to the Call Date.

(b) The City agrees that it will not repeal, revoke or amend its ordinance of May 20, 2019, in which the City has authorized the call for redemption of the Refunded 2012 Warrants.

(c) In order to effect the redemption of the Refunded 2012 Warrants, the City,

(1) agrees to take all necessary action requisite to the redemption of the Refunded 2012 Warrants; and

(2) will deposit with the Trustee the amounts necessary to effect the redemption of the Refunded 2012 Warrants to the extent, if any, that funds are not available in the Escrow Fund for that purpose.

(d) Pursuant to the City's ordinance of May 20, 2019, the City has authorized and directed The Bank of New York Mellon Trust Company, N.A., as Paying Agent for the Refunded 2012 Warrants to cause notice of the redemption of the Refunded 2012 Warrants to be given in accordance with the requirements of the Series 2012 Warrants and the 2012 Ordinance and of this Agreement.

Section 7. Compensation to the Trustee. The City will pay to the Trustee, promptly upon receipt of statements of the Trustee therefor, all reasonable and customary charges that may be made by the Trustee for its services hereunder and the City will reimburse the Trustee for all reasonably necessary expenses incurred hereunder. If the Trustee is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Trustee's negligence or willful misconduct), the Trustee shall notify the City of the same in writing and the City shall promptly pay the Trustee for such extraordinary fees, costs and expenses (including reasonable attorney's fees, costs and expenses) reasonably and necessarily incurred in connection therewith. The Trustee agrees that its charges and expenses hereunder shall in no event be payable from or constitute a charge on the Escrow Fund or any part thereof.

Section 8. Amendments to Trust Agreement. The parties hereto may, with the written consent of the Trustee but without the consent of or notice to the holders of any of the Refunded 2012 Warrants, at any time and from time to time, amend this Escrow Trust Agreement for any one or more of the following purposes:

(a) To add to the covenants and agreements herein contained other covenants and agreements thereafter to be observed and performed by any of the parties hereto, provided that such other covenants and agreements shall not either expressly or impliedly limit or restrict any of the obligations hereunder of any of the parties hereto; or

(b) To cure any ambiguity, or cure, correct or supplement any defect or inconsistent provision contained herein or in any amendment hereto, or to make any provision with respect to matters arising hereunder or under any amendment hereto for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions hereof and do not, in the judgment of the Trustee, adversely affect the interests of the Holders of the Refunded 2012 Warrants; or

(c) To make subject to the trust created herein additional funds, securities or properties.

With respect to all questions arising under this Section 8, the Trustee shall be entitled to conclusively rely upon the opinion of Bond Counsel acceptable to it.

Section 9. Beneficiaries of this Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the Holders of the Refunded 2012 Warrants and the parties hereto and their respective successors.

Section 10. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of Alabama without regard to conflict of law principles.

Section 11. Concerning the Trustee. It is expressly understood and agreed that the Trustee's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Trustee. The Trustee may consult with counsel with respect to any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by the Trustee in good faith upon the advice of such counsel. The Trustee may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Trustee may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Trustee hereunder shall be paid from, and is limited to funds available, established and maintained hereunder and the Trustee shall not be required to expend its own funds for the performance of its duties under this Agreement. The Trustee shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances. The Trustee may resign at any time upon thirty (30) days written notice to the City.

[Remainder of page intentionally left blank;
execution follows on the subsequent page]

IN WITNESS WHEREOF, the City has caused this Trust Agreement to be executed by the Mayor and by the Clerk of the City, and has caused its official seal to be impressed hereon and attested by its Clerk, and the Trustee to evidence its acceptance of the trusts hereby created, has caused this Trust Agreement to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Trust Agreement to be attested by its duly authorized officers, and the City and Trustee have caused this Trust Agreement to be dated as of May 29, 2019.

CITY OF DAPHNE, ALABAMA

[SEAL]

By:___________________________________
Its: Mayor

Attest:

____
Its: City Clerk

[SEAL]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By:___________________________________
Its:___________________________________

Attest:

____
Its:___________________________________

3656000_2

EXHIBIT A

TO

ESCROW TRUST AGREEMENT
BY AND BETWEEN
CITY OF DAPHNE, ALABAMA
AND
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

FEDERAL SECURITIES

Type of Security	Principal Amount	Maturity Date	First Interest Payment Date	Interest Rate

Total Purchase Cost:	$
Univested Cash:	$
Total Escrow Deposit:	$

EXHIBIT B

TO
ESCROW TRUST AGREEMENT
BY AND BETWEEN
CITY OF DAPHNE, ALABAMA
AND
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

ESCROW CASH FLOW