



Mayor Pro Tem Depreo	
Councilmember L'Ecuyer	At-Large
Councilmember Moran	Ward 2
Councilmember Morgan	Ward 3
Councilmember Clark	Ward 4

**AGENDA**  
**REGULAR MEETING OF THE CITY COUNCIL**  
**Tuesday, October 06, 2020**  
**6:00 PM CST**  
Council Chambers, City Hall  
and via teleconference, if necessary

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**Call to Order.**

Invocation – Mayor Pro Tem Depreo

Pledge of Allegiance

Roll Call

Confirm or Adjust Agenda Order

**Presentation Agenda.**

- a. The next regularly scheduled Council Meeting will be held Tuesday, October 20, 2020 at 6:00 p.m. CST in Council Chambers located at 5000 Diamondhead Circle.
- b. Cruisin the Coast "Blessing of the Classics" will be October 7th from 3-6 p.m.
- c. Proclaim October 2020 Domestic Violence Awareness Month

Council Comments.

City Manager's Report.

Public Comments on Agenda Items.

**Policy Agenda.**

**Minutes:**

1. Motion to approve the September 14, 2020 Emergency Meeting Minutes
2. Motion to approve the September 18, 2020 Special Meeting Minutes
3. Motion to approve September 21, 2020 Regular Meeting Minutes.

**Public Hearing:**

4. **2020-267:** Motion to adopt Resolution 2020-063 thereby declaring property at 62714 Diamondhead Drive North a menace to the public health, safety and welfare of the citizens of the City of Diamondhead. Authorize the City of Diamondhead to advertise for bids or obtain quote(s) to remove structures and clean the property. (James E. North)

**Resolutions:**

5. **2020-263:** Motion to adopt Resolution 2020-061 thereby abandoning the 5' drainage and utility easements on each side of the common lot line between lots 63 and 64 as well as lots 64 and 65, Diamondhead Subdivision, Phase 2, Unit 5, Block 9. The street address is 9812 Aupuni Place.

## **Consent Agenda:**

- 6. 2020-261:** Motion to accept the Comprehensive Annual Financial Report FY19 (Fiscal Year Ending September 30, 2019)
- 7. 2020-262:** Motion to approve Payment Application #1 in the amount of \$456,807.43 to Warren Paving for Roadway Improvements - Phase 2
- 8. 2020-264:** Motion to approve payments to James J. Chiniche for Ease Aloha Drive Widening in the amount of \$1,398.67, Montjoy Creek Improvements in the amount of \$1,117.50, Ieke Drainage in the amount of \$2,500.00 and Bayou Drive Kayak Launch Path in the amount of \$740.00.
- 9. 2020-265:** Motion to approve Master Agreement Work Assignment with Pickering Firm in the amount not to exceed \$50,600 for services related to NRCS Grant.
- 10. 2020-266:** Motion to approve Master Service Agreement Work Assignment with Digital Engineering in the amount of \$42,240 for professional services relating to the FY21 Roadway Improvements (Phase 3).
- 11. 2020-269:** Motion to accept and incorporate in the official minutes the FY20 Municipal compliance Questionnaire.
- 12. 2020-268:** Motion to authorize expenditures for City-sponsored and/or hosted events.
- 13. 2020-270:** Motion to create Development Coordinator position in the Building Department and approve the job description for same.
- 14. 2020-271:** Motion to approve compensation for personnel for the October 20, 2020 Mayoral Special Election
- 15. 2020-272:** Motion to establish the FY21 salary for public works director to be \$58,000.

## **Action Agenda.**

## **Routine Agenda.**

### **Claims Payable**

- 16.** Motion to approve Docket of Claims (Claim DKT157578 - DKT157627) in the amount of \$745,801.16.

## **Executive Session - If Necessary**

## **Adjourn/Recess.**

*NOTE: THE CITY OF DIAMONDHEAD WILL FURNISH APPROPRIATE AUXILIARY AIDS AND SERVICES WHERE NECESSARY TO AFFORD INDIVIDUALS WITH DISABILITIES AN EQUAL OPPORTUNITY TO SERVICES AND ACTIVITIES OF THE CITY. A WRITTEN REQUEST BY OR ON BEHALF OF QUALIFYING INDIVIDUALS SHALL BE SUBMITTED IN A TIMELY MANNER TO THE CITY CLERK.*

## AGENDA ADDITIONS

October 6, 2020

### Resolutions:

5. a. **2020-065:** Motion to adopt Resolution 2020-065 thereby proclaiming the existence of a local emergency commencing October 7, 2020 at 7:00 a.m.

### Claims Payable:

17. Motion to approve Docket of Claims (DKT157641) in the amount of \$3,000.00



Councilmember L'Ecuyer  
Councilmember Depreo  
Councilmember Moran  
Councilmember Morgan  
Councilmember Clark

A  
V  
Item No. 1.  
Ward 2  
Ward 3  
Ward 4

**MINUTES**  
**EMERGENCY CITY COUNCIL MEETING**  
**Monday, September 14, 2020**  
**12:00 PM CST**  
Council Chambers, City Hall

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**Call to Order.**

**Innovation - Mayor Pro Tem Depreo**

Roll Call

PRESENT

Mayor Pro Tem Nancy Depreo

Ward 2 Alan Moran

Ward 3 Jamie Morgan

Ward 4 Charles Clark

Councilmember-At-Large Lindsay L'Ecuyer

Confirm or Adjust Agenda Order

Motion made by Ward 3 Morgan, Seconded by Ward 2 Moran to approve and confirm the agenda.

Voting Yea: Mayor Pro Tem Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark

**MOTION CARRIED UNANIMOUSLY**

**Presentation Agenda.**

Council Comments. - City Manager Reso Tropical Storm Sally Update.

Public Comments on Agenda Items - None.

**Policy Agenda.**

**Resolutions:**

1. **2020-256:** Motion to proclaim the Existence of a Local Emergency effective September 13, 2020 at 8:00 a.m. due to Tropical Storm Sally.

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to proclaim the Existence of a Local Emergency effective September 13, 2020 at 8:00 a.m. due to Tropical Storm Sally.

Voting Yea: Mayor Pro Tem Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark,  
Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

Mayor Pro Tem Depreo exited Council Chambers and was recused from the meeting proceedings.  
Councilmember Moran presided over the meeting.

2. **2020-251:** Motion to adopt Resolution 2020-058 ordering the postponement of the September 15, 2020 Special Election in the City of Diamondhead.



Motion made by Ward 4 Clark, Seconded by Ward 3 Morgan to adopt Resolution 2020-058 ordering the postponement of the September 15, 2020 Special Election in the City of Diamondhead.

Voting Yea: Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer  
Recusal: Mayor Pro Tem Depreo

**MOTION CARRIED**

At 1215 p.m. Mayor Pro Tem Depreo returned to Council Chambers and continued in the meeting proceedings.

**Action Agenda.**

3. **2020-257:** Motion to postpone the September 15, 2020 Regular Monthly Council Meeting and reschedule the meeting to be September 21, 2020 at 6:00 p.m. due to the state of emergency as a result of Tropical Storm Sally.

Motion made by Councilmember-At-Large L'Ecuyer, Seconded by Ward 4 Clark to postpone the September 15, 2020 Regular Monthly Council Meeting and reschedule the meeting to be September 21, 2020 at 6:00 p.m. due to the state of emergency as a result of Tropical Storm Sally.

Voting Yea: Mayor Pro Tem Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

**Adjourn/Recess.**

Motion made by Ward 4 Clark, Seconded by Ward 2 Moran to adjourn at 12:17 p.m.

Voting Yea: Mayor Pro Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

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Nancy Depreo  
Mayor Pro Tem

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Jeannie Klein  
City Clerk



Mayor Pro Tem Depreo	Item No.2.
Councilmember L'Ecuyer	A
Councilmember Moran	Ward 2
Councilmember Morgan	Ward 3
Councilmember Clark	Ward 4

## MINUTES

### SPECIAL MEETING OF THE CITY COUNCIL

Friday, September 18, 2020

5:00 PM CST

Council Chambers, City Hall  
and via teleconference, if necessary

#### Call to Order.

Mayor Pro Tem Depreo called the meeting to order at 5:00 p.m.

Roll Call

Confirm or Adjust Agenda Order

#### Presentation Agenda.

Council Comments.

- a. The next City Council Meeting (postponed September 15, 2020 Council Meeting) will be held Monday, September 21, 2020 at 6:00 p.m. in Council Chamber at City Hall.

Public Comments on Agenda Items. - None.

#### Policy Agenda.

At 5:02 p.m. Mayor Pro Tem Depreo exited Council Chambers and recused from the meeting proceedings.

Pursuant to the City of Diamondhead Procedural Ordinance, Councilmember L'Ecuyer moved that the Councilmember At-Large serve as the interim chairman in the absence of the Mayor Pro Tem, Councilmember Morgan seconded the motion.

Voting Yea: Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer.

Recusals: Mayor Pro Tem Depreo.

#### MOTION CARRIED UNANIMOUSLY

#### Resolutions:

2. **2020-259:** Motion to adopt Resolution 2020-059 thereby reaffirming the Mayor vacancy and resetting the Special Election as the result of Hurricane Sally.

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to adopt Resolution 2020-059 thereby reaffirming the Mayor vacancy and resetting the Special Election as the result of Hurricane Sally.

A roll call vote was held as follows:

Voting Yea: Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

Recusals: Mayor Pro Tem Depreo

#### MOTION CARRIED UNANIMOUSLY

Mayor Pro Tem Depreo returned to Council chambers and resumed chairing the meeting at this time.

**Adjourn/Recess.**

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to adjourn.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer.

**MOTION CARRIED UNANIMOUSLY**

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Nancy Depreo  
Mayor Pro Tem

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Jeannie Klein  
City Clerk



Mayor Pro Tem Depreo	Item No.3.
Councilmember L'Ecyer	At-Large
Councilmember Moran	Ward 2
Councilmember Morgan	Ward 3
Councilmember Clark	Ward 4

## MINUTES

### REGULAR MEETING OF THE CITY COUNCIL

Monday, September 21, 2020

(September 15, 2020 Regular Meeting-rescheduled due to Hurricane Sally)

6:00 PM CST

Council Chambers, City Hall

#### Call to Order.

Invocation -Councilmember Clark

Pledge of Allegiance

Roll Call

PRESENT

Ward 1 Nancy Depreo

Ward 3 Jamie Morgan

Ward 4 Charles Clark

Councilmember-At-Large Lindsay L'Ecyer

Ward 2 Alan Moran attended the meeting via teleconference @ 6:29 p.m.

Confirm or Adjust Agenda Order

Motion made by Ward 4 Clark, Seconded by Ward 3 Morgan to confirm the agenda with the following additions:

2020-259: Motion to adopt Resolution 2020-060 thereby authorizing the purchase of certain real property located within the City from Purcell Co., Inc. at the appraised value of \$75,000 and for other related purposes.

Consent Agenda Item 2020-260 Budget Amendment Twin Lakes Land Purchase.

A roll call vote was held as follows:

Voting Yea: Mayor Pro Tem Depreo, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecyer.

Absent: Ward 2 Moran

**MOTION CARRIED UNANIMOUSLY**

#### Presentation Agenda.

b. FY19 Audit Presentation - Ty Necaie

Ward 2 Councilmember Alan Moran joined the meeting via teleconference @ 6:29 p.m.

#### Council Comments.

- c. a. The next Regular Scheduled meeting of the City Council will be Tuesday, October 5, 2020 at 6:00 p.m. CST in Council Chambers at City Hall located at 5000 Diamondhead Circle.
- b. Paddle Paradise, the City's first kayak event, will be held September 26, 2020 beginning at 9:30 a.m. at the Vaught Circle Kayak Launch

- c. 25-Year Comprehensive Plan Community Meetings will be held Monday, September 28th at 6:00 p.m. and Thursday, October 1st at 6:00 p.m.

City Manager's Report.

1. Land Purchase – Several months ago, the council instructed me to get appraisals for a 2-acre parcel on Twin Lakes. The appraised value is \$75K. On the agenda, the council is requested to authorize the purchase of this property, so this land will remain greenspace and drainage as part of Twin Lakes.
2. Comprehensive Plan – Work continues on the comprehensive plan. The urban planners are excited about the number of residents who are signed up for the eblast to stay informed and how many have completed the online survey. The next community meetings will be next week. There will be 2 separate meetings for residents to attend on Monday and Thursday. Because of COVID restrictions, residents will be asked to register to attend the meetings since there is limited seating. The meetings will also be live streamed.
3. Kayak Event – The city's kayak event is Saturday, September 26. Registration starts at 8am and the paddle will begin at 9:30am. There will be a party after the event at the Lazy Gator with a band. Food and drinks are available for purchase at the restaurant. This is a free event and an open everyone. The first 100 participants to sign up that morning will receive a free t-shirt and goody bag. There will be educational booths as well. We hope our residents will come out for this event.
4. E. Aloha Drive Improvements – We are currently advertising for bids for the E. Aloha Drive Improvement Phase 1 Project. We will open bids on October 13.
5. Cruisin the Coast – Cruisin the Coast will be in Diamondhead on Wednesday, October 7. The parade for the Blessing of the Classics begins at 3pm from the southside and follows the same route that has been used in the past. The only change this year will be the location of the cars after the parade. We have moved this from the shopping center to City Hall and the church parking lots. Our residents are invited to come out to see the cars and enjoy the music. We have food trucks that will be here selling food and drinks. We hope to see you on the parade route enjoying this city sponsored event.
6. Capital Projects:
  - a. Road Paving – Phase 2 of our road paving project is completed. I am starting to work on our street paving project for next fiscal year. As we look to future paving projects, the big question is how the city pays for Diamondhead Drive East and other high traffic roads to be paved. This is long and wide boulevard, and this is a main street in our city that is traveled by many residents. It is going to be expensive to complete with an estimated cost of about \$2 million. We budget about \$400K annually for street paving. If we pay from our current budget each year, it will take about 4 years to pave this one street, and we will not be able to pave any other street. We may need to consider other options for paying to complete this project.
  - b. Drainage Projects – We have identified 16 major drainage projects in the city through the Hancock County Watershed-Based Stormwater Assessment and Management Plan prepared by Waggoner Engineering in December 2019. The total cost for all drainage projects is \$11 million. We budget about \$300K annually for drainage projects. If we only use the general fund to pay for these projects, it will take a very long time to complete. The city recently hired Pickering Engineering to help secure grant funding for some of our drainage projects. But the city will

need to develop a plan to pay for some of these major infrastructure improvements for drainage since grants often require a 25% local match.

- c. Funding Options - The city really has 3 options for funding these capital projects:
- i. Use general funds and pay over a long period of time with each fiscal year.
  - ii. secure grant funding for each project with 25% local matching funds.
  - iii. Request funding from Hancock Board of Supervisors with local matching funds.
  - iv. Secure a general obligation bond that would be paid over 10-20 years.

It will require a combination of using all four options to pay for these major infrastructure projects. I will be working over the next few months to evaluate all options to present to the council for your consideration.

Public Comments on Agenda Items. None.

## Policy Agenda.

### Minutes:

1. Motion to approve September 1, 2020 Minutes.

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to approve the September 1, 2020 Minutes as amended.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecyer

## MOTION CARRIED UNANIMOUSLY

### Resolutions:

2. **2020-251:** Motion to adopt Resolution 2020-256 Authorizing signatories of 2020 Series Lease Purchase Financing and for other related matters.

Motion made by Councilmember-At-Large L'Ecyer, Seconded by Ward 3 Morgan to adopt Resolution 2020-256 Authorizing signatories of 2020 Series Lease Purchase Financing and for other related matters.

A roll call vote was held as follows:

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecyer

## MOTION CARRIED UNANIMOUSLY

- 2.a. 2020-259: Motion to adopt Resolution 2020-060 thereby authorizing the purchase of certain real property located within the City from Purcell Co., Inc. at the appraised value of \$75,000 and for other related purposes.

Motion was made by Ward 3 Morgan, Seconded by Ward 4 Clark to adopt Resolution adopt Resolution 2020-060 thereby authorizing the purchase of certain real property located within the City from Purcell Co., Inc. at the appraised value of \$75,000 and for other related purposes.

A roll call vote was held as follows:

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecyer

## MOTION CARRIED UNANIMOUSLY

**Consent Agenda:**

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to approve consent agenda items 3 - 11.

3. **2020-247:** Motion to approve payment in the amount of \$22,494.47 to Orion Planning + Design professional services related to the 25-Year Comprehensive Plan.
4. **2020-249:** Motion to approve Budget Amendments 2020-045, 2020-046, 2020-048 and 2020-049.
5. **2020-252:** Motion to accept US Department of Agriculture Natural Resources Conservation Service (NRCS) Grant in the amount of \$376,250 (federal \$315,000, local share \$61,250) for the Streambank Stabilization on Diamondhead Drive East at Alkii Way.
6. **2020-248:** Motion to approve transfer of funds in the amount of \$61,250 for NRCS grant local match.
7. **2020-250:** Motion to approve payments to Digital Engineering in the total amount of \$31,270.56 for MDOT Feasibility Study in the amount of \$12,787.56, Roadway Improvement Phase 2 in the amount of \$10,660, Roadway Improvements Phase in the amount of \$3,630, Plan and Spec Review Services in the amount of \$2,835, and GIS Maintenance in the amount \$1,358.
8. **2020-253:** Motion to approve payment in the amount of \$3,698.50 to Machado-Patano for plan/spec review services.
9. **2020-057:** Motion to approve Work Assignment with Linfield Hunter Junius in the amount of \$11,230 to update the Master Plan for Town Center District based on wetlands delineation.
10. **2020-255:** Motion to approve Master Service Agreement Work Assignment with Machado Patano in the amount of \$22,000 for civil and surveying design services for the design work to be performed on a new parking lot and roadway improvements for a new parking lot located at City Hall.
11. **2020-260:** Motion to approve budget amendment 2020-050 for the purpose of funding property acquisition – 2.0 acre Twin Lakes Parcel.

Voting Yea: Mayor Pro Tem Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

**Action Agenda.**

12. **2020-245:** Motion to concur with the Planning Commission and thereby approve the variance to allow the construction of a roof over a patio within 9.7' of the rear property line at 7321 Analii Street. Case file number 202000277.

Motion made by Councilmember-At-Large L'Ecuyer, Seconded by Ward 4 Clark to concur with the Planning Commission and thereby approve the variance to allow the construction of a roof over a patio within 9.7' of the rear property line at 7321 Analii Street. Case file number 202000277.

Voting Yea: Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

Voting Nay: Ward 1 Depreo, Ward 2 Moran

**MOTION CARRIED**

**Routine Agenda.**

**Claims Payable**

13. Motion to approve the Docket of Claims (Claims DKT157534- DKT157577) in the amount of \$236,068.56.

Motion made by Ward 4 Clark, Seconded by Ward 3 Morgan to approve the Docket of Claims (Claims DKT157534- DKT157577) in the amount of \$236,068.56.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

14. Motion to approve Payroll Payables (DKT157523 - DKT157532) in the amount of \$32,544.61, DKT15733 in the amount of \$5,202, PRCLAIM057 in the amount of \$1,194 and PRCLAIM058 in the amount of \$28,723.65.

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to approve the Payroll Payables (DKT157523 - DKT157532) in the amount of \$32,544.61, DKT15733 in the amount of \$5,202, PRCLAIM057 in the amount of \$1,194 and PRCLAIM058 in the amount of \$28,723.65.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

**Department Reports**

- a. August 2020 Financials

Motion made by Ward 3 Morgan, Seconded by Ward 4 Clark to approve the August 2020 Financials.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED**

- b. a. Solid Waste Report  
b. Police Department Report  
c. Building Department Report  
d. Privilege License Reports  
e. Code Enforcement Report  
f. Fire Department Report

Motion made by Councilmember-At-Large L'Ecuyer, Seconded by Ward 4 Clark to accept Department Reports as presented.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**



**Public Comments on Non-Agenda Items. None.**

**Adjourn/Recess.**

At 6:55 p.m. and with further business to come before the Council, motion made by Ward 3 Morgan, seconded by Ward 4 Clark to adjourn.

Voting Yea: Ward 1 Depreo, Ward 2 Moran, Ward 3 Morgan, Ward 4 Clark, Councilmember-At-Large L'Ecuyer

**MOTION CARRIED UNANIMOUSLY**

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Nancy Depreo  
Mayor Pro Tem

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Jeannie Klein  
City Clerk

There came on for consideration at a meeting of the Mayor and City Council of the City of Diamondhead, Mississippi, held on the **6th** day of **October, 2020**, the following Resolution:

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DIAMONDHEAD, MISSISSIPPI, FINDING AND ADJUDICATING THAT THE HEREIN DESCRIBED PARCEL OF LAND ARE IN SUCH A STATE OF UNCLEANLINESS AS TO BE A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CITIZENRY OF THE CITY AND AUTHORIZING ADVERTISEMENT FOR BIDS OR TO OBTAIN QUOTE(S) TO HAVE SAID LAND CLEARED AND CLEANED AND TO ASSESS THE COSTS TO THE SAID PROPERTY**

**WHEREAS**, the Mayor and City Council of the City of Diamondhead, Mississippi, (the "City"), pursuant to Mississippi Code Annotated §21-19-11, 1972, as amended, finds, determines, and adjudicates, based upon the investigation of the City's Building Department, that the parcel of land described below are in such a state of uncleanness as to be a menace to the public health, safety, and welfare of the citizenry of the City; and

**WHEREAS**, said property, as described herein, are within the corporate boundaries of the City of Diamondhead, Hancock County, Mississippi; and

**WHEREAS**, the parcel investigated by the Building Department and recommended by the Building Official for adjudication as being in such a state of uncleanness including accessory structures on vacant lot not structurally sound and in good repair, as to be a menace to the public health, safety and welfare of the citizenry of the City are identified as:

James E. North, 62714 Diamondhead Drive North, Parcel number 068Q-1-41-116.000, Diamondhead Subdivision Phase1, Unit 2/6, Block 1 Lots 1 & 2

- Remove wooden shed, metal staircase, miscellaneous metal, PVC and other miscellaneous material.
- Remove all materials to a proper disposal site.

**WHEREAS**, notice to the property owners was provided by the City pursuant to Mississippi Code Annotated §21-19-11, 1972, as amended, i.e. First-Class United States Mail to James E. North at 10737 Lilinoe Way, notice posted on the bulletin board at City Hall, and notice posted on the property at 62714 Diamondhead Drive North, all within Diamondhead, Mississippi; and

**WHEREAS**, the Mayor and City Council of the City of Diamondhead further find, determine and adjudicate that advertisement for bids or obtaining quotes to clean the above referenced property should be made in the form and manner as provided by law; and

**WHEREAS**, the Mayor and City Council further find, determine, and adjudicate that the cost of the lot cleanup shall not exceed the aggregate amount of \$10,000.00 per parcel per calendar year or the fair market value of the property subsequent to cleaning, whichever is less. Said amount including a penalty shall be assessed as a lien against said property as provided by law and shall be enrolled in the office of the Circuit Clerk of Hancock County, Mississippi, as other judgments are enrolled, and in the office of the Chancery Clerk of Hancock County, Mississippi; and

**WHEREAS**, the Mayor and City Council of the City of Diamondhead further find, determine, and grant authority to the Building Department to re-enter the properties not more than five (5) times for a period of one (1) year without any further hearings if notice is posted on these

properties and at City Hall, 5000 Diamondhead Circle, Diamondhead, Mississippi 39525, at least ten (10) days prior to re-entering the properties for resolution of the same type of violation.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL  
OF THE CITY OF DIAMONDHEAD, MISSISSIPPI, AS FOLLOWS:**

**SECTION 1.** That the matters, facts, and things recited in the Preamble hereto are hereby adopted as the official findings of the Governing Authority.

**SECTION 2.** That the property at 62714 Diamondhead Drive North be and hereby are declared to be a menace to the public health, safety, and welfare of the citizenry of the City of Diamondhead.

**SECTION 3.** That the City Clerk be and hereby is authorized to advertise for bids for bid or obtain quote(s) to cut and clean the property (remove shed, metal staircase, PVC, and other miscellaneous material) and remove all to a proper disposal site as described hereinabove and lying within the corporate boundaries of the City of Diamondhead, Hancock County, Mississippi.

**SECTION 4.** That the cost of cleanup of the herein described properties, including any penalty assessed, shall be a lien against said properties as provided by law and shall be enrolled in the office of the Circuit Clerk of Hancock County, Mississippi, and in the office of the Chancery Clerk of Hancock County, Mississippi.

**SECTION 5.** That the Mayor and City Council of the City of Diamondhead further find, determine, and hereby grant authority to the Building Department to re-enter the properties not more than five (5) times for a period of one (1) year without any further hearings if notice is posted on

these properties and at City Hall, 5000 Diamondhead Circle, Diamondhead, Mississippi 39525, at least ten (10) days prior to re-entering the properties for resolution of the same type of violation.

Councilmember \_\_\_\_\_ moved for the adoption of the Resolution, which was seconded by Councilmember \_\_\_\_\_.

Upon being put to a roll call vote, the following ballots were cast:

YEAS      NAYS      ABSENT

Depreo

Moran

Morgan

Clark

L'Ecuyer

WHEREUPON, the Mayor Pro Temp declared the Motion carried and the Resolution adopted, this the \_\_\_\_\_ day of October, 2020.

ATTEST:

ADOPTED:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR PRO TEM



5000 Diamondhead Circle  
Diamondhead, MS 39525-3260  
Phone: 228.222.4626 Fax: 228.222-4390  
www.diamondhead.ms.gov

September 21, 2020

Mr James E. North  
10737 Lilionoe Way  
Diamondhead, MS 39525

**COPY**

RE: Notice of Violation- Burned Unsafe Structure  
62714 Diamondhead Drive North  
Diamondhead, MS 39525  
Parcel Number 068Q-1-41-116.000

Dear Mr. North:

On August 10, 2020, this office issued a letter requesting you demolish all structures and remove all trash, rubbish and materials to a proper disposal site by September 14, 2020. Your contractor, Morreale Construction, LLC, completed their work on September 9, 2020 but left two structures, a utility trailer and miscellaneous materials. On September 10, 2020, you contacted this office via email and advised you wanted to re-use the structures at another location but needed additional time and requested a 30 day extension. On September 11, 2020, this office responded via email granting you a 15 day extension to September 25, 2020, to complete the clean-up.

It is a violation of the City of Diamondhead Zoning Ordinance (Ordinance No. 2012-019), Section 4.18.3 D – Residential Accessory Building, Structure or Use, and it states “Uses: A principle structure shall be already constructed on the same lot” and The International Property Maintenance Code, Section 302.7 - Accessory structures which states “All accessory structures...shall be maintained structurally sound and in good repair”.

You are requested to remove the lean-to, shed, utility trailer, metal staircase, BBQ pit/smoker, miscellaneous metal, PVC, standing conduit next to lean-to and other miscellaneous material. If the posts for the lean-to are not removed from the ground, they must be cut at ground level. All materials shall be properly disposed of. If you are planning to re-use the structures at another location in Diamondhead, a permit will be required before you may use them.

The City is asking that you please complete the above actions within the next FIFTEEN (15) days to prevent further action as set out in the paragraph below.

**NOTICE OF HEARING**

If you have not taken the above corrective actions within the fifteen days provided, you are hereby given notice of and invited to attend a hearing before the Diamondhead City Council on October 6, 2020, at 6:00 PM in the City Council chambers at 5000 Diamondhead Circle, Diamondhead, MS 39525, on the violations set forth above. At this hearing, the City Council will be asked to adjudicate that the subject property is in a state of uncleanliness or a menace to the public health, safety and general welfare of the community. This adjudication will also authorize the City of Diamondhead to re-enter the property for a period of one (1) year without any further hearings if notice is posted on this property and at City Hall, 5000 Diamondhead Circle, Diamondhead, MS at least seven (7) days prior to re-entering the property for resolution of the same type of violation. In addition, the City Council will be asked to authorize advertisement for bids and or receive quotes to perform the necessary corrective actions. All costs incurred will be assessed to your property taxes and/or posted to the Hancock County Judgment Rolls. Please contact our office at 228-222-4626, if you have any questions about this letter. In order to avoid our proceeding with a hearing on your property, the requested corrective actions shall be completed by October 6, 2020

If you have any questions, please contact the Code Enforcement Department at 228-222-4626. Thank you in advance for your attention to this matter.

Sincerely,



J. Pat Rich  
Code Enforcement Officer  
228-222-4626 Ext. 1816





09.30.2020





09.30.2020



09.30.2020



Resolution 2020-061  
Agenda Item 2020-263

RESOLUTION AUTHORIZING THE MAYOR AND CITY COUNCIL (THE “GOVERNING BODY”) OF THE CITY OF DIAMONDHEAD, MISSISSIPPI (THE CITY), TO VACATE AND/OR ABANDON 5’ DRAINAGE/UTILITY EASEMENTS ON EACH SIDE OF THE COMMON LOT LINE BETWEEN LOTS 63 AND 64 AS WELL AS LOTS 64 AND 65, BLK 9, UNIT 5, PHASE 2, HANCOCK COUNTY, MS LOCATED WITHIN THE CITY OF DIAMONDHEAD

WHEREAS, the Mayor and City Council (the Governing Body) of the City of Diamondhead, Mississippi (the City), acting for and on behalf of the City, hereby finds and determines as follows:

1. The City currently possesses 5’ drainage and utility easements on Lots 63, 64 and 65, Blk 9, Unit 5, Phase 2. The request is to abandon 5’ of drainage and utility easements on each side of the common lot line between 63 and 64 as well as between 64 and 65 Phase 2, Unit 5, Block 9. (see Exhibit A dated 7-9-2020 by Duke Levy).
2. Casey and Michael Marcotte are the owners of this property and have submitted plans to construct a house. The newly assigned address is 6812 Aupuni Place.
3. Comments from the Diamondhead Water and Sewer District, Diamondhead Public Works Department, Coast Electric Power Association have no objections.
4. Further, the City hereby abandons and/or vacates the 5’ of drainage and utility easements on each side of the common lot line between 63 and 64 as well as between 64 and 65 Phase 2, Unit 5, Block 9, Lot 6. (see Exhibit A dated 7-9-2020 by Duke Levy), notwithstanding, retaining the 10’ drainage and utility easements on the front and rear of the property.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY, AS FOLLOWS:

SECTION 1. That the Governing Body of the City will hereby abandon the selected drainage/utility easements as described in bullet #4.

SECTION 2. It is agreed and understood that Casey and Michael Marcotte or their representative will be responsible for the filing of all necessary documents with the Chancery Clerk of Hancock County, Mississippi.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_

Resolution 2020-061  
Agenda Item 2020-263

and the question being put to a roll call vote, the result was as follows:

	Aye	Nay	Absent
Councilmember Depreo	___	___	___
Councilmember Moran	___	___	___
Councilmember Morgan	___	___	___
Councilmember Clark	___	___	___
Councilmember L'Ecuyer	___	___	___
	___	___	___

The motion having received the affirmative vote of a majority of all of the members of the Governing Body, the Mayor Pro Tem declared the motion carried and the resolution adopted, this the \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
MAYOR PRO TEM

ATTEST:

\_\_\_\_\_  
CITY CLERK

(SEAL)



2020-017  
Item No.5.

5000 Diamondhead Circle • Diamondhead, MS 39525-3260  
Phone: 228.222.4626 Fax: 228-222-4390  
www.diamondhead.ms.gov

TO: Mayor, City Council and City Manager

FROM: Ronald R. Jones, Building Official *Ronald*

DATE: October 2, 2020

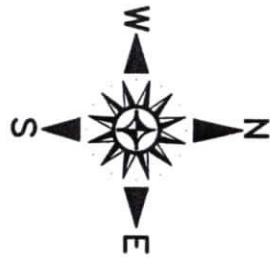
SUBJECT: Casey and Michael Marcotte 9812 Aupunia Place; Petition to abandon certain drainage and utility easements;

Casey and Michael Marcotte are the owners of this property and have submitted plans to construct a house. The newly assigned address is 6812 Aupuni Place. The request is to abandon 5' of drainage and utility easements on each side of the common lot line between 63 and 64 as well as between 64 and 65 Phase 2, Unit 5, Block 9. (see Exhibit A dated 7-9-2020 by Duke Levy).

Public Works and CEPA have no objections. DWSD has approved the requested abandonment.

attachments

Exhibit A



**LEGEND:**

- CENTERLINE
- IRON ROD FOUND
- IRON ROD SET
- ⊗ IRON PIPE FOUND
- ⊞ FENCE CORNER POST
- ⊘ POWER POLE
- ⊙ APS AS PER SURVEY
- ⊙ APS AS PER RECORD

**REFERENCES:**

- 1) DEED BOOK 2015 PAGE 2281
- 2) PLAT OF DIAMONDHEAD, PHASE 2, UNIT 5

**NOTES:**

Surveyor has made no investigation or independent search for easements of record, encumbrances, restrictive covenants, ownership title evidence, or any other facts that on accurate and current title search may disclose. No attempt has been made as a part of this boundary survey to obtain or show data concerning existence, size, depth, condition, capacity, or location of any utility or municipal/public service facility. This survey meets Mississippi minimum requirements for a class "B" survey. Survey is valid only if print has original seal and signature of surveyor. No flood zone determination was performed as a part of this survey. An accurate determination can be made by ordering a FEMA Elevation Certificate.



**LEGAL DESCRIPTION:**

A survey of Lots 63, 64 and 65, Block 9, Diamondhead Subdivision, Phase 2, Unit 5, City of Diamondhead, Hancock County, Mississippi.



In consideration of the fee paid, I declare that this survey made by me or under my immediate supervision is true and correct to the best of my professional knowledge, information, and belief.

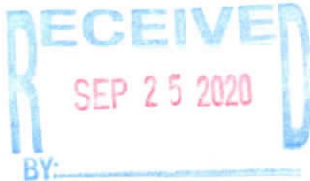
*Duke Levy, RLS #17122*

DUKE LEVY & ASSOCIATES, P.A.

4412 LEISURE TIME DRIVE  
DIAMONDHEAD, MS 39525  
(228) 343-9691 PHONE

SCALE: 1" = 30'

DRAWING: WO# 2020-169 DATE: 07-09-2020 CLIENT: Casey Marcotte & Michael Husband



## Abandonment of Easement Request

Ronald,

I have reviewed the request to abandon the side lot easements between lots 63 and 64 and also 64 and 65 off located at 9812 Aupunia Pl. Coast Electric agrees to abandon this five foot drainage and utility easement.

If you have any questions, please give me a call.

Thanks,

Kendall Ladner

Director of System Engineering

(228) 363-7318

D. W. Martin 9-30-20  
 Marie H. Martin 9-30-20





## DIAMONDHEAD WATER &amp; SEWER DISTRICT


## REQUEST FOR AN ABANDONMENT OF EASEMENT

DATE: 8-28-20PROPERTY OWNER OR OWNERS: Michael + Casey MarcottePHONE NUMBER: ~~214 808-6785~~ 985-265-3173EMAIL ADDRESS: MARCOTTE CREEK CONSTRUCTION @Gmail.com  
Caseymick13@gmail.com

DESIRE TO HAVE UTILITY EASEMENT ABANDONED BETWEEN:

PROPERTY DESCRIPTION: PHASE 2 UNIT 5 BLOCK 9 LOT 63 + 64PHASE 2 UNIT 5 BLOCK 9 LOT 64 + 65

PHASE \_\_\_\_\_ UNIT \_\_\_\_\_ BLOCK \_\_\_\_\_ LOT \_\_\_\_\_

PROPERTY ADDRESS: LOT # 63, 64, 65 Block 9CUSTOMER SIGNATURE: 

## OFFICE USE ONLY:

DATE APPROVED: 8/28/2020APPROVED BY: ABANDONMENT FEE: \$50.00 \$50.00 PdAPPROVED BY BOARD: 9-10-2020 the Motion 8.4.EMAILED COPY: (SIGN/DATE)  9/1/20

**City of Diamondhead, Mississippi**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2019**



# Necaise & company<sup>,PLLC</sup>

Certified Public Accounting Firm

September 3, 2020

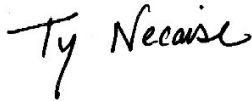
Honorable Mayor and City Council  
City of Diamondhead, Mississippi

Dear Honorable Mayor and City Council:

We are pleased to submit to you the 2019 financial and compliance audit report for The City of Diamondhead. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

We appreciate the cooperation and courtesy extended by the officials and employees of the City of Diamondhead throughout the audit. If we or this office can be of any further assistance, please contact us at (228) 236-3622.

Respectfully submitted,



Ty J Necaise, MBA, CPA

**City of Diamondhead, Mississippi**  
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**INTRODUCTORY SECTION**

City of Diamondhead, Mississippi  
Elected Officials  
September 30, 2019

Item No.6.



Thomas E. Schafer, IV (Deceased)  
Mayor



Lindsay "Tink" L'Ecuyer  
Councilman-At-Large



Nancy Depreo  
Ward 1  
Mayor Pro Tempore



Alan Moran  
Ward 2



Jamie Wetzel Morgan  
Ward 3



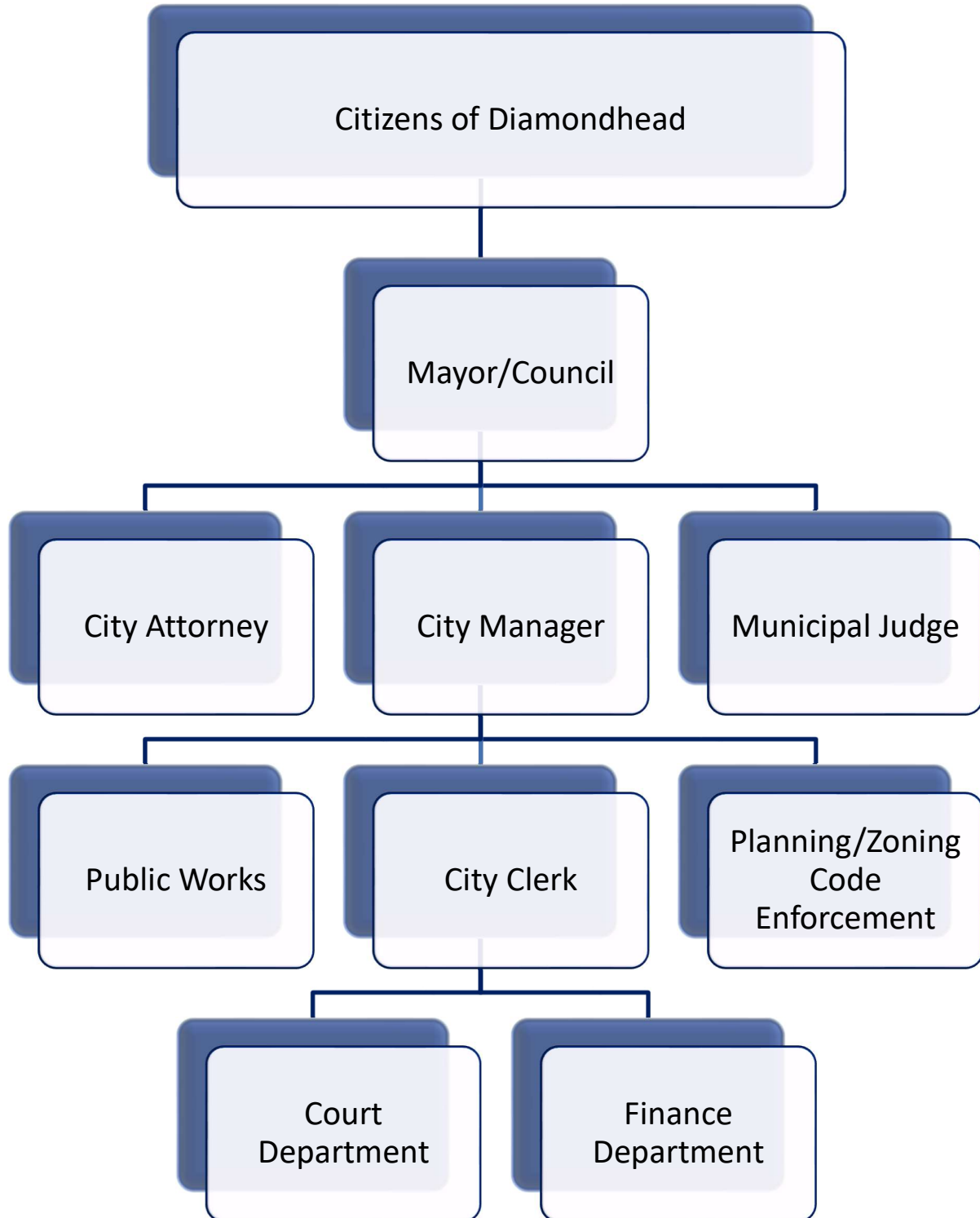
Kodie Koenenn  
Ward 4  
(Left Office: January 2020)



Charles S. Clark  
Ward 4  
(Took Office: January 2020)

City of Diamondhead, Mississippi  
Organization Chart  
September 30, 2019

Item No.6.



**FINANCIAL SECTION**



**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Diamondhead, Mississippi

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamondhead, Mississippi, (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamondhead, Mississippi, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 and 37 be presented to supplement the basic financial statements.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Diamondhead, Mississippi's basic financial statements. The accompanying Schedule of Surety Bonds for City Officials is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Surety Bonds for City Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2020, on our consideration of the City of Diamondhead, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Diamondhead, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Diamondhead, Mississippi's internal control over financial reporting and compliance.



Necaise & Company PLLC  
Gulfport, Mississippi  
September 3, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



This section of the City of Diamondhead, Mississippi's Annual Financial Report presents a narrative overview and comparative analysis of the financial activities of the City for the fiscal year ended September 30, 2019 and 2018. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements that immediately follow.

The City of Diamondhead is located in southeastern Hancock County, Mississippi, United States. The city is located just over 50 miles northeast of New Orleans, Louisiana. It is part of the Gulfport-Biloxi Metropolitan Statistical Area. According to the United States Census Bureau's recent estimates, the estimated population of the City of Diamondhead as of July 1, 2019, is 8,044. The median household income is \$67,207 with over 96.9% of persons 25 years or older holding a high school degree or higher.

Within this section of the report, the City of Diamondhead, Mississippi's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

The components of this annual financial report include:

- Management's Discussion and Analysis (MD&A)
- Financial Statements
- Required Supplementary Information (RSI)
- Supplementary and Other Information

#### **Government-Wide Financial Highlights**

- The total assets of the City exceeded total liabilities for the fiscal year ended September 30, 2019 by \$64,955,665 (net position). Of this amount \$5,912,898 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- General revenues amounted to \$5,157,871 or 82% of total revenues. This amount increased \$119,789 from 2018. Program revenues amounted to \$1,141,928 or 18% of total revenues, which increased \$305,678 from 2018.
- Capital assets, net of accumulated depreciation, decreased by \$1,107,801 during 2019. The decrease in governmental capital assets is primarily due to annual depreciation.
- Outstanding debt owed to Hancock Bank decreased by \$138,544.

#### **Fund Statement Financial Highlights**

- *General Fund* – This fund is used for the general operations of the City. The General Fund had \$5,138,388 in revenues and \$4,055,190 in expenditures in the current year. The General Fund's fund balance increased \$815,436 for fiscal year 2019.
- *Exit Lighting Fund* – This fund is a capital projects fund used for capital expenditures associated with I-10 Exit lighting. The Exit Lighting Fund received grant income of \$533,827 and disbursed \$649,070 toward this capital project for fiscal year 2019.
- *East Aloha Widening Fund* – This fund is a capital projects fund used for capital expenditures associated with East Aloha Drive. The East Aloha Widening Fund disbursed \$13,692 toward this capital project for fiscal year 2019.

**Fund Statement Financial Highlights (continued)**

- *Montjoy Creek Fund* – This fund is a capital projects fund used for capital expenditures associated with Montjoy Creek. The Montjoy Creek Fund received grant income of \$28,704 and disbursed \$30,174 toward this capital project for fiscal year 2019.
- *Solid Waste Fund* – This fund is a special revenue fund that is meant to be self-supporting. The Solid Waste Fund accounts for the revenue, expenditures, and transfers associated with the collection and recycling or disposal of solid waste. The Solid Waste Fund had \$597,533 in revenues and \$617,328 in expenditures for fiscal year 2019.

**Overview of the Financial Statements**

*Management's Discussion and Analysis* is considered *Required Supplementary Information* but is presented as part of the financial section of this report. The MD&A introduces the City's financial statements and any additional information to supplement them.

*Financial Statements* for the City consist of Government-Wide Statements (Statement of Net Position and the Statement of Activities), Fund Statements (Balance Sheet- Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances), the Statement of Fiduciary Assets and Liabilities and the accompanying Notes to the Financial Statements. Government-Wide Statements provide information about the City's assets and liabilities and its revenues and expenses using the accrual basis of accounting similar to the accounting used by private sector companies.

Fund Statements are prepared on the modified accrual basis of accounting and are designed to report information on near-term inflows, outflows, and balances of spendable and non-spendable resources. Such information may be useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, and Capital Project Funds.

The accompanying *Notes to the Financial Statements* provide information essential to a full understanding of the financial statements. The Notes begin immediately following the Statement of Fiduciary Assets and Liabilities.

**Other Information**

*Required Supplementary Information* consists of information that is considered to be an essential part of financial reporting and should be reported with, but not as a part of, the basic financial statements. Although the MD&A is considered RSI, it is presented in the financial section of this report.

*Supplementary Information* is presented for informational purposes only and is not considered essential to the financial report.

**Financial Analysis***Statement of Net Position and the Statement of Activities*

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid but rather when they are incurred.

These two statements report the City's net position and the changes in those assets. This change in assets is important because it tells the reader whether the financial position of the City has improved or diminished.

In the Statement of Activities, the City's activities are reported as governmental activities, which include all of the City's services including general government, public safety, public works, building/planning and zoning, community services, and solid waste. As of September 30, 2019, the City has no component units.

**Financial Analysis (continued)***Statement of Net Position and the Statement of Activities (continued)*

The following table (Table 1) presents the condensed statement of net position as of September 30, 2019 and 2018, derived from the City's Statement of Net Position (Exhibit 1).

*Table 1: Condensed Statement of Net Position  
As of September 30,*

	2019	2018	Change
Current and other assets	\$ 9,876,979	\$ 8,953,494	\$ 923,485
Capital assets, net	<u>59,939,599</u>	<u>61,047,400</u>	<u>(1,107,801)</u>
Total assets	<u>69,816,578</u>	<u>70,000,894</u>	<u>(184,316)</u>
Current and other liabilities	497,810	377,024	120,786
Long-term debt	<u>1,109,963</u>	<u>1,248,507</u>	<u>(138,544)</u>
Total liabilities	<u>1,607,773</u>	<u>1,625,531</u>	<u>(17,758)</u>
Total deferred inflows	<u>3,253,140</u>	<u>3,130,931</u>	<u>122,209</u>
Net position:			
Net investment in capital assets	58,829,636	59,798,893	(969,257)
Restricted	213,131	70,919	142,212
Unrestricted	<u>5,912,898</u>	<u>5,374,620</u>	<u>538,278</u>
Total net position	<u>\$ 64,955,665</u>	<u>\$ 65,244,432</u>	<u>\$ (288,767)</u>

The City's net position at fiscal year-end is \$64,955,665. This is a \$288,767 decrease from last year's net position of \$65,244,432. The decrease is primarily due to annual depreciation on capital assets.

The City reported a positive balance in net position for both 2019 and 2018. The following is a summary of the more significant changes:

- Cash, receivables, and other assets increased \$923,485.
- Long-term debt decreased by \$138,544.
- Capital assets decreased by \$1,107,801. This decrease was primarily due to current year depreciation.

**Financial Analysis (continued)***Statement of Net Position and the Statement of Activities (continued)*

The following table (Table 2) presents the City's condensed statement of activities for the fiscal years ended September 30, 2019 and 2018. For more detailed information see the Statement of Activities (Exhibit 2).

*Table 2: Condensed Statement of Activities  
For the Years Ended September 30,*

	2019	2018	Change
<b>Revenues</b>			
Program revenues	\$ 1,141,928	\$ 836,250	\$ 305,678
General revenues	<u>5,157,871</u>	<u>5,038,082</u>	<u>119,789</u>
Total revenues	<u>6,299,799</u>	<u>5,874,332</u>	<u>425,467</u>
<b>Expenses</b>			
General government	1,059,880	1,301,258	(241,378)
Public safety	1,255,175	996,301	258,874
Public works	4,085,262	3,842,067	243,195
Culture & recreation	48,989	31,548	17,441
Conservation of natural resources	15,185	14,989	196
Economic development & assistance	89,477	476	89,001
Interest on long-term debt	<u>34,598</u>	<u>29,215</u>	<u>5,383</u>
Total expenses	<u>6,588,566</u>	<u>6,215,854</u>	<u>372,712</u>
Increase (decrease) in net position	<u>(288,767)</u>	<u>(341,522)</u>	<u>52,755</u>
Net Position, beginning	65,244,432	65,731,961	(487,529)
Prior Period Adjustment	<u>-</u>	<u>(146,007)</u>	<u>146,007</u>
Net Position, beginning, restated	<u>65,244,432</u>	<u>65,585,954</u>	<u>(341,522)</u>
Net Position, ending	<u>\$ 64,955,665</u>	<u>\$ 65,244,432</u>	<u>\$ (288,767)</u>

*Fund Financial Statements*

Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established several funds, which account for the multitude of services provided to residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Diamondhead, the major funds are the General Fund, Exit Lighting Fund, East Aloha Widening Fund, Montjoy Creek Fund, and the Solid Waste Fund.

- **Governmental Funds** - The City's governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the City's residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- **Fiduciary Funds** – Fiduciary Funds show amounts held by the City for the benefit of others and clearing accounts used to track payroll and related liabilities.

**Budgetary Highlights**

The City's budget is prepared according to Mississippi law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. Governmental auditing standards require that cities present budgetary comparison schedules as required supplementary information to the financial statements. The most significant budgeted fund is the General Fund.

During the course of 2019, the City amended its budget. All recommendations for a budget change come from the City Clerk to the Council for approval. State law does not allow budget changes that modify functional levels of budget amounts within a department without council approval. With the General Fund supporting many of our major activities, such as our public safety expenditures, public works, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

**Capital Assets**

Net capital assets at year-end are \$59,939,599, which reflects a \$1,107,801 decrease from the prior year. The significant decrease is primarily due to current year depreciation expense.

**Debt Administration**

At year-end, the City had \$1,109,963 in outstanding debt. The debt consists of two (2) capital leases used for the City Hall building and grounds and public works equipment. For more information, see the accompanying notes to the financial statements.

**Economic Factors**

The City has not identified any significant economic factors to report.

**Contacting the City's Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Diamondhead, MS  
Attention: Michael J. Reso, City Manager  
5000 Diamondhead Circle  
Diamondhead, MS 39525



## FINANCIAL STATEMENTS

**City of Diamondhead, Mississippi**  
**Statement of Net Position**  
**September 30, 2019**

**Exhibit 1**

**ASSETS**

Cash	\$ 6,037,415
Cash, restricted	86,148
Property tax receivable	3,253,140
Franchise tax receivable	76,434
Fines receivable (net of allowance for uncollectibles of \$373,858)	22,556
Prepaid expenses	62,094
Intergovernmental receivables	301,880
Other assets	37,312
Capital assets:	
Nondepreciable capital assets	8,347,344
Depreciable capital assets, net	<u>51,592,255</u>
Total Assets	<u>69,816,578</u>

**LIABILITIES**

Accounts payable and accrued liabilities	314,942
Due to other governmental agencies	137,609
Accrued interest payable	9,062
Other payables	8,032
Long-term liabilities:	
Compensated absences	28,165
Due within one year	
Capital debt	142,153
Due in more than one year	
Capital debt	<u>967,810</u>
Total Liabilities	<u>1,607,773</u>

**DEFERRED INFLOWS OF RESOURCES**

Property tax for future reporting period	<u>3,253,140</u>
Total Deferred Inflows of Resources	<u>3,253,140</u>

**NET POSITION**

Net investment in capital assets	58,829,636
Restricted for:	
General government	147,714
Public safety	43,379
Public works	24,840
Conservation of natural resources	(1,470)
Economic development	(1,332)
Unrestricted	<u>5,912,898</u>
Total Net Position	<u>\$ 64,955,665</u>

*The notes to the financial statements are an integral part of this statement.*

**City of Diamondhead, Mississippi**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

**Exhibit 2**

<i>Functions/Programs</i>	<i>Program Revenues</i>			<i>Net (Expense)</i>
	<i>Expenses</i>	<i>Charges for Services</i>	<i>Capital Grants and Contributions</i>	<i>Revenue and Changes in Net Position</i>
				<i>Governmental Activities</i>
Governmental activities				
General government	\$ 1,059,880	\$ -	\$ -	\$ (1,059,880)
Public safety	1,255,175	-	-	(1,255,175)
Public works	4,085,262	596,319	517,619	(2,971,324)
Culture and recreation	48,989	-	-	(48,989)
Conservation of natural resources	15,185	-	13,715	(1,470)
Economic development and assistance	89,477	-	14,275	(75,202)
Interest on long-term debt	34,598	-	-	(34,598)
Total governmental activities	<u>\$ 6,588,566</u>	<u>\$ 596,319</u>	<u>\$ 545,609</u>	<u>\$ (5,446,638)</u>
General revenues:				
Property taxes				\$ 3,459,624
General sales taxes				673,547
Road and bridge privilege taxes				206,503
Franchise taxes				275,701
Unrestricted interest income				130,490
Capital contributions				192,475
Miscellaneous				<u>219,531</u>
Total general revenues				<u>5,157,871</u>
Change in Net Position				<u>(288,767)</u>
Net position, October 1, 2018				<u>65,244,432</u>
Net position, September 30, 2019				<u>\$ 64,955,665</u>

The notes to the financial statements are an integral part of this statement.

**City of Diamondhead, Mississippi**  
**Balance Sheet – Governmental Funds**  
**September 30, 2019**

	<i>General Fund</i>	<i>Exit Lighting Fund</i>	<i>East Aloha Widening Fund</i>	<i>Montjoy Creek Fund</i>	<i>Solid Waste Fund</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
<b>ASSETS</b>							
Cash	\$ 5,494,873	\$ -	\$ 119,572	\$ 198,530	\$ 47,771	\$ 176,669	\$ 6,037,415
Cash, restricted	63,847	-	-	-	-	22,301	86,148
Receivables:							
Property tax	3,253,140	-	-	-	-	-	3,253,140
Fines, net	22,556	-	-	-	-	-	22,556
Franchise tax	76,434	-	-	-	-	-	76,434
Due from other funds	458,879	-	-	-	-	-	458,879
Intergovernmental receivables	181,449	2,879	298	2,134	-	14,275	201,035
Prepaid expenses	62,094	-	-	-	-	-	62,094
Other assets	37,312	-	-	-	-	-	37,312
Total Assets	<u>\$ 9,650,584</u>	<u>\$ 2,879</u>	<u>\$ 119,870</u>	<u>\$ 200,664</u>	<u>\$ 47,771</u>	<u>\$ 213,245</u>	<u>\$ 10,235,013</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 311,160	\$ -	\$ 372	\$ 2,134	\$ -	\$ 1,276	\$ 314,942
Intergovernmental payables	86,983	-	-	-	50,626	-	137,609
Due to other funds	-	2,879	100,000	200,000	-	156,000	458,879
Other payables	8,032	-	-	-	-	-	8,032
Total Liabilities	<u>406,175</u>	<u>2,879</u>	<u>100,372</u>	<u>202,134</u>	<u>50,626</u>	<u>157,276</u>	<u>919,462</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	3,253,140	-	-	-	-	-	3,253,140
Unavailable revenue - fines	22,556	-	-	-	-	-	22,556
Total Deferred Inflows of Resources	<u>3,275,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,275,696</u>
<b>FUND BALANCES</b>							
Restricted:							
General government	63,847	-	-	-	-	-	63,847
Public safety	-	-	-	-	-	22,301	22,301
Committed:							
Public works	-	-	19,498	-	(2,855)	35,000	51,643
Conservation of natural resources	-	-	-	(1,470)	-	-	(1,470)
Economic development	-	-	-	-	-	(1,332)	(1,332)
Unassigned	5,904,866	-	-	-	-	-	5,904,866
Total Fund Balances	<u>5,968,713</u>	<u>-</u>	<u>19,498</u>	<u>(1,470)</u>	<u>(2,855)</u>	<u>55,969</u>	<u>6,039,855</u>
Total Liabilities and Fund Balances	<u>\$ 9,650,584</u>	<u>\$ 2,879</u>	<u>\$ 119,870</u>	<u>\$ 200,664</u>	<u>\$ 47,771</u>	<u>\$ 213,245</u>	<u>\$ 10,235,013</u>

The notes to the financial statements are an integral part of this statement.

**City of Diamondhead, Mississippi**  
**Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position**  
**September 30, 2019**

Total Fund Balance - Governmental Funds	\$ 6,039,855
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$ 15,768,383.	59,939,599
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fine receivable	22,556
Other intergovernmental receivable	100,845
Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds.	
Compensated absences	(28,165)
Capital debt	(1,109,963)
Interest on long-term debt	<u>(9,062)</u>
Total Net Position - Governmental Activities	<u>\$ 64,955,665</u>

*The notes to the financial statements are an integral part of this statement.*

## Exhibit 4

**City of Diamondhead, Mississippi**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**  
**For the Year Ended September 30, 2019**

	<i>General Fund</i>	<i>Exit Lighting Fund</i>	<i>East Aloha Widening Fund</i>	<i>Montjoy Creek Fund</i>	<i>Solid Waste Fund</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
<b>REVENUES</b>							
Property taxes	\$ 3,459,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,459,624
General sales taxes	673,547	-	-	-	-	-	673,547
Franchise taxes	275,701	-	-	-	-	-	275,701
Road and bridge privilege taxes	384,627	-	-	-	-	-	384,627
Licenses, commissions and other revenue	124,439	-	-	-	-	-	124,439
Fines and forfeitures	69,996	-	-	-	-	-	69,996
Intergovernmental revenues	13,500	533,827	298	28,704	-	14,275	590,604
Charges for services	-	-	-	-	596,319	-	596,319
Interest	128,043	-	-	-	1,214	1,233	130,490
Other revenues	8,911	-	-	-	-	14,989	23,900
Total revenues	<u>5,138,388</u>	<u>533,827</u>	<u>298</u>	<u>28,704</u>	<u>597,533</u>	<u>30,497</u>	<u>6,329,247</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,214,513	-	-	-	-	-	1,214,513
Public safety	1,125,885	-	-	-	-	65,523	1,191,408
Public works	1,436,502	649,070	13,692	-	617,328	-	2,716,592
Culture and recreation	34,065	-	-	-	-	-	34,065
Conservation of natural resources	-	-	-	30,174	-	-	30,174
Economic development and assistance	69,870	-	-	-	-	19,607	89,477
Debt service:							
Capital lease	138,544	-	-	-	-	-	138,544
Interest	<u>35,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,811</u>
Total expenditures	<u>4,055,190</u>	<u>649,070</u>	<u>13,692</u>	<u>30,174</u>	<u>617,328</u>	<u>85,130</u>	<u>5,450,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,083,198</u>	<u>(115,243)</u>	<u>(13,394)</u>	<u>(1,470)</u>	<u>(19,795)</u>	<u>(54,633)</u>	<u>878,663</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	181,330	44,100	-	-	43,175	268,605
Transfers out	(268,605)	-	-	-	-	-	(268,605)
Insurance proceeds	<u>843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843</u>
Total other financing sources (uses)	<u>(267,762)</u>	<u>181,330</u>	<u>44,100</u>	<u>-</u>	<u>-</u>	<u>43,175</u>	<u>843</u>
Net change in fund balances	815,436	66,087	30,706	(1,470)	(19,795)	(11,458)	879,506
Fund balances, October 1, 2018	5,153,277	(66,087)	-	-	16,940	56,219	5,160,349
Fund reclassification	<u>-</u>	<u>-</u>	<u>(11,208)</u>	<u>-</u>	<u>-</u>	<u>11,208</u>	<u>-</u>
Fund balances, September 30, 2019	<u>\$ 5,968,713</u>	<u>\$ -</u>	<u>\$ 19,498</u>	<u>\$ (1,470)</u>	<u>\$ (2,855)</u>	<u>\$ 55,969</u>	<u>\$ 6,039,855</u>

The notes to the financial statements are an integral part of this statement.

**City of Diamondhead, Mississippi**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2019**

Net Changes in Fund Balances - Governmental Funds	\$ 879,506
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	1,398,720
Depreciation expense	(2,505,278)
In the Statement of Activities, only gain and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the loss.	
	(1,243)
Fine revenue recognized on the modified cash basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	
	2,678
Road & bridge privilege tax recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	
Current year accrual	100,845
Recognized on Statement of Net Position in the prior year	(310,464)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments.	
Principal payments	138,544
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Compensated absences	6,712
Accrued interest	1,213
Changes in Net Position of Governmental Activities	<u>\$ (288,767)</u>

*The notes to the financial statements are an integral part of this statement.*

**Exhibit 5**

**City of Diamondhead, Mississippi**  
**Statement of Fiduciary Assets and Liabilities**  
**September 30, 2019**

**Assets**

## Current assets:

Cash	\$ 10,981
Other receivables	<u>17,237</u>
Total assets	<u><u>28,218</u></u>

**Liabilities**

## Current liabilities:

Amounts held in custody of others	10,981
Due to other governments	<u>17,237</u>
Total liabilities	<u><u>\$ 28,218</u></u>

*The notes to the financial statements are an integral part of this statement.*



***City of Diamondhead, Mississippi***  
***Notes to the Financial Statements***  
***For the Year Ended September 30, 2019***

Item No.6.

**Note 1: Summary of Significant Accounting Policies**

These financial statements of the City of Diamondhead, Mississippi were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The following summary of the more significant accounting policies of the City is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

***Reporting Entity***

The City of Diamondhead was incorporated January 20, 2012 under the laws of the State of Mississippi. The City is a municipal corporation governed by a five-member council and mayor. Diamondhead operated under a council-manager form of government as provided by its Charter. The Mayor and five City Council members are elected and serve four-year terms. The City Council directly appoints officers (City Attorney, City Clerk, City Manager, and Presiding Judge) who have full responsibility for carrying out City Council policies and administering day-to-day city operations. Since the City is newly established, many municipal services including police and fire protection are contracted with Hancock County, Mississippi.

The accounting and reporting policies of the City relating to the funds and accounts groups included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the City's governing council. As defined by accounting principles generally accepted in the United States of America, the City is considered a "primary government."

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in Accounting Principles Generally Accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity. The following are excluded from the reporting entity:

Diamondhead Fire District  
Diamondhead Water and Sewer District

These potential component units have separate elected and/or appointed boards and provide services to residents through inter-local agreements with the city. These are excluded from the reporting entity because the City does not have the ability to exercise influence or control over their daily operations, approve budgets or provide funding.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Basis of Presentation*

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures, which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the City as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct Expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and/or grants and contributions that are restricted to meeting the operational or capital requirements of a program. Taxes and other revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or if it draws from the general revenues of the City.

Fund Financial Statements:

Fund financial statements of the City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental and fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

*Measurement Focus and Basis of Accounting*

The Government-wide and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the City. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred.

Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

***City of Diamondhead, Mississippi  
Notes to the Financial Statements  
For the Year Ended September 30, 2019***

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Measurement Focus and Basis of Accounting (continued)*

The City reports the following major Governmental Funds:

General Fund – This fund is used to account for all activities of the general government for which a separate fund has not been established.

Exit Lighting Fund– This fund is a capital projects fund used for capital expenditures associated with I-10 Exit lighting.

East Aloha Widening Fund – This fund is a capital projects fund used for capital expenditures associated with East Aloha Drive.

Montjoy Creek Fund – This fund is a capital projects fund used for capital expenditures associated with Montjoy Creek.

Solid Waste Fund– This fund is a special revenue fund that is meant to be self-supporting. The Solid Waste Fund accounts for the revenue, expenditures, and transfers associated with the collection and recycling or disposal of solid waste.

Additionally, the City reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue resources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

FIDUCIARY FUND TYPE

Agency Funds – These funds account for various taxes, deposits and other monies collected or held by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

*Account Classifications*

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Measurement Focus and Basis of Accounting (continued)*

*Deposits and Investments*

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories, and in obligations of the U.S. Treasury, State of Mississippi, or any City, municipality or school district of this state. Further, the City may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the City did not invest in any governmental securities during the fiscal year.

*Receivables*

Receivables are reported net of allowances for uncollectible accounts, where applicable. The estimated uncollectible allowance amount is based on the aging of receivables, historical collection experience, and other relevant circumstances.

*Interfund Transactions and Balances*

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

*Prepays*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Fiduciary Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

*Capital Assets*

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available.

Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards require governments meeting certain criteria to retroactively report major general infrastructure assets by September 30, 2007. Current year general infrastructure assets are required to be reported. General infrastructure assets acquired after September 30, 1980, are reported on the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Capital Assets (continued)*

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year.

The following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life (years)
Land	\$ -	N/A
Infrastructure	-	20
Buildings	10,000	40
Improvements other than buildings	5,000	20
Mobile equipment	1,000	5-10
Furniture and equipment	1,000	5-10
Leased property under capital leases	*	*

- \* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unavailable revenue – property tax (Property taxes for future reporting period): Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines: When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

*Long-term Liabilities*

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt insurances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities of the Statement of Net Position.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Equity Classifications*

Government-wide Financial Statements:

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

Net Investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position not meeting the definition of “restricted” or “net investment in capital assets.”

Net Position Flow Assumption – When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City’s general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City’s general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund Balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned. The following are descriptions of fund classifications used by the City:

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund. Currently, there are no nonspendable fund balances.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the City Council. The City Council is the highest level of decision-making authority of the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.



***City of Diamondhead, Mississippi  
Notes to the Financial Statements  
For the Year Ended September 30, 2019***

Item No.6.

Note 1: Summary of Significant Accounting Policies (continued)

*Property Tax Revenues*

Hancock County bills and collects the real, personal, and auto ad valorem taxes for the City for a commission of 2% of gross collections not to exceed \$40,000 per year.

Numerous statutes exist under which the City Council may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The City Council, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

*Intergovernmental Revenues in Governmental Funds*

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

*Compensated Absences*

The City has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements.

The City's policy on vacation leave allows employees to accrue vacation time based on a certain accrual rate per pay period once that employee has had one year of continuous service for the City. There are no restrictions on when the employees are allowed to take their vacation time. Retiring and voluntarily terminating employees can be paid for up to 15 days of unused vacation. It is the City's policy that all unused sick leave is forfeited upon termination, retirement, or layoff. There is no liability for unpaid accumulated sick leave since sick pay is not paid upon termination of employment. In fund financial statements, governmental funds report the compensated absences liability payable only if the payable has matured, for example, as a result of employee resignations and retirements or use of vacation time.

The compensated absences liability was computed using the specific identification method whereby the actual number of vacation hours is multiplied by the employee's hourly rate at September 30, 2019. The resulting liability is then increased to include payroll taxes that the City is required to pay upon liquidation of the liability.

*Use of Estimates*

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

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

**Note 2: Cash**

**Primary Government**

The carrying amount of the City's total deposits with financial institutions at September 30, 2019, was \$6,134,544, and the bank balance was \$6,144,947. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

**Note 3: Interfund Transactions and Balances**

The following is a summary of interfund balances at September 30, 2019:

**Due From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Exit Lighting Fund	\$ 2,879
	East Aloha Widening Fund	100,000
	Montjoy Creek Fund	200,000
	Other Governmental Funds	156,000
		<u>\$ 458,879</u>

**Transfers In/Out**

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Exit Lighting Fund	General Fund	\$ 181,330
East Aloha Widening Fund		44,100
Other Governmental Funds		43,175
		<u>\$ 268,605</u>

The principal purpose of interfund transfers was to provide funds for to pay for capital outlay. Other transfers were made to reimburse for expenditures made on behalf of other fund purposes. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

**Note 4: Intergovernmental Receivables**

Intergovernmental receivables at September 30, 2019, consisted of the following:

<i>Description</i>	<i>Amount *</i>
Due from state	\$ 133,748
Various federal and local sources	<u>67,287</u>
Intergovernmental receivables, Exhibit 3	<u>201,035</u>
Long-term other intergovernmental receivable	<u>100,845</u>
Intergovernmental receivables, Exhibit 1	<u><u>\$ 301,880</u></u>

\* The City has a long term receivable for Road and Bridge Privilege taxes from Hancock County, therefore, a long-term receivable was recognized on the government-wide statements.

**Note 5: Capital Assets**

	<i>Balance</i> <i>10/1/2018</i>	<i>Additions</i>	<i>Reductions</i>	<i>Adjustments/ Transfers</i>	<i>Balance</i> <i>9/30/2019</i>
Capital assets, not being depreciated					
Land	\$ 8,003,901	\$ 148,000	\$ -	\$ -	\$ 8,151,901
Construction in progress	<u>173,217</u>	<u>1,108,247</u>	<u>-</u>	<u>(1,086,021)</u>	<u>195,443</u>
Total capital assets, not being depreciated	<u>8,177,118</u>	<u>1,256,247</u>	<u>-</u>	<u>(1,086,021)</u>	<u>8,347,344</u>
Capital assets, being depreciated					
Infrastructure	62,386,277	1,067,521	-	-	63,453,798
Building and improvements	1,867,637	62,204	-	-	1,929,841
Improvement other than buildings	1,030	-	-	-	1,030
Mobile equipment	1,760,931	74,633	(6,594)	-	1,828,970
Furniture and equipment	<u>129,692</u>	<u>24,136</u>	<u>(6,829)</u>	<u>-</u>	<u>146,999</u>
Total capital assets, being depreciated	<u>66,145,567</u>	<u>1,228,494</u>	<u>(13,423)</u>	<u>-</u>	<u>67,360,638</u>
Less accumulated depreciation for:					
Infrastructure	12,162,866	2,235,564	-	-	14,398,430
Building and improvements	136,991	46,026	-	-	183,017
Improvement other than buildings	98	52	-	-	150
Mobile equipment	887,617	200,913	(5,630)	-	1,082,900
Furniture and equipment	<u>87,713</u>	<u>22,723</u>	<u>(6,550)</u>	<u>-</u>	<u>103,886</u>
Total accumulated depreciation	<u>13,275,285</u>	<u>2,505,278</u>	<u>(12,180)</u>	<u>-</u>	<u>15,768,383</u>
Total capital assets, being depreciated, net	<u>52,870,282</u>	<u>(1,276,784)</u>	<u>(1,243)</u>	<u>-</u>	<u>51,592,255</u>
Capital assets, net	<u><u>\$ 61,047,400</u></u>	<u><u>\$ (20,537)</u></u>	<u><u>\$ (1,243)</u></u>	<u><u>\$ (1,086,021)</u></u>	<u><u>\$ 59,939,599</u></u>

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

**Note 5: Capital Assets (continued)**

Depreciation expense was charged to the following functions:

General government	\$ 75,733
Public safety	102,608
Public works	2,312,013
Culture and recreation	14,924
	<u>\$ 2,505,278</u>

Commitments with respect to unfinished capital projects at September 30, 2019, consisted of the following:

<u>Description</u>	<u>Remaining Financial Commitment</u>	<u>Expected Completion Date</u>
Diamondhead Drive West	46,250	September 2020
Turnberry Drainage Project	5,320	December 2019
I-10 Frontage Road Project	37,953	September 2020
Gex Drive Lighting	25,500	September 2020
	<u>\$ 115,023</u>	

**Note 6: Claims and Judgments**

**Risk Financing**

The City finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The City pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2019 to January 1, 2019. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 7: Capital Leases**

As Lessee:

The City is obligated for the following capital assets acquired through capital leases as of September 30, 2019:

<u>Class of Property</u>	<u>Governmental Activities</u>
Building and grounds, City Hall	2,234,408
Furniture and equipment	311,567
Less: accumulated depreciation	<u>(288,372)</u>
Leased property under capital lease	<u>2,257,603</u>

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

**Note 8: Long-term Debt**

Debt outstanding as of September 30, 2019, consisted of the following:

	<i>Original Amount</i>	<i>Balance 9/30/2019</i>	<i>Maturity</i>	<i>Interest Rate</i>
<i>Capital Lease:</i>				
City Hall	\$ 1,286,415	\$ 919,352	2029	3.09%
Public Works Vehicles & Equipment	<u>311,567</u>	<u>190,611</u>	2022	1.99%
<i>Total Outstanding Debt</i>	<u><u>\$ 1,597,982</u></u>	<u><u>\$ 1,109,963</u></u>		

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

<i>Year Ending September 30,</i>	<i>Capital Lease</i>	
	<i>Principal</i>	<i>Interest</i>
2020	142,153	32,201
2021	145,861	28,494
2022	149,669	24,685
2023	87,498	20,773
thereafter	<u>584,782</u>	<u>64,847</u>
Total	<u><u>\$ 1,109,963</u></u>	<u><u>\$ 171,000</u></u>

**Capital Leases**

On July 22, 2014, the City acquired its City Hall buildings and grounds through a capital lease agreement between Southern Mississippi Investment Co., Inc. and Hancock Bank. Under this agreement, Southern Mississippi Investment Co., Inc.'s purchase of the buildings and grounds was financed by a loan agreement with Hancock Bank. The Hancock Bank loan amount included funds to purchase and renovate the buildings and grounds. An assignment between the parties includes stipulations that Southern Mississippi Investment Co., Inc. assign all its rights, title, and interest in the lease agreement, including receiving rental payment, to Hancock Bank.

Under the terms of these agreements, rental and additional rental payments made by the City are paid directly to Hancock Bank as repayment of Southern Mississippi Investment Co, Inc.'s loan. As of September 30, 2019, the City has \$63,847 in cash that is restricted for City Hall buildings and grounds renovation. Any of this restricted cash that is not used when the City Hall renovation is complete must be used to prepay the loan.

**Legal Debt Margin**

The amount of debt, excluding specific exempted debt that can be incurred by the City is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the last completed assessment for taxation. However, the limitation is increased to 20% whenever a City issues bonds to repair or replace washed out or collapsed bridges on the public roads of the City. As of September 30, 2019, all of the City's debt was exempt from legal debt margin calculations per state statute.

**Interest Expense**

For year ended September 30, 2019, \$34,598 in interest was expensed and is included in the Statement of Activities under interest expense.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 8: Long-term Debt (continued)

The following is a summary of change in long-term liabilities and obligations for the year ended September 30, 2019:

	<i>Balance</i> <i>10/1/2018</i>	<i>Additions</i>	<i>Payments</i>	<i>Balance</i> <i>9/30/2019</i>	<i>Due Within</i> <i>One Year</i>
Capital leases	1,248,507	-	(138,544)	1,109,963	142,153
Compensated absences	43,253	9,972	(17,028)	36,197	8,032
Total	<u>\$ 1,291,760</u>	<u>\$ 9,972</u>	<u>\$ (155,572)</u>	<u>\$ 1,146,160</u>	<u>\$ 150,185</u>

Compensated absences will be paid from the funds from which the employee's salaries were paid; which are generally the General Fund and Road Maintenance Fund.

Note 9: Deficit Fund Balances of Individual Funds

The following funds reported deficits in fund balances at September 30, 2019:

<i>Fund</i>	<i>Deficit</i>
Montjoy Creek Fund	1,470
Commercial Area Improvement Fund	1,332
Solid Waste Fund	2,855

Note 10: Commitments and Contingencies

*Federal Grants*

The City has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. No provision for any liability that may result has been recognized in the City's financial statements due to the fact that such estimates cannot be made.

*Litigation*

The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at this time to estimate the ultimate outcome or liability, if any, of the City; with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

The City has been named defendant in various lawsuits seeking unspecified damages for incidents. The City maintains a liability insurance coverage that it believes would cover any judgement against the City up to a limit of \$1,000,000 with a deductible of \$5,000 for each wrongful act. No provision has been made in the accompanying financial statements for this contingent liability since the amount of the potential loss, if any, cannot be reasonably estimated.



**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 10: Commitments and Contingencies (continued)

*Operating Lease Commitments*

Non-cancellable operating leases at September 30, 2019 are as follows:

- In July 2014, the City entered into a lease agreement for a copier located at the Police Department. The lease agreement was for sixty (60) months with payments of \$84 per month. A twenty-four (24) month extension was granted in May 2019 with payments of \$42 per month.
- In August 2014, the City entered into a lease agreement for a copier located at the Purchasing Department Office. The lease agreement is for sixty (60) months with payments of \$84 per month. A twenty-four (24) month extension was granted in May 2019 with payments of \$42 per month.
- In February 2017, the City entered into a lease agreement for a copier located at the City Hall. The lease agreement is for sixty (60) months with payments of \$187 per month.
- In April 2017, the City entered into a lease agreement for a copier located at the Public Works office. The lease agreement is for sixty (60) months with payments of \$82 per month.
- In October 2018, the City entered into a lease agreement for a copier located at the Building Department Office. The lease agreement is for sixty (60) months with payments of \$281 per month.

Total operating lease payments made during the year ended September 30, 2019 totaled \$8,415.

The future non-cancellable lease obligation of these leases at September 30, 2019 is as follows:

<u>Year Ended September 30,</u>	<u>Total</u>
2020	\$ 7,615
2021	5,415
2022	3,375
2023	<u>3,375</u>
Total	<u>\$ 19,780</u>

*Interlocal Agreements and Service Contracts*

**Police Protection Services**

In September 2012, as approved by the Mississippi State Attorney General and as provided by Miss. Code Ann. (1972), §17-13-1 and §17-13-5. *et seq.*, the City entered into an interlocal cooperation agreement with Hancock County, Mississippi (County), whereby the County will provide all police protection, animal control, investigative services, and other purposes, including 911 services to the City. This agreement was renewed in December 2013, 2015, and 2018 and expires on December 31, 2019. This agreement is cancellable upon 60 days written notice by mutual agreement between parties.

**Tax Collection Services**

In February 2012, the City entered into an interlocal agreement with Hancock County, Mississippi (County), whereby the County Tax Collector will provide real, personal, and auto ad valorem property taxes collection services for the City. The terms of the agreement include automatic annual renewal. The agreement can be terminated by either party by written notification. Under the terms of the agreement, the County Tax Collector will retain 2% of gross collections as commission, not to exceed \$40,000 per year.

**City of Diamondhead, Mississippi**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2019**

Item No.6.

Note 10: Commitments and Contingencies (continued)

*Interlocal Agreements and Service Contracts (continued)*

Delinquent Taxes Collection Services

In February 2012, the City entered into an interlocal agreement with Hancock County, Mississippi (County), whereby the County Chancery Clerk will provide delinquent tax redemption payment services for the City. The terms of the agreement include automatic annual renewal. The agreement can be terminated by either party by written notification not less than nine months in advance of annual renewal date. Under the terms of agreement, the County Chancery Clerk will be paid \$10 per parcel for cost incurred.

Solid Waste Fees Collections Services

In November 2013, the City entered into an interlocal agreement with Hancock County, Mississippi (County), whereby the County Tax Collector will provide solid waste fees collections for the City. Under the terms of the agreement, services commenced on January 1, 2014 and automatically renews annually. The agreement can be terminated by either party.

Solid Waste Collections

Currently, the City's solid waste collections are provided through a contract between Hancock County Regional Solid Waste Authority (Authority) and Waste Management of Mississippi, Inc. (Contractor). Under the terms of the contract, the Contractor will collect, haul, and dispose of solid waste generated by the City's residents. The Contractor submits monthly invoices to the Authority for these services. The Authority bills the City for its respective portion of the Contractor's invoices.

Note 11: No Commitment Debt (Not Included in Financial Statements)

No commitment debt is repaid only by the entities for whom debt was issued and includes debt that either bears the City's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the City other than possibly an agreement to assist creditors in exercising their rights in the event of default. As of the date of this report, the City has not identified any such debt.

Note 12: Jointly Governed Organizations

The Hancock County Regional Solid Waste Management Authority (the Authority) is a governmental entity originally formed by an agreement between the City of Bay St. Louis, Mississippi, the City of Waveland, Mississippi, and Hancock County, Mississippi pursuant to the Interlocal Cooperation Act of 1974. The Authority was officially incorporated in March 1998 pursuant to incorporation agreement entered into in December 1997. The Authority is to function for purposes of solid waste management for the participating units of local government, the Cities of Bay St. Louis, Waveland, Diamondhead, and Hancock County, Mississippi, in fulfilling their obligations to establish, operate, and maintain a garbage collections and disposal system.

The Authority is governed by a Board of Commissioners composed of eight commissioners: two appointed by Hancock County Board of Supervisors and the remaining appointed by the member units of local government pursuant to the Act.

***City of Diamondhead, Mississippi***  
***Notes to the Financial Statements***  
***For the Year Ended September 30, 2019***

Item No.6.

**Note 13: Deferred Compensation Plan**

***Plan Description***

The City, as administered through the MS Deferred Compensation Plan, offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 and enacted by the Mississippi State Legislature. The Mississippi Deferred Compensation Plan is a supplementary retirement savings plan. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The requirements of Internal Revenue Code Section 457(g) prescribe that the City does not own the amounts deferred by employees, including related income on those amounts. Additionally, the City does not have fiduciary accountability for the plan. Accordingly, the assets and the liability for compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

***Funding Policy***

The plan is voluntary, and contributions are matched up to a certain percent designated by Council. The City matches an employee's contributions on a dollar for dollar basis up to a maximum of 8% of the employee's salary or \$5,000 per fiscal year, whichever is less. The City contributed \$31,838 to the deferred compensation plan for the fiscal year ended September 30, 2019.

**Note 14: Subsequent Events**

Events that occur after the Statement of Net Position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes.

Management of The City of Diamondhead evaluated the activity of the City through September 3, 2020, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Diamondhead, Mississippi**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

**General Fund**

	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with</i>
	<i>Budget</i>	<i>Budget</i>	<i>(Budgetary</i>	<i>Final Budget</i>
			<i>Basis)</i>	<i>Positive</i>
				<i>(Negative)</i>
<b>Revenues</b>				
Property taxes	\$ 3,406,931	\$ 3,429,581	\$ 3,527,260	\$ 97,679
General sales taxes	550,000	650,000	676,593	26,593
Franchise taxes	255,000	275,000	273,936	(1,064)
Road and bridge privilege taxes	239,886	378,970	386,004	7,034
Licenses, commission and other revenue	112,200	127,200	124,095	(3,105)
Fines and forfeitures	61,800	61,800	48,561	(13,239)
Intergovernmental revenues	18,245	18,245	18,428	183
Interest income	60,000	120,000	128,043	8,043
Miscellaneous	4,370	2,540	2,275	(265)
Total revenues	<u>4,708,432</u>	<u>5,063,336</u>	<u>5,185,195</u>	<u>121,859</u>
<b>Expenses</b>				
Current:				
General government	1,327,618	1,362,037	1,315,552	46,485
Public safety	1,242,222	1,251,284	1,123,837	127,447
Public works	2,384,411	2,714,299	1,565,013	1,149,286
Culture and recreation	34,065	34,065	34,065	-
Economic development and assistance	65,000	114,000	69,870	44,130
Debt service:				
Capital lease	138,544	138,544	138,544	-
Interest	35,811	35,811	35,811	-
Total expenditures	<u>5,227,671</u>	<u>5,650,040</u>	<u>4,282,692</u>	<u>1,367,348</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(519,239)</u>	<u>(586,704)</u>	<u>902,503</u>	<u>1,489,207</u>
<b>Other Financing Sources</b>				
Insurance proceeds	-	-	843	843
Transfers out	<u>(165,039)</u>	<u>(260,170)</u>	<u>(268,605)</u>	<u>(8,435)</u>
Total other financing sources (uses)	<u>(165,039)</u>	<u>(260,170)</u>	<u>(267,762)</u>	<u>(7,592)</u>
Net change in fund balance	(684,278)	(846,874)	634,741	1,481,615
Fund balance, October 1, 2018	<u>1,321,950</u>	<u>1,827,926</u>	<u>5,247,694</u>	<u>3,419,768</u>
Fund balance, September 30, 2019	<u>\$ 637,672</u>	<u>\$ 981,052</u>	<u>\$ 5,882,435</u>	<u>\$ 4,901,383</u>

**City of Diamondhead, Mississippi**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2019**  
 UNAUDITED

**Exit Lighting Fund**

	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with</i>
	<i>Budget</i>	<i>Budget</i>	<i>(Budgetary</i>	<i>Final Budget</i>
			<i>Basis)</i>	<i>Positive</i>
				<i>(Negative)</i>
<i>Revenues</i>				
Intergovernmental revenues	\$ 503,755	\$ 503,755	\$ 530,949	\$ 27,194
Total revenues	<u>503,755</u>	<u>503,755</u>	<u>530,949</u>	<u>27,194</u>
<i>Expenses</i>				
Current:				
Public works	<u>556,067</u>	<u>649,080</u>	<u>649,070</u>	<u>10</u>
Total expenditures	<u>556,067</u>	<u>649,080</u>	<u>649,070</u>	<u>10</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(52,312)</u>	<u>(145,325)</u>	<u>(118,121)</u>	<u>27,204</u>
<i>Other Financing Sources</i>				
Transfers in	<u>125,939</u>	<u>177,071</u>	<u>181,330</u>	<u>4,259</u>
Total other financing sources	<u>125,939</u>	<u>177,071</u>	<u>181,330</u>	<u>4,259</u>
Net change in fund balance	73,627	31,746	63,209	31,463
Fund balance, October 1, 2018	-	-	(66,087)	(66,087)
Fund balance, September 30, 2019	<u>\$ 73,627</u>	<u>\$ 31,746</u>	<u>\$ (2,878)</u>	<u>\$ (34,624)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.



**City of Diamondhead, Mississippi**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2019**  
 UNAUDITED

**East Aloha Widening Fund**

	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with</i>
	<i>Budget</i>	<i>Budget</i>	<i>(Budgetary</i>	<i>Final Budget</i>
			<i>Basis)</i>	<i>Positive</i>
				<i>(Negative)</i>
<i>Revenues</i>				
Intergovernmental revenues	\$ 136,400	\$ 136,400	\$ -	\$ (136,400)
Total revenues	<u>136,400</u>	<u>136,400</u>	<u>-</u>	<u>(136,400)</u>
<i>Expenses</i>				
Current:				
Public works	<u>145,760</u>	<u>169,292</u>	<u>13,692</u>	<u>155,600</u>
Total expenditures	<u>145,760</u>	<u>169,292</u>	<u>13,692</u>	<u>155,600</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(9,360)</u>	<u>(32,892)</u>	<u>(13,692)</u>	<u>19,200</u>
<i>Other Financing Sources</i>				
Transfers in	<u>34,100</u>	<u>44,100</u>	<u>44,100</u>	<u>-</u>
Total other financing sources	<u>34,100</u>	<u>44,100</u>	<u>44,100</u>	<u>-</u>
Net change in fund balance	24,740	11,208	30,408	19,200
Fund balance, October 1, 2018	<u>(11,208)</u>	<u>(11,208)</u>	<u>(11,208)</u>	<u>-</u>
Fund balance, September 30, 2019	<u>\$ 13,532</u>	<u>\$ -</u>	<u>\$ 19,200</u>	<u>\$ 19,200</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

**City of Diamondhead, Mississippi**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2019**  
 UNAUDITED

**Montjoy Creek Fund**

	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with</i>
	<i>Budget</i>	<i>Budget</i>	<i>(Budgetary</i>	<i>Final Budget</i>
			<i>Basis)</i>	<i>Positive</i>
				<i>(Negative)</i>
<b>Revenues</b>				
Intergovernmental revenues	\$ 250,000	\$ 552,333	\$ 26,570	\$ (525,763)
Total revenues	<u>250,000</u>	<u>552,333</u>	<u>26,570</u>	<u>(525,763)</u>
<b>Expenses</b>				
Current:				
Conservation of natural resources	<u>250,000</u>	<u>537,333</u>	<u>30,174</u>	<u>507,159</u>
Total expenditures	<u>250,000</u>	<u>537,333</u>	<u>30,174</u>	<u>507,159</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>-</u>	<u>15,000</u>	<u>(3,604)</u>	<u>(18,604)</u>
Net change in fund balance	-	15,000	(3,604)	(18,604)
Fund balance, October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2019	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (3,604)</u>	<u>\$ (18,604)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

**City of Diamondhead, Mississippi**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

**Solid Waste Fund**

	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance with</i>
	<i>Budget</i>	<i>Budget</i>	<i>(Budgetary</i>	<i>Final Budget</i>
			<i>Basis)</i>	<i>Positive</i>
				<i>(Negative)</i>
<i>Revenues</i>				
Charges for services	\$ 462,000	\$ 557,900	\$ 608,955	\$ 51,055
Interest	1,200	1,200	1,214	14
Total revenues	<u>463,200</u>	<u>559,100</u>	<u>610,169</u>	<u>51,069</u>
<i>Expenses</i>				
Current:				
Public works	<u>629,100</u>	<u>630,840</u>	<u>617,706</u>	<u>13,134</u>
Total expenditures	<u>629,100</u>	<u>630,840</u>	<u>617,706</u>	<u>13,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(165,900)</u>	<u>(71,740)</u>	<u>(7,537)</u>	<u>64,203</u>
Net change in fund balance	(165,900)	(71,740)	(7,537)	64,203
Fund balance, October 1, 2018	<u>188,589</u>	<u>75,907</u>	<u>14,397</u>	<u>(61,510)</u>
Fund balance, September 30, 2019	<u>\$ 22,689</u>	<u>\$ 4,167</u>	<u>\$ 6,860</u>	<u>\$ 2,693</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

**City of Diamondhead, Mississippi**  
**Notes to the Required Supplementary Information (Unaudited)**  
**For the Year Ended September 30, 2019**

Item No.6.

**Note 1: Budgetary Information**

State statutes authorize the State Auditor to regulate the municipal budget process. Expenditures must be defined to the minimum level prescribed by the State Auditor. The State Auditor has set this level at the purpose level. Municipalities are prohibited from spending in excess of the lowest level adopted in the budget except for capital outlay, election expense and emergency warrants.

The City's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

The procedures used by the City in establishing the budget are mandated by Mississippi State Law. A brief summary of the City's policies for recording budgetary data in the financial statements are as follows:

1. Prior to August 1, the City Manager submits to the Council a proposed operating budget for the fiscal year beginning October 1. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. No later than September 15, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all governmental and proprietary funds.
5. Budgets for the governmental and proprietary funds are adopted on a cash basis except for expenditures which include those paid within 30 days of the fiscal year end as required by state statute.

**Note 2: Basis of Presentation**

The Budgetary Comparison Schedule-Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major fund. The Budgetary Comparison Schedule-Budget and Actual (Non-GAAP Basis) is part of required supplementary information.

**Note 3: Budget/GAAP Reconciliation**

The major differences between the budgetary basis and the GAAP basis are:

- Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major fund:

	<i>General Fund</i>	<i>Exit Lighting Fund</i>	<i>East Aloha Widening Fund</i>	<i>Montjoy Creek Fund</i>	<i>Solid Waste Fund</i>
Budget (cash basis)	\$ 634,741	\$ 63,209	\$ 30,408	\$ (3,604)	\$ (7,537)
Increase (decrease)					
Net adjustments for revenue accruals	(46,807)	2,878	298	2,134	(12,636)
Net adjustments for expenditure accruals	227,502	-	-	-	378
GAAP Basis	<u>\$ 815,436</u>	<u>\$ 66,087</u>	<u>\$ 30,706</u>	<u>\$ (1,470)</u>	<u>\$ (19,795)</u>

**SUPPLEMENTARY INFORMATION**

**City of Diamondhead, Mississippi**  
**Schedule of Surety Bonds**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

Item No.6.

<u>Name</u>	<u>Title</u>	<u>Company</u>	<u>Coverage</u>
Thomas E. Schafer IV	Mayor	Travelers	100,000
Lindsay C L'Ecuier	Councilman At-Large	Travelers	100,000
Nancy Depreo	Councilwoman, Ward 1	Western Surety	100,000
Alan Moran	Councilman, Ward 2	Travelers	100,000
Jamie Wetzel Morgan	Councilman, Ward 3	Travelers	100,000
Kodie J. Koenenn	Councilman, Ward 4	Travelers	100,000
Michael J. Reso	City Manager	Travelers	50,000
Jeannie Klein	City Clerk	Travelers	50,000
Tammy Garber	Deputy City Clerk	Travelers	50,000
Catherine Konkel	Treasurer	Travelers	50,000
Connie Scott	Accounts Payable Clerk	Travelers	50,000
Ronald Jones	Building Official	Travelers	50,000
Beau King	Deputy Building Official	Travelers	50,000
Tammy Braud	Building Clerk	Travelers	50,000
William Racz	Code Enforcement Officer	Travelers	50,000
Lolita McSwain	Court Clerk	Travelers	50,000
Lauren Prater	Deputy Court Clerk	Travelers	50,000
Ann Marie Comeaux	Receptionist	Travelers	50,000



**SPECIAL REPORTS**

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and City Council  
City of Diamondhead, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Diamondhead, Mississippi, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 3, 2020.

***Internal Control over Financial Reporting***

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

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

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

We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2019-001 and 2019-002.

***Compliance and Other Matters***

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

We also noted a certain immaterial instance of noncompliance which we have reported to the management of the City of Diamondhead, Mississippi, in the Independent Accountant's Report on the Limited Internal Control and Compliance Review Management Report dated September 3, 2020, included within this document.

**Purpose of Report**

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

*Necaise & Company PLLC*

Necaise & Company, PLLC  
Gulfport, Mississippi  
September 3, 2020

## Limited Internal Control and Compliance Review Management Report

Honorable Mayor and City Council  
City of Diamondhead, Mississippi

In planning and performing our audit of the financial statements of the City of Diamondhead, Mississippi for the year ended September 30, 2019, we considered the City of Diamondhead, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to the City of Diamondhead, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 3, 2020, on the financial statements of the City of Diamondhead, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### *Administration*

1. Chart of Accounts

Repeat Finding: Yes

Criteria: Office of the State Auditor – Municipal Accounting Guide

Condition: The City's chart of accounts does not meet MS State Auditor guidelines.

Cause: The numbering of the chart of accounts is not correct.

Effect: Noncompliance with State Auditor Guidelines

Recommendation: The City should format its chart of accounts to be in compliance with the State's guidelines.

*Views of Responsible Officials: This issue was resolved in fiscal year 2020.*

The City of Diamondhead's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

*Necaise & Company PLLC*

Necaise & Company PLLC  
Gulfport, Mississippi  
September 3, 2020



**Independent Auditor's Report on  
Compliance with State Laws and Regulations**

Honorable Mayor and City Council  
City of Diamondhead, Mississippi

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Diamondhead, Mississippi, as of and for the fiscal year ended September 30, 2019, which collectively comprise the City of Diamondhead's basic financial statements and have issued our report thereon dated September 3, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with state legal compliance program our audit of the financial statements disclosed no instances of noncompliance.

This report is intended solely for the information and use of management, City Council, State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Necaise & Company PLLC*

Necaise & Company PLLC  
Gulfport, Mississippi  
September 3, 2020

**City of Diamondhead, Mississippi**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2019**

Item No.6.

**Section 1: Summary of Auditor's Results**

Financial Statements:

- |  |            |
|--|------------|
| 1. Type of auditor's report issued on the financial statements:                              |            |
| Governmental activities  | Unmodified |
| General and other major funds  | Unmodified |
| Aggregate remaining fund information   | Unmodified |
| 2. Material noncompliance relating to the financial statements?                              | No         |
| 3. Internal control over financial reporting:  |            |
| a. Material weakness(es) identified?   | No         |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes        |

**Section 2: Financial Statement Findings**

Administration

*Significant Deficiency*

2019-001      The Inventory Control System should be Accurate and Up-to-Date.

Repeat Finding:      No

Criteria:      Inventory should be properly accounted for to safeguard City assets and report accurate values.

Condition:      We discovered several capital assets that were not tagged or entered in the inventory control system.

Cause:      Internal controls are not sufficient to ensure asset additions are recorded correctly in the inventory System.

Effect:      Capital assets were misstated and had to be adjusted.

Recommendation:      We recommend the City review controls over capital assets and make improvements to ensure assets are recorded correctly.

Management's Response:



**City of Diamondhead, Mississippi**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2019**

Item No.6.

Administration  
*Significant Deficiency*

2019-002            Negative Fund Balances

Repeat Finding:    No

Criteria:            All funds should report a positive fund balance at fiscal year end.

Condition:          We noted three funds had a negative fund balance as of September 30, 2019.

Cause:               In two of the funds, expenses exceeded income. In another, year-end payable accruals caused the fund to have a negative fund balance.

Effect:               Funds with a negative fund balance carry a liability balance that is greater than the assets.

Recommendation: We recommend the City review financial statements on a monthly basis to ensure all funds have a positive fund balance.

Management's Response:



2090-262

Item No.7.

Phone: 228.222.4626 Fax: 228.222.4390  
[www.diamondhead.ms.gov](http://www.diamondhead.ms.gov)

October 1, 2020

Mayor and Council  
City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525

Dear Councilmembers:

Re: Pay Application 1 - Diamondhead Roadway Improvements

Attached for your review and consideration is an invoice for payment from Warren Paving in the amount \$456,807.43 for the Roadway Improvements Paving Project. This invoice represents 93% project completion.

If you find this invoice to be in order, please proceed with payment.

Sincerely,

Thank you in advance for your approval in this matter.

Sincerely,

Michael Reso  
City Manager



September 28, 2020

Mr. Michael Reso  
City Manager  
City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525

Re: Diamondhead Roadway Improvements – Phase 2  
Pay Application No.1  
DE Project No. 730-1000-012

Dear Mr. Reso,

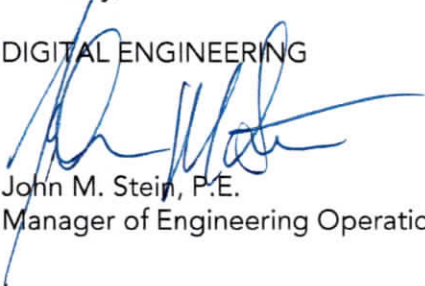
Please find attached Payment Request No. 1 from Warren Paving Inc. for construction on the above referenced project in the amount of \$456,807.43.

We have verified all quantities and work completed and we recommend approval for payment. The retainage to date of 5% in the amount of \$24,042.52 has been deducted from the earned amount to date of \$480,849.95 as shown on the Contractor's Application for Payment.

Should you have questions or need additional information, please contact our office.

Sincerely,

DIGITAL ENGINEERING



John M. Stein, P.E.  
Manager of Engineering Operations

cc: Carlos Morales, WP  
Joel Moody, WP  
Jeannie Klein, COD

Enclosures

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 220037.1

To Owner: CITY OF DIAMONDHEAD  
5000 DIAMONDHEAD CIRCLE

Application No.: 1  
Period To: 8/31/2020

Distribution to:  
Owner ☐  
Architect ☐  
Contractor ☐

DIAMONDHEAD, MS 39525

From Contractor: Warren Paving Inc  
PO Box 572  
Hattiesburg, MS 39403

Via Architect: Digital Engineering

Contract For:

CONTRACTOR'S APPLICATION FOR PAYMENT


Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet is attached.

1. Original Contract Sum ..... \$457,056.13
2. Net Change By Change Order ..... \$35,523.36
3. Contract Sum To Date ..... \$492,579.49
4. Total Completed and Stored To Date ..... \$480,849.95
5. Retainage:
  - a. 5.00% of Completed Work ..... \$24,042.52
  - b. 0.00% of Stored Material ..... \$0.00Total Retainage ..... \$24,042.52
6. Total Earned Less Retainage ..... \$456,807.43
7. Less Previous Certificates For Payments ..... \$0.00
8. Current Payment Due ..... \$456,807.43
9. Balance To Finish, Plus Retainage ..... \$33,272.06

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the work covered by this Application for Payment has been completed in accordance with the Contract Documents. That all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Warren Paving Inc

By:  Date: 9/25/2020

State of: MS  
Subscribed and sworn to before me this 25  
Notary Public:   
My Commission expires: 8-7-24



County of: Harrison  
day of September 2020

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information, and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$456,807.43

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By:  Date: 9/28/2020

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total Approved this Month	\$35,523.36	\$0.00
TOTALS	\$35,523.36	\$0.00
Net Changes By Change Order	\$35,523.36	



## CONTINUATION SHEET

Page 2 of 3

Application and Certification for Payment, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 1

Application Date : 08/31/20

To: 08/31/20

Architect's Project No.:

Invoice #: 220037.1 Contract : 220037- Diamondhead Roadway Improvements Phase 2

A Item No.	B Description of Work	C Scheduled Value		D Work Completed		F Materials Presently Stored (Not In D or E)	G Total Completed and Stored To Date (D+E+F)	% (G / C)	H Balance To Finish (C-G)	I Retainage
		QTY	\$AMT	From Previous Application (D+E)	This Period In Place					
1000	Preconstruction Video	1.00	263.75	0.00	263.75	0.00	263.75	100.00%	0.00	
2000	Construction Layout	1.00	1,582.50	0.00	1,582.50	0.00	1,582.50	100.00%	0.00	
3000	Cleanup dressing and sodding	1.00	4,747.50	0.00	4,747.50	0.00	4,747.50	100.00%	0.00	
4000	Project Sign	1.00	263.75	0.00	0.00	0.00	0.00	0.00%	263.75	
5000	Stop Bar Striping	170.00	1,499.40	0.00	0.00	0.00	0.00	0.00%	1,499.40	
6000	Solid Double Yellow	2,595.00	2,880.45	0.00	0.00	0.00	0.00	0.00%	2,880.45	
7000	White Solid Line	4,815.00	5,344.65	0.00	0.00	0.00	0.00	0.00%	5,344.65	
308100	Alt 1 Fine Grading Limestone	1.00	1,000.00	0.00	1,000.00	0.00	1,000.00	100.00%	0.00	
403101	1.5IN 9.5mm ST Overlay	428,989.12	428,989.12	0.00	431,333.28	0.00	431,333.28	100.55%	-2,344.16	
403102	Alt 1 1.5IN 9.5mm ST	440.00	3,564.00	0.00	3,296.70	0.00	3,296.70	92.50%	267.30	
403103	Alt 1 3IN 19mm ST	7,304.00	7,304.00	0.00	6,756.20	0.00	6,756.20	93.45%	547.80	
403104	Alt 2 Makiki Drive	300.00	2,430.00	0.00	2,304.45	0.00	2,304.45	94.83%	125.55	
403105	Muolea Ct Driveway Repairs	1.00	2,500.00	0.00	2,500.00	0.00	2,500.00	100.00%	0.00	
406101	Makiki Drive Milling	300.00	7,500.00	0.00	7,112.50	0.00	7,112.50	94.83%	387.50	
618400	Maintenance of Traffic	1.00	5,230.37	0.00	5,230.37	0.00	5,230.37	100.00%	0.00	

**Application and Certification for Payment**, containing Contractor's signed certification is attached.  
In tabulations below, amounts are stated to the nearest dollar.  
Use Column 1 on Contracts where variable retainage for line items may apply.

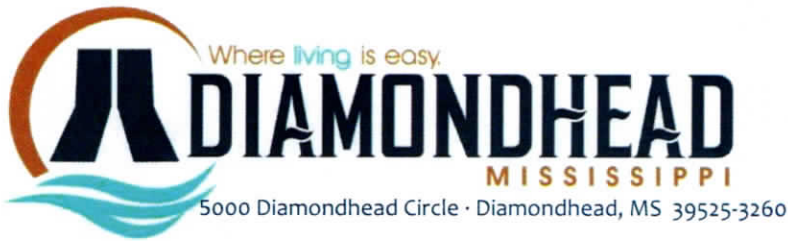
Application No.: 08/31/20  
Application Date: 08/31/20  
To: 08/31/20  
Architect's Project No.:

Invoice #: 220037.1  
Contract: 220037- Diamondhead Roadway Improvements Phase 2

A	B	C	D	E	F	G	H	I
Item No.	Description of Work	Schedu led Value	Work Completed		Materials Presently Stored (Not in D or E)	Total Completed and Stored To Date (D+E+F)	Balance To Finish (C-G)	Retainage
			From Previous Application (D+E)	This Period In Place				
620100	Mobilization	QTY \$AMT 1.00 10,000.00	0.00	10,000.00	0.00	10,000.00	0.00	
CO1-3	Makiki Drive Base Course	4,980.00	0.00	4,722.70	0.00	4,722.70	257.30	
CO1-2	Makiki Drive Base Repairs	300 2,500.00	0.00	284.50	0.00	284.50	15.50	
		1.00	0.00	0.00	0.00	0.00	1.00	
<b>Grand Totals</b>		<b>492,579.49</b>	<b>0.00</b>	<b>480,849.95</b>	<b>0.00</b>	<b>480,849.95</b>	<b>11,729.54</b>	<b>24,042.52</b>

2020-264

Item No.8.



Phone: 228.222.4626 Fax: 228.222.4390  
[www.diamondhead.ms.gov](http://www.diamondhead.ms.gov)

October 1, 2020

Mayor and Council  
City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525

Dear Councilmembers:

Re: Payments to James J. Chiniche for professional services

Attached for your review and consideration are invoices for payment from James J. Chiniche for projects as listed:

\$1,398.67	East Aloha Widening	100% complete
\$ 1,117.50	Montjoy Creek Improvements	14% complete
\$2,500.00	Ieke Drainage	100% complete
\$ 740.00	Bayou Drive Kayak Launch Path	

If you find these documents to be in order, please proceed with payment.

Sincerely,

Michael Reso  
City Manager

MR:jk



2020-264

Item No.8.

**Invoice**

James J. Chiniche, P.A. Inc  
412 HWY 90 Suite 4  
Bay St. Louis, MS 39520

228-467-6755  
jason@jjc-eng.com



Date	Invoice #
9/29/2020	16-033-069

**Bill To**

City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525  
Atten: Jeannie Klein, City Clerk

**Project****Final Invoice**

Work Assignment Description - CEI for East Aloha Drive Widening  
Total Amount of Work Assignment - \$23,867.93  
Total Previously Paid on Work Assignment - \$22,430.16  
Amount of Current Invoice - \$1,398.67  
Remaining Balance to be paid on Work Assignment - \$39.10

Item	Description	Serviced	Qty	Rate	Amount
16-033 East Aloha MDOT - Inspec	site inspections	3/30/2020	2	52.78	105.56
16-033 East Aloha MDOT - PE/PM	close out and pay app prep	3/30/2020	1	105.56	105.56
16-033 East Aloha MDOT - Inspec	site inspections	3/31/2020	2	52.78	105.56
16-033 East Aloha MDOT - PE/PM	close out and pay app prep	3/31/2020	1	105.56	105.56
16-033 East Aloha MDOT - PE/PM	close out and pay app prep	4/2/2020	4.75	105.56	501.41
16-033 East Aloha MDOT - Inspec	site inspections	4/3/2020	2	52.78	105.56
16-033 East Aloha MDOT - PE/PM	close out package prep	4/16/2020	1	105.56	105.56
16-033 East Aloha MDOT - PE/PM	final inspection	5/5/2020	1.5	105.56	158.34
16-033 East Aloha MDOT - PE/PM	close out	5/19/2020	1	105.56	105.56

3% Transaction fee for all credit/debit payments.

1% Service Charge on all accounts over 30 days

**Balance Due****\$1,398.67**

2020-

Item No.8.

James J. Chiniche, P.A. Inc  
412 HWY 90 Suite 4  
Bay St. Louis, MS 39520

228-467-6755  
jason@jjc-eng.com



# Invoice

Date	Invoice #
9/29/2020	17-057-115

## Bill To

City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525  
Atten: Jeannie Klein

## Project

Montjoy Creek Improvements

Work Assignment Description - Montjoy Creek Improvements  
Total Amount of Work Assignment - \$50,000  
Total Previously Paid on Work Assignment - \$5,966.25  
Amount of Current Invoice - \$1,117.50  
Remaining Balance to be paid on Work Assignment - \$42,916.25

Item	Description	Serviced	Qty	Rate	Amount
17-057 Dhead MS Proj. Eng.	plan updates	9/14/2020	2	75.00	150.00
17-057 Dhead MS Proj. Eng.	plan updates	9/16/2020	1.5	75.00	112.50
17-057 Dhead MS Proj. Eng.	plan updates	9/17/2020	2.5	75.00	187.50
17-057 Dhead MS CAD Tech	sheet set up	9/17/2020	2	50.00	100.00
17-057 Dhead MS Proj. Eng.	plan updates	9/18/2020	1.5	75.00	112.50
17-057 Dhead MS Sen. PM	project coordination	9/18/2020	1	105.00	105.00
17-057 Dhead MS CAD Tech	plan updates	9/21/2020	3	50.00	150.00
17-057 Dhead MS CAD Tech	plan updates	9/24/2020	4	50.00	200.00

3% Transaction fee for all credit/debit payments.

1% Service Charge on all accounts over 30 days

## Balance Due

\$1,117.50

2020 - 264

Item No.8.

James J. Chiniche, P.A. Inc  
412 HWY 90 Suite 4  
Bay St. Louis, MS 39520

228-467-6755  
jason@jjc-eng.com



# Invoice

Date	Invoice #
9/29/2020	17-057-114

## Bill To

City of Diamondhead  
5000 Diamondhead Circle  
Atten: Jeannie Klein

## Project

Work Assignment No. 00-11-2020 Ieke Drainage  
Total Amount of Work Assignment \$4,500  
Previously Paid \$2,535.00  
Amount of Current Invoice \$2,500.00  
Balance to be Paid \$35.00

Item	Description	Serviced	Qty	Rate	Amount
17-057 Dhead MS CAD Tech	CAD	8/3/2020	2	50.00	100.00
17-057 Dhead MS CAD Tech	plan updates	8/11/2020	3	50.00	150.00
17-057 Dhead MS CAD Tech	plan updates	8/17/2020	3	50.00	150.00
17-057 Dhead MS CAD Tech	plan updates	8/25/2020	3.5	50.00	175.00
17-057 Dhead MS CAD Tech	plan updates	9/8/2020	6	50.00	300.00
17-057 Dhead MS CAD Tech	plan updates	9/9/2020	8	50.00	400.00
17-057 Dhead MS CAD Tech	plan updates	9/10/2020	8	50.00	400.00
17-057 Dhead MS Sen. PM	final recommendation	9/16/2020	5	105.00	525.00
17-057 Dhead MS Proj. Eng.	coordination and site visit				
	plan and topo survey	8/25/2020	4	75.00	300.00
	coordination				

3% Transaction fee for all credit/debit payments.

1% Service Charge on all accounts over 30 days

**Balance Due**

\$2,500.00

James J. Chiniche, P.A. Inc  
412 HWY 90 Suite 4  
Bay St. Louis, MS 39520

228-467-6755  
jason@jjc-eng.com



2020-2 Item No.8.

# Invoice

Date	Invoice #
9/29/2020	17-057-113

Bill To

PO 2020-0449

City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525

Project

Bayou Drive Path

Item	Description	Serviced	Qty	Rate	Amount
17-057 Dhead MS Proj. Eng.	topo coordination	7/27/2020	2	75.00	150.00
17-057 Dhead MS Instrument Pers	topo	7/28/2020	4	35.00	140.00
17-057 Dhead MS CAD Tech	CAD	8/3/2020	2	50.00	100.00
17-057 Dhead MS CAD Tech	CAD	8/5/2020	1	50.00	50.00
17-057 Dhead MS CAD Tech	path updates	8/28/2020	6	50.00	300.00

3% Transaction fee for all credit/debit payments.

1% Service Charge on all accounts over 30 days

**Balance Due**

\$740.00



**WORK ASSIGNMENT****WORK ASSIGNMENT NO.** \_\_\_\_\_**PROJECT NUMBER: TBD; NRCS Grant – Channel Stabilization at Diamondhead Drive @ Alkii Way**

This Work Assignment is executed in accordance with the Master Services Agreement entered into by the City of Diamondhead, Mississippi and Pickering Firm, Inc. on the 19<sup>th</sup> day of August, 2016.

**WHEREAS**, each of said parties represents that it continues to have authority to execute this Work Assignment and that all certifications previously made in said Agreement remain in effect;

**NOW THEREFORE**, the parties hereto do further contract and agree to add the following items of work to the above Agreement under the additional terms and conditions as are hereinafter stated:

**SPECIFIC SCOPE OF WORK FOR THIS WORK ASSIGNMENT OR PHASE**

See 'Attachment A – Scope of Services'

**WORK ASSIGNMENT TERM**

No new Work Assignments shall be executed after October 31, 2021 at 11:59 P.M. CDT.

This WORK ASSIGNMENT shall be effective upon the latest date of execution hereof and continue until October 31, 2021 at 11:59 P.M. CDT. However, the Engineer may not begin work prior to receiving a Notice to Proceed.

**DBE GOAL**

*The DBE goal established for this Work Assignment shall be zero percent (0%).*

**KEY PERSONNEL**

**CITY PROJECT MANAGER:**

Mike Reso

**CONSULTANT PROJECT MANAGER:**

**(Certified as a Professional Engineer to do business in the State of Mississippi)**

Andy Phelan, PE (MS #19480)

**PROGRESS SCHEDULE**

Applications, meetings, and other items requested by the client will be prepared and submitted in a timely fashion following client request.

**MAXIMUM ALLOWABLE COST****Contract Maximums:**

Under no circumstances shall the amount payable by the City for this assignment exceed **\$50,600** (Total of all Charges) without the prior written consent of both parties. The Labor Rates have been identified in Table 2: Rate Schedule for Labor Hours.

**Table 1: Compensation for Services Breakdown**

Basic Services		
Phase #	Phase Title	Fee (labor hour/unit cost)
I	Survey	\$1,500
II	Environmental Permitting	\$5,000
III	Engineering Design	\$13,850
IV	Bid Phase Services	\$4,000
V	Construction Engineering and Inspection	\$26,250*

\* Construction Engineering and Inspection is shown at 7.5% of estimated construction cost (amount reimbursable by grantor)

**Table 2: Rate Schedule for Labor Hours**

NAMES	LABOR CLASSIFICATION	RATE
	Principal Engineer	\$ 135
	Professional Engineer	\$ 97
	Senior Project Manager	\$ 105
	Project Engineer	\$ 75
	Professional Land Surveyor	\$ 80
	Survey Crew Chief	\$ 47
	Instrument Person	\$ 35
	CAD Technician	\$ 50
	Clerical	\$ 43
	Resident Project Representative	\$ 70
	Engineering Technician	\$ 50

Both parties hereto represent that they have authority to enter into this Work Assignment as "Exhibit C" of the Agreement executed by and between the City and Engineer to which is now made a part of said Agreement.

SO EXECUTED AND AGREED THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

City of Diamondhead, Mississippi

By: \_\_\_\_\_

WITNESS this, my signature, in execution hereof, this the 23th day of September 2020.

Pickering Firm, Inc.

By:   
By: Andy Phelan, PE

ATTEST:   
Cara Wagner, PE

**ATTACHMENT A – SCOPE OF SERVICES****General Project Description**

In general, the Engineer will perform survey, environmental permitting, engineering design, bid phase services, construction engineering, and Resident Project Representative Services. Subsequent services, including but not limited to environmental assessments, cultural resource assessment, etc., may be added, as mutually agreed upon by both parties, as either an amendment to this contract or as a separate contract.

This project generally consists of improvements to an existing stream bank located off of Diamondhead Drive East due west of Alkii Way in Diamondhead, Mississippi. Generally, improvements will consist of regrading stream banks and filling of gullies along with stabilization provided by a concrete lined channel for bank and utility protection.

**Task 1 – Survey (\$1,500)**

A topographic survey will be prepared for an approximately 800 linear feet alignment along the subject channel. Inverts of all culverts and channel cross sections at approximately 100' intervals will be shot as needed for design. The survey will include, but not limited to, the following: protected trees, above grade utility features and accessible inverts, benchmarks set, all pavement types, curb lines, curb openings, road striping, parking stripes, sidewalks, street lights, electric equipment, water features, ground elevations, ground elevations at ridges and valleys, top of banks, and centerline of ditches. This survey will be topographic only; no boundary data will be verified in the field.

This survey will include underground utilities by accessible above ground features, painted lines by others (i.e. MS811), and inverts.

The survey will show any recorded easements within title work if provided by the CLIENT. The horizontal data will be based on state plane coordinates, MS East Zone/NAD83 in feet and the vertical data will be based on NAVD 88, Geoid 2009. This survey will meet the current minimum land surveying requirements for the State of Mississippi.

Our surveying services will not include:

- Title research. We will depend on the Client to furnish an updated title commitment.
- Establishing rights-of-way, property lines, lot lines, easements, etc.
- Investigation or location of underground structures or facilities by means of excavation or ground penetrating radar.

**Task 2 – Environmental Permitting (\$5,000)**

The Consultant's services will consist for the following:

1. Participate in project pre-application meeting with the USACE, and appropriate state or local regulatory agencies.
2. Preparation and submittal of a Nationwide 37 permit application. Items included with the wetland permit application:
  - a. Purpose and Need Statement



## ATTACHMENT A – SCOPE OF SERVICES

- b. Alternative Analysis
  - c. Wetland Delineation Report
  - d. Wetland/ Stream Location Map
  - e. Amount of Impacts from Project Plans
  - f. Proposed Project Plan
  - g. Map of Property Owners and Adjacent Property owners
  - h. Applicant Information
3. Assumptions and Limitations:
- a. It is our understanding that NRCS has performed necessary pre-application due diligence (i.e. wetland delineation, cultural resource study, threatened & endangered species assessment, etc.) and Pickering will rely on this information, by others, to make environmental permit application(s).
  - b. The costs provided herein for environmental permitting were determined based on the assumption that a Nationwide 37 Permit will be required for this Project.
  - c. Pickering anticipates a time period of 150 to 180 days to receive the approved environmental permit after the permit application materials have been submitted.
  - d. This proposal does not include costs for a Wetland Delineation, Cultural Resources, and/or a Threatened and Endangered Species Survey. If any of these tasks is deemed necessary or any other additional services beyond the scope of work described above, an additional cost estimate will be provided at that time.
  - e. This proposal does not include costs for wetland mitigation or restoration associated with the potential impacts of this Project, if any.

### **Task 3 – Engineering Design (\$13,850)**

Utilizing owner provided information, readily-available data from the State of Mississippi & NRCS, and any other deliverables subject to any owner-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from owner, for the general scope of work described above, the Engineer shall:

1. Prepare Preliminary (60%) Drawings and Specifications indicating the scope, extent, and character of the Work. Furnish 3 review copies of the preliminary (60%) documents and any other deliverables to Owner and review them with Owner. Within 10 calendar days of receipt, Owner shall submit to Engineer any comments regarding the Design Phase documents and any other deliverables. A revised Opinion of Probable Construction Cost will be provided with the Preliminary Design Drawings.
2. Prepare Final (100%) Drawings and Specifications indicating the scope, extent, and character of the Work. Furnish 3 review copies of the Final (100%) documents and any other deliverables to Owner and review them with Owner. Within 10 calendar days of receipt, Owner shall submit to Engineer any comments regarding the Design Phase documents and any other deliverables. A revised Opinion of Probable Construction Cost will be provided with the Final Design Drawings.
3. Provide technical criteria, written descriptions, and design data for Owner's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design of the project. Engineer will assist the owner in consultations



## ATTACHMENT A – SCOPE OF SERVICES

with such authorities and will revise the drawings and specifications accordingly in response to directives from such authorities.

4. Prepare and furnish bidding documents for review by Owner, its legal counsel, and other advisors, and assist Owner in the preparation of other related documents. Owner shall submit to Engineer any comments and instructions for revisions and Engineer will revise the bidding documents accordingly. 1 Final copy of the bidding documents, including a final Opinion of Probable Construction Cost, will be provided to the Owner.

### **Task 4 – Bid Phase Services - \$4,000**

After acceptance by Owner of the bidding documents and final Opinion of Probable Construction Cost as determined in the Engineering Design Phase, and upon written authorization, by the owner, to proceed, Engineer shall:

1. Assist Owner in advertising for and obtaining bids for proposals and, where applicable, maintain a record of prospective bidders to whom Bidding Documents have been issued, attend pre-bid conferences, if any, and receive and process contractor deposits or charges for the bidding documents.
2. Issue addenda as appropriate to clarify, correct, or change the bidding documents.
3. Provide information or assistance needed by Owner in the course of any negotiations with prospective contractors.
4. Consult with Owner as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors for those portions of the Work as to which such acceptability is required by the bidding documents.
5. If bidding documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by bidders.
6. Attend the Bid opening, prepare Bid tabulation sheets, and assist Owner in evaluating Bids or proposals and in assembling and awarding contracts for the Work.
7. The Bidding Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors.

### **Task 4 –Construction Engineering and Inspection (\$26,250 (7.5% of construction cost))**

Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:

1. *General Administration of Construction Contract:* Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer as assigned in the Construction Contract shall not be modified, except as Engineer may otherwise agree in writing. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner

## ATTACHMENT A – SCOPE OF SERVICES

in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.

2. *Resident Project Representative (RPR):* Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work as outlined below.
3. *Selecting Independent Testing Laboratory:* Assist Owner in the selection of an independent testing laboratory as needed
4. *Pre-Construction Conference:* Participate in a Pre-Construction Conference prior to commencement of Work at the Site.
5. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.
6. *Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
7. *Visits to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:
  - a. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.
  - b. The purpose of Engineer's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Engineer shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety at the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Engineer neither guarantees the performance of any



**ATTACHMENT A – SCOPE OF SERVICES**

Contractor nor assumes responsibility for any Contractor's failure to furnish or perform the Work in accordance with the Contract Documents.

8. *Defective Work:* Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work (a) is defective under the standards set forth in the Contract Documents, (b) will not produce a completed Project that conforms to the Contract Documents, or (c) will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
9. *Clarifications and Interpretations; Field Orders:* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. Subject to any limitations in the Contract Documents, Engineer may issue field orders authorizing minor variations in the Work from the requirements of the Contract Documents.
10. *Change Orders and Work Change Directives:* Recommend change orders and work change directives to Owner, as appropriate, and prepare change orders and work change directives as required.
11. *Shop Drawings and Samples:* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.
12. *Substitutes and "or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.
13. *Inspections and Tests:* Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Engineer shall be entitled to rely on the results of such tests.
14. *Disagreements between Owner and Contractor:* Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by Owner or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if Engineer in its discretion concludes that to do so would be inappropriate. In rendering such decisions, Engineer shall be fair and not show partiality to Owner or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

**ATTACHMENT A – SCOPE OF SERVICES**

15. *Applications for Payment:* Based on Engineer's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
- a. Determine the amounts that Engineer recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute Engineer's representation to Owner, based on such observations and review, that, to the best of Engineer's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe Contractor's Work. In the case of unit price work, Engineer's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).
  - b. By recommending any payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.
16. *Contractor's Completion Documents:* Receive, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved and transmit the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment.
17. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Project to determine if the Work is substantially complete. If after considering any objections of Owner, Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.



## ATTACHMENT A – SCOPE OF SERVICES

18. *Final Notice of Acceptability of the Work:* Conduct a final visit to the Project to determine if the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a "Notice of Acceptability of Work" that the Work is acceptable to the best of Engineer's knowledge, information, and belief and based on the extent of the services provided by Engineer under this Agreement.

Note: this proposal is based on the assumption that a single combined construction contract will be awarded in lieu of multiple separate contracts. Should multiple construction contracts be let, the Engineer reserves the right to request an amendment to this agreement.

*Duration of Construction Phase:* This contract assumes a contract time of **90 days**. The Construction Phase will commence with the execution of the first Construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the Project involves more than one prime contract, then Construction Phase services may be rendered at different times in respect to the separate contracts. Engineer shall be entitled to an equitable increase in compensation if Construction Phase services (including Resident Project Representative Services, if any) are required after the original date for completion and readiness for final payment of Contractor as set forth in the Construction Contract.

*Limitation of Responsibilities:* Engineer shall not be responsible for the acts or omissions of any Contractor, Subcontractor or Supplier, or other individuals or entities performing or furnishing any of the Work, for safety or security at the Site, or for safety precautions and programs incident to Contractor's Work, during the Construction Phase or otherwise. Engineer shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

### **Resident Project Representative**

Engineer shall furnish a Resident Project Representative ("RPR") to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree.

Through RPR's observations of Contractor's work in progress and field checks of materials and equipment, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, during such RPR field checks or as a result of such RPR observations of Contractor's work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for security or safety at the Site, for safety precautions and programs incident to any contractor's work in progress, or for any failure of a contractor to comply with Laws and Regulations applicable to such contractor's performing and furnishing of its work. The Engineer (including RPR) neither guarantee the performances of any contractor nor assumes responsibility for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

The duties and responsibilities of the RPR are as follows:

1. *General:* RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with Engineer and

**ATTACHMENT A – SCOPE OF SERVICES**

Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.
3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
4. *Liaison:*
  - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the intent of the Contract Documents.
  - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
  - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
5. *Interpretation of Contract Documents:* Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
6. *Shop Drawings and Samples:*
  - a. Record date of receipt of Samples and approved Shop Drawings.
  - b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
  - c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by Engineer.
7. *Modifications:* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
8. *Review of Work and Rejection of Defective Work:*
  - a. Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.



**ATTACHMENT A – SCOPE OF SERVICES**

- b. Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.

**9. *Inspections, Tests, and System Start-ups:***

- a. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.
- b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
- c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
- d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to Engineer.

**10. *Records:***

- a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all change orders, field orders, work change directives, addenda, additional Drawings issued subsequent to the execution of the Construction Contract, Engineer's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.
- b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of change orders, field orders, work change directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
- c. Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
- d. Maintain records for use in preparing Project documentation.
- e. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

## ATTACHMENT A – SCOPE OF SERVICES

### 11. *Reports:*

- a. Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
- b. Draft and recommend to Engineer proposed change orders, work change directives, and field orders. Obtain backup material from Contractor.
- c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
- d. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Constituent of Concern.

12. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.

### 14. *Completion:*

- a. Participate in visits to the Project to determine Substantial Completion, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
- b. Participate in a final visit to the Project in the company of Engineer, Owner, and Contractor, and prepare a final list of items to be completed and deficiencies to be remedied.
- c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Exhibit E).

Resident Project Representative shall not:

- 1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
- 15. Exceed limitations of Engineer's authority as set forth in this Agreement.
- 16. Undertake any of the responsibilities of Contractor, Subcontractors or Suppliers.



## ATTACHMENT A – SCOPE OF SERVICES

17. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work.
18. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
19. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
20. Accept shop drawing or sample submittals from anyone other than Contractor.
21. Authorize Owner to occupy the Project in whole or in part.

**EXHIBIT “C”**  
**WORK ASSIGNMENT**  
**WORK ASSIGNMENT NO. 016**  
**ROADWAY IMPROVEMENTS PHASE 3**

**PROJECT NUMBER:** \_\_\_\_\_

This Work Assignment is executed in accordance with the Master Services Agreement entered into by **THE CITY OF DIAMONDHEAD** and **DIGITAL ENGINEERING**, on the 29<sup>th</sup> day of October, 2018.

**WHEREAS**, each of said parties represents that it continues to have authority to execute this Work Assignment and that all certifications previously made in said Agreement remain in effect;

**NOW THEREFORE**, the parties hereto do further contract and agree to add the following items of work to the above Agreement under the additional terms and conditions as are hereinafter stated:

*Scope of Work for the City of Diamondhead Roadway Improvements Phase 3*

1. Design (Lump Sum) – Includes field verification of the proposed roadway work , design of roadway improvements, preparation of plans, specifications and a construction cost estimate, and review meeting(s) with the City.
2. Bidding (Lump Sum) –Includes printing and selling of bid documents, responding to questions, holding a pre-bid meeting, preparing and issuing addendums, review and evaluation of bids received and making recommendation for award.
3. Construction Administration (Lump Sum) - Includes holding a pre-construction meeting, attending regularly scheduled progress meetings, review and approval of submittals, review and approval of Contractor’s pay estimates and substantial completion inspection.
4. Record Drawings (Lump Sum) – Includes preparation and furnishing (hard copy and electronic files) of as-built drawings, based on information provided by the contractor.
5. Resident Inspection (Hourly Not to Exceed) - Includes the daily inspection of Contractor’s work, preparation of daily inspection reports, and attending regularly scheduled progress meetings.

**WORK ASSIGNMENT TERM**

No new Work Assignments shall be executed after October 28, 2021.

This WORK ASSIGNMENT shall be effective upon the latest date of execution. However, the Engineer may not begin work prior to receiving a Notice to Proceed.

### **DBE GOAL**

*The DBE goal established for this Work Assignment shall be 0%.*

### **KEY PERSONNEL**

#### **PRINCIPAL ENGINEER**

L. Bruce Newton, PE

#### **SENIOR PROJECT MANAGER**

John M. Stein, PE

#### **PROFESSIONAL ENGINEER**

Christina Wheeler-Shurley, PE

#### **CADD TECHNICIAN**

Michael Prine

#### **CLERICAL**

Candice Cox

#### **RESIDENT PROJECT REPRESENTATIVE**

Ronnie Vanney, Jr.

CJ Boynes

Norman Bordes

### **PROGRESS SCHEDULE**

A schedule for this work assignment will be established within 30 days of the Notice to Proceed.

### **MAXIMUM ALLOWABLE COST**

#### **Contract Maximums:**

Under no circumstances shall the amount payable by the Owner for this assignment exceed **\$42,240** (Total of all Charges) without the prior consent of both parties. The fee is broken out as follows:

Design	\$19,440	Lump Sum
Bidding	\$3,000	Lump Sum
Construction Administration	\$7,800	Lump Sum
Record Drawings	\$2,000	Lump Sum
<u>Resident Inspection</u>	<u>\$10,000</u>	Hourly Not to Exceed
<b>Total</b>	<b>\$42,240</b>	

The Labor Rate has been identified in Table 1: Rate Schedule for Labor Hours.

**Table 1: Rate Schedule for Labor Hours**

NAMES	LABOR CLASSIFICATION	RATE
L. Bruce Newton, PE	PRINCIPAL ENGINEER	\$ 135
John M. Stein, PE	SENIOR PROJECT MANAGER	\$ 105
Christina Wheeler-Shurley, PE	PROFESSIONAL ENGINEER	\$ 97
Michael Prine	CADD TECHNICIAN	\$ 50
Candice Cox	CLERICAL	\$ 43
Ronnie Vanney, Jr.	RESIDENT PROJECT REPRESENTATIVE	\$ 70
CJ Boynes	RESIDENT PROJECT REPRESENTATIVE	\$ 70
Norman Bordes	RESIDENT PROJECT REPRESENTATIVE	\$ 70

Both parties hereto represent that they have authority to enter into this Work Assignment No. 016, as "Exhibit "C" of the Agreement executed by and between the City and Engineer to which is now made a part of said Agreement.

**SO EXECUTED AND AGREED THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2020.**

**CITY OF DIAMONDHEAD**

By: \_\_\_\_\_

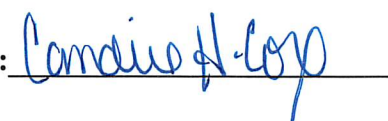
Title: \_\_\_\_\_

**WITNESS** this my signature in execution hereof, this the 1<sup>st</sup> day of October, 2020,

**DIGITAL ENGINEERING**



By: L. Bruce Newton, PE., Executive Vice President

**ATTEST:** 

## **Municipal Compliance Questionnaire**

As part of the municipality's audit, the governing authorities of the municipality must make certain assertions with regard to legal compliance. The municipal compliance questionnaire was developed for this purpose.

The following questionnaire and related certification must be completed at the end of the municipality's fiscal year and entered into the official minutes of the governing authorities at their next regular meeting.

The governing authorities should take care to answer these questions accurately. Incorrect answers could reduce the auditor's reliance on the questionnaire responses, resulting in the need to perform additional audit procedures at added cost.

### **Information**

*Note: Due to the size of some municipalities, some of the questions may not be applicable. If so, mark N/A in answer blanks. Answers to other questions may require more than "yes" or "no," and, as a result, more information on this questionnaire may be required and/or separate work papers may be needed.*

1. Name and address of municipality:

**City of Diamondhead**

5000 Diamondhead Circle, Diamondhead, MS 39525

2. List the date and population of the latest official U.S. Census or most recent official census:  
**2010 Census - 8425**

3. Names, addresses and telephone numbers of officials (include elected officials, chief administrative officers, and attorney).

**SEE ATTACHED**

4. Period of time covered by this questionnaire:

From: **10-1-2019**

To: **9-30-2020**

5. Expiration date of current elected officials' term: **JULY 4, 2021**

## MUNICIPAL COMPLIANCE QUESTIONNAIRE

### Year Ended September 30, 2020

Answer All Questions: **Y** - YES, **N** - NO, **N/A** - NON APPLICABLE

#### Part I - General

- |   |            |
|---|------------|
| 1. Have all ordinances been entered into the ordinance book and included in the minutes? (Section 21-13-13)   | <u>Y</u>   |
| 2. Do all municipal vehicles have public license plates and proper markings? (Sections 25-1-87 and 27-19-27)  | <u>Y</u>   |
| 3. Are municipal records open to the public?  | <u>Y</u>   |
| 4. Are meetings of the board open to the public? (Section 25-41-5)  | <u>Y</u>   |
| 5. Are notices of special or recess meetings posted? (Section 25-41-13)   | <u>Y</u>   |
| 6. Are all required personnel covered by appropriate surety bonds?  | <u>Y</u>   |
| * Board or council members (Section 21-17-5)  | <u>y</u>   |
| * Appointed officers and those handling money, see statutes governing the form of government (i.e., Section 21-3-5 for Code Charter)  |            |
| *Municipal clerk (Section 21-15-38)   | <u>Y</u>   |
| *Deputy Clerk (Section 21-15-23)  | <u>Y</u>   |
| *Chief of police (Section 21-21-1)  | <u>Y</u>   |
| *Deputy police (Section 45-5-9) (if hired under this law)   | <u>N/A</u> |
| 7. Are minutes of board meetings prepared to properly reflect the actions of the board? (Sections 21-15-17 and 21-15-19)  | <u>Y</u>   |
| 8. Are minutes of board meetings signed by the mayor or majority of the board within 30 days of the meeting? (Section 21-15-33)   | <u>Y</u>   |
| 9. Has the municipality complied with the nepotism law in its employment practices? (Section 25-1-53)   | <u>Y</u>   |
| 10. Did all officers, employees of the municipality, or their relatives avoid any personal interest in any contracts with the municipality during their term or within one year after their terms of office or employment? (Section 25-4-105) | <u>Y</u>   |
| 11. Does the municipality contract with a Certified Public Accountant or an auditor approved by the State Auditor for its annual audit within twelve months of the end of each fiscal year? (Section 21-35-31)                                | <u>Y</u>   |

12. Has the municipality published a synopsis or notice of the annual audit within 30 days of acceptance?  
(Sections 21-35-31 or 21-17-19)

Y

**PART II - Cash and Related Records**

1. Where required, is a claims docket maintained?  
(Section 21-39-7)
2. Are all claims paid in the order of their entry in the claims docket? (Section 21-39-9)
3. Does the claims docket identify the claimant, claim number, amount and fund from which each warrant will be issued?  
(Section 21-39-7)
4. Are all warrants approved by the board, signed by the mayor or majority of the board, attested to by the clerk, and bearing the municipal seal? (Section 21-39-13)
5. Are warrants for approved claims held until sufficient cash is available in the fund from which it is drawn?  
(Section 21-39-13)
6. Has the municipality adopted and entered on it minutes a budget in the format prescribed by the Office of the State Auditor? (Sections 21-35-15, 21-35-7, and 21-35-9)
7. Does the municipality operate on a cash basis budget, except for expenditures paid within 30 days of fiscal year end or for construction in progress? (Section 21-35-23)
8. Has the municipality held a public hearing and published its adopted budget? (Sections 21-35-5, 27-39-203, 27-39-205)
9. Has the municipality complied with legal publication requirements when budgetary changes of 10% or more are made to a department's budget? (Section 21-35-25)
10. If revenues are less than estimated and a deficit is anticipated, did the board revise the budget by its regular July meeting?  
(Section 21-35-25)

Y

Y

Y

Y

Y

Y

Y

Y

Y

N/A

- |  |          |
|--|----------|
| 11. Have financial records been maintained in accordance with the chart of accounts prescribed by the State Auditor?<br>(Section 21-35-11)   | <u>Y</u> |
| 12. Does the municipal clerk submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item? (Section 21-35-13) | <u>Y</u> |
| 13. Does the board avoid approving claims and the city clerk not issue any warrants which would be in excess pf budgeted amounts, except for court-ordered or emergency expenditures?<br>(Section 21-35-17)                    | <u>Y</u> |
| 14. Has the municipality commissioned municipal depositories?<br>(Sections 27-105-353 and 27-105-363)  | <u>Y</u> |
| 15. Have investments of funds been restricted to those instruments authorized by law? (Section 21-33-323)  | <u>Y</u> |
| 16. Are donations restricted to those specifically authorized by law?<br>(Section 21-17-5 (Section 66, Miss. Constitution)--Sections 21-19-45 through 21-19-59, etc.)  | <u>Y</u> |
| 17. Are fixed assets properly tagged and accounted for? Section II -<br>Municipal Audit and Accounting Guide)  | <u>Y</u> |
| 18. Is all travel authorized in advance and reimbursements made in<br>accordance with Section 25-3-41?   | <u>Y</u> |
| 19. Are all travel advances made in accordance with the State<br>Auditor's regulations? (Section 25-3-41)  | <u>Y</u> |

### **PART III - Purchasing and Receiving**

- |  |          |
|--|----------|
| 1. Are bids solicited for purchases, when required by law (written bids and advertising)? [Section 31-7-13(b) and (c)]         | <u>Y</u> |
| 2. Are all lowest and best bids decisions properly documented?<br>[Section 31-7-13(d)]   | <u>Y</u> |
| 3. Are all one-source item and emergency purchases documents on<br>the board's minutes? [Section 31-7-13(m) and (k)]           | <u>Y</u> |
| 4. Do all officers and employees understand and refrain from<br>accepting gifts or kickbacks from suppliers? (Section 31-7-23) | <u>Y</u> |



**PART IV - Bonds and Other Debt**

- |   |            |
|---|------------|
| 1. Has the municipality complied with the percentage of taxable property limitation on bonds and other debt issued during the year? (Section 21-33-303)             | <u>Y</u>   |
| 2. Has the municipality levied and collected taxes, in a sufficient amount for the retirement of general obligation debt principal and interest? (Section 21-33-87) | <u>Y</u>   |
| 3. Have the required trust funds been established for utility revenue bonds? (Sections 21-27-65)  | <u>N/A</u> |
| 4. Have expenditures of bond proceeds been strictly limited to the purposes for which the bonds were issued? (Section 21-33-317)                                    | <u>N/A</u> |
| 5. Has the municipality refrained from borrowing, except where it had specific authority? (Section 21-17-5)   | <u>Y</u>   |

**PART V - Taxes and Other receipts**

- |   |            |
|---|------------|
| 1. Has the municipality adopted the county ad valorem tax rolls? (Section 27-35-167)  | <u>Y</u>   |
| 2. Are interest and penalties being collected on delinquent ad valorem taxes? (Section 21-33-53)  | <u>Y</u>   |
| 3. Has the municipality conducted an annual land sale for delinquent ad valorem taxes? (Section 21-33-63)<br><b>*THIS IS COLLECTED BY THE HANCOCK COUNTY TAX COLLECTOR*</b> | <u>*Y</u>  |
| 4. Have the various ad valorem tax collections been deposited into the appropriate funds? (Separate Funds for Each Tax Levy) (Section 21-33-53)                             | <u>Y</u>   |
| 5. Has the increase in ad valorem taxes, if any, been limited to amounts allowed by law? (Sections 27-39-320 and 27-39-321)   | <u>Y</u>   |
| 6. Are local privilege taxes collected from all businesses located within the municipality, except those exempted? (Section 27-17-5)  | <u>Y</u>   |
| 7. Are transient vendor taxes collected from all transient vendors within the municipality, except those exempted? (Section 75-85-1)  | <u>Y</u>   |
| 8. Is money received from the state's "Municipal Fire Protection Fund" spent only to improve municipal fire departments? (Section 83-1-37)                                  | <u>N/A</u> |

- |   |     |
|---|-----|
| 9. Has the municipality levied or appropriated not less than 1/4 mill for fire protection and certified to the county it provides its own fire protection or allowed the county to levy such tax?<br>(Section 83-1-37 and 83-1-39)                            | N/A |
| 10. Are state-imposed court assessments collected and settled monthly? (Section 99-19-73, 83-39-31, etc.)   | Y   |
| 11. Are all fines and forfeitures collected when due and settled immediately to the municipal treasury? (Section 21-15-21)  | Y   |
| 12. Are bids solicited by advertisement or, under special circumstances, three appraisals obtained when real property is sold? (Section 21-17-1)  | Y   |
| 13. Has the municipality determined the full and complete cost for solid waste for the previous fiscal year? (Section 17-17-347)  | Y   |
| 14. Has the municipality published an itemized report of all revenues, costs and expenses incurred by the municipality during the immediately preceding fiscal year in operating the garbage or rubbish collection or disposal system?<br>(Section 17-17-348) | Y*  |
| <b>*Solid Waste Authority Publishes on behalf of all cities</b>   |     |
| 15. Has the municipality conducted an annual inventory of its assets in accordance with guidelines established by the Office of the State Auditor? (MMAAG)  | Y   |

**Certification to Municipal Compliance**  
**Questionnaire Year Ended September 30, 2020**

We have reviewed all questions and responses as contained in this Municipal Compliance Questionnaire for the Municipality of City of Diamondhead, and, to the best of our knowledge and belief, all responses are accurate.

\_\_\_\_\_  
(City Clerk Signature)

\_\_\_\_\_  
(Mayor Pro Tem Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

Minute Book References:

Book Number \_\_\_\_\_

Page \_\_\_\_\_

*(Clerk is to enter minute book references when questionnaire is accepted by board.)*



Phone: 228.222.4626 Fax: 228.222.4390  
[www.diamondhead.ms.gov](http://www.diamondhead.ms.gov)

October 1, 2020

Mayor and Council  
 City of Diamondhead  
 5000 Diamondhead Circle  
 Diamondhead, MS 39525

Dear Councilmembers:

Re: Funding for upcoming events

Below is a listing for the events hosted and/or sponsored by the City. Funding is appropriated in the FY21 Budget. Authorization to expend funds is hereby requested as follows:

POA Halloween Trunk or Treat (Oct 2020)	\$ 350
Christmas on the Green (Dec 3, 2020)	\$ 2,850
National Night Out	\$ 750
Rotary Club Annual Chili Cook-off	\$ 250

Thank you in advance for your approval in this matter.

Sincerely,

Michael Reso  
 City Manager

attachment

## City of Diamondhead Building Department – Development Coordinator

---

**Department:** Building

**EEO Category:** Professional

**FLSA Status:** Non-exempt

**Date Approved:**

### **Purpose of Position**

The Development Coordinator works under the direction of the Building Official in the administration of planning and zoning matters. This position is responsible for the coordination of development projects through the plan review process.

### **Essential Job Functions:**

- Participates in the review of plans and specifications to determine compliance with the Zoning ordinance prior to the issuance of permits; confers with developers, engineers, architects, contractors, and property owners to assist with projects and to help resolve design problems.
- Undergird the activities of the Planning and Zoning Commission: prepares legal notices, staff reports for all types of planning and zoning cases and represents the City at Planning and Zoning Commission hearings.
- Coordinates development projects through the subdivision review process.
- Undergirds and facilitates the activities of the Development Review Committee.
- Administration of the Tree Ordinance, including inspections as it relates to the removal or trimming of protected trees.
- Approves all types of building and planning permits upon the direction of the Building Official.
- Knowledge of National Flood Insurance Program (NFIP) and other activities of the building department.
- Makes zoning and floodplain determinations.
- Develop and maintain the GIS software for the City.
- Other duties as assigned.

### **Knowledge, Skills and Abilities:**

- Ability to plan, organize, and facilitate a smooth development review process.
- Provides technical assistance to property owners, builders, and developers in the preparation of plans to meet submittal criteria for building permits.
- Ability to handle multiple tasks and meet scheduled deadlines.
- Ability to review site plans and specifications and to determine compliance with Zoning Ordinance and the Flood Damage Prevention Ordinance.
- Ability to establish and maintain effective working relationships with city employees, developers, contractors, architects, and the public.

- Ability to prepare concise oral and written reports.
- Ability to read, evaluate and interpret codes, ordinances, and regulations in preparing an appropriate response.
- Excellent customer service skills.
- Thorough knowledge and ability for all site plan reviews for building permits and planning purposes.
- Knowledge of “Incode” permitting software is helpful.
- Ability to use Microsoft office software (i.e. MS Word, Excel, Powerpoint, Outlook, etc.).
- Knowledge of GIS software.
- Work is performed with a wide-ranging scope to exercise independent judgment.

### **Education and Experience**

A high school graduate or its equivalent and considerable experience in municipal land use regulations and ordinances. Completion of college-level course work in urban and regional planning is preferred. Minimum of five (5) years’ experience in the administration of municipal land use regulations. Other combinations of experience and education that meet the minimum requirements may be substituted.

### **Required Licenses or Certificates**

Must possess valid Mississippi driver’s license.

### **Physical Demands and Working Conditions**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical requirements include occasional lifting/carrying of 50+ pounds; visual acuity, speech, and hearing; hand and eye coordination and manual dexterity necessary to operate a computer keyboard and basic office equipment. Subject to sitting, standing, reaching, climbing, walking, twisting, and kneeling to perform the essential functions. Working conditions are both indoors and outdoors.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor

\_\_\_\_\_  
Date



5000 Diamondhead Circle • Diamondhead, MS 39525-3260

Phone: 228.222.4626 Fax: 228.222.4390

[www.diamondhead.ms.gov](http://www.diamondhead.ms.gov)

October 1, 2020

City Council  
City of Diamondhead  
5000 Diamondhead Circle  
Diamondhead, MS 39525

Dear Councilmembers:

Re: Establishing Compensation for the October 20, 2020 Mayoral Special Election Workers

Below is a listing of positions/personnel and pay for services relating to the October 20, 2020 Mayoral Special Election pursuant to Mississippi Code §23-15-227. Included in the daily rate for poll workers and resolution board member is an addition \$50 for each worker as an authorized expenditure under COVID-19 CARES Act:

- 4 - Poll Managers \$175.00 plus \$20 (precinct bag pick and return) Total \$145.00
- 19 - Poll Workers: @ \$175.00 (4 workers additional \$10.00 for assisting with precinct bag returns):
- 3 - Resolution Board Members: @ \$175.00 ea
- 1 - Deputy City Clerk – pursuant to FLSA
- 1 - City Clerk \$85.00 per day @ 3 days \$255.00
- 3 - Election Commissioners: 5 days @ \$85.00 Total \$425.00 ea.

Thank you in advance for your approval in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jeannie Klein". The signature is fluid and cursive, with the first name "Jeannie" being more prominent than the last name "Klein".

Jeannie Klein  
City Clerk



City of Diamondhead, MS

## Docket of Claims Register - Council

APPKT01340 - 10.06.2020 DOCKET OF CLAIMS

By Docket/Claim Number

Item No. 16.

Docket/Claim #	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
DKT157578	Absolute Print Solutions	10/06/2020	190425	election notice posters	001-140-693.00	Other - Elections	255.97	255.97
DKT157579	Allen Purvis & Associates Inc	09/17/2020	20-904	Twin Lakes Appraisal Zoning Change	001-140-681.00	Other Services & Charges	450.00	450.00
DKT157580	Amazon com LLC	10/06/2020	1336-DGP4-XTGX	SUPPLIES FOR ADMIN, PUBLIC WORKS, AND FINANCE	001-301-502.00	SMALL HAND TOOLS	39.98	378.41
					001-140-540.00	Miscellaneous Supplies	34.38	
					001-140-501.00	Supplies	27.89	
					001-140-501.00	Supplies	58.50	
					001-140-505.00	FF&E Non-Capitalized	19.66	
					001-140-505.00	FF&E Non-Capitalized	198.00	
DKT157581	Barneys Police Supplies Gulfport	10/06/2020	54965	UNIFORM SHIRTS FOR POLICE DEPT	001-200-535.00	Uniforms	35.69	
					001-200-535.00	Uniforms	35.69	
					001-200-535.00	Uniforms	35.69	
					001-200-535.00	Uniforms	48.99	
DKT157582	Cash	10/06/2020	09212020	REPLENISH PETTY CASH	001-140-681.00	Other Services & Charges	31.00	377.94
					001-140-693.00	Other - Elections	17.00	
					001-140-693.00	Other - Elections	8.00	
					001-140-525.00	Fuel	50.00	
					001-140-615.00	Travel & Training	23.50	
					001-140-501.00	Supplies	98.24	
					001-140-611.00	Postage	26.35	
					001-140-611.00	Postage	21.10	
					001-140-650.00	Promotions	100.00	
					001-200-681.00	Other Services & Charges	2.75	



Claims Register - Council

Item No. 16.

Do	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
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Do	Coast Electric Power Association	10/06/2020	09112020	SEPTEMBER INVOICE	001-301-630.00	Utilities - Streetlights & Other	6,745.80	18,158.81
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					001-301-630.00	Utilities - Streetlights & Other	1,133.32	
					001-301-630.00	Utilities - Streetlights & Other	2,538.19	
					001-301-630.00	Utilities - General	6,002.37	
					001-301-630.00	Utilities - Streetlights & Other	62.55	
					001-301-630.00	Utilities - Streetlights & Other	38.90	
					001-140-630.00	Utilities - General	56.48	
					001-140-630.00	Utilities - General	37.81	
					001-140-630.00	Utilities - General	45.24	
					001-301-630.00	Utilities - Streetlights & Other	36.90	
					001-301-630.00	Utilities - Streetlights & Other	217.09	
					001-301-630.00	Utilities - Streetlights & Other	42.07	
					001-301-630.00	Utilities - Streetlights & Other	39.08	
					001-301-630.00	Utilities - Streetlights & Other	920.87	
					001-301-630.00	Utilities - Streetlights & Other	38.13	
					001-301-630.00	Utilities - Streetlights & Other	38.13	
					001-301-630.00	Utilities - Streetlights & Other	38.13	
					001-301-630.00	Utilities - Streetlights & Other	40.96	
					001-301-630.00	Utilities - Streetlights & Other	48.66	

CSpire Cell Service

10/06/2020 09182020

SEPTEMBER CELLULAR SERVICE

001-100-632.00	Telephone - Cell	47.19	
001-140-632.00	Telephone - Cell	47.19	
001-200-612.00	Internet	341.90	
001-280-612.00	Internet	164.82	
001-280-632.00	Telephone - Cell	91.33	
001-301-632.00	Telephone - Cell	527.32	

DKT157585

CSpire Internet Service

09/01/2020 1568861

SEPTEMBER INTERNET BILL

001-140-612.00	Internet	208.99	
001-140-643.00	Rent - Phone System	442.25	

651.24

DKT157586

Dana Safety Supply, Inc

10/06/2020 665335-A

Magnetic Mic Clip

001-200-535.00	Uniforms	39.95	
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39.95

DKT157587

Deep South Equipment Company

10/06/2020 M19085

JCB Backhoe Model 3CX15HCE

001-301-917.00	Capital Outlay - Mobile Equipment	83,690.00	
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83,690.00

Claims Register - Council

APPKT01340 - 10.06.2020 DOCKET OF CLAIMS

Item No. 16.

Doc # Item No.	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
DK157588	Diamondhead True Value	10/06/2020	092020	SEPTEMBER PO	001-301-501.00 001-140-693.00 001-301-571.00 001-140-501.00 001-140-501.00 001-140-560.00 001-301-501.00	Supplies Other - Elections Repairs & Maintenance - Equipment Supplies Supplies Repairs & Maintenance - Building Supplies	282.39 31.59 34.36 65.03 13.98 50.56 62.93 23.94	
DKT157589	Diamondhead Water and Sewer District	10/06/2020	09-18-2020	08/18/2020 - 09/18/2020 90 SECURITY SHACK - GEX SEPTEMBER WATER BILL BAYOU DRIVE - KAYAK LAUNCH - SEPTEMBER CITY HALL BUILDING - SEPTEMBER SEPTEMBER WATER BILL	001-301-630.00 001-301-630.00 001-301-630.00 001-140-630.00 001-140-630.00 001-301-630.00	Utilities - Streetlights & Other Utilities - Streetlights & Other Utilities - Streetlights & Other Utilities - General Utilities - General Utilities - Streetlights & Other	812.84 95.02 249.75 23.95 396.22 23.95 23.95	
DKT157590	Diaz Brothers Printing	10/06/2020	3241	election signs for precincts	001-140-693.00 001-140-693.00 001-140-621.00 001-140-917.00 001-301-621.00 001-200-681.00	Other - Elections Other - Elections Printing & Binding Capital Outlay - Mobile Equipment Printing & Binding Other Services & Charges	587.50 75.00 75.00 37.50 90.00 280.00 30.00	
DKT157591	Douglas Maxwell	09/16/2020	CTC-001	Sound System for CTC 2020	001-000-066.00	Prepaid Other	400.00	
DKT157592	FirstPoint Inc	10/06/2020	8330	BACKGROUND CHECK	001-140-698.00	Misc. Services - Drug Testing & Other	57.00	
DKT157593	Fuelman	09/14/2020 10/06/2020	NP58843567 NP58865665 NP58891293	FUEL 09/07 - 09/13 FUEL WEEK ENDING 09/21/2020 FUEL FOR THE WEEK ENDING 09/28/2020	001-200-525.00 001-280-525.00 001-200-525.00 001-200-525.00	Fuel Fuel Fuel Fuel	1,483.08 434.82 108.79 531.27 408.20	
DKT157594	George Blair Attorney	10/06/2020	09182020	PUBLIC DEFENDER FOR AUGUST	001-110-603.00	Professional Fees - Legal	1,000.00	
DKT157595	Gulf South Roofing Company	10/06/2020	1120	Roof repair at City Hall	001-140-901.00	Capital Outlay - Building	4,800.00	

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Claim #	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
DK157597	Hancock County Sheriff's Office	09/11/2020	2020-DH-008H	INMATE HOUSING FOR AUGUST	001-200-689.00	Prisoner's Expense	1,100.00	29,588.11
		10/06/2020	2020-DHLE-019	LAW ENFORCEMENT SERVICES FOR	001-200-690.00	Interlocal Agreement	28,488.11	
				09/14-09/18				
DK157598	Inline Barricades and Metal Products	10/06/2020	0382	BARRIERS	001-301-501.00	Supplies	2,998.75	2,998.75
DK157599	International Code Council	10/06/2020	1001241900	2018 INTERNATIONAL RESIDENTIAL CODE STUDY COMPANIO	001-280-615.00	Travel & Training	64.00	64.00
DK157600	James J Chiniche PA Inc	10/06/2020	16-033-069	Engineer SVS East Aloha Widening	108-301-602.00	Professional Fees - Engineering East Aloha	1,398.67	5,756.17
			17-057-113	Eng Services Bayou Dr Kayak Launch	001-301-602.00	Professional Fees - Engineering	740.00	
			17-057-114	Topo Ieke and Lola Drive-Drainage	001-301-602.00	Professional Fees - Engineering	2,500.00	
			17-057-115	Engineer SVS Montjoy Creek/public access project	112-301-602.00	Professional Fees - Engineering Tideland's FY19	1,117.50	
DK157601	Landers Chrysler Dodge Jeep LLC	10/06/2020	LD173354	Dodge Ram 1500 w/ Towing Package	001-280-917.00	Capital Outlay - Mobile Equipment	19,285.00	19,285.00
DK157602	Law offices of Derek R Cusick PLLC	10/06/2020	159	GENERAL MATTERS -- SEPTEMBER	001-140-603.00	Professional Fees - Legal	8,197.70	13,572.70
			160	PRZ -- SEPTEMBER	001-280-603.00	Professional Fees - Legal	2,218.75	
			161	CITY PROSECUTOR WORK FOR SEPTEMBER 2020	001-110-603.00	Professional Fees - Legal	3,000.00	
			162	LOGANECKER V CITY SEPTEMBER	001-140-603.00	Professional Fees - Legal	93.75	
			163	COVID-19 -- SEPTEMBER	001-140-603.00	Professional Fees - Legal	62.50	

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Doc #	Vendor Name	Payable Number	Payable Description	Account Number	Account Name	Line Amount	
DK157603	Lee Tractor	P199731	MISC. FILTERS	001-301-571.00	Repairs & Maintenance - Equipment	32.08	715.38
				001-301-571.00	Repairs & Maintenance - Equipment	32.08	
				001-301-571.00	Repairs & Maintenance - Equipment	32.08	
				001-301-571.00	Repairs & Maintenance - Equipment	46.52	
				001-301-571.00	Repairs & Maintenance - Equipment	191.22	
				001-301-571.00	Repairs & Maintenance - Equipment	36.96	
				001-301-571.00	Repairs & Maintenance - Equipment	36.96	
				001-301-571.00	Repairs & Maintenance - Equipment	36.96	
				001-301-571.00	Repairs & Maintenance - Equipment	19.96	
				001-301-571.00	Repairs & Maintenance - Equipment	15.84	
				001-301-571.00	Repairs & Maintenance - Equipment	15.84	
				001-301-571.00	Repairs & Maintenance - Equipment	26.08	
				001-301-571.00	Repairs & Maintenance - Equipment	26.08	
				001-301-571.00	Repairs & Maintenance - Equipment	26.08	
				001-301-571.00	Repairs & Maintenance - Equipment	26.08	
				001-301-571.00	Repairs & Maintenance - Equipment	46.88	
				001-301-571.00	Repairs & Maintenance - Equipment	46.88	
				001-301-571.00	Repairs & Maintenance - Equipment	46.88	
DKT157604	Lowes Home Improvement	573359	PROJECT EQUIPMENT	001-140-560.00	Repairs & Maintenance - Building	25.52	
	10/06/2020	61574357	SHOP TOOLS	001-301-502.00	SMALL HAND TOOLS	117.00	
				001-301-502.00	SMALL HAND TOOLS	47.49	
				001-301-502.00	SMALL HAND TOOLS	47.48	
				001-301-502.00	SMALL HAND TOOLS	35.13	
				001-301-502.00	SMALL HAND TOOLS	21.83	
				001-301-502.00	SMALL HAND TOOLS	47.48	
				001-301-502.00	SMALL HAND TOOLS	18.98	
				001-301-505.00	FF&E Non-Capitalized	596.00	
				001-301-501.00	Supplies	55.32	
				001-140-560.00	Repairs & Maintenance - Building	79.98	
				001-301-501.00	Supplies	179.82	
				001-140-907.00	Capital Outlay - Other	1,198.00	
				001-140-560.00	Repairs & Maintenance - Building	25.52	
DKT157605	MS Municipal Workers Compensation Group	0383WC2020-0	WORKERS COMP PREMIUM	001-140-625.00	Insurance	10,954.22	10,954.22
	08/28/2020		PAYMENT 1 OF 3				
DKT157606	Municipal Code Corporation	00348183	municode design development imp phase	001-140-605.00	Professional Fees - IT	300.00	300.00

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Doct #	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
DKT157608	North Bay Auto	10/06/2020	092020	OIL CHANGES	001-200-635.00 001-200-635.00	Professional Fees - R&M Outside Services Professional Fees - R&M Outside Services	55.72 55.72	111.44
DKT157609	Portraits by Penny	10/06/2020	9262020	digital files for website - Kayak Event 2020	001-140-650.00	Promotions	125.00	125.00
DKT157610	PURCELL CO. INC.	10/06/2020	09302020	LOT B, BLOCK 9 - TWIN LAKES	001-301-900.00	Capital Outlay - Land	75,000.00	75,000.00
DKT157611	Robert Johnson	08/28/2020	08282020	TRAVEL REIMBURSEMENT	001-110-615.00	Travel & Training	27.25	27.25
DKT157612	S&L Office Supplies	10/06/2020	81340	OFFICE SUPPLIES AND JANITORIAL SUPPLIES	001-140-501.00 001-140-501.00 001-140-501.00 001-140-501.00 001-140-501.00 001-110-501.00 001-140-501.00	Supplies Supplies Supplies Supplies Supplies Supplies Supplies	55.78 33.24 35.89 7.70 8.44 33.30 160.01	334.36

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Doc #	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount	Payment Amount
DKT157614	Sea Coast Echo	09/17/2020	265958	Block AD Vote machine testing	001-140-693.00	Other - Elections	96.25	2,145.63
		10/06/2020	BT09162020	Cruising the Coast Flyer	001-000-066.00	Prepaid Other	1,000.00	
			P&ZCHAFFE	Ad for G. Chaffe variance	001-280-620.00	Advertising	56.68	
			P&ZPPC-09022020	Variance Ad - First Pentecostal	001-280-620.00	Advertising	52.28	
			P&ZLIPPON-09232020	SIMS/LIPPON VARIANCE @ 8912	001-280-620.00	Advertising	60.42	
			ANAHOLO COURT					
			SEN-08262020	Special Election Notice	001-140-693.00	Other - Elections	247.50	
			SEN-09022020		001-140-693.00	Other - Elections	247.50	
			TSXTEST09022020	Ad-absentee voting & L&A test	001-140-693.00	Other - Elections	110.00	
				9/15/20 Special elec				
					001-140-693.00	Other - Elections	275.00	

DKT157614	South MS Business Machines Gulfport	09/30/2020	333768-24	COPIER RENTAL MONTHLY PAYMENT	001-280-642.00	Rent - Copier	281.28	1,150.00
		10/06/2020	351616-14		001-140-642.00	Rent - Copier	42.07	
			351617-15		001-200-642.00	Rent - Copier	42.07	
			378222	SEPTEMBER USAGE CHARGE POLICE	001-200-506.00	Copier Usage/Maintenance	92.59	
				DEPT				
			378373	PER COPY CHARGE FOR SEPTEMBER	001-140-506.00	Copier Usage/Maintenance	67.69	
			378374		001-301-506.00	Copier Usage/Maintenance	44.00	
			378375	PER COPY CHARGES FOR	001-280-506.00	Copier Usage/Maintenance	93.61	
			378646	PER COPY CHARGE FOR SEPTEMBER	001-140-506.00	Copier Usage/Maintenance	217.51	
			AR295388-44	COPIER RENTAL MONTHLY PAYMENT	001-140-642.00	Rent - Copier	187.21	
			AR298523-42		001-301-642.00	Rent - Copier	81.97	

DKT157615	Southern MS Planning and Development District Inc	10/06/2020	12144	PERIOD OF PERFORMANCE AUGUST 1-31, 2020	001-653-601.00	Professional Fees - Consulting	243.75	243.75
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City of Claims Register - Council

APPKT01340 - 10.06.2020 DOCKET OF CLAIMS

Item No. 16.

Claim #	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Payment Amount
16	Southern Printing	10/06/2020	202124	Cruisin' the Coast 2020 t-shirts	001-000-066.00	Prepaid Other	802.45
			202794	tshirts for Paddle Paradise 2020	001-140-650.00	Promotions	180.00
					001-140-650.00	Promotions	312.00
					001-140-650.00	Promotions	234.00
					001-140-650.00	Promotions	312.00
					001-200-535.00	Uniforms	35.00
					001-200-535.00	Uniforms	77.00
					001-200-535.00	Uniforms	20.00
					001-140-650.00	Promotions	84.00
					001-140-650.00	Promotions	100.20
					001-200-535.00	Uniforms	100.20
							34.00
							2,290.85
DKT157617	Sun Coast Business Supply	10/06/2020	1260133-0	Police Department furniture	001-200-505.00	FF&E Non-Capitalized	1,086.00
					001-200-505.00	FF&E Non-Capitalized	299.95
					001-200-505.00	FF&E Non-Capitalized	184.50
					001-200-505.00	FF&E Non-Capitalized	174.00
					001-200-505.00	FF&E Non-Capitalized	195.00
					001-200-505.00	FF&E Non-Capitalized	421.00
					001-200-505.00	FF&E Non-Capitalized	138.50
					001-200-505.00	FF&E Non-Capitalized	138.50
					001-200-505.00	FF&E Non-Capitalized	210.55
					001-200-505.00	FF&E Non-Capitalized	289.00
							3,137.00
DKT157618	SunSouth LLC	09/17/2020	3733261	MOWER FILTERS	001-301-571.00	Repairs & Maintenance - Equipment	19.37
					001-301-571.00	Repairs & Maintenance - Equipment	19.37
					001-301-571.00	Repairs & Maintenance - Equipment	21.70
					001-301-571.00	Repairs & Maintenance - Equipment	21.70
					001-301-571.00	Repairs & Maintenance - Equipment	12.13
					001-301-571.00	Repairs & Maintenance - Equipment	12.13
					001-301-571.00	Repairs & Maintenance - Equipment	29.94
					001-301-571.00	Repairs & Maintenance - Equipment	29.94
					001-301-571.00	Repairs & Maintenance - Equipment	7.94
					001-301-571.00	Repairs & Maintenance - Equipment	7.94
							182.16
DKT157619	TEMCO of GULF COAST, INC.	10/06/2020	19500091720	KITCHEN EQUIPMENT INSPECTION	001-140-635.00	Professional Fees - Repair & Maint Outside Serv	255.00
							255.00
DKT157620	Traffic Safety Warehouse	09/10/2020	79365A	2 - cases Barricade Amber Lights	001-301-501.00	Supplies	463.09
							463.09

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Line Amount	Payment Amount
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000
11	1100
12	1200
13	1300
14	1400
15	1500
16	1600
17	1700
18	1800
19	1900
20	2000
21	2100
22	2200
23	2300
24	2400
25	2500
26	2600
27	2700
28	2800
29	2900
30	3000
31	3100
32	3200
33	3300
34	3400
35	3500
36	3600
37	3700
38	3800
39	3900
40	4000
41	4100
42	4200
43	4300
44	4400
45	4500
46	4600
47	4700
48	4800
49	4900
50	5000
51	5100
52	5200
53	5300
54	5400
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56	5600
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59	5900
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62	6200
63	6300
64	6400
65	6500
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67	6700
68	6800
69	6900
70	7000
71	7100
72	7200
73	7300
74	7400
75	7500
76	7600
77	7700
78	7800
79	7900
80	8000
81	8100
82	8200
83	8300
84	8400
85	8500
86	8600
87	8700
88	8800
89	8900
90	9000
91	9100
92	9200
93	9300
94	9400
95	9500
96	9600
97	9700
98	9800
99	9900
100	10000

Item No	Vendor Name	Payable Date	Payable Number	Payable Description	Account Number	Account Name	Line Amount
DKT157622	UMB Card Services	10/06/2020	09102020	SEPTEMBER PROCUREMENT CARD	001-140-623.00	Membership Dues/Fees	45.00
					001-140-693.00	Other - Elections	35.50
					001-140-623.00	Membership Dues/Fees	14.99
DKT157623	Unifirst Corporation	09/14/2020	105 0899538	UNIFORM RENTAL FOR WEEK ENDING 9/18/2020	001-301-535.00	Uniforms	137.91
		10/06/2020	1050900642	UNIFORM RENTAL WEEK OF 09/21/2020	001-301-535.00	Uniforms	137.91
			1050901746	UNIFORM RENTAL FOR WEEK OF 09/28/2020	001-301-535.00	Uniforms	137.91
DKT157624	Unifirst First Aid Corp	08/25/2020	1567880	119960000017 ADULT PADS	001-140-501.00	Supplies	64.95
DKT157625	Warren Paving	10/06/2020	PA #01	Roadway Improvement Phase 2	001-301-912.01	Capital Outlay - Paving	390,322.31
					104-301-912.00	Capital Outlay - Streets/Drainage	66,485.12
DKT157626	Waste Management	10/06/2020	0722705-4768-9	AUGUST DUMPSTER RENTAL	001-140-681.00	Other Services & Charges	59.23
			0725304-4768-8	SEPTEMBER DUMPSTER SERVICE	001-140-681.00	Other Services & Charges	59.23
DKT157627	William Michael Supple	10/06/2020	09292020	MOW AND CLEAN NEGLECTED PROPERTY	001-280-684.00	Lot Clean-ups	1,094.00
Total Claims: 50							745,801.16
Total Payment Amount:							1,094.00