

CITY COUNCIL
JEFF REESE, MAYOR
GIL MCDUGAL, MAYOR PRO-
TEM
VERLAND BEST
DANNY CARTER
SHIRLEY MARCHMAN
LESLIE MCPHERSON

City of Villa Rica



CITY MANAGER: TOM BARBER
CITY CLERK: ALISA DOYAL
CITY ATTORNEY: C. DAVID
MECKLIN

571 W BANKHEAD HWY
VILLA RICA, GA. 30180
770.459.7000 | VILLARICA.ORG

MAYOR & COUNCIL WORK SESSION AGENDA

Holt-Bishop Justice Center, Municipal Courtroom, 101 Main Street
August 2, 2018 | 3:00 PM

Review of the Agenda (Mayor Jeff Reese)

A. Presentations

1. Presentation of 2017 Audit by Mauldin & Jenkins, LLC (James Bence, Partner)
2. Villa Rica Master Trail Plan Presentation

B. Governing Body (Mayor Jeff Reese)

1. Approval of the Minutes:
 - a. Monthly Meeting of July 5, 2018
 - b. Council Meeting of July 10, 2018
 - c. Special Called Meeting of July 11, 2018
2. Discussion of Times and Dates of Council Meetings

C. City Manager (Tom Barber)

1. Lease Agreement with Gaston Outdoor Advertising
2. Request for Temporary Signage for 2018 Frontier's Rodeo

D. Community Development (Bobby Elliott, Director)

1. RA-04-18/FLUM-02-18: North Van Wert and 1483 Hwy. 78

E. Parks, Recreation & Leisure Services (Vicki Coleman, Director)

1. SENIOR SERVICES CONTRACT RENEWAL: Request for approval of the annual contract for FY2019 Area Agency on Aging between the City of Villa Rica and the Three Rivers Regional Commission.

F. Public Works (Pete Zorbanos, Director)

1. Military Surplus (Nic Griffin)
2. Emergency Replacement of Gear Reducer

G. Finance (Sarah Hefty, CFO)

1. Financial Update: June 2018
2. Budget Amendments: 2017

3. Budget Amendments: 2018
4. Discussion of 2018 Millage Rate
5. Presentation of 2019 Budget

H. Public Comment: We ask that you sign in for Public Comment before the meeting begins. Enter your name and address for the record and limit your comments to three minutes.

I. Consent Agenda Review and Adjournment



Photo Credit: Michael Valentine

Villa Rica

**CITY OF VILLA RICA, GEORGIA
ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2017



CITY OF VILLA RICA, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared By:
The City of Villa Rica Finance Department

INTRODUCTORY SECTION

CITY OF VILLA RICA, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents	i and ii
-------------------------	----------

FINANCIAL SECTION

Independent Auditor's Report.....	1-3
Management's Discussion and Analysis	4-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – GAAP Basis – General Fund.....	19
Statement of Net Position – Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds.....	22
Notes to Financial Statements.....	23-55
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability And Related Ratios	56
Schedule of City Contributions	57
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	59
Public Facilities Authority Fund –Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – GAAP Basis.....	60
Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis	61
Cemetery Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis	62

CITY OF VILLA RICA, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

Page

FINANCIAL SECTION (Continued)

Combining and Individual Fund Statements and Schedules (Continued):

2015 SPLOST Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis	63
2016 SPLOST Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis	64
Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis	65
Capital Projects for Public Roads Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – GAAP Basis.....	66
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2008 Issue	67
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2015 Issue	68
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2016 Issue	69
Villa Rica Industrial Development Authority – Balance Sheet	70
Villa Rica Industrial Development Authority – Statement of Revenues, Expenditures, and Changes in Fund Balances	71
Villa Rica Downtown Development Authority – Balance Sheet	72
Villa Rica Downtown Development Authority – Statement of Revenues, Expenditures, and Changes in Fund Balances	73

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	74-75
Schedule of Findings and Responses	76-78

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
City of Villa Rica, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Villa Rica, Georgia (the "City")**, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information of the General Fund 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, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions on pages 4 through 13, 56, and 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Villa Rica, Georgia's basic financial statements. The combining and individual fund statements and schedules, and the schedules of expenditures of special purpose local option sales taxes, as required by 48-4-121 of the Georgia Code, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the schedules of expenditures of special purpose local options sales taxes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and the schedules of expenditures of special purpose local option sales taxes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the City of Villa Rica, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Villa Rica, Georgia'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 Villa Rica, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

CITY OF VILLA RICA, GEORGIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

The following discussion and analysis of the City of Villa Rica, Georgia (the “City”) provides an introduction to the basic financial statements for the fiscal period ended December 31, 2017. Management prepared this discussion that should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City’s finances.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Villa Rica exceeded its liabilities and deferred inflows of resources at the close of 2017 by \$55,479,745 (net position). Of this amount, the unrestricted portion is \$9,257,396.
- The City’s total net position increased by \$2,105,409 compared to the prior year. The City’s operations increased the governmental activities by \$1,747,664 and increased the business-type activities by \$357,745.
- At the close of 2017, the City of Villa Rica’s governmental funds reported combined ending fund balances of \$9,095,655.
- At the end of 2017, the unassigned fund balance for the General Fund was \$5,069,864 or 52% of the total General Fund expenditures.
- At the end of 2017, unrestricted net position for the Proprietary Funds was \$3,436,108 or 60.6% of the total Proprietary Fund expenses, excluding the transfer for the bond payment.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management’s Discussion and Analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the readers with a broad overview of the City’s finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the City’s assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, and cultural and recreation. The business-type activities of the City include water, sewer, and solid waste operations.

The government-wide statements financial statements are presented on pages 14 and 15 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fourteen (14) governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Villa Rica Public Facilities Authority Fund, 2015 SPLOST Fund, and the 2016 SPLOST Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-18 of this report.

Proprietary Funds – The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, sanitation, and solid waste operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-55 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The City's net position at the close of 2017 increased 3.9% from \$53,374,336 at December 31, 2016 to \$55,479,745 at December 31, 2017.

The largest portion of the City's net position at December 31, 2017 (\$43,958,887) reflects its investment in capital assets (e.g., land, buildings machinery and equipment, less any outstanding debt used to acquire those assets). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that revenue sources needed to pay this debt must be provided from other sources, since capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City's net position (\$2,263,462) represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position is \$9,257,396.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Following are summaries of the City's Statement of Net Position and Changes in Net Position.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 10,381,221	\$ 10,205,518	\$ 4,481,171	\$ 2,892,659	\$ 14,862,392	\$ 13,098,177
Capital assets	25,581,609	24,631,631	51,883,928	52,885,652	77,465,537	77,517,283
Total Assets	35,962,830	34,837,149	56,365,099	55,778,311	92,327,929	90,615,460
Deferred outflows of resources	3,955,611	4,368,520	81,650	134,614	4,037,261	4,503,134
Total deferred outflows of resources	3,955,611	4,368,520	81,650	134,614	4,037,261	4,503,134
Current liabilities	1,232,351	1,647,888	832,773	602,482	2,065,124	2,250,370
Long-term liabilities	38,225,544	38,911,424	412,255	483,155	38,637,799	39,394,579
Total Liabilities	39,457,895	40,559,312	1,245,028	1,085,637	40,702,923	41,644,949
Deferred inflows of resources	147,429	80,904	35,093	18,405	182,522	99,309
Total deferred inflows of resources	147,429	80,904	35,093	18,405	182,522	99,309
Net Position (Deficit):						
Invested in capital assets, net of related debt	25,581,609	24,631,631	51,730,520	52,711,362	43,958,887	43,618,398
Restricted	2,263,462	1,796,702	-	-	2,263,462	1,796,702
Unrestricted	(27,531,954)	(27,862,880)	3,436,108	2,097,521	9,257,396	7,959,236
Total Net Position (deficit)	\$ 313,117	\$ (1,434,547)	\$ 55,166,628	\$ 54,808,883	\$ 55,479,745	\$ 53,374,336

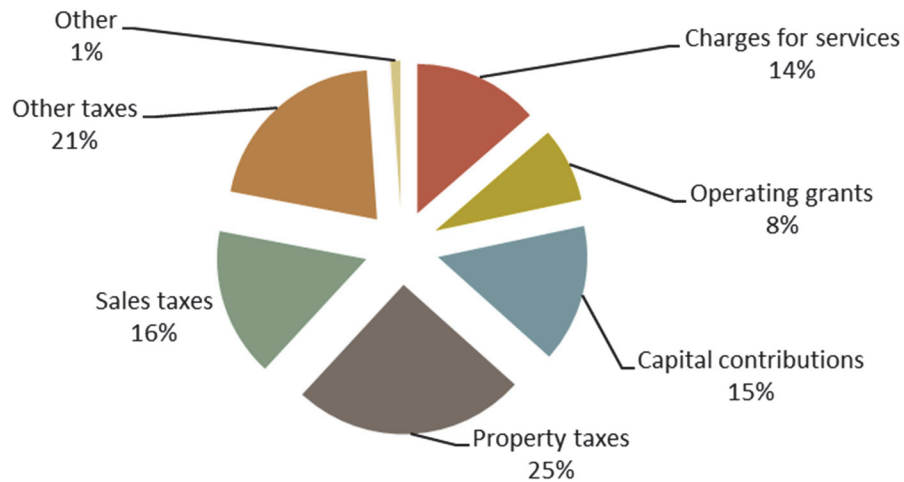
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 2,030,900	\$ 1,171,635	\$ 6,725,623	\$ 6,516,234	\$ 8,756,523	\$ 7,687,869
Operating grants	1,202,322	302,692	-	-	1,202,322	302,692
Capital contributions	2,233,372	1,422,653	144,031	322,793	2,377,403	1,745,446
General revenues:						
Property taxes	3,771,161	3,348,369	-	-	3,771,161	3,348,369
Sales taxes	2,405,569	2,328,688	-	-	2,405,569	2,328,688
Other taxes	3,118,313	3,028,918	-	-	3,118,313	3,028,918
Interest	2,967	9,698	2,772	2,457	5,739	12,155
Other	162,920	211,087	-	-	162,920	211,087
Total revenues	<u>14,927,524</u>	<u>11,823,740</u>	<u>6,872,426</u>	<u>6,841,484</u>	<u>21,799,950</u>	<u>18,665,224</u>
Expenses:						
General government	1,970,169	1,889,057	-	-	1,970,169	1,889,057
Judicial	155,784	126,958	-	-	155,784	126,958
Public safety	4,319,969	4,136,348	-	-	4,319,969	4,136,348
Public works	2,378,939	1,911,665	-	-	2,378,939	1,911,665
Health and welfare	227,141	202,580	-	-	227,141	202,580
Culture and recreation	2,731,102	2,293,240	-	-	2,731,102	2,293,240
Housing / Economic Developm.	921,503	685,524	-	-	921,503	685,524
Interest	1,333,151	1,344,470	-	-	1,333,151	1,344,470
Water and sewer	-	-	4,719,234	5,050,925	4,719,234	5,050,925
Solid waste	-	-	947,077	839,843	947,077	839,843
Total expenses	<u>14,037,758</u>	<u>12,589,842</u>	<u>5,666,311</u>	<u>5,890,768</u>	<u>19,704,069</u>	<u>18,480,610</u>
Increase (decrease) in net position before transfers	889,766	(766,102)	1,206,115	950,716	2,095,881	184,614
Sale of assets	9,528	-	-	(2,730)	9,528	(2,730)
Transfers	<u>848,370</u>	<u>963,514</u>	<u>(848,370)</u>	<u>(963,514)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,747,664	197,412	357,745	(15,528)	2,105,409	181,884
Net Position (deficit), January 1	<u>(1,434,547)</u>	<u>(1,631,959)</u>	<u>54,808,883</u>	<u>54,824,411</u>	<u>53,374,336</u>	<u>53,192,452</u>
Net Position (deficit), December 31	<u>\$ 313,117</u>	<u>\$ (1,434,547)</u>	<u>\$ 55,166,628</u>	<u>\$ 54,808,883</u>	<u>\$ 55,479,745</u>	<u>\$ 53,374,336</u>

Governmental Activities

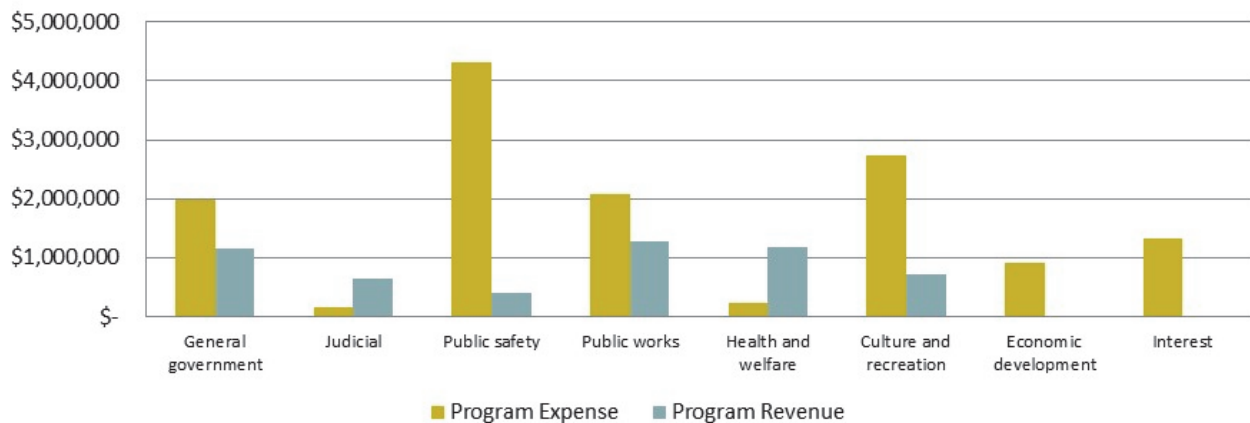
The City's governmental activities are heavily reliant on property taxes, sales taxes and other taxes to support operations. Property taxes provided 25% of revenues, sales taxes provided 16% and other taxes provided 21%. Also, program revenues cover 39% of governmental expenses. This means the government taxpayers and the City's other general revenues fund 61% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

Governmental Activities - Revenues by Source



The table below presents the cost of each of the City's programs and the related program revenues. The difference between the expenses and the program revenues show the financial burden placed on the City's taxpayers by each of these functions.

Expenses and Program Revenues - Governmental Activities



The most significant governmental expense for the City is providing Public Safety services such as the police department. This comprises 31% of the total governmental expense. The second largest City cost is for Culture & Recreation totaling \$2,731,102 or 19% of governmental expenses.

- The cost for all governmental activity for the year was \$14,037,758 compared to \$12,589,842 in the previous year.

- The revenue amount paid for most of these activities came from the general revenues of the City such as property taxes, sales taxes and business taxes (\$9,295,043).
- Some of the costs were paid by those benefiting directly from the programs (\$2,030,900) and subsidies from other governments and organizations through grants and/or contributions (\$3,435,694).

Business-Type Activities

The cost of all Business-Type activities in 2017 was \$5,666,311. The amounts paid by the users of the systems were \$6,725,623 and additionally the business-type activities earned \$146,803 from other revenues.

With the activity from the year, the net position at December 31, 2017 for business-type activities was \$55,166,628.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. The information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental Funds

Governmental funds reported ending fund balance of \$9,095,655. Of this year-end total, \$5,069,864 is unassigned indicating availability for continuing service requirements.

Major Governmental Funds

The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$6,755,756. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 46.7% total general fund expenditures. Total general fund revenues for the period ending December 31st were \$11,553,647 or a 12.2% increase from the prior year. Total general fund expenditures for 2017 were \$10,854,467, which is a 12.0% increase from 2016.

General Fund's Net Change in Fund Balance

	2017	2016	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes	\$ 9,057,364	\$ 8,579,734	\$ 477,630	5.6%
Fines and fees	537,327	359,260	178,067	49.6%
Licenses and permits	630,236	229,187	401,049	175.0%
Charges for services	456,895	581,309	(124,414)	-21.4%
Intergovernmental rev.	644,540	288,570	355,970	123.4%
Interest Income	2,336	9,024	(6,688)	-74.1%
Other revenue	224,949	248,207	(23,258)	-9.4%
Total revenues	<u>11,553,647</u>	<u>10,295,291</u>	<u>1,258,356</u>	<u>12.2%</u>
Expenses:				
General government	1,616,386	1,773,837	(157,451)	-8.9%
Judicial	154,686	125,679	29,007	23.1%
Public safety	4,055,900	3,771,067	284,833	7.6%
Public works	1,656,698	1,351,303	305,395	22.6%
Health and welfare	224,809	200,007	24,802	12.4%
Community development	2,303,076	555,016	1,748,060	315.0%
Culture and recreation	842,912	1,910,875	(1,067,963)	-55.9%
Total expenditures	<u>10,854,467</u>	<u>9,687,784</u>	<u>1,166,683</u>	<u>12.0%</u>
Other financing sources (uses)				
Transfers in	921,657	1,302,591	(380,934)	-29.2%
Transfers out	(1,773,224)	(2,218,415)	445,191	-20.1%
Proceeds from sale of assets	<u>49,000</u>	<u>-</u>	<u>49,000</u>	<u>100</u>
Net change in fund balance	(103,387)	(308,317)	204,930	-66.5%
Fund Balance, beginning of year	<u>6,859,143</u>	<u>7,167,460</u>	<u>(308,317)</u>	<u>-4.3%</u>
Fund Balance, end of year	<u>\$ 6,755,756</u>	<u>\$ 6,859,143</u>	<u>\$ (103,387)</u>	<u>-1.5%</u>

The Villa Rica Public Facilities Fund is used for revenue bonds which were for the construction of the waste water treatment plant on the Northwest side of the City. The expenditures totaled \$1,706,138 in 2017 and were matched with an operating transfer from the water and sewer fund.

The 2015 SPLOST Fund is used for capital projects which were funded by the most recent SPLOST referendum from Carroll County. The revenues were \$1,223,582 in 2017 and the expenditures totaled \$673,091.

The 2016 SPLOST Fund is used for capital projects which were funded by the most recent SPLOST referendum from Douglas County. The revenues were \$753,798 in 2017 and the expenditures totaled \$204,278.

Proprietary Funds

The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues were 3.2% higher than the prior year and operating expenses were 3.8% lower than in 2016.

The water and sewer fund operating revenues are 3.6% higher than those in 2016 and operating expenses were 6.5% lower than the prior year. The solid waste fund operating revenues are 0.6% higher than those in 2016 and operating expenses are 12.8% higher than the prior year.

BUDGETARY HIGHLIGHTS

The General Fund's 2017 final approved revenue budget was \$11,154,786. The City collected \$398,861 more than the approved revenue budget. The General Fund's original approved expenditure budget was \$10,866,158, and the final budget remained unchanged. The City expended 99.9% of the final approved expenditure budget. The General Fund actual expenditures were \$11,691 less than budgeted. See page 19 for more information about the General Fund budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation and related debt, for governmental and business-type activities as December 31, 2017, was \$25,581,609 and \$51,883,928 respectively. The major changes to capital for 2017 were:

Governmental Activities:

- Construction of the new library was completed in early 2017. The total amount expended by the City was \$2,217,683.
- Construction of the Fullerville Trailhead was completed in 2017. The total cost to the City was \$793,869.
- A roof was installed on the gymnasium portion of the Gold Dust building for \$263,260.
- Six police vehicles and equipment, totaling \$193,052, were added to the fleet in 2017.
- A back-up server was purchased for \$37,563.
- An asphalt roller was purchased for the Street department for \$55,880.

Business-Type Activities:

- Pumps were replaced at various lift stations for a total of \$137,599.
- Various equipment was replaced at the West Wastewater Treatment plant for a total of \$55,813.
- Two trucks were purchased for a total of \$62,220.
- One dump truck was purchased and received for the Solid Waste department for a total of \$77,049.

At December 31, 2017, the depreciable capital assets for governmental activities were 36% depreciated. The business-type activities were 27% depreciated.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,489,020	\$ 2,673,398	\$ 2,101,972	\$ 2,101,972	\$ 4,590,992	\$ 4,775,370
Construction in progress	1,253,096	3,159,080	63,595	63,595	1,316,691	3,222,675
Site Improvements	7,777,704	5,110,529	34,598	34,598	7,812,302	5,145,127
Infrastructure	12,243,463	9,414,223	30,998,747	30,626,545	43,242,210	40,040,768
Buildings	10,301,559	3,048,212	33,448,833	33,448,833	43,750,392	36,497,045
Machinery and equipment	5,415,513	1,226,189	3,972,709	3,834,804	9,388,222	5,060,993
Total	\$ 39,480,355	\$ 24,631,631	\$ 70,620,454	\$ 70,110,347	\$ 110,100,809	\$ 94,741,978

For more information on the changes in capital assets, see Note 6.

Debt Administration

At the end of the fiscal year, the City had total bonded debt outstanding of \$36,965,830. The 2015 Series bond is a revenue bond, but is backed by the ad valorem tax revenues of the General Fund.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Bonds Payable	\$ 32,885,000	\$ 33,130,000	\$ -	\$ -	\$ 32,885,000	\$ 33,130,000
Plus: Premiums	4,080,830	4,371,391	-	-	4,080,830	4,371,391
Compensated absences	216,510	183,429	29,027	29,817	245,537	213,246
Net Pension Liability	965,501	1,226,604	229,820	279,048	1,195,321	1,505,652
Notes payable	-	-	153,408	174,290	153,408	174,290
Total Outstanding Debt	\$ 38,147,841	\$ 38,911,424	\$ 412,255	\$ 483,155	\$ 38,560,096	\$ 39,394,579

For more information on the long-term debt, see Note 8 to the financial statements.

ECONOMIC FACTORS

The City's elected and appointed officials considered many factors when adopting the 2017 budget, tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The economic trends for the City of Villa Rica have shown growth in the economy as the City is beginning to have a steady flow of new residents and businesses. There are several companies contacting the City about relocating or expanding their footprint in Villa Rica.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the City of Villa Rica's finances for all those with an interest in the City's finances. If you have any questions about this report or need any additional information, contact the Finance Department, Attn: Chief Financial Officer, at 571 W. Bankhead Highway, Villa Rica, Georgia 30180, or call 770-459-7000. A copy of this document is available on the City's website at www.villarica.org.

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 6,607,647	\$ 1,611,018	\$ 8,218,665	\$ 262,062	\$ 31,839
Investments	-	2,062,050	2,062,050	865,708	-
Receivables (net of allowance for uncollectibles)	1,590,445	703,305	2,293,750	-	-
Taxes receivable	1,878,795	-	1,878,795	-	-
Due from component unit	206,100	-	206,100	-	-
Inventories	15,538	93,693	109,231	-	-
Prepaid items	82,696	11,105	93,801	-	-
Capital assets, nondepreciable	3,742,116	2,165,567	5,907,683	154,172	-
Capital assets, depreciable, net of accumulated depreciation	21,839,493	49,718,361	71,557,854	154,600	-
Total assets	35,962,830	56,365,099	92,327,929	1,436,542	31,839
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	3,612,588	-	3,612,588	-	-
Pension related items	345,934	82,342	428,276	-	-
Total deferred outflows of resources	3,958,522	82,342	4,040,864	-	-
LIABILITIES					
Accounts payable	510,300	308,849	819,149	-	-
Accrued liabilities	722,051	28,515	750,566	-	-
Customer deposits payable	-	495,409	495,409	-	-
Claims payable	77,703	-	77,703	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	173,208	23,307	196,515	-	-
Note payable	-	21,561	21,561	-	-
Bonds payable	250,000	-	250,000	-	-
Noncurrent liabilities due in more than one year					
Due to primary government	-	-	-	157,100	49,000
Compensated absences payable	43,302	5,720	49,022	-	-
Note payable	-	131,847	131,847	-	-
Bonds payable	36,715,830	-	36,715,830	-	-
Net pension liability	965,501	229,820	1,195,321	-	-
Total liabilities	39,457,895	1,245,028	40,702,923	157,100	49,000
DEFERRED INFLOWS OF RESOURCES					
Pension related items	150,340	35,785	186,125	-	-
Total deferred inflows of resources	150,340	35,785	186,125	-	-
NET POSITION					
Net investment in capital assets	25,581,609	51,730,520	43,958,887	308,772	-
Restricted for:					
Debt service	1,002	-	1,002	-	-
Economic development	17,697	-	17,697	970,670	-
Capital projects	1,996,373	-	1,996,373	-	-
Public safety	248,390	-	248,390	-	-
Unrestricted	(27,531,954)	3,436,108	9,257,396	-	(17,161)
Total net position	\$ 313,117	\$ 55,166,628	\$ 55,479,745	\$ 1,279,442	\$ (17,161)

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,970,169	\$ 440,433	\$ 466,815	\$ 248,369
Judicial	155,784	656,508	-	-
Public safety	4,319,969	13,810	118,719	273,796
Public works	2,378,939	5,525	610,308	717,729
Health and welfare	227,141	439,047	6,480	745,109
Culture and recreation	2,731,102	475,577	-	248,369
Housing and economic development	921,503	-	-	-
Interest on long-term debt	1,333,151	-	-	-
Total governmental activities	14,037,758	2,030,900	1,202,322	2,233,372
Business-type activities:				
Water and sewer	4,719,234	5,857,818	-	66,982
Solid waste	947,077	867,805	-	77,049
Total business-type activities	5,666,311	6,725,623	-	144,031
Total primary government	\$ 19,704,069	\$ 8,756,523	\$ 1,202,322	\$ 2,377,403
Component units:				
Villa Rica Industrial Development Authority	\$ 42,960	\$ -	\$ -	\$ -
Villa Rica Downtown Development Authority	96,162	72,206	-	-
Total component units	\$ 139,122	\$ 72,206	\$ -	\$ -
General revenues:				
Property taxes				
Sales and use taxes				
Franchise taxes				
Hotel/motel taxes				
Alcohol taxes				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Villa Rica Industrial Development Authority	Villa Rica Downtown Development Authority
\$ (814,552)	\$ -	\$ (814,552)	\$ -	\$ -
500,724	-	500,724	-	-
(3,913,644)	-	(3,913,644)	-	-
(1,045,377)	-	(1,045,377)	-	-
963,495	-	963,495	-	-
(2,007,156)	-	(2,007,156)	-	-
(921,503)	-	(921,503)	-	-
(1,333,151)	-	(1,333,151)	-	-
(8,571,164)	-	(8,571,164)	-	-
-	1,205,566	1,205,566	-	-
-	(2,223)	(2,223)	-	-
-	1,203,343	1,203,343	-	-
(8,571,164)	1,203,343	(7,367,821)	-	-
-	-	-	(42,960)	-
-	-	-	-	(23,956)
-	-	-	(42,960)	(23,956)
3,771,161	-	3,771,161	-	-
2,405,569	-	2,405,569	-	-
1,151,519	-	1,151,519	-	-
179,033	-	179,033	-	-
299,585	-	299,585	-	-
933,311	-	933,311	-	-
554,865	-	554,865	-	-
2,967	2,772	5,739	-	-
9,528	-	9,528	-	-
162,920	-	162,920	10,811	-
848,370	(848,370)	-	-	-
10,318,828	(845,598)	9,473,230	10,811	-
1,747,664	357,745	2,105,409	(32,149)	(23,956)
(1,434,547)	54,808,883	53,374,336	1,311,591	6,795
\$ 313,117	\$ 55,166,628	\$ 55,479,745	\$ 1,279,442	\$ (17,161)

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

ASSETS	Villa Rica				Nonmajor	Total
	General	Public Facilities Authority Fund	2015 SPLOST Fund	2016 SPLOST Fund	Governmental Funds	
Cash and cash equivalents	\$ 4,738,412	\$ 148	\$ 1,424	\$ 397,292	\$ 1,227,984	\$ 6,365,260
Receivables (net of allowance for uncollectibles)	586,558	-	740,473	192,082	71,332	1,590,445
Taxes receivable, net	1,878,795	-	-	-	-	1,878,795
Due from component unit	206,100	-	-	-	-	206,100
Due from other funds	43,975	-	-	-	26,502	70,477
Inventories	15,538	-	-	-	-	15,538
Prepaid items	82,696	-	-	-	-	82,696
Total assets	<u>\$ 7,552,074</u>	<u>\$ 148</u>	<u>\$ 741,897</u>	<u>\$ 589,374</u>	<u>\$ 1,325,818</u>	<u>\$ 10,209,311</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 276,901	\$ -	\$ 75,500	\$ 39,754	\$ 118,145	\$ 510,300
Accrued liabilities	235,822	-	-	-	-	235,822
Due to other funds	-	-	26,502	100	8,395	34,997
Total liabilities	<u>512,723</u>	<u>-</u>	<u>102,002</u>	<u>39,854</u>	<u>126,540</u>	<u>781,119</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	112,213	-	-	-	-	112,213
Unavailable revenue - franchise taxes	111,382	-	-	-	-	111,382
Unavailable revenue - grants	60,000	-	-	-	48,942	108,942
Total deferred inflows of resources	<u>283,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,942</u>	<u>332,537</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	82,696	-	-	-	-	82,696
Inventories	15,538	-	-	-	-	15,538
Restricted:						
Public safety	-	-	-	-	248,390	248,390
Capital projects	-	-	639,895	549,520	806,958	1,996,373
Economic development	-	148	-	-	17,549	17,697
Debt service	-	-	-	-	1,002	1,002
Committed for promissory note - DDA	500,000	-	-	-	27,689	527,689
Assigned:						
Rise N Shine	1,640	-	-	-	-	1,640
Capital projects	-	-	-	-	48,748	48,748
Use of fund balance 2018 budget	981,703	-	-	-	-	981,703
General government	12,588	-	-	-	-	12,588
Public safety	13,740	-	-	-	-	13,740
Public works	52,359	-	-	-	-	52,359
Culture and recreation	25,628	-	-	-	-	25,628
Unassigned	5,069,864	-	-	-	-	5,069,864
Total fund balances	<u>6,755,756</u>	<u>148</u>	<u>639,895</u>	<u>549,520</u>	<u>1,150,336</u>	<u>9,095,655</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,552,074</u>	<u>\$ 148</u>	<u>\$ 741,897</u>	<u>\$ 589,374</u>	<u>\$ 1,325,818</u>	

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

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

25,581,609

Revenues in the statement of activities that do not provide current financial resources
are reported as unavailable revenues in the funds.

332,537

Internal service funds are used by management to charge the costs of
providing self-funded insurance to individual funds. The
assets and liabilities of the internal service fund are included in
governmental activities in the Statement of Net Position

129,204

Long-term liabilities are not due and payable in the current period and, therefore, are
not reported in the funds.

(34,055,981)

The deferred outflows of resources, deferred inflows of resources, and
the net pension liability related to the City's pension plan are not
expected to be liquidated with expendable available financial
resources and, therefore, are not reported in the funds.

(769,907)

Net position of governmental activities

\$ 313,117

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Villa Rica Public Facilities Authority Fund	2015 SPLOST Fund	2016 SPLOST Fund	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	\$ 9,057,364	\$ -	\$ -	\$ -	\$ 179,033	\$ 9,236,397
Licenses and permits	537,327	-	-	-	-	537,327
Intergovernmental	630,236	-	1,233,184	753,766	638,979	3,256,165
Fines and forfeitures	456,895	-	-	-	9,199	466,094
Charges for services	644,540	-	-	-	5,525	650,065
Investment earnings	2,336	6	398	32	551	3,323
Contributions	62,029	-	-	-	-	62,029
Miscellaneous	162,920	-	-	-	9,202	172,122
Total revenues	<u>11,553,647</u>	<u>6</u>	<u>1,233,582</u>	<u>753,798</u>	<u>842,489</u>	<u>14,383,522</u>
Expenditures:						
Current:						
General government	1,616,386	-	-	80	-	1,616,466
Judicial	154,686	-	-	-	-	154,686
Public safety	4,055,900	-	-	-	-	4,055,900
Public works	1,656,698	-	-	-	238,676	1,895,374
Health and welfare	224,809	-	-	-	-	224,809
Culture and recreation	2,303,076	-	-	-	-	2,303,076
Economic development	842,912	-	-	-	75,103	918,015
Capital outlay	-	-	673,091	204,198	1,313,028	2,190,317
Debt service:						
Principal	-	245,000	-	-	-	245,000
Interest and fiscal charges	-	1,461,138	-	-	-	1,461,138
Total expenditures	<u>10,854,467</u>	<u>1,706,138</u>	<u>673,091</u>	<u>204,278</u>	<u>1,626,807</u>	<u>15,064,781</u>
Excess (deficiency) of revenues over expenditures	699,180	(1,706,132)	560,491	549,520	(784,318)	(681,259)
Other financing sources (uses):						
Proceeds from sale of capital assets	49,000	-	-	-	-	49,000
Transfers in	921,657	1,706,278	-	-	791,801	3,419,736
Transfers out	(1,773,224)	-	(644,000)	-	(154,142)	(2,571,366)
Total other financing sources (uses)	<u>(802,567)</u>	<u>1,706,278</u>	<u>(644,000)</u>	<u>-</u>	<u>637,659</u>	<u>897,370</u>
Net change in fund balances	(103,387)	146	(83,509)	549,520	(146,659)	216,111
Fund balances, beginning of year	<u>6,859,143</u>	<u>2</u>	<u>723,404</u>	<u>-</u>	<u>1,296,995</u>	<u>8,879,544</u>
Fund balances, end of year	<u>\$ 6,755,756</u>	<u>\$ 148</u>	<u>\$ 639,895</u>	<u>\$ 549,520</u>	<u>\$ 1,150,336</u>	<u>\$ 9,095,655</u>

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

CITY OF VILLA RICA, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

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

Net change in fund balances - total governmental funds	\$	216,111
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. This is the amount by which capital outlays exceeded depreciation in the current period.		989,450
The effect of various miscellaneous transactions involving capital assets (i.e. sale and donations of capital assets) is to decrease net position.		(39,472)
Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		129,204
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		166,588
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		245,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>40,783</u>
Change in net position - governmental activities	\$	<u>1,747,664</u>

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

**CITY OF VILLA RICA, GEORGIA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 8,827,000	\$ 8,827,000	\$ 9,057,364	\$ 230,364
Licenses and permits	371,700	371,700	537,327	165,627
Intergovernmental	971,336	971,336	630,236	(341,100)
Fines and forfeitures	260,000	260,000	456,895	196,895
Charges for services	622,250	622,250	644,540	22,290
Investment earnings	13,000	13,000	2,336	(10,664)
Contributions	8,000	8,000	62,029	54,029
Miscellaneous	81,500	81,500	162,920	81,420
Total revenues	<u>11,154,786</u>	<u>11,154,786</u>	<u>11,553,647</u>	<u>398,861</u>
Expenditures:				
Current:				
General government:				
General administration	211,067	211,067	206,903	4,164
City manager	282,759	282,759	262,451	20,308
City administration	87,583	87,583	86,630	953
Finance	401,240	401,240	409,785	(8,545)
Legal	125,000	125,000	109,640	15,360
IT	110,000	110,000	118,400	(8,400)
Human resources	165,535	165,535	154,271	11,264
Customer service	269,607	269,607	268,306	1,301
Total general government	<u>1,652,791</u>	<u>1,652,791</u>	<u>1,616,386</u>	<u>36,405</u>
Judicial	171,768	171,768	154,686	17,082
Public safety:				
Police department	3,953,429	3,953,429	4,046,730	(93,301)
Custody of prisoners	15,000	15,000	9,170	5,830
Total public safety	<u>3,968,429</u>	<u>3,968,429</u>	<u>4,055,900</u>	<u>(87,471)</u>
Public works:				
Public works department	1,051,639	1,051,639	1,091,221	(39,582)
Watershed management department	187,014	187,014	166,771	20,243
Garage	222,059	222,059	219,015	3,044
Administrative community services	186,666	186,666	179,691	6,975
Total public works	<u>1,647,378</u>	<u>1,647,378</u>	<u>1,656,698</u>	<u>(9,320)</u>
Health and welfare	219,880	219,880	224,809	(4,929)
Culture and recreation:				
Recreation	1,528,735	1,528,735	1,526,945	1,790
Mountain gold museum	358,831	358,831	365,141	(6,310)
Library	481,981	481,981	410,990	70,991
Total health and welfare	<u>2,369,547</u>	<u>2,369,547</u>	<u>2,303,076</u>	<u>66,471</u>
Housing and economic development:				
Protective inspection	140,000	140,000	220,915	(80,915)
Planning and zoning	346,293	346,293	277,892	68,401
Code enforcement	101,319	101,319	92,750	8,569
Economic development	53,000	53,000	51,772	1,228
Main street	195,753	195,753	199,583	(3,830)
Total housing and economic development	<u>836,365</u>	<u>836,365</u>	<u>842,912</u>	<u>(6,547)</u>
Total expenditures	<u>10,866,158</u>	<u>10,866,158</u>	<u>10,854,467</u>	<u>11,691</u>
Excess of revenues over expenditures	288,628	288,628	699,180	410,552
Other financing sources (uses):				
Proceeds from sale of capital assets	15,000	15,000	49,000	34,000
Transfers in	845,515	845,515	921,657	76,142
Transfers out	(1,149,143)	(1,149,143)	(1,773,224)	(624,081)
Total other financing sources (uses)	<u>(288,628)</u>	<u>(288,628)</u>	<u>(802,567)</u>	<u>(513,939)</u>
Net change in fund balances	-	-	(103,387)	(103,387)
Fund balance, beginning	<u>6,859,143</u>	<u>6,859,143</u>	<u>6,859,143</u>	<u>-</u>
Fund balance, ending	<u>\$ 6,859,143</u>	<u>\$ 6,859,143</u>	<u>\$ 6,755,756</u>	<u>\$ (103,387)</u>

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

CITY OF VILLA RICA, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	Business-type Activities			Governmental Activities
	Water and Sewer	Solid Waste	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,607,930	\$ 3,088	\$ 1,611,018	\$ 242,387
Investments	2,062,050	-	2,062,050	-
Receivables (net of allowance for uncollectibles)	603,235	100,070	703,305	-
Inventory	93,693	-	93,693	-
Prepaid items	9,023	2,082	11,105	-
Total current assets	4,375,931	105,240	4,481,171	242,387
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	2,165,567	-	2,165,567	-
Capital assets, being depreciated	68,190,447	264,440	68,454,887	-
Less accumulated depreciation	(18,602,538)	(133,988)	(18,736,526)	-
Total noncurrent assets	51,753,476	130,452	51,883,928	-
Total assets	56,129,407	235,692	56,365,099	242,387
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	71,952	10,390	82,342	-
Total deferred outflows of resources	71,952	10,390	82,342	-
LIABILITIES				
Current liabilities:				
Accounts payable	238,214	70,635	308,849	-
Accrued expenses	25,427	3,088	28,515	-
Customer deposits payable	495,409	-	495,409	-
Claims payable	-	-	-	77,703
Compensated absences, current	22,879	428	23,307	-
Due to other funds	-	-	-	35,480
Notes payable, due within one year	21,561	-	21,561	-
Total current liabilities	803,490	74,151	877,641	113,183
Long-term liabilities:				
Compensated absences, long term	5,720	-	5,720	-
Notes payable, long term	131,847	-	131,847	-
Net pension liability	200,819	29,001	229,820	-
Total long-term liabilities	338,386	29,001	367,387	-
Total liabilities	1,141,876	103,152	1,245,028	113,183
DEFERRED INFLOWS OF RESOURCES				
Pension related items	31,270	4,515	35,785	-
Total deferred inflows of resources	31,270	4,515	35,785	-
NET POSITION				
Net investment in capital assets	51,600,068	130,452	51,730,520	-
Unrestricted	3,428,145	7,963	3,436,108	129,204
Total net position	\$ 55,028,213	\$ 138,415	\$ 55,166,628	\$ 129,204

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities			Governmental Activities
	Water and Sewer	Solid Waste	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 5,692,435	\$ 867,805	\$ 6,560,240	\$ 377,414
Other fees	160,034	-	160,034	-
Miscellaneous	5,349	-	5,349	-
Total operating revenues	5,857,818	867,805	6,725,623	377,414
OPERATING EXPENSES				
Personnel services and benefits	1,365,527	164,662	1,530,189	-
Purchased contract services	446,584	754,962	1,201,546	74,918
Supplies and maintenance	1,393,495	18,221	1,411,716	-
Depreciation	1,502,599	9,232	1,511,831	-
Claims	-	-	-	123,807
Other services and charges	-	-	-	49,485
Total operating expenses	4,708,205	947,077	5,655,282	248,210
Operating income (loss)	1,149,613	(79,272)	1,070,341	129,204
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	2,772	-	2,772	-
Interest expense	(11,029)	-	(11,029)	-
Total nonoperating revenues (expenses)	(8,257)	-	(8,257)	-
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,141,356	(79,272)	1,062,084	129,204
Capital contributions	66,982	77,049	144,031	-
Transfers in	644,000	384,275	1,028,275	-
Transfers out	(1,765,767)	(110,878)	(1,876,645)	-
Change in net position	86,571	271,174	357,745	129,204
NET POSITION, beginning of year	54,941,642	(132,759)	54,808,883	-
NET POSITION, end of year	\$ 55,028,213	\$ 138,415	\$ 55,166,628	\$ 129,204

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

CITY OF VILLA RICA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities			Governmental Activities
	Water and Sewer	Solid Waste	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,916,294	\$ 882,813	\$ 6,799,107	\$ 377,414
Payments to suppliers and service providers	(1,987,325)	(1,027,322)	(3,014,647)	(135,027)
Payments to employees	(1,349,129)	(161,426)	(1,510,555)	-
Net cash provided by operating activities	2,579,840	(305,935)	2,273,905	242,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(374,226)	-	(374,226)	-
Payments on long-term liabilities	(20,882)	-	(20,882)	-
Interest and fiscal charges paid	(11,029)	-	(11,029)	-
Net cash used in capital and related financing activities	(406,137)	-	(406,137)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	644,000	384,275	1,028,275	-
Transfers out	(1,765,767)	(110,878)	(1,876,645)	-
Net cash used in noncapital financing activities	(1,121,767)	273,397	(848,370)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(2,932)	-	(2,932)	-
Interest earnings	2,772	-	2,772	-
Net cash provided by investing activities	(160)	-	(160)	-
Increase in cash	1,051,776	(32,538)	1,019,238	242,387
Cash:				
Beginning of year	556,154	35,626	591,780	-
End of year	<u>\$ 1,607,930</u>	<u>\$ 3,088</u>	<u>\$ 1,611,018</u>	<u>\$ 242,387</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,149,613	\$ (79,272)	\$ 1,070,341	\$ 129,204
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,502,599	9,232	1,511,831	-
Decrease in accounts receivable	65,168	15,008	80,176	-
Decrease in inventories	10,701	-	10,701	-
Decrease in prepaid expenses	24,206	4,430	28,636	-
Decrease in pension related deferred outflows of resources	46,708	5,564	52,272	-
Increase in accounts payable	223,032	20,750	243,782	-
Increase in accrued expenses	1,342	9	1,351	-
Increase (decrease) in due to other funds	(406,527)	-	(406,527)	35,480
Increase in customer deposits payable	8,880	-	8,880	-
Increase in claims payable	-	-	-	77,703
Increase in pension related deferred inflows of resources	15,046	2,334	17,380	-
Decrease in compensated absences	(200)	(590)	(790)	-
Decrease in advances from other funds	-	(279,328)	(279,328)	-
Decrease in net pension liability	(45,156)	(4,072)	(49,228)	-
Net cash provided by operating activities	<u>\$ 2,579,840</u>	<u>\$ (305,935)</u>	<u>\$ 2,273,905</u>	<u>\$ 242,387</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Donated capital assets	<u>\$ 66,982</u>	<u>\$ 77,049</u>	<u>\$ 144,031</u>	<u>\$ -</u>

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

CITY OF VILLA RICA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Villa Rica, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Villa Rica operates under a council - manager form of government and provides the following services to its citizens: public safety, judicial, public works, planning and zoning, culture and recreation, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The Villa Rica Industrial Development Authority (the Industrial Development Authority) is a public body, corporate and politic and was created upon the adoption and approval of the Development Authority Law of the State of Georgia. The Mayor and City Council appoint all members of the Villa Rica Industrial Development Authority. Management has determined that due to the nature and significance of the relationship with the City and the Industrial Development Authority, to report the Industrial Development Authority as a component unit. The Industrial Development Authority has purchased land and build industrial buildings that were leased to such companies as Lowe's, Flowers Bakery, and Print Pack. The Industrial Development Authority does not issue separate financial statements.

The Villa Rica Downtown Development Authority (the Downtown Development Authority) is a seven member public body, corporate and politic and was created in 1991 upon adoption and approval of the Development Authorities of the State of Georgia. The City Council appoints all members of the Downtown Development Authority and has the ability to significantly impose the Council's will on the programs and services of the Downtown Development Authority. The Downtown Development Authority developed plans and coordinated the use of SPLOST funds for a downtown train station park parking garage. The Downtown Development Authority does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units

The Villa Rica Public Facilities Authority (the Public Facilities Authority) is a public body, corporate and politic and was created upon the adoption and approval of the Development Authority Law of the State of Georgia. The Mayor and City Council serve as members of the Public Facilities Authority Board and appoint three additional members. The Public Facilities Authority provides services entirely to the City of Villa Rica and the debt of the Public Facilities Authority is secured by the City's ad valorem levy. The Public Facilities Authority is therefore reported as a blended component unit of the City. There are no separately issued financial statements for the Public Facilities Authority.

Related Organizations

The City of Villa Rica officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability of the organizations do not extend beyond making appointments. The Mayor and Council appoint the board members for the Villa Rica Housing Authority, the Planning and Zoning Commission, the Library Board, and the Recreation Advisory Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Villa Rica Public Facilities Authority Fund** accounts for the financing and construction of capital projects determined by the Authority to promote the public good or general welfare of the citizens of Villa Rica including the acquisition, construction, renovation, improvement, extension, addition, or equipping of utility systems, emergency facilities, recreational facilities, public safety facilities, healthcare facilities, educational, cultural, or historical facilities, and administrative facilities.

The **2015 SPLOST Fund** accounts for the Carroll County sales tax proceeds received by the City and the related project expenditures associated with the approved referendum.

The **2016 SPLOST Fund** accounts for the Douglas County sales tax proceeds received by the City and the related project expenditures associated with the approved referendum.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities of the City's water system and the billing on behalf of Fulton County's sewer system as it applies to City residents, which renders those services to the residents and businesses located within the City.

The **Solid Waste Fund** accounts for the operations of the City's solid waste and sanitation program.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The **Capital Project Funds** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The **Debt Service Fund** is used to account for the accumulation of resources used to repay outstanding bonds issued by the City.

The **Internal Service Fund** is used to finance and account for the City's partial self-funded Health Insurance Plan provided to other departments and agencies of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budget

Annual appropriated budgets are adopted for all funds. The City did not adopt and operate under a balanced budget for the Federal Seizures, Narcotics Enforcement, Community Greenspace, Drug Task Force, SPLOST, 2016 SPLOST, and Debt Service Funds. The governmental fund budgets are adopted on the GAAP basis. All appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the City Council. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is employed by the City. There were \$589,161 outstanding encumbrances at December 31, 2017. The City reports open encumbrances in the following funds as of December 31, 2017: General Fund \$104,315, 2015 SPLOST Fund \$240,374, 2016 SPLOST Fund \$20,886, Water and Sewer Fund \$37,717 and the Solid Waste Fund of \$602.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's only investments are certificates of deposit which are considered nonparticipating interest earning investment contracts. These items are recorded at cost.

Increases or decrease in fair value during the year are recognized as a component of interest income.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Machinery and equipment	5 - 30
Vehicles	8
Infrastructure	10 - 65

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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/expenditure) until then. The City has one item that qualifies for reporting in this category. That item is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of financial 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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, franchise taxes, and intergovernmental revenues as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. These contributions will offset the pension liability in the next period.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e. resolution) of the City Council. Further the limitation that has been placed on the resources can only be removed by Mayor and Council with reversal of the action which committed the resources in the fund balance.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council, through resolution, has delegated to the City Manager the authority to assign funds for a particular purpose.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used or restricted fund balance as described in the section above. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Villa Rica Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$34,055,981 difference are as follows:

Bonds payable	\$ (32,885,000)
Unamortized premiums	(4,080,830)
Unamortized deferred charges	3,612,588
Accrued interest	(486,229)
Compensated absences	<u>(216,510)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (34,055,981)</u></u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds.” The details of this \$769,907 difference are as follows:

Net pension liability	\$ (965,501)
Deferred outflows of resources:	
Pension plan contributions subsequent to the measurement date	167,868
Pension plan experience differences	27,875
Pension plan assumption changes	2,762
Deferred inflows of resources:	
Net difference between projected and actual investment earnings	<u>(2,911)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (769,907)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$989,450 difference are as follows:

Capital outlay	\$ 2,075,824
Depreciation expense	<u>(1,086,374)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ 989,450</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$40,793 difference are as follows:

Compensated absences	\$ 33,081
Amortization	(126,353)
Accrued interest	(1,644)
Pension expense	<u>54,123</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (40,793)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

1. Prior to January 1, the City Manager submits the proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the City.
3. The budget is then legally enacted through passage of a resolution by the City Council at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the City Council in a regular meeting.

Budgeted amounts are as originally adopted, or as amended by the City Council. The supplementary budgetary appropriations made are reflected in the final budget amounts.

Deficit Fund Equity

The Downtown Development Authority had a deficit fund balance of \$17,161 at December 31, 2017. This deficit will be eliminated in future years as resources (rental and advertising income) will begin to generate once the redevelopment of the Welcome Center is completed. The Development Authority will lease office space to local businesses.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Expenditures in Excess of Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. For the fiscal year ended December 31, 2017, the following departments and funds, had excesses of actual expenditures over appropriations:

General Fund - Finance	\$ 8,545
General Fund - IT	8,400
General Fund - Police department	93,301
General Fund - Public works department	39,582
General Fund - Health and welfare	4,929
General Fund - Mountain gold museum	6,310
General Fund - Protective inspection	80,915
General Fund - Main street	3,830
General Fund - Transfers out	624,082
	<u>\$ 869,894</u>
2016 SPLOST Fund - General government	<u>\$ 80</u>
Hotel and Motel Fund - Economic development	\$ 23,103
Hotel and Motel Fund - Transfers out	8,481
	<u>\$ 31,584</u>
Cemetery Fund - Public works	<u>\$ 326</u>
Capital Projects for Public Roads Fund - Capital outlay	<u>\$ 19,451</u>
Capital Projects Fund - Capital outlay	<u>\$ 690,863</u>

These overages were funded with savings in other departments and revenues in excess of budgeted levels.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of December 31, 2017, the City's Development Authority had \$13,266 of deposits with a financial institution which were not properly insured and/or collateralized as required by GASB and state statutes. As of December 31, 2017, the City's deposits with a financial institution were properly insured and/or collateralized as required by GASB and state statutes.

Investments: As of December 31, 2017, the City had \$2,062,050 of investments, all of which were held in certificates of deposit at a local financial institution as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	One (1) year	5/7/2018	\$ 2,062,050
Total Investments			<u>\$ 2,062,050</u>

As of December 31, 2017, the Villa Rica Industrial Development Authority had \$1,127,771 of investments, all of which were held in certificates of deposit at a local financial institution as follows:

Description	Term	Maturity Date	Balance
Certificate of deposit	One (1) year	2/4/2018	\$ 256,049
Certificate of deposit	Two (2) year	12/7/2019	259,178
Certificate of deposit	Three (3) year	3/7/2018	153,799
Certificate of deposit	Five (5) year	12/2/2020	196,682
Total Investments			<u>\$ 865,708</u>

These certificates of deposit are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2017, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>2015 SPLOST Fund</u>	<u>2016 SPLOST Fund</u>	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:						
Taxes	\$ 1,915,398	\$ -	\$ -	\$ -	\$ -	\$ -
Other governments	-	740,473	192,082	-	-	71,565
Accounts	1,298,131	-	-	677,548	114,225	-
Gross receivables	3,213,529	740,473	192,082	677,548	114,225	71,565
Less allowance for uncollectibles	(748,176)	-	-	(74,313)	(14,155)	(233)
Net receivables	<u>\$ 2,465,353</u>	<u>\$ 740,473</u>	<u>\$ 192,082</u>	<u>\$ 603,235</u>	<u>\$ 100,070</u>	<u>\$ 71,332</u>

Property taxes for the 2017 fiscal year were levied in September 2017, with property values assessed as of January 1, 2017. Bills are payable on or before November 15, 2017, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,673,398	\$ -	\$ (39,472)	\$ (144,906)	\$ 2,489,020
Construction in progress	3,159,080	456,519	-	(2,362,503)	1,253,096
Total capital assets, not being depreciated	5,832,478	456,519	(39,472)	(2,507,409)	3,742,116
Capital assets, being depreciated:					
Site improvements	7,207,902	406,203	-	163,599	7,777,704
Buildings and improvements	7,560,296	397,453	-	2,343,810	10,301,559
Machinery and equipment	5,010,710	404,803	-	-	5,415,513
Infrastructure	11,832,617	410,846	-	-	12,243,463
Total capital assets, being depreciated	31,611,525	1,619,305	-	2,507,409	35,738,239
Less accumulated depreciation for:					
Site improvements	(2,097,373)	(200,661)	-	-	(2,298,034)
Buildings and improvements	(4,512,084)	(294,113)	-	-	(4,806,197)
Machinery and equipment	(3,784,521)	(344,318)	-	-	(4,128,839)
Infrastructure	(2,418,394)	(247,282)	-	-	(2,665,676)
Total accumulated depreciation	(12,812,372)	(1,086,374)	-	-	(13,898,746)
Total capital assets, being depreciated, net	18,799,153	532,931	-	2,507,409	21,839,493
Governmental activities capital assets, net	\$ 24,631,631	\$ 989,450	\$ (39,472)	\$ -	\$ 25,581,609

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,101,972	\$ -	\$ -	\$ -	\$ 2,101,972
Construction in progress	63,595	-	-	-	63,595
Total capital assets, not being depreciated	<u>2,165,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,165,567</u>
Capital assets, being depreciated:					
Site improvements	34,598	-	-	-	34,598
Infrastructure	30,626,545	372,202	-	-	30,998,747
Buildings	33,448,833	-	-	-	33,448,833
Equipment	3,834,804	137,905	-	-	3,972,709
Total capital assets, being depreciated	<u>67,944,780</u>	<u>510,107</u>	<u>-</u>	<u>-</u>	<u>68,454,887</u>
Less accumulated depreciation for:					
Site improvements	(16,551)	(1,670)	-	-	(18,221)
Infrastructure	(11,302,246)	(634,013)	-	-	(11,936,259)
Buildings	(3,184,118)	(685,780)	-	-	(3,869,898)
Equipment	(2,721,780)	(190,368)	-	-	(2,912,148)
Total accumulated depreciation	<u>(17,224,695)</u>	<u>(1,511,831)</u>	<u>-</u>	<u>-</u>	<u>(18,736,526)</u>
Total capital assets, being depreciated, net	<u>50,720,085</u>	<u>(1,001,724)</u>	<u>-</u>	<u>-</u>	<u>49,718,361</u>
Business-type activities capital assets, net	<u>\$ 52,885,652</u>	<u>\$ (1,001,724)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,883,928</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 97,118
Public safety	219,510
Public works	358,610
Culture and recreation	411,136
Total depreciation expense - governmental activities	<u>\$ 1,086,374</u>

Business-type activities:

Water and Sewer Fund	\$ 1,502,599
Solid Waste Fund	9,232
Total depreciation expense - business-type activities	<u>\$ 1,511,831</u>

B. Discretely Presented Component Unit – Villa Rica Industrial Development Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 154,172	\$ -	\$ -	\$ 154,172
Total	<u>154,172</u>	<u>-</u>	<u>-</u>	<u>154,172</u>
Capital assets, being depreciated:				
Infrastructure	-	157,100	-	157,100
Total capital assets, being depreciated	<u>-</u>	<u>157,100</u>	<u>-</u>	<u>157,100</u>
Less accumulated depreciation for:				
Infrastructure	-	(2,500)	-	(2,500)
Total accumulated depreciation	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>(2,500)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>154,600</u>	<u>-</u>	<u>154,600</u>
Governmental activities capital assets, net	<u>\$ 154,172</u>	<u>\$ 154,600</u>	<u>\$ -</u>	<u>\$ 308,772</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	2015 SPLOST Fund	\$ 26,502
General Fund	2016 SPLOST Fund	100
General Fund	Nonmajor Governmental Funds	8,395
General Fund	Internal Service Fund	35,480
		<u>\$ 70,477</u>

This balance resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) the 2016 SPLOST Fund's reimbursement to the General Fund and Nonmajor Governmental Funds is for purchases made during the year.

Interfund transfers for the year ended December 31, 2017 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 656,637
General Fund	Solid Waste Fund	110,878
General Fund	Nonmajor Governmental Funds	154,142
		<u>\$ 921,657</u>
Water and Sewer Fund	2015 SPLOST Fund	\$ 644,000
		<u>\$ 644,000</u>
Villa Rica Public Fac. Auth.	General Fund	\$ 597,148
Villa Rica Public Fac. Auth.	Water and Sewer Fund	1,109,130
		<u>\$ 1,706,278</u>
Solid Waste Fund	General Fund	<u>\$ 384,275</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 791,801</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them. The transfers from 2015 SPLOST were moved to the Water and Sewer Fund to pay for the debt service payments as permitted under the referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 33,130,000	\$ -	\$ (245,000)	\$ 32,885,000	\$ 250,000
Plus: Premiums	4,371,391	-	(290,561)	4,080,830	-
Total bonds payable	37,501,391	-	(535,561)	36,965,830	250,000
Compensated absences	183,429	165,759	(132,678)	216,510	173,208
Net pension liability	1,226,604	564,778	(825,881)	965,501	-
Governmental activities long-term liabilities	<u>\$ 38,911,424</u>	<u>\$ 730,537</u>	<u>\$ (1,494,120)</u>	<u>\$ 38,147,841</u>	<u>\$ 423,208</u>
Business-type Activities:					
Note payable	\$ 174,290	\$ -	\$ (20,882)	\$ 153,408	\$ 21,561
Compensated absences	29,817	28,590	(29,380)	29,027	23,307
Net pension liability	279,048	147,358	(196,586)	229,820	-
Business-type activities long-term liabilities	<u>\$ 483,155</u>	<u>\$ 175,948</u>	<u>\$ (246,848)</u>	<u>\$ 412,255</u>	<u>\$ 44,868</u>

For governmental and business-type activities, compensated absences are liquidated in the funds from which the employees' salaries are paid, which include the General Fund, Nonmajor Governmental Funds, Water & Sewer Fund, and Solid Waste Fund, as applicable. The net pension liability is primarily liquidated by the General Fund for governmental activities. For business-type activities, the net pension liability will be liquidated by all enterprise funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Revenue Bonds, Series 2008. During the year 2008, the Public Facilities Authority (PFA) issued \$10,000,000 of revenue bonds for the purpose of construction of a new 2.15 million gallon wastewater treatment plant including (a) a portion of the financing costs for the acquisition of land, construction and equipping the wastewater treatment plant on the west side of the City, (b) paying capitalized interest on the bonds, and (c) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 4.4% – 4.9% per annum and mature March 1, 2028. During 2015 these bonds were defeased through the issuance of the 2015 Series Revenue Bonds. As part of the refunding, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2017, the outstanding amount of Series 2008 general obligation bonds considered legally defeased is \$10,000,000.

Revenue Bonds, Series 2009. During the year 2009, the Public Facilities Authority issued \$24,905,000 of revenue bonds for the purpose of construction of a new 2.15 million gallon wastewater treatment plant including (a) a portion of the financing costs for the acquisition of land, construction and equipping the wastewater treatment plant on the west side of the City, (b) paying capitalized interest on the bonds, and (c) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 4.625% - 4.875% per annum and mature March 1, 2039. During 2015 these bonds were defeased through the issuance of the 2015 Series Revenue Bonds. As part of the refunding, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2017, the outstanding amount of Series 2009 general obligation bonds considered legally defeased is \$24,905,000.

The total cash flow savings of the refunding of the series 2008 and 2009 is \$6,370,734 with a present value, or economic gain, of \$4,525,794.

Revenue Bonds, Series 2015. During the year 2015, the PFA issued \$33,860,000 City of Villa Rica Public Facilities Authority (Georgia) Revenue Bonds (City of Villa Rica Water and Sewerage Project), Series 2015 revenue bonds for the purpose of (a) refunding all of Series 2008 and Series 2009 bonds of the Authority, and (b) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 2.0% – 5.0% per annum and mature March 1, 2039. The bonds are payable solely from the City through a lease agreement with the Authority, whereby the City agrees to make rental payments in an amount sufficient to enable the Authority to make the semi-annual principal and interest payments. The City has unconditionally agreed to levy ad valorem property tax, without limitation as to rate or amount, as necessary to meet its obligation under this agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

The City's debt service requirements to maturity on the revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 250,000	\$ 1,454,938	\$ 1,704,938
2019	260,000	1,447,288	1,707,288
2020	735,000	1,432,363	2,167,363
2021	855,000	1,408,513	2,263,513
2022	880,000	1,382,488	2,262,488
2023-2027	5,115,000	6,233,563	11,348,563
2028-2032	8,495,000	4,610,263	13,105,263
2033-2037	11,145,000	2,337,200	13,482,200
2038-2039	5,150,000	214,531	5,364,531
Total	<u>\$ 32,885,000</u>	<u>\$ 20,521,147</u>	<u>\$ 53,406,147</u>

Notes Payable. In September 2014, the City entered into an agreement with the Georgia Environmental Finance Authority to finance the improvements to the water and sewer system. Interest on the unpaid principal balance will accrue at a rate of 4% per annum. Principal and interest are paid quarterly in installments of \$1,195, maturing in 2018.

In November 2014, the City entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of the installment of various water lines in an amount of \$425,000. Interest on the unpaid principal balance will accrue at a rate of 3% per annum. Principal and interest are paid monthly in installments of \$1,761, maturing in 2025.

The City's debt service requirements to maturity on the notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 21,561	\$ 4,350	\$ 25,911
2019	17,415	3,717	21,132
2020	17,944	3,188	21,132
2021	18,490	2,642	21,132
2022	19,053	2,079	21,132
2023-2025	58,945	2,677	61,622
Total	<u>\$ 153,408</u>	<u>\$ 18,653</u>	<u>\$ 172,061</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Villa Rica Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$14 for each year of service after reaching normal retirement age.

Plan Membership. At July 1, 2017, the date of the most recent actuarial valuation, there were 232 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	61
Terminated vested participants not yet receiving benefits	52
Active employees - vested	113
Active employees - nonvested	6
Total	<u>232</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution described below. For 2017, the actuarially determined contribution rate was 6.18% of covered payroll. The City makes all contributions to the plan. For 2017, the City's contribution to the Plan was \$277,101.

Net Pension Liability of the City

Effective January 1, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of March 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2017.

Actuarial assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75-8.75%, including inflation
Investment rate of return	7.75%, net of pension expense, including inflation

Mortality rates for the July 1, 2016 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2017 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71
Fixed income	25%	2.36
Real estate	10%	5.21
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended December 31, 2017 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/16	\$ 6,465,450	\$ 4,959,798	\$ 1,505,652
Changes for the year:			
Service cost	200,256	-	200,256
Interest	488,754	-	488,754
Differences between expected and actual experience	(145,396)	-	(145,396)
Assumption Changes	-	-	-
Contributions—employer	-	256,886	(256,886)
Net investment income	-	620,185	(620,185)
Benefit payments, including refunds of employee contributions	(317,883)	(317,883)	-
Administrative expense	-	(23,126)	23,126
Other changes	-	-	-
Net changes	225,731	536,062	(310,331)
Balances at 12/31/17	\$ 6,691,181	\$ 5,495,860	\$ 1,195,321

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 2,104,058	\$ 1,195,321	\$ 442,388

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the City recognized pension expense of \$351,647. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,032	\$ 182,522
Changes in assumptions	3,418	-
Net difference between projected and actual earnings on pension plan investments	-	3,603
City contributions subsequent to the measurement date	207,826	-
Total	<u>\$ 428,276</u>	<u>\$ 186,125</u>

City contributions subsequent to the measurement date of \$207,826 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2018	\$	(20,639)
2019		(20,639)
2020		(69,937)
2021		76,890
Total	<u>\$</u>	<u>(34,325)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED CONTRIBUTION PLAN

The City of Villa Rica's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by DST Systems and Lord Abbett Administration for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At December 31, 2017, there were 41 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Mayor and Council have approved discretionary employer contributions for 41 employees. Total employer and employee contributions for the year ended December 31, 2017 were \$48,169 and \$133,992 respectively.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Effective September 1, 2017 the City created a highly deductible self-insurance program for the City's employees. Under the program the City will pay for the first \$50,000 of claims on an individual basis and \$1.2 million in aggregate. After the initial claim the City pays annual premiums for stop-loss insurance coverage. The City's policies cover all individual claims in excess of \$50,000; additionally the City's aggregate annual exposures is limited to \$1,200,000. The following describes the claims activity for the year end December 31, 2017:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Change in Estimate</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2017	\$	- \$ 133,321	\$ (55,618)	\$ 77,703

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

Construction Commitments

As of December 31, 2017, the City has \$165,000 in uncompleted construction contracts outstanding.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Three Rivers Regional Commission (TRRC) and the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fulton County. Membership in the TRRC and ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the TRRC and ARC in Georgia. The TRRC and ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the TRRC and ARC. Separate financial statements may be obtained from the following:

Three Rivers Regional Commission
Highway 34
Franklin, Georgia 30217

Atlanta Regional Commission
40 Courtland Street, NE
Atlanta, Georgia 30303

NOTE 14. HOTEL/MOTEL TAX

The City has levied a 5% lodging tax through September 30, 2017. During the period ended September 30, 2017, the City collected \$85,970 in revenues. The current year expenditures of \$34,388 or 40% of current year revenues were expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

The City levied an occupancy tax of 8% beginning August 1, 2017 for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated (O.C.G.A.) §48-13-51(b). Local governments imposing a tax under this code section are required to expend, in each fiscal year, an amount equal to not less than 50% of the total amount of taxes collected that exceed the amount of taxes that would have been collected at the rate of 5% for promoting tourism, conventions, and trade shows by the destination marketing organization designated by the municipality levying the tax (for the City, the Downtown Development Authority or Industrial Development Authority). The remaining amount of taxes collected that exceed the amount of taxes that would be collected at the rate of 5% which are not otherwise expended above shall be expended for tourism product development. For the year ended December 31, 2017, the City collected \$93,063 in hotel/motel tax revenues of which \$34,898 were transferred to the City's General Fund and \$40,715 were disbursed to the Villa Rica Convention and Visitors Bureau.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2017, City property tax revenues were reduced by \$96,950 and \$107,783 under agreements entered into by Carroll County and Douglas County. Under the agreements, assessed values on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF VILLA RICA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015
Total pension liability			
Service cost	\$ 200,256	\$ 213,374	\$ 137,078
Interest on total pension liability	488,754	433,897	423,997
Differences between expected and actual experience	(145,396)	361,719	(165,517)
Changes of assumptions	-	-	8,549
Benefit payments, including refunds of employee contributions	(317,883)	(284,415)	(268,317)
Net change in total pension liability	<u>225,731</u>	<u>724,575</u>	<u>135,790</u>
Total pension liability - beginning	<u>6,465,450</u>	<u>5,740,875</u>	<u>5,605,085</u>
Total pension liability - ending (a)	<u><u>\$ 6,691,181</u></u>	<u><u>\$ 6,465,450</u></u>	<u><u>\$ 5,740,875</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 256,886	\$ 229,947	\$ 250,587
Net investment income	620,185	13,608	445,016
Benefit payments, including refunds of member contributions	(317,883)	(284,415)	(268,317)
Administrative expenses	(23,126)	(15,103)	(14,685)
Net change in plan fiduciary net position	<u>536,062</u>	<u>(55,963)</u>	<u>412,601</u>
Plan fiduciary net position - beginning	<u>4,959,798</u>	<u>5,015,761</u>	<u>4,603,160</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 5,495,860</u></u>	<u><u>\$ 4,959,798</u></u>	<u><u>\$ 5,015,761</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ 1,195,321</u></u>	<u><u>\$ 1,505,652</u></u>	<u><u>\$ 725,114</u></u>
Plan fiduciary net position as a percentage of the total pension liability	82.14%	76.71%	87.37%
Covered-employee payroll	\$ 4,619,244	\$ 4,525,595	\$ 3,966,501
City's net pension liability as a percentage of covered-employee payroll	25.88%	33.27%	18.28%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF VILLA RICA, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CITY CONTRIBUTIONS

	2017	2016	2015
Actuarially determined contribution	\$ 277,077	\$ 250,148	\$ 225,696
Contributions in relation to the actuarially determined contribution	277,101	245,098	235,107
Contribution deficiency (excess)	\$ (24)	\$ 5,050	\$ (9,411)
Covered-employee payroll	\$ 4,595,373	\$ 3,966,501	\$ 3,093,925
Contributions as a percentage of covered-employee payroll	6.03%	6.18%	7.60%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2016
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

(2) The schedule will present 10 years of information once it is accumulated.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Federal Seizures Fund – to account for funds awarded to the City of Villa Rica from joint seizures with various Federal agencies.

Narcotics Enforcement Fund – accounts for the City's local seizure activity. Revenues are restricted by State law to be used for drug prevention and trafficking.

Community Greenspace Fund – accounts for the restricted revenues provided for the preservation and enhancement of the City's green spaces.

Drug Task Force Fund – accounts for revenues and related expenses of the City's drug task force. Revenues are restricted by State law to be used for drug prevention and trafficking.

Hotel/Motel Tax - to account for the collection of hotel/motel taxes within the City which are restricted for the promotion of tourism via a contract with the Villa Rica Tourism Board.

Cemetery Fund – accounts for the committed resources provided for the operation and maintenance of the cemeteries.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the City's capital assets other than those financed by enterprise funds.

Capital Projects Fund - to account for the acquisition and construction of major capital projects.

Public Roads Fund – to account for capital projects which are funded through State grants that are used specifically for road resurfacing.

SPLOST Fund - to account for the proceeds of the 1998 and 2008 special purpose local option sales tax for the various improvement projects as approved by voter referendum.

Debt Service Fund

The **Debt Service Fund** is used to account of the accumulation of resources to repay existing City long-term financing contracts and bonds.

CITY OF VILLA RICA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Funds				
	Federal Seizures Fund	Narcotics Enforcement Fund	Community Green Space Fund	Drug Task Force Fund	Hotel and Motel Tax Fund
ASSETS					
Cash and cash equivalents	\$ 117,341	\$ 131,049	\$ 100	\$ -	\$ 25,544
Receivables, net of allowance for uncollectibles	-	-	-	-	22,386
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 117,341</u>	<u>\$ 131,049</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 47,930</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 22,086
Due to other funds	-	-	-	-	8,395
Total liabilities	-	-	-	-	30,481
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - grants	-	-	-	-	-
Total liabilities	-	-	-	-	-
FUND BALANCES					
FUND BALANCES					
Restricted:					
Public safety	117,341	131,049	-	-	-
Capital projects	-	-	-	-	-
Economic development	-	-	100	-	17,449
Debt service	-	-	-	-	-
Committed for cemetery improvement	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Total fund balances	<u>117,341</u>	<u>131,049</u>	<u>100</u>	<u>-</u>	<u>17,449</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 117,341</u>	<u>\$ 131,049</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 47,930</u>

Special Revenue Funds	Capital Projects Funds			Debt Service Fund	
Cemetery Fund	Capital Projects Fund	Public Roads Fund	SPLOST Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 28,413	\$ 57,166	\$ 211,242	\$ 656,131	\$ 998	\$ 1,227,984
-	48,942	-	-	4	71,332
-	-	-	26,502	-	26,502
<u>\$ 28,413</u>	<u>\$ 106,108</u>	<u>\$ 211,242</u>	<u>\$ 682,633</u>	<u>\$ 1,002</u>	<u>\$ 1,325,818</u>
\$ 724	\$ 57,166	\$ 605	\$ 37,564	\$ -	\$ 118,145
-	-	-	-	-	8,395
724	57,166	605	37,564	-	126,540
-	48,942	-	-	-	48,942
-	48,942	-	-	-	48,942
-	-	-	-	-	248,390
-	-	161,889	645,069	-	806,958
-	-	-	-	-	17,549
-	-	-	-	1,002	1,002
27,689	-	-	-	-	27,689
-	-	48,748	-	-	48,748
27,689	-	210,637	645,069	1,002	1,150,336
<u>\$ 28,413</u>	<u>\$ 106,108</u>	<u>\$ 211,242</u>	<u>\$ 682,633</u>	<u>\$ 1,002</u>	<u>\$ 1,325,818</u>

CITY OF VILLA RICA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds				
	Federal Seizures Fund	Narcotics Enforcement Fund	Community Green Space Fund	Drug Task Force Fund	Hotel and Motel Tax Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 179,033
Intergovernmental	-	-	-	25,427	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	9,199	-	-	-
Investment earnings	94	83	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	94	9,282	-	25,427	179,033
Expenditures:					
Current:					
Public works	-	-	-	-	-
Economic development	-	-	-	-	75,103
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	75,103
Excess (deficiency) of revenues over expenditures	94	9,282	-	25,427	103,930
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(67,661)	(86,481)
Total other financing sources (uses):	-	-	-	(67,661)	(86,481)
Net change in fund balances	94	9,282	-	(42,234)	17,449
Fund balances, beginning of year	117,247	121,767	100	42,234	-
Fund balances, end of year	\$ 117,341	\$ 131,049	\$ 100	\$ -	\$ 17,449

Special Revenue Funds		Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
Cemetery Fund	Capital Projects Fund	Public Roads Fund	SPLOST Fund	Debt Service Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	179,033
-	451,057	162,495	-	-	-	638,979
5,525	-	-	-	-	-	5,525
-	-	-	-	-	-	9,199
18	-	-	356	-	-	551
-	-	-	9,202	-	-	9,202
5,543	451,057	162,495	9,558	-	-	842,489
2,326	-	230,694	5,656	-	-	238,676
-	-	-	-	-	-	75,103
-	1,194,110	-	118,918	-	-	1,313,028
2,326	1,194,110	230,694	124,574	-	-	1,626,807
3,217	(743,053)	(68,199)	(115,016)	-	-	(784,318)
-	743,053	48,748	-	-	-	791,801
-	-	-	-	-	-	(154,142)
-	743,053	48,748	-	-	-	637,659
3,217	-	(19,451)	(115,016)	-	-	(146,659)
24,472	-	230,088	760,085	1,002	-	1,296,995
\$ 27,689	\$ -	\$ 210,637	\$ 645,069	\$ 1,002	\$ -	\$ 1,150,336

**CITY OF VILLA RICA, GEORGIA
PUBLIC FACILITIES AUTHORITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	6	6
Expenditures:				
Debt service:				
Principal	245,000	245,000	245,000	-
Interest and fiscal charges	1,461,138	1,461,138	1,461,138	-
Total expenditures	1,706,138	1,706,138	1,706,138	-
Deficiency of revenues over expenditures	(1,706,138)	(1,706,138)	(1,706,132)	6
Other financing sources:				
Transfers in	1,706,138	1,706,138	1,706,278	140
Total other financing sources	1,706,138	1,706,138	1,706,278	140
Net change in fund balance	-	-	146	(146)
Fund balance, beginning of year	2	2	2	-
Fund balance, end of year	\$ 2	\$ 2	\$ 148	\$ 146

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

CITY OF VILLA RICA, GEORGIA
HOTEL AND MOTEL TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Taxes	\$ 130,000	\$ 130,000	\$ 179,033	\$ 49,033
Total revenues	130,000	130,000	179,033	49,033
Expenditures:				
Economic development	52,000	52,000	75,103	(23,103)
Total expenditures	52,000	52,000	75,103	(23,103)
Excess of revenues over expenditures	78,000	78,000	103,930	25,930
Other financing uses:				
Transfers out	(78,000)	(78,000)	(86,481)	(8,481)
Total other financing uses	(78,000)	(78,000)	(86,481)	(8,481)
Net change in fund balance	-	-	17,449	17,449
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 17,449	\$ 17,449

**CITY OF VILLA RICA, GEORGIA
CEMETERY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 2,000	\$ 2,000	\$ 5,525	\$ 3,525
Investment earnings	-	-	18	18
Total revenues	2,000	2,000	5,543	3,543
Expenditures:				
Current:				
Public works	2,000	2,000	2,326	(326)
Total expenditures	2,000	2,000	2,326	(326)
Net change in fund balance	-	-	3,217	3,217
Fund balance, beginning of year	24,472	24,472	24,472	-
Fund balance, end of year	\$ 24,472	\$ 24,472	\$ 27,689	\$ 3,217

CITY OF VILLA RICA, GEORGIA
2015 SPLOST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,233,184	\$ 33,184
Investment earnings	-	-	398	398
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,233,582</u>	<u>33,582</u>
Expenditures:				
Capital outlays	<u>2,181,650</u>	<u>2,181,650</u>	<u>673,091</u>	<u>1,508,559</u>
Total expenditures	<u>2,181,650</u>	<u>2,181,650</u>	<u>673,091</u>	<u>1,508,559</u>
Excess (deficiency) of revenues over expenditures	(981,650)	(981,650)	560,491	(1,474,977)
Other financing uses:				
Transfers out	<u>(770,000)</u>	<u>(644,000)</u>	<u>(644,000)</u>	-
Total other financing sources	<u>(770,000)</u>	<u>(644,000)</u>	<u>(644,000)</u>	-
Net change in fund balance	1,411,650	1,537,650	(83,509)	1,621,159
Fund balance, beginning of year	<u>723,404</u>	<u>723,404</u>	<u>723,404</u>	-
Fund balance, end of year	<u>\$ 2,135,054</u>	<u>\$ 2,261,054</u>	<u>\$ 639,895</u>	<u>\$ (1,621,159)</u>

CITY OF VILLA RICA, GEORGIA
2016 SPLOST FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 853,750	\$ 853,750	\$ 753,766	\$ (99,984)
Investment earnings	-	-	32	
Total revenues	<u>853,750</u>	<u>853,750</u>	<u>753,798</u>	<u>(99,984)</u>
Expenditures:				
Current:				
General government	-	-	80	(80)
Public works	810,000	810,000	-	810,000
Capital outlays	<u>770,000</u>	<u>770,000</u>	<u>204,198</u>	<u>565,802</u>
Total expenditures	<u>1,580,000</u>	<u>1,580,000</u>	<u>204,278</u>	<u>1,375,722</u>
Net change in fund balance	(726,250)	(726,250)	549,520	1,275,738
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (726,250)</u>	<u>\$ (726,250)</u>	<u>\$ 549,520</u>	<u>\$ 1,275,770</u>

CITY OF VILLA RICA, GEORGIA
CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 451,057	\$ 451,057
Total revenues	-	-	451,057	451,057
Expenditures:				
Capital outlays	503,247	503,247	1,194,110	(690,863)
Total expenditures	503,247	503,247	1,194,110	(690,863)
Deficiency of revenues over expenditures	(503,247)	(503,247)	(743,053)	(239,806)
Other financing sources				
Transfers in	503,247	503,247	743,053	239,806
Total other financing sources	503,247	503,247	743,053	239,806
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF VILLA RICA, GEORGIA
CAPITAL PROJECTS FOR PUBLIC ROADS FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budget			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 162,495	\$ 162,495	\$ 162,495	\$ -
Total revenues	162,495	162,495	162,495	-
Expenditures:				
Capital outlays	211,243	211,243	230,694	(19,451)
Total expenditures	211,243	211,243	230,694	(19,451)
Excess (deficiency) of revenues over expenditures	(48,748)	(48,748)	(68,199)	(19,451)
Other financing sources:				
Transfers in	48,748	48,748	48,748	-
Total other financing uses:	48,748	48,748	48,748	-
Net change in fund balance	-	-	(19,451)	(19,451)
Fund balance, beginning of year	230,088	230,088	230,088	-
Fund balance, end of year	<u>\$ 230,088</u>	<u>\$ 230,088</u>	<u>\$ 210,637</u>	<u>\$ (19,451)</u>

CITY OF VILLA RICA, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2008 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Administrative facilities and equipment	\$ 1,013,895	\$ 1,228,199	\$ 711,699	\$ 37,564	\$ 749,263
Sewer and water	3,041,685	1,920,791	1,915,135	5,656	1,920,791
Streets and sidewalks	1,757,418	2,324,380	2,060,930	81,354	2,142,284
Library	473,151	413,192	384,967	-	384,967
Recreation	473,151	548,833	548,833	-	548,833
Total 2008 SPLOST	<u>\$ 6,759,300</u>	<u>\$ 6,435,395</u>	<u>\$ 5,621,564</u>	<u>\$ 124,574</u>	<u>\$ 5,746,138</u>

CITY OF VILLA RICA, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2015 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Water and sewer facilities and equipment including debt service for WWRF capital improvements	\$ 2,024,000	\$ 1,244,054	\$ 54	\$ 684,885	\$ 684,939
Public safety facilities and equipment	-	149,414	26,502	-	26,502
Roads, streets, bridges and sidewalks	2,465,490	2,647,324	-	211,697	211,697
Library facilities and equipment	1,398,435	1,375,999	1,375,999	-	1,375,999
Recreational facilities and equipment	1,379,075	1,294,037	-	399,237	399,237
Administration facilities and equipment	181,372	181,372	-	21,272	21,272
Economic development	375,000	375,000	-	-	-
Greenspace land acquisition	-	-	-	-	-
Total 2015 SPLOST	<u>\$ 7,267,000</u>	<u>\$ 7,267,000</u>	<u>\$ 1,402,555</u>	<u>\$ 1,317,091</u>	<u>\$ 2,719,646</u>

CITY OF VILLA RICA, GEORGIA

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS -
2016 ISSUE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Transportation and streets	\$ 2,179,408	\$ 2,179,408	\$ -	\$ -	\$ -
Water and sewerage	1,851,472	1,851,472	-	61,326	61,326
Public safety	804,810	804,810	-	132,938	132,938
Fire and EMS	944,182	944,182	-	-	-
Parks and recreation	1,052,128	1,052,128	-	10,014	10,014
Total 2016 SPLOST	<u>\$ 6,832,000</u>	<u>\$ 6,832,000</u>	<u>\$ -</u>	<u>\$ 204,278</u>	<u>\$ 204,278</u>

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET

COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY

DECEMBER 31, 2017

	Villa Rica Industrial Development Authority
ASSETS	
Cash	\$ 262,062
Investments	865,708
Total assets	<u>\$ 1,127,770</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Due to primary government	<u>\$ 157,100</u>
Total liabilities	<u>157,100</u>
FUND BALANCES	
Restricted:	
Economic development	<u>\$ 970,670</u>
Total fund balance	<u>970,670</u>
Total liabilities and fund balance	<u>\$ 1,127,770</u>

CITY OF VILLA RICA, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

COMPONENT UNIT - VILLA RICA INDUSTRIAL DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2017

	Villa Rica Industrial Development Authority
Revenues:	
Investment earnings	\$ 10,811
Total revenues	10,811
Expenditures:	
Current:	
Economic development	40,460
Capital outlay	157,100
Total expenditures	197,560
Net change in fund balance	(186,749)
Fund balance, beginning of year	1,157,419
Fund balance, end of year	\$ 970,670

CITY OF VILLA RICA, GEORGIA

BALANCE SHEET

COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY

DECEMBER 31, 2017

	Villa Rica Downtown Development Authority
ASSETS	
Cash and cash equivalents	\$ 31,839
Total assets	<u>\$ 31,839</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Due to primary government	\$ 49,000
Total liabilities	<u>49,000</u>
FUND BALANCES	
Unassigned	(17,161)
Total fund balance	<u>(17,161)</u>
Total liabilities and fund balance	<u>\$ 31,839</u>

CITY OF VILLA RICA, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

COMPONENT UNIT - VILLA RICA DOWNTOWN DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2017

	Villa Rica Downtown Development Authority
Revenues:	
Intergovernmental	\$ 72,007
Investment earnings	199
Total revenues	<u>72,206</u>
Expenditures:	
Current:	
Economic development	22,728
Capital outlay	<u>73,434</u>
Total expenditures	<u>96,162</u>
Net change in fund balance	(23,956)
Fund balance, beginning of year	<u>6,795</u>
Fund balance, end of year	<u><u>\$ (17,161)</u></u>

COMPLIANCE SECTION



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

**To the Honorable Mayor and Members
of the City Council
City of Villa Rica, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Villa Rica, Georgia (the "City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2017-002.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
June 27, 2018

CITY OF VILLA RICA, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial
statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

Federal Awards

There was not an audit of major federal award programs for the year ended December 31, 2017 due to the total amount expended being less than \$750,000.

CITY OF VILLA RICA, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-001 Revenues, Receivables and Related Balances

Criteria: Internal controls should be in place to ensure that the amounts reported as revenues and related balances are in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the City's revenues and related balances.

Context/Cause: During the testing of governmental fund revenues, the following entries were required to correct revenues, receivables, and related deferred inflows of resources:

- During our testing of grant revenue, we noted the City had incurred eligible expenditures related to a grant funded project for which a receivable was not recorded as of December 31, 2017. An adjustment of \$60,000 was proposed to record the receivable balance and to record deferred inflows of resources for revenues not collected within sixty (60) days of year-end.
- An audit adjustment was required in the General Fund to remove the prior year balance for deferred inflows of resources (unavailable revenues) for delinquent property taxes as revenue. An adjustment in the amount of approximately \$33,200 was required to properly report this activity.
- An audit adjustment was required in the Capital Projects Fund to accrued grant reimbursements for project costs incurred prior to December 31, 2017 but not requested until subsequent to December 31, 2017. Accrued receivables of approximately \$49,000 were reported as unavailable revenues as of December 31, 2017.

Effects: Audit adjustments totaling approximately \$142,000 were needed to correctly report accrued receivables, and related revenues or deferred inflows of resources for the year ended December 31, 2017.

Recommendation: We recommend the County carefully review all revenues and related balances to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

Auditee's Response: We will take necessary steps in the future to ensure that all revenues and related balances are properly reported in accordance with generally accepted accounting principles.

CITY OF VILLA RICA, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2017-002 Governmental Fund Budgets

Criteria: State of Georgia law (OCGA 36-81-3) states:

- a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article;
- b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Condition: State law requires local governments to adopt and operate under an annual appropriated balanced budgets for all governmental funds. Management did not adopt and operate under a balanced budget for the Federal Seizures Fund, Narcotics Enforcement Fund, Drug Task Force Fund, SPLOST Fund, 2016 SPLOST Fund, and the Debt Service Fund.

Context/Cause: The City did not adopt or operate under a balanced budget for six funds, though the Greenspace Fund had no activity. The City did adopt a budget for the 2016 SPLOST Fund, however, this was the first year the fund was reported and the budget was adopted to utilize over \$726,000 of fund balance, for which the fund reported zero available fund balance.

Effects: The City failed to operate under a balanced budget for all of their governmental funds, which has resulted in a compliance violation with State law.

Recommendation: We recommend the City timely adopt and operate under balanced budgets for all governmental funds reported in the financial statements.

Auditee's Response: We concur with the finding. We will make sure all governmental funds have annually balanced budgets each year or in the case of capital project type funds, have at a minimum a project length budget.



Agenda Item: _____

CITY OF VILLA RICA

City Council Packet

SUBJECT: Villa Rica Trail Masterplan
CITY COUNCIL AGENDA DATE: August 7, 2018

DATE: July 27, 2018
PREPARED BY: Vicki D. Coleman, AICP

FISCAL IMPACT:
ANNUAL –
CAPITAL –
OTHER –

FUNDING SOURCE: NA

PURPOSE: To present for adoption the Villa Rica Master Trail Plan, a greenway trail network within the city.

BACKGROUND: In February 2018, the City enlisted the services of the Path Foundation to assist with planning a master greenway trail, assisting with marketing and branding (trail name and logo), creating development standards, and providing recommendations for an implementation schedule.

The greenway trail system creates a transportation network that promotes pedestrian connectivity between city parks, neighborhoods, and business districts. The initial component of a trail system, the Fullerville Trailhead, was completed in July 2018 without the completion of the vision/concept. Through the use of a steering committee and a series of public meetings, a final draft master trail system concept has been developed.

The greenway trail concept is proposed for incorporation into the City's Comprehensive Plan as an essential transportation amenity. Additionally, trail systems are amenities that enhance quality of life, positively impact housing values, as well as, promote healthy living.

The adoption resolution and planning document are attached.

STAFF RECOMMENDATION: Approval

IMPACT: Adopting a plan will allow it to be incorporated into the City's Comprehensive Plan for adoption. Additionally, the City will seek funding for implementation from GA Department of Transportation for the trails initial model mile by August 31, 2018. An adopted plan is an essential component in requesting competitive state funding or funding from any other agency.

MOTION: To approve the resolution adopting the Villa Rica trail master plan.

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE VILLA RICA TRAIL MASTER PLAN

WHEREAS, the City of Villa Rica undertook a trail/greenway planning process, with the assistance of the Path Foundation, to enhance pedestrian and bicycle connectivity and safety within its community;

WHEREAS, the City's trail/greenway planning efforts further active and healthy living by creating and promoting walkable communities that connect residents to destinations such as the city parks, library, and its downtown;

WHEREAS, parks and trails bolster the City's economy through tourism and recreation

WHEREAS, the trail planning process incorporated public input through the use of a steering committee and public meetings;

WHEREAS, the trail plan included recommendations on the trail's alignment, branding, development standards, and an implementation schedule;

WHEREAS, the trail's initial alignment proposes approximately 20 miles of trail within the City;

WHEREAS, portions of the trail will be designated for non-motorized vehicle activity;

WHEREAS, the trail plan was presented before the City Planning Commission; and

WHEREAS, the master trail plan will be incorporated into the City's Comprehensive Plan as a desired transportation amenity that will promote healthy living and enhance the city's overall quality of life and future development.

NOW, THEREFORE, BE IT RESOLVED THAT the Villa Rica Trail Master Plan, attached hereto and incorporated by reference herein, is hereby adopted by the Villa Rica Mayor and City Council on August _____, 2018.

ATTEST:

City of Villa Rica

(SEAL)

By: _____

Date: _____

GOLD NUGGET TRAIL

Master Plan & Implementation Strategy



Prepared by:
PATH Foundation
KAIZEN Collaborative

Prepared for:
City of Villa Rica,
Georgia

Date: July 26, 2018

Table of Contents

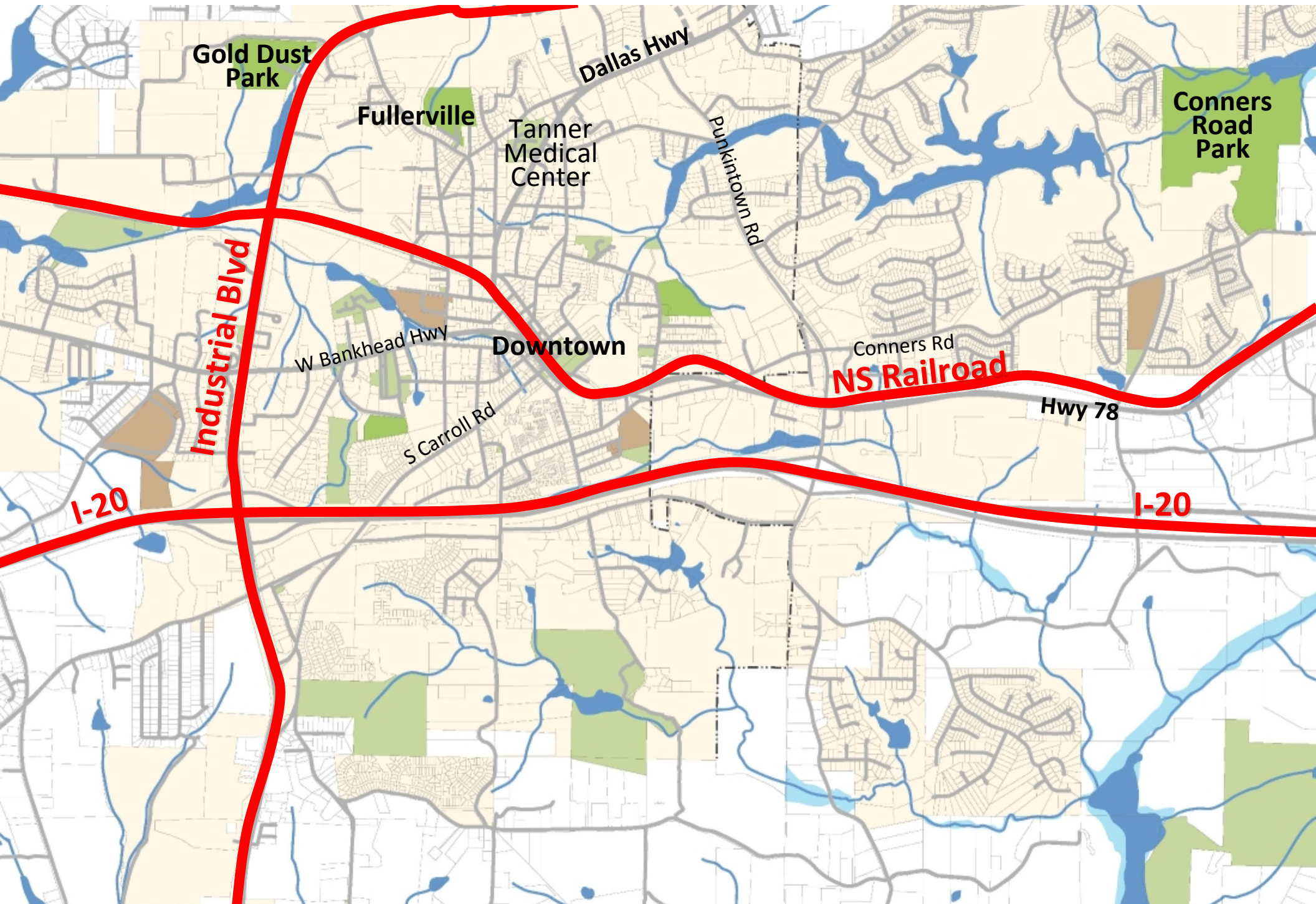
01	Introduction	2	04	Implementation Strategy	44-50
02	Methodology	3-7		Funding	45
03	Trail Master Plan	8-43		Model Project	45-46
	Overview	9		Steering Committee Transition	47
	Gold Nugget Trail Overall Map	10		Creation of Friends Group	47
	#1 Downtown Connector	11-14		Formation of an Implementation Committee	47
	#2 Downtown to Cleghorn Street Park	15-18		Prioritization for Implementation	47-48
	#3 Cleghorn to Old Stone Rd	19-20		Cost Estimate	48
	#4 Tanner to Fullerville	21-25		Gold Nugget Trail Implementation Prioritization Map	49
	#5 Downtown to Fullerville	26-28		Implementation Timeline	50
	#6 Gold Dust Park Connector	29-30		Next Steps	50
	#7 Fullerville to Reid Plantation	31-32	05	Branding /Design Standards	51-59
	#8 Mirror Lake Loop	33-34		Logo	52
	#9 Conners Road Park	35-36		Signage	53
	#10 Tyson Road Corridor	37-39		Amenities	54
	#11 South Connector	40-43		Design Standards	55-59
				Appendix: Steering Committee Members	60

03

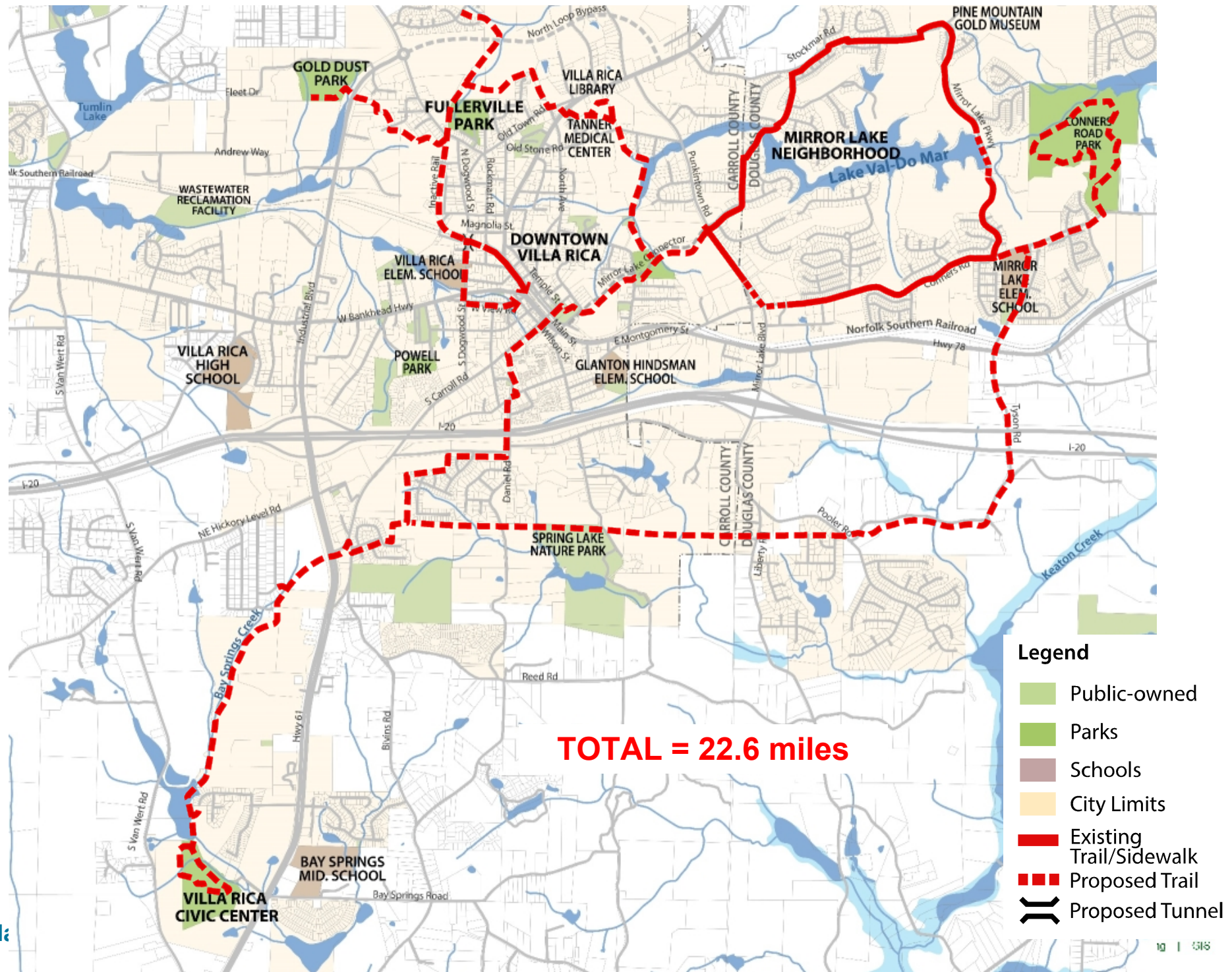
GOLD NUGGET TRAIL MASTER PLAN



City of Villa Rica – Existing Challenges



Villa Rica Trail System – DRAFT Master Plan



3 Trail Master Plan

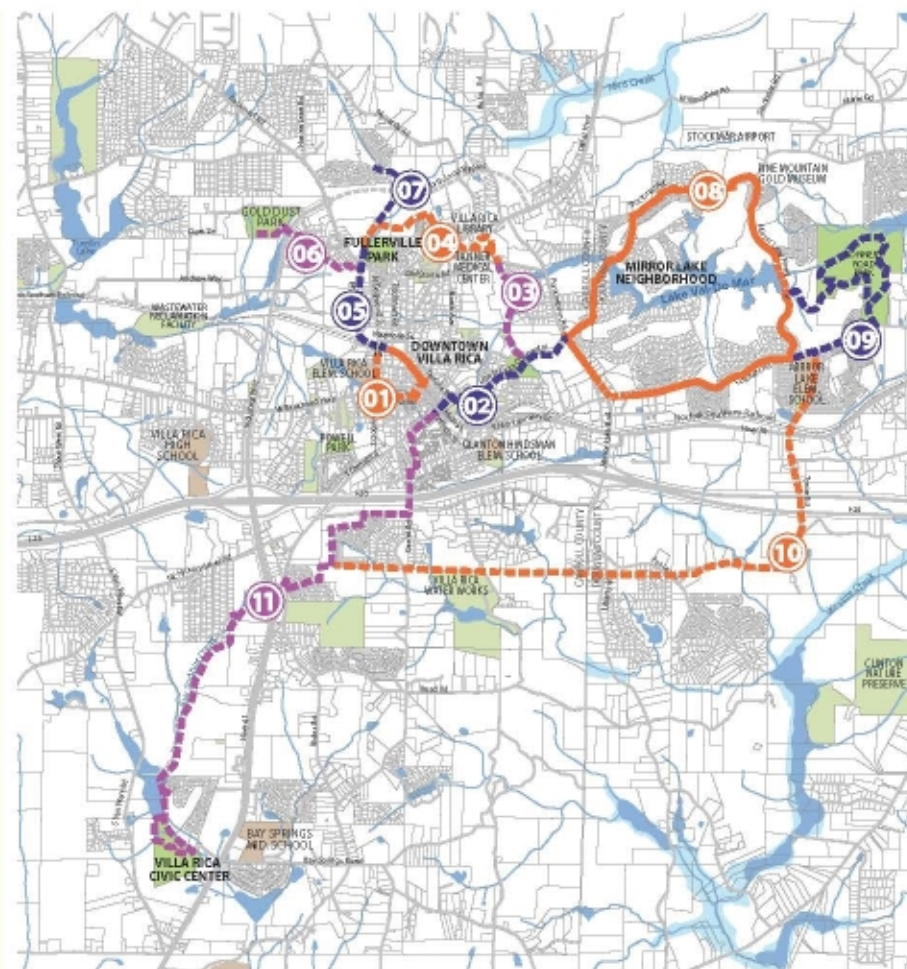
Overview

The *Gold Nugget Trail master plan* identifies 22.6 miles of bicycle and pedestrian trail connectivity opportunities within the city limits of Villa Rica. The plan achieves the goal of connecting the downtown business district, city parks, neighborhoods, and major visitor and employment centers which were identified in the initial planning meetings.

The *Gold Nugget Trail* has been segmented for ease of implementation into eleven (11) trail segments. The names presented for each trail segment are working names only. The *Gold Nugget Trail* segments within the master plan are:

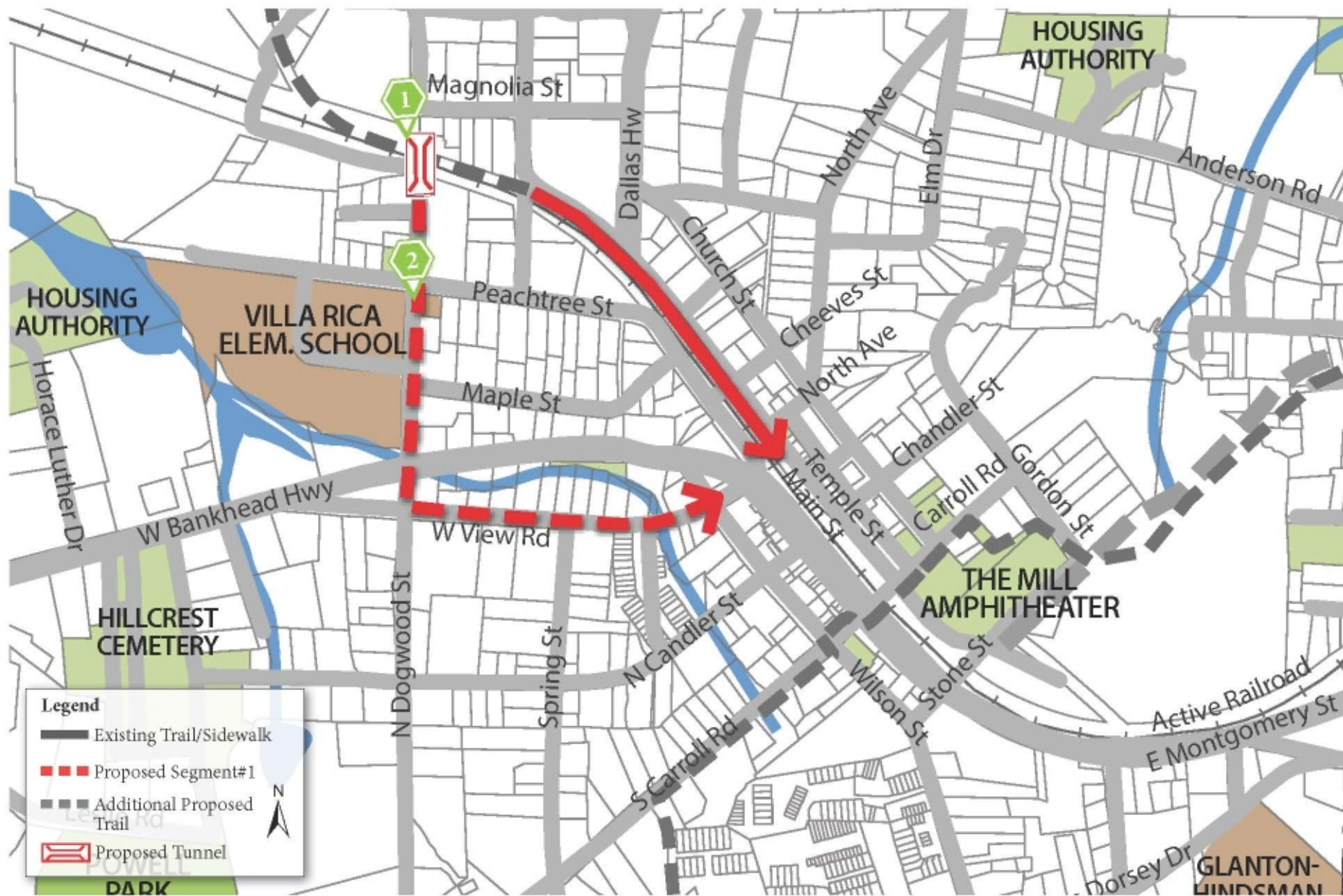
#1 Downtown Connector	11-14
#2 Downtown to Cleghorn Street Park	15-18
#3 Cleghorn to Old Stone Rd	19-20
#4 Tanner to Fullerville	21-25
#5 Downtown to Fullerville	26-28
#6 Gold Dust Park Connector	29-30
#7 Fullerville to Reid Plantation	31-32
#8 Mirror Lake Loop	33-34
#9 Conners Road Park	35-36
#10 Tyson Road Corridor	37-39
#11 South Connector	40-43

The following pages present each segment in more detail, including opportunities as well as potential obstacles that will likely affect decisions regarding the order of implementation. A very preliminary estimate to design and construct each segment is also presented, along with before and after graphics of selected locations along each trail segment proposed.



Segments Key Map

Segment #1 | Downtown Connector



Segment #1 | North Dogwood Street



Segment #1 | Proposed Tunnel Under Railroad



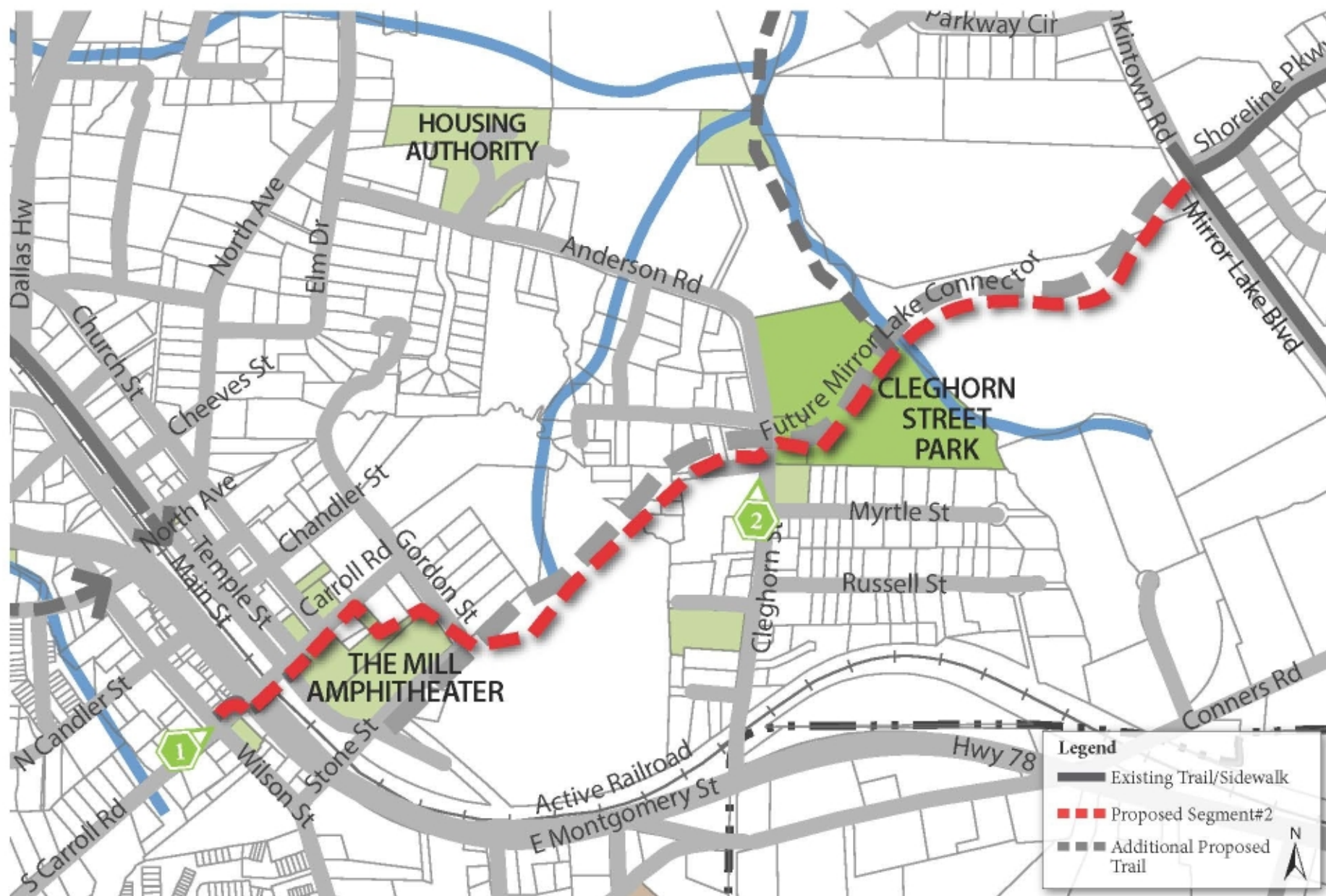
Segment #1 | Villa Rica Elementary School



Segment #1 | Proposed Neighborhood Greenway



Segment #2 | Downtown to Mirror Lake Blvd



Segment #2 | Carroll Road



Segment #2 | Proposed Railroad Crossing



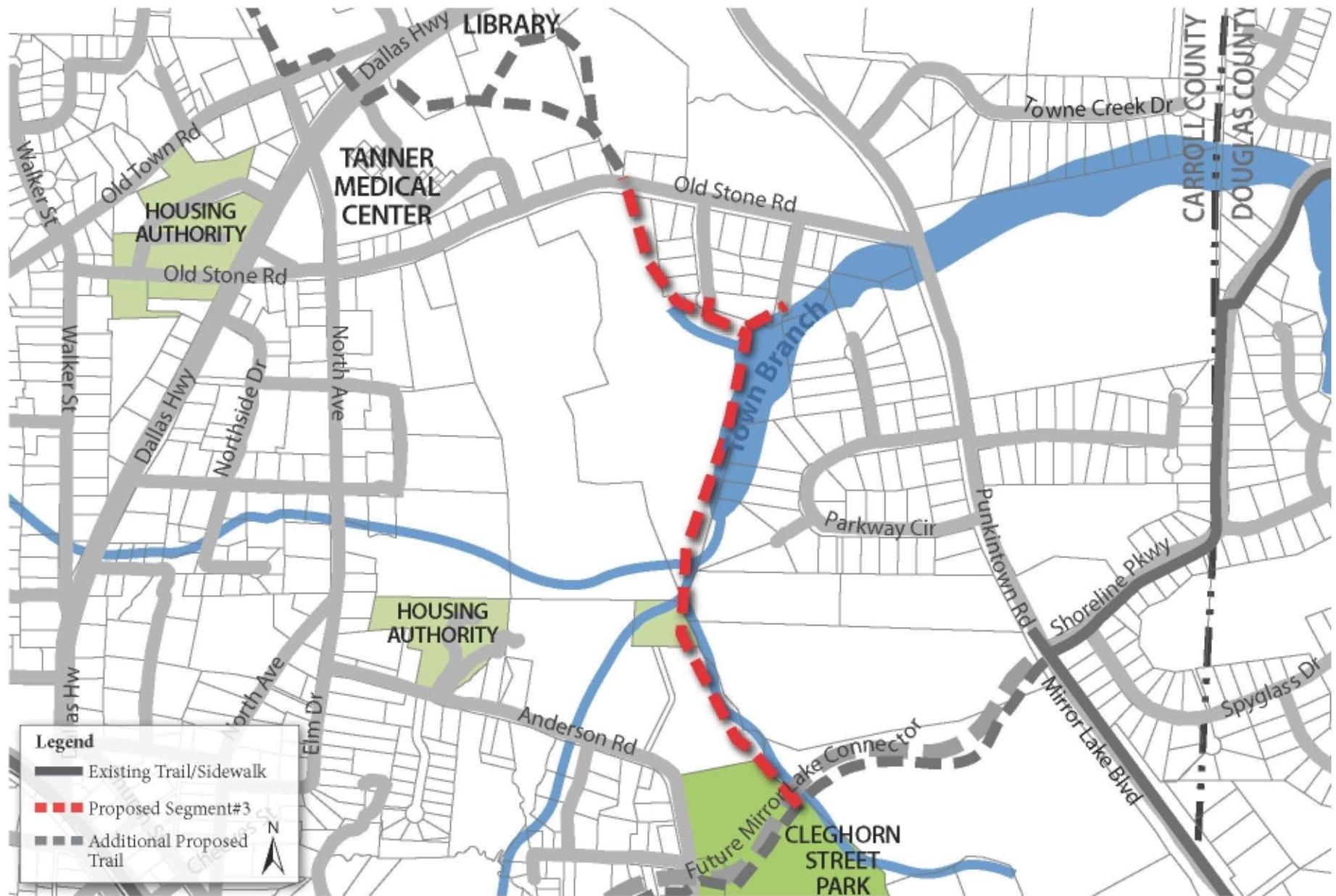
Segment #2 | Cleghorn Street



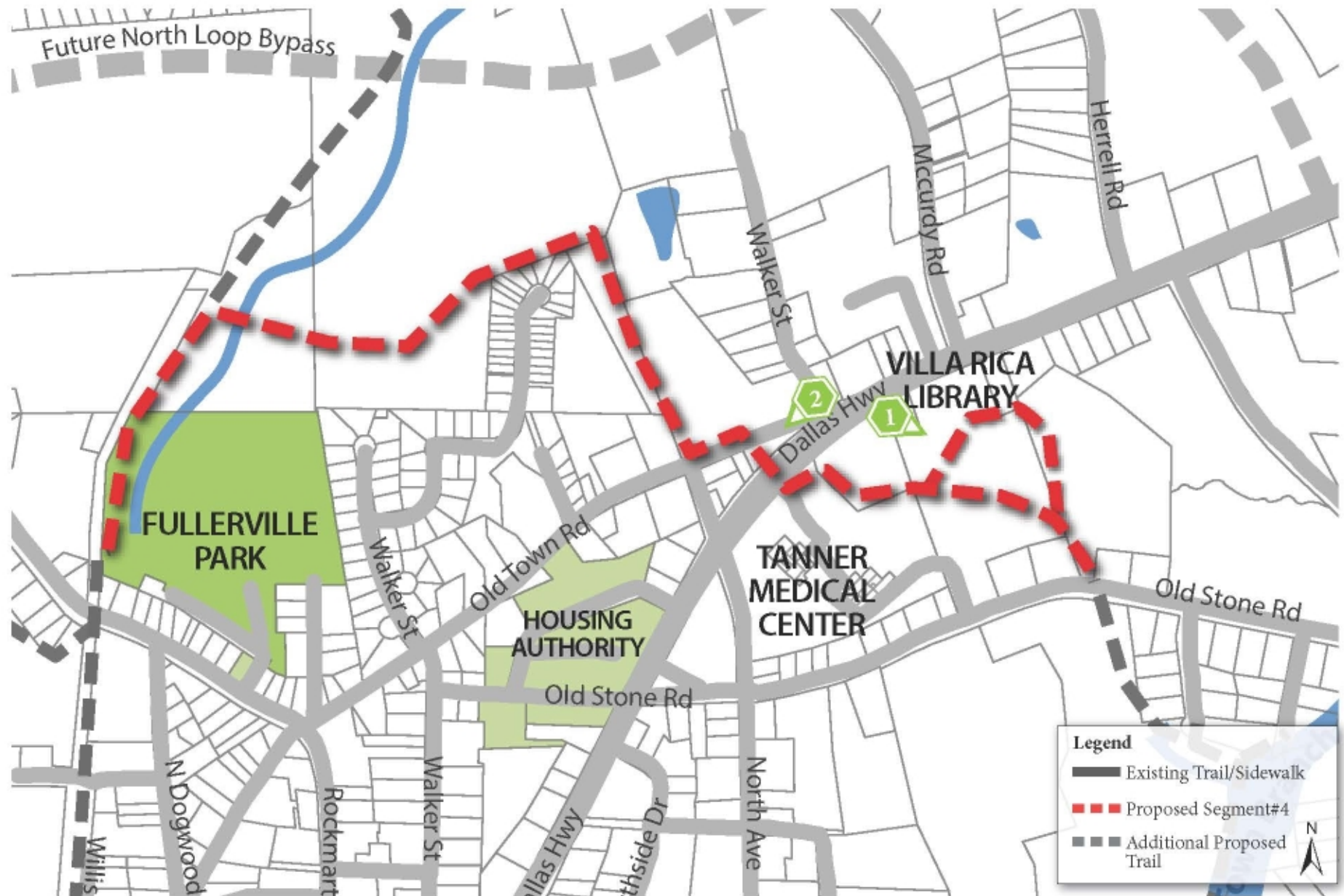
Segment #2 | Sidepath to Cleghorn Street Park



Segment #3 | Cleghorn Street Park to Old Stone Rd



Segment #4 | Old Stone Road to Fullerville



Segment #4 | Villa Rica Public Library



Segment #4 | Trail Connection to Library



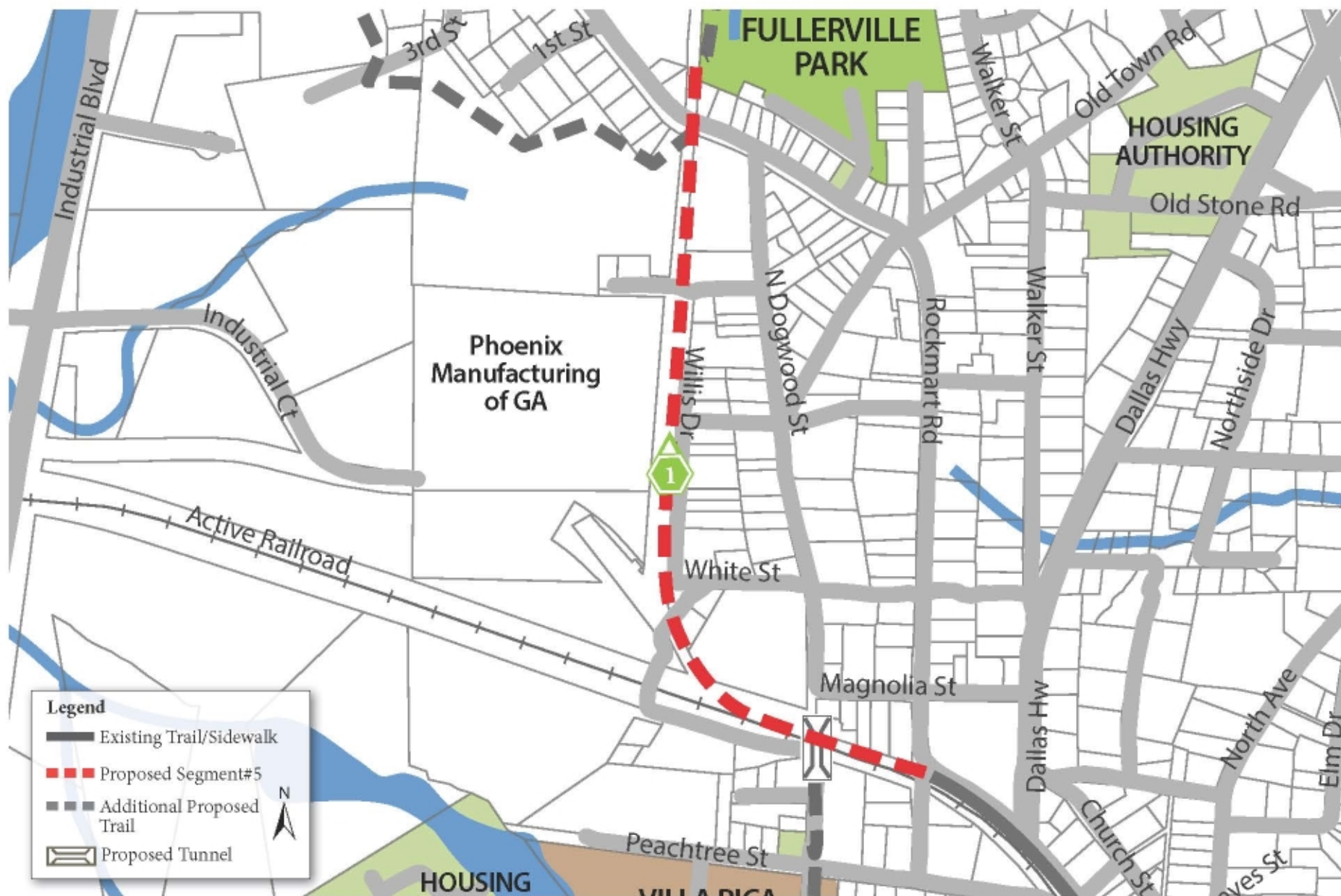
Segment #4 | Tanner Medical Center Entrance



Segment #4 | Proposed Signalized Crossing



Segment #5 | Fullerville Park to Main Street



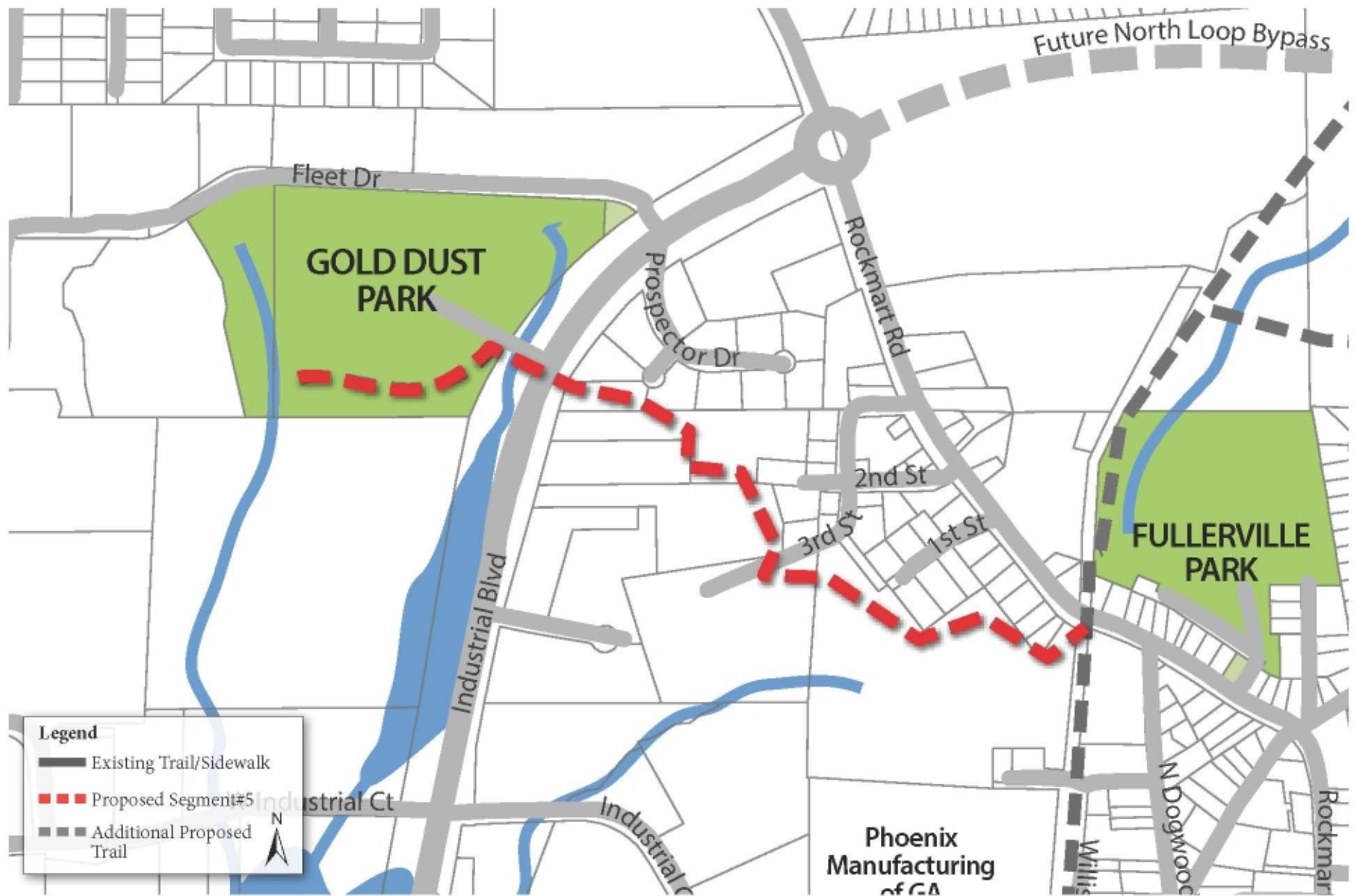
Segment #5 | Active Rail Line



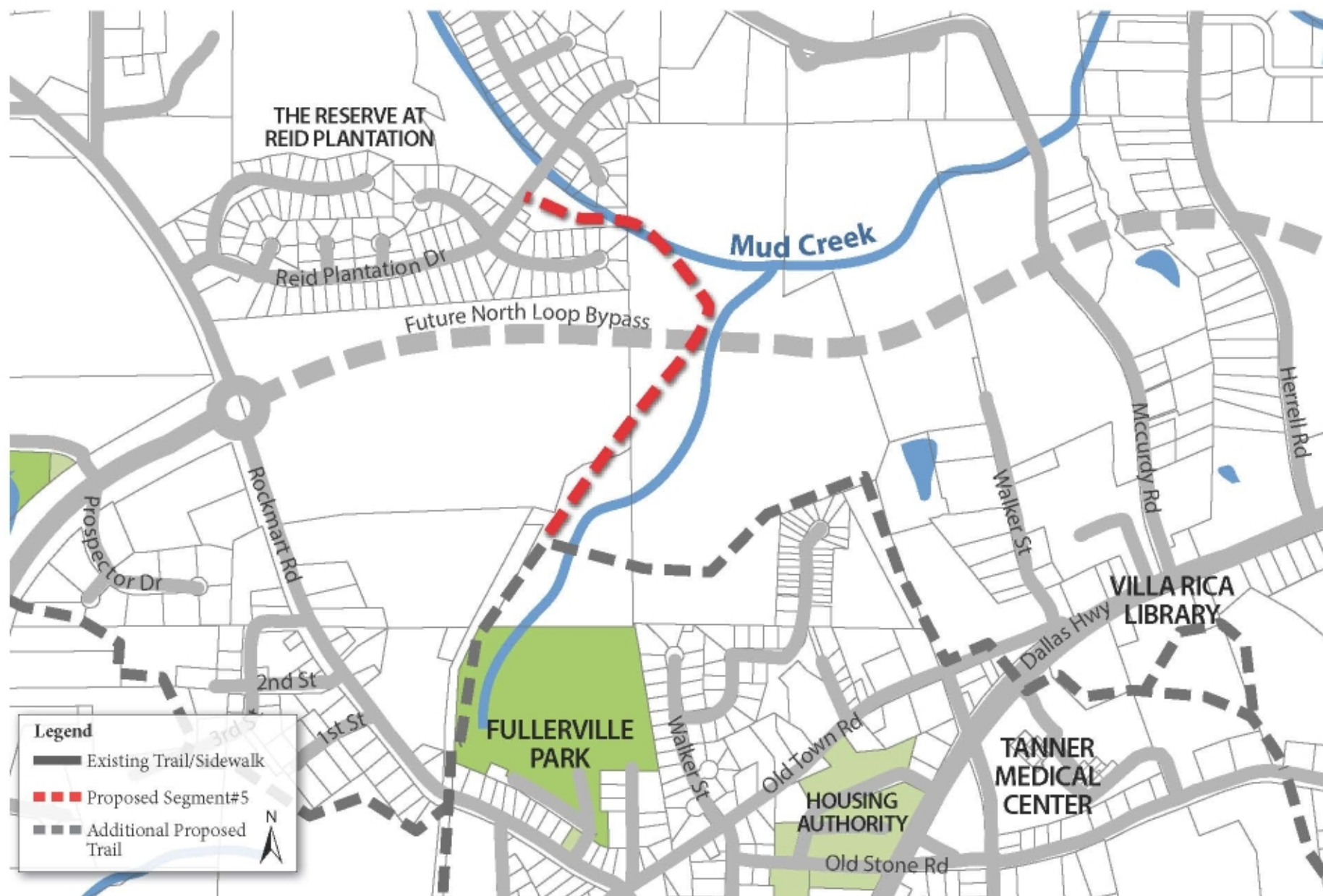
Segment #5 | Proposed Greenway



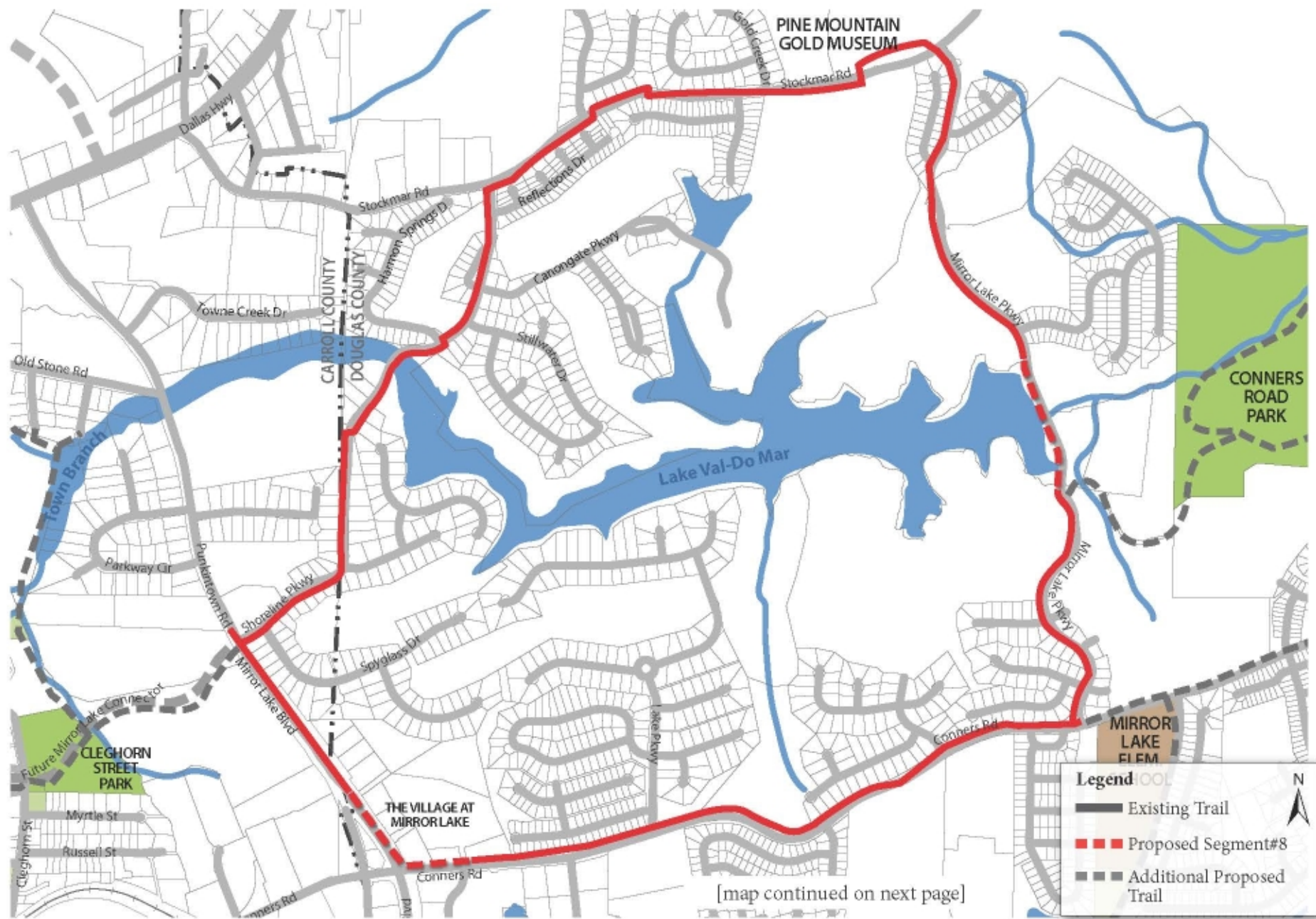
Segment #6 | Gold Dust Park Connector



Segment #7 | Fullerville To Reid Plantation



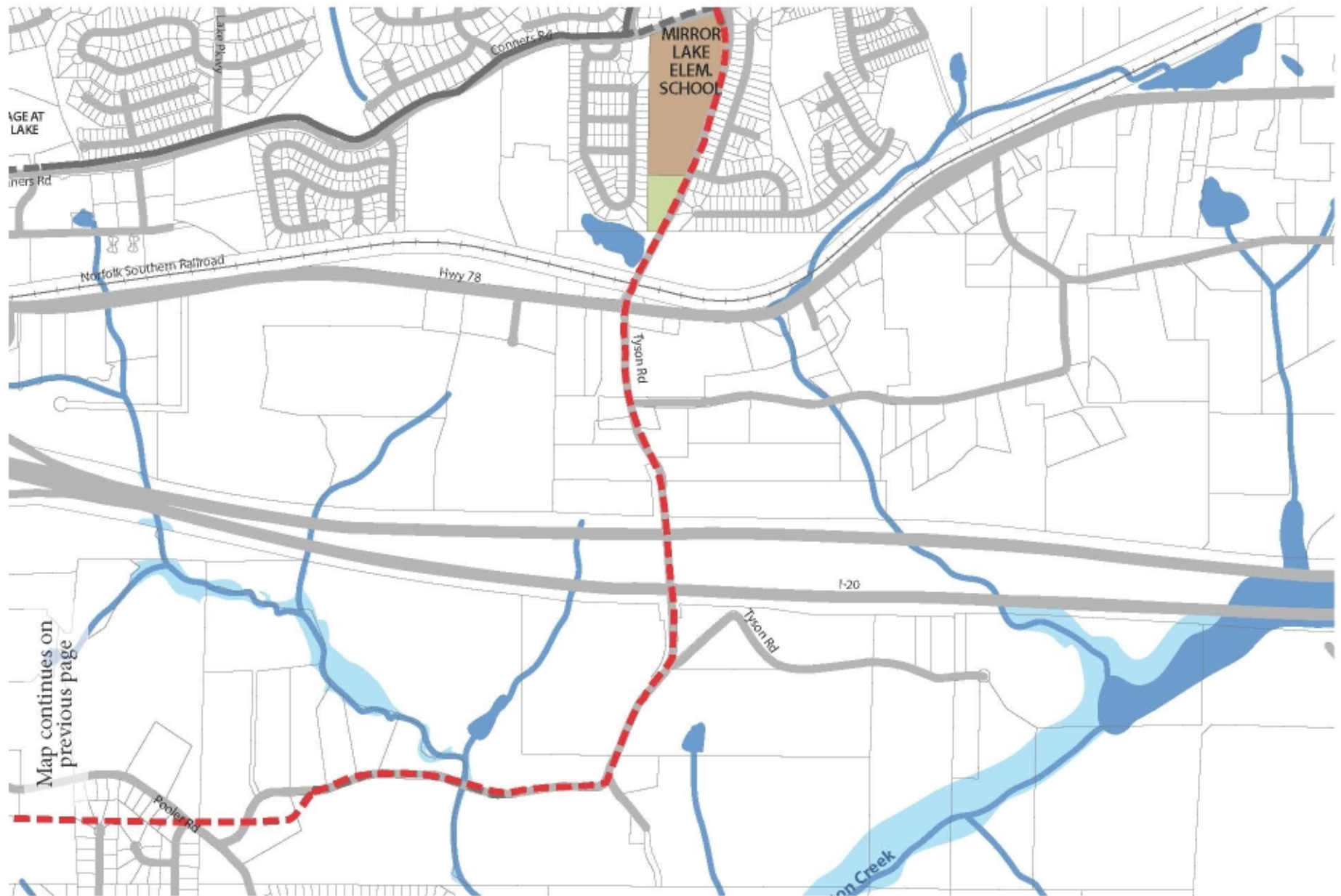
Segment #8 | Mirror Lake Loop



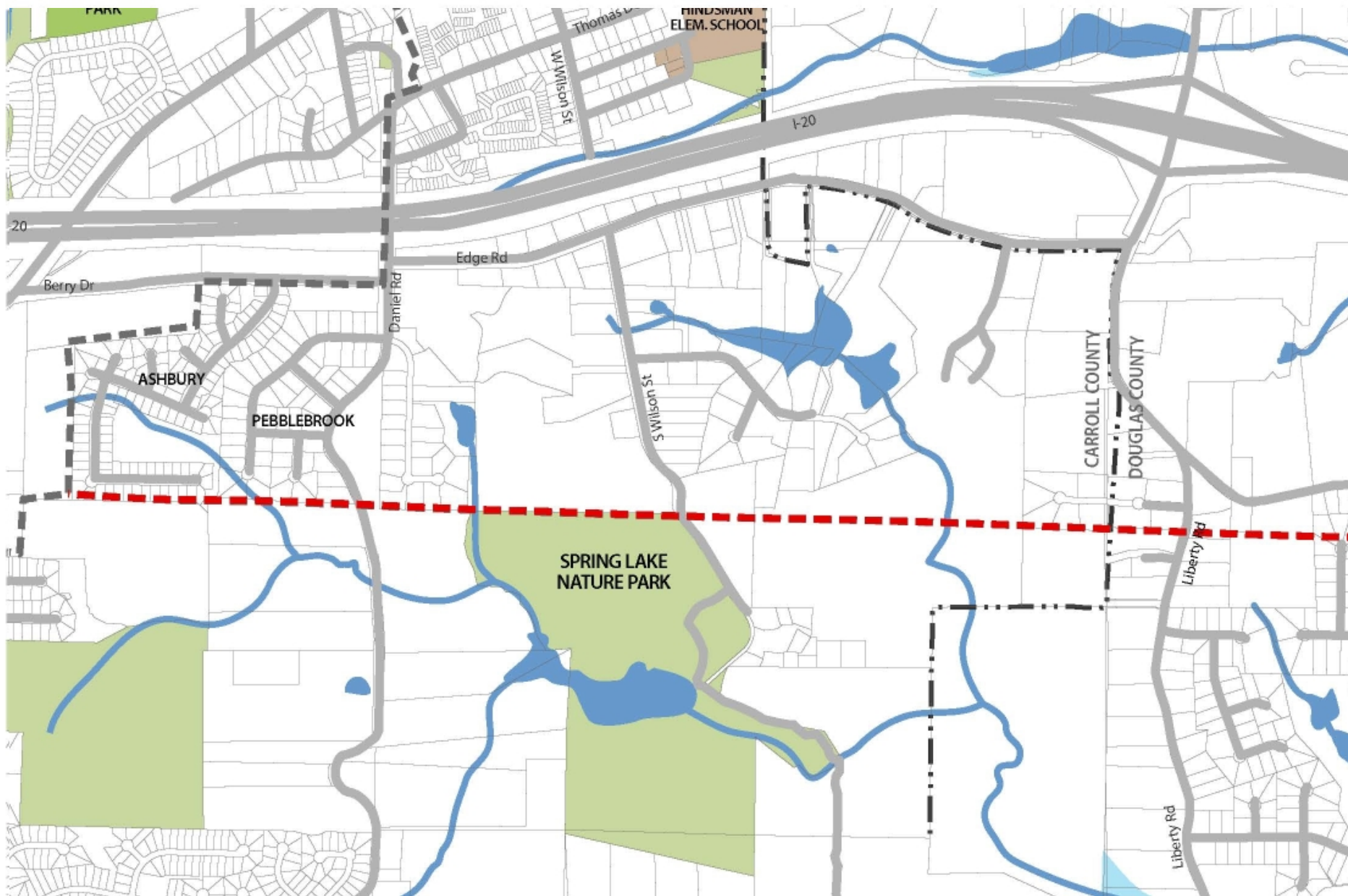
Segment #9 | Conners Road Park



Segment #10 | Tyson Road Corridor (east part)



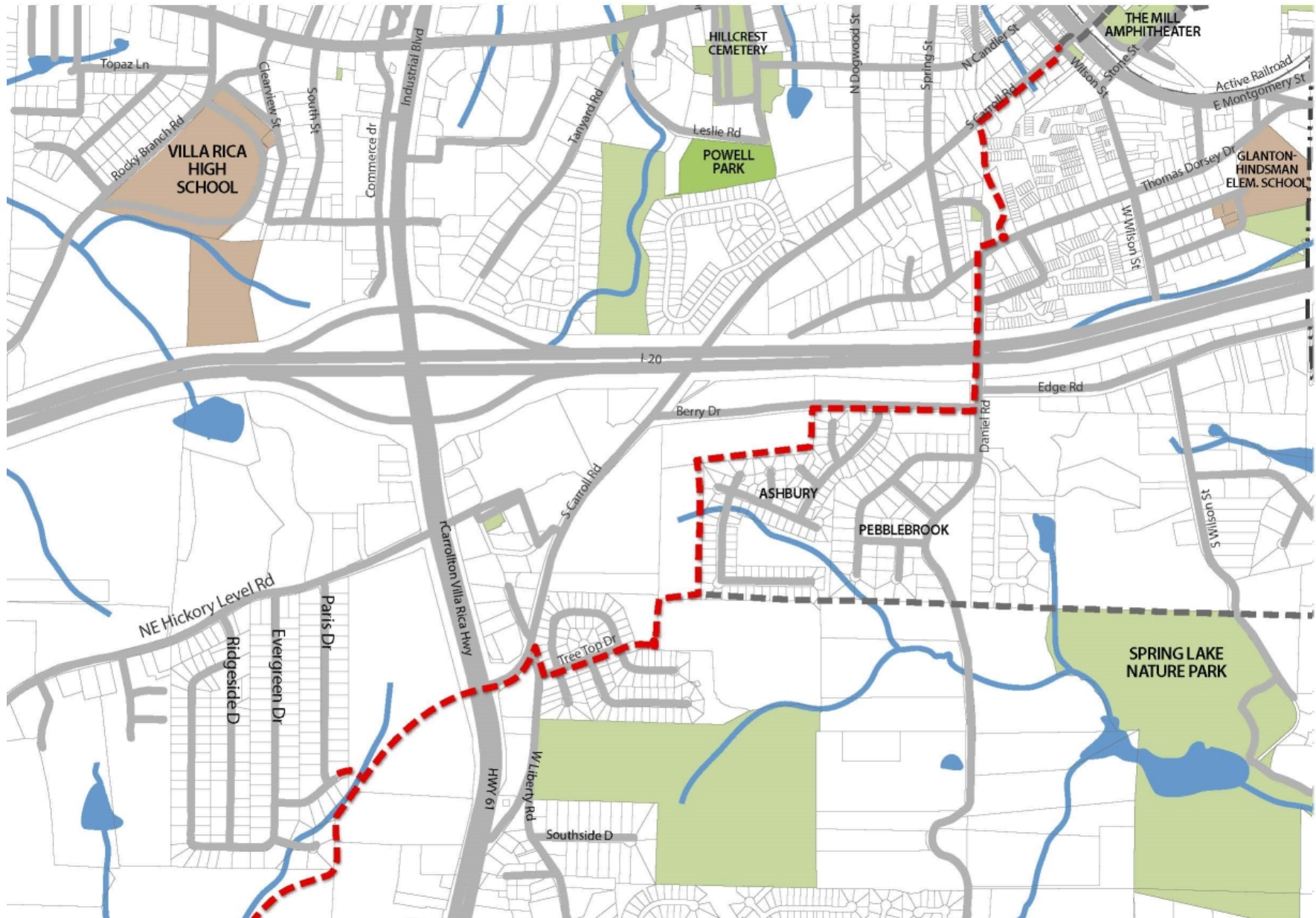
Segment #10 | Tyson Road Corridor (west part)



Segment #10B - Gas Pipeline Easement



Segment #11 | South Connector (north part)



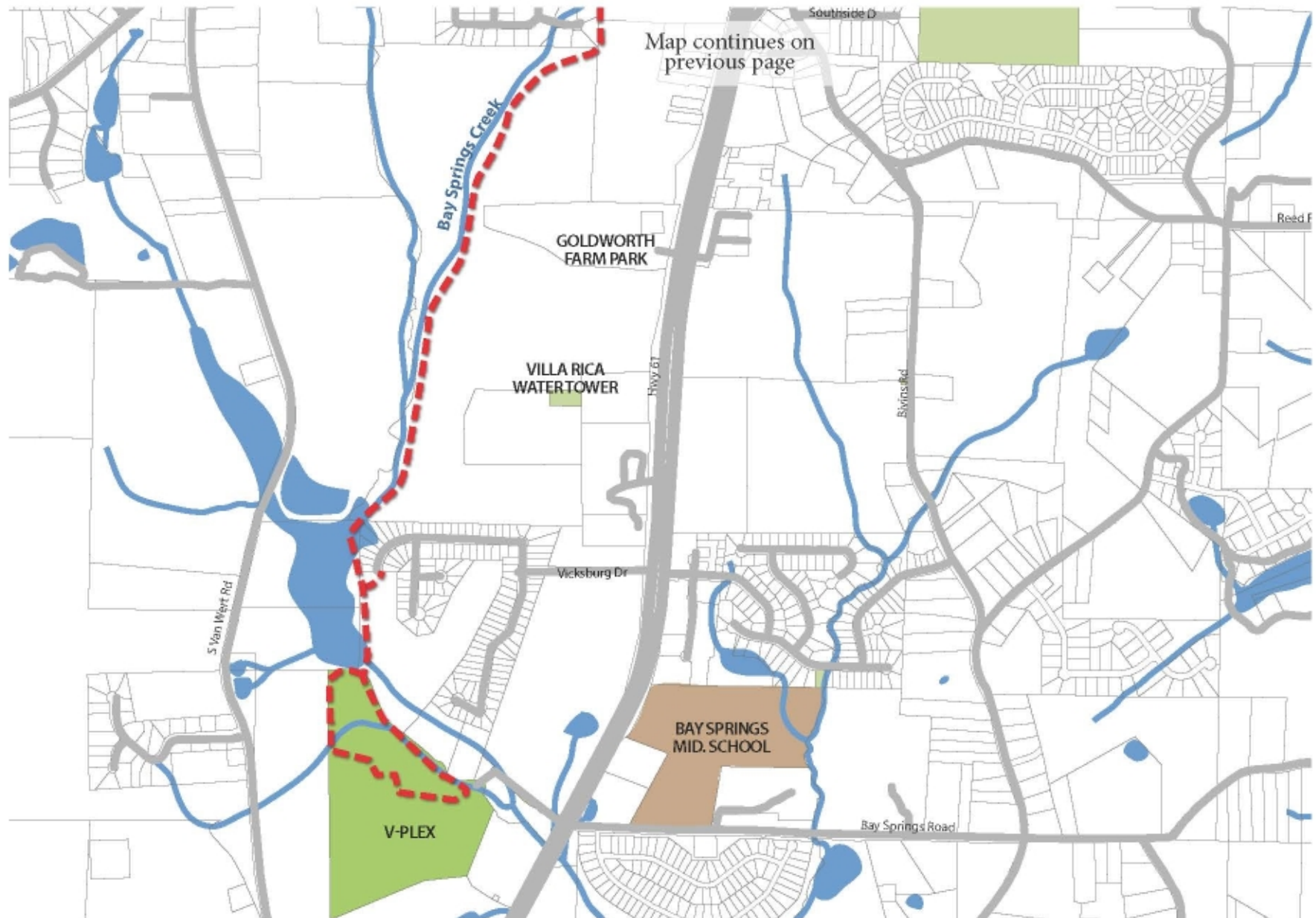
Segment #11 - Daniel Street Bridge over I-20



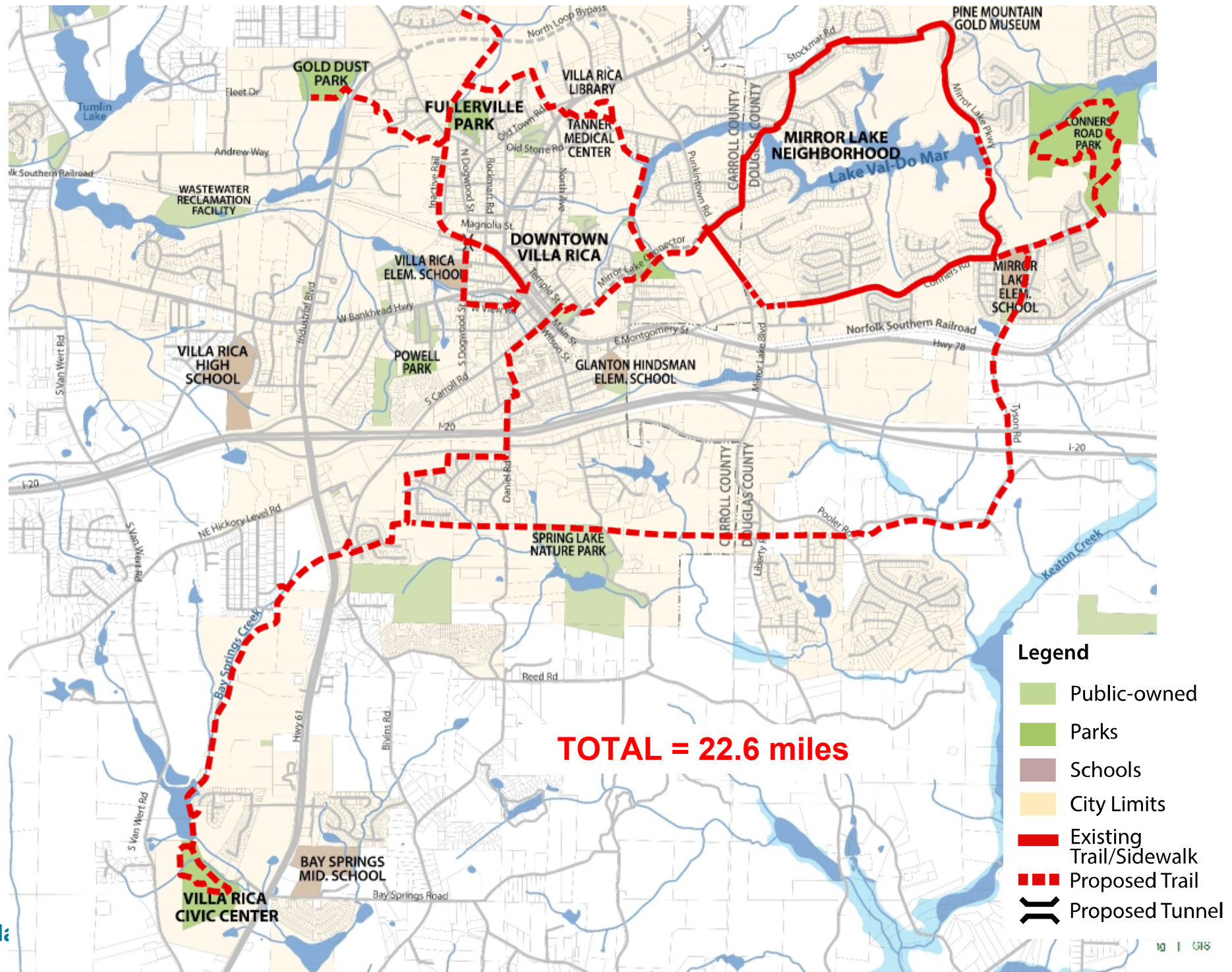
Segment #11 - Daniel Street Bridge over I-20



Segment #11 | South Connector (south part)



Villa Rica Trail System – DRAFT Master Plan



04

IMPLEMENTATION STRATEGY

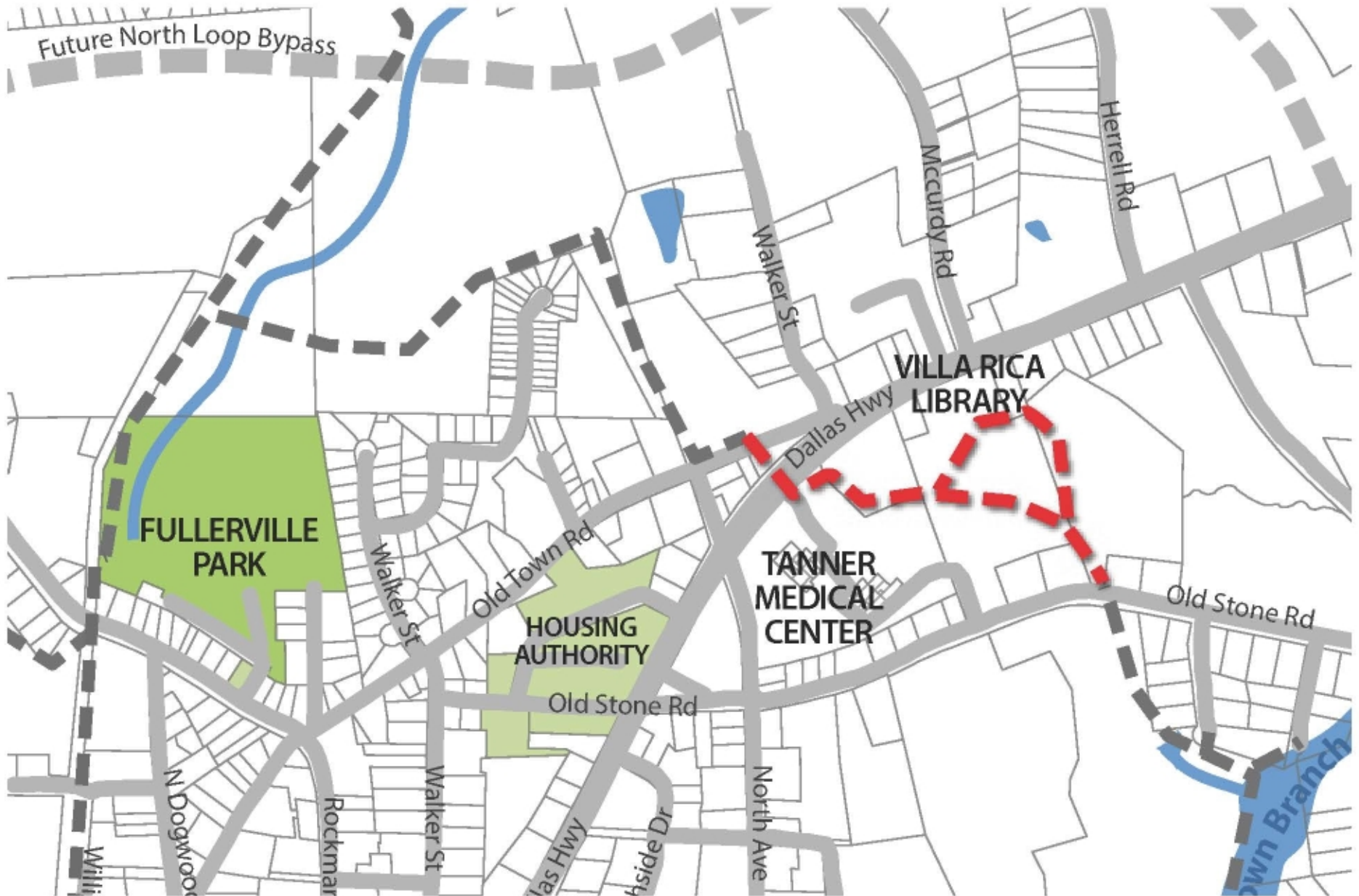
Welcome to
Pine Mountain
Gold Museum
at Stockmar Park
Villa Rica Parks and Recreation Department



Implementation Strategy

- **Funding**
 - **Local Funding**
 - **Federal / State Funding**
- **Model Project**

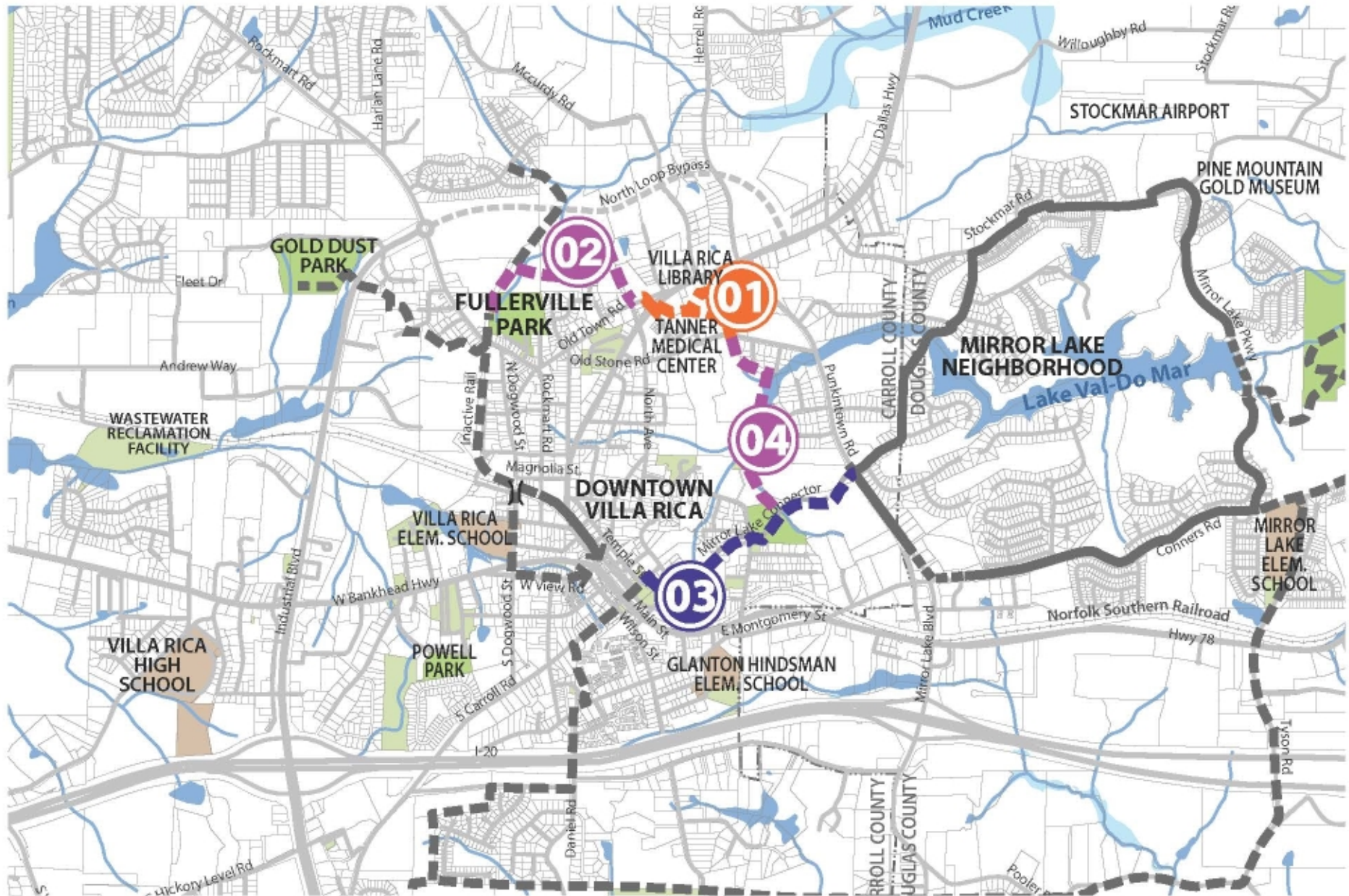
Model Project - Old Stone Road to Old Town Road



Implementation Strategy

- **Create Friends of *Gold Nugget Trail* Group**
- **Form an Implementation Committee**
- **Prioritize Implementation**

Gold Nugget Trail Implementation Prioritization Map



Gold Nugget Trail - 5-Year Implementation Cost Summary

Segment	Trail Name	ROW	P&E	Construction	Contingency	Subtotal	Const. Mgt.	Total
#4A	Old Stone Road to Old Town Road	\$ -	\$ 118,663.74	\$ 948,575.00	\$ 168,622.99	\$1,235,861.73	\$ 56,914.50	\$1,292,776.23
#4B	Old Town Road to Fullerville	\$ -	\$ 138,830.72	\$ 1,088,950.00	\$ 193,967.66	\$1,421,748.38	\$ 65,337.00	\$1,487,085.38
#2	Downtown to Mirror Lake Blvd	\$ -	\$ 180,203.56	\$ 1,570,975.00	\$ 276,815.56	\$2,027,994.12	\$ 94,258.50	\$2,122,252.62
#3	Cleghorn Park to Old Stone Rd	\$ -	\$ 118,969.77	\$ 998,450.00	\$ 176,599.02	\$1,294,018.79	\$ 59,907.00	\$1,353,925.79
TOTALS			\$556,667.80	\$4,606,950.00	\$816,005.22	\$5,979,623.02	\$276,417.00	\$6,256,040.02

4.6 Implementation Timeline

Gold Nugget Trail - 5-year Implementation Timeline

Segment Number	Trail Description	Start Year	2018	2019	2020	2021	2022	2023
#4A	Old Stone Road to Old Town Road	2018	■	■	■			
#4B	Old Town Road to Fullerville	2020		■	■	■		
#2	Downtown to Mirror Lake Blvd	2021				■	■	
#3	Cleghorn Park to Old Stone Rd	2022			■	■	■	■

Legend

Acquisition	■
P & E	■
Construction	■

05

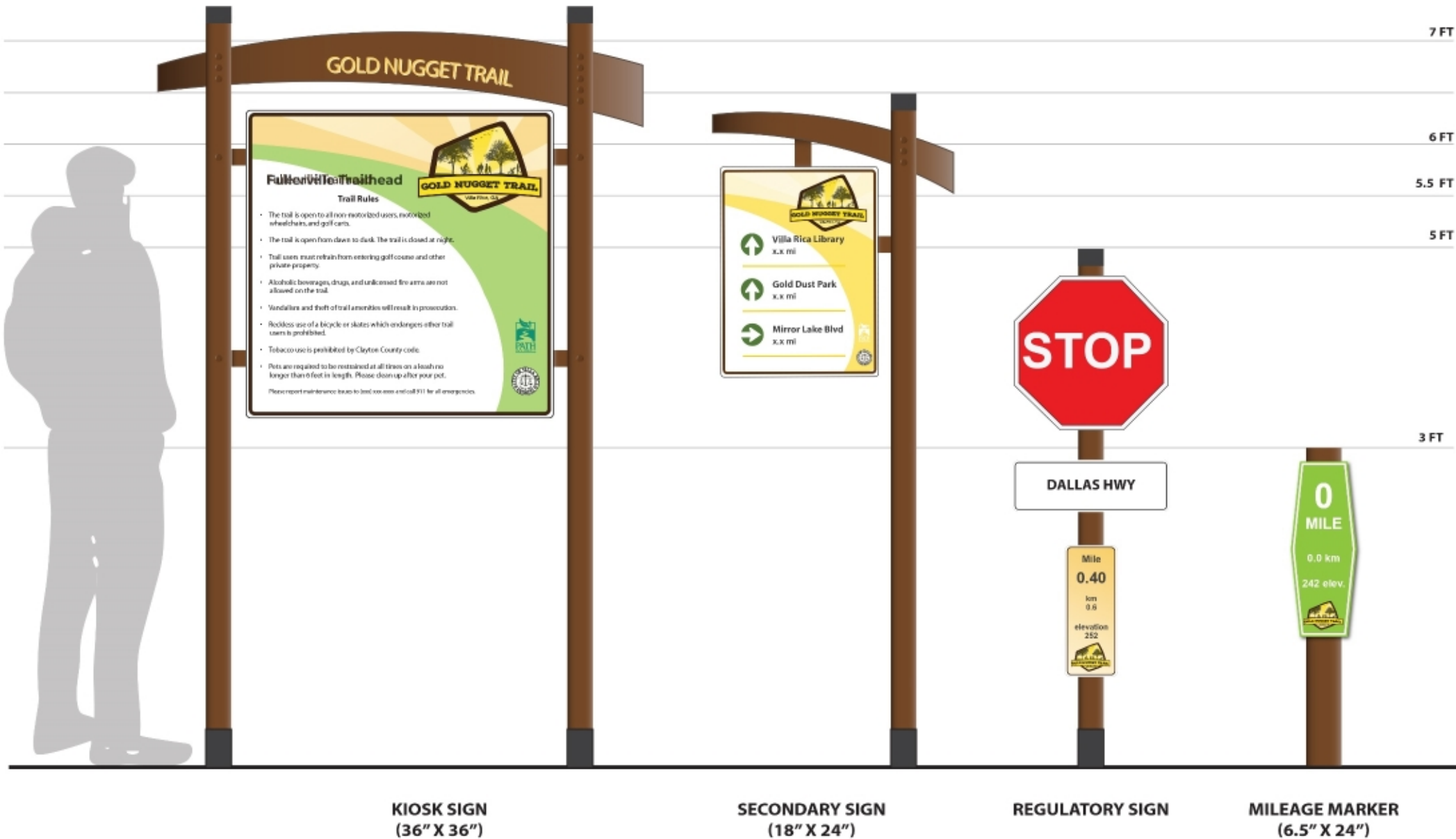
BRANDING/ DESIGN STANDARDS



Villa Rica Trail System Logo



Trail System Signage



5.3 Trail Amenities

The style and materials of the chosen trail amenities for the *Gold Nugget Trail* entail a standard black powder coated metal finish with an overall streamlined style. This will allow for a more seamless connection between the existing parks and greenspace and tie in the trail system as a whole.



Steelsites RB Collection by Victor Stanley

model #RBF-28
Description: All-steel bench with horizontal solid steel slats, surface mounted tabs, black powder coat.



Cycle Sentry Series by Victor Stanley

model #BRWS-101
Description: Standard u-shaped bike rack, inground mount, and steel powder coated black.



Deluxe Single Pull Dog Station by Jazzy

Description: single pull station holds up to 400 bags, Commercial-grade aluminum, durable powder coated/UV protected finish in black.



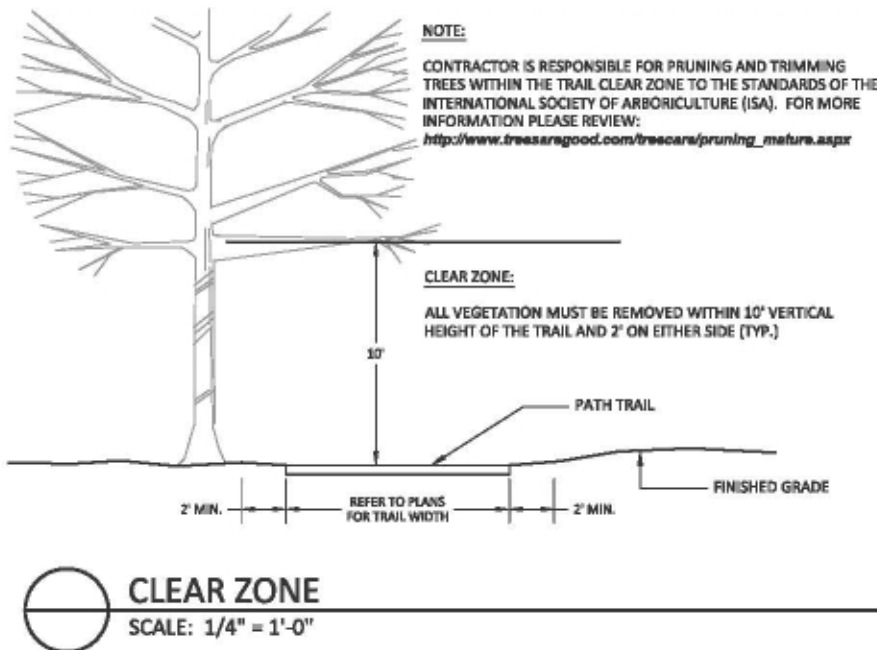
Dynasty Collection by Victor Stanley

model #DYN-SD-36
Description: 36-gallon steel receptacle with a side-door opening, vertical steel bars, powder coated with black.

5.4 Construction Details and Standards



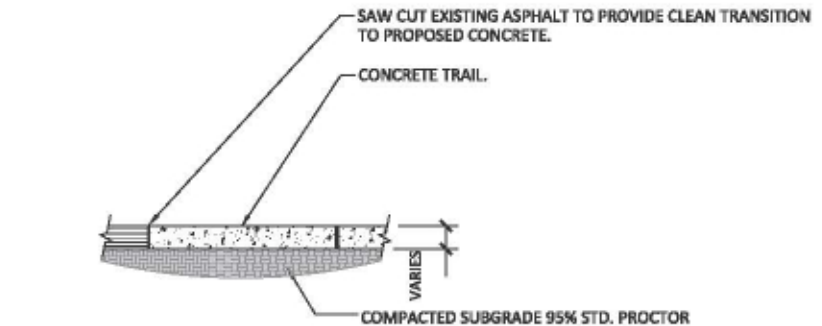
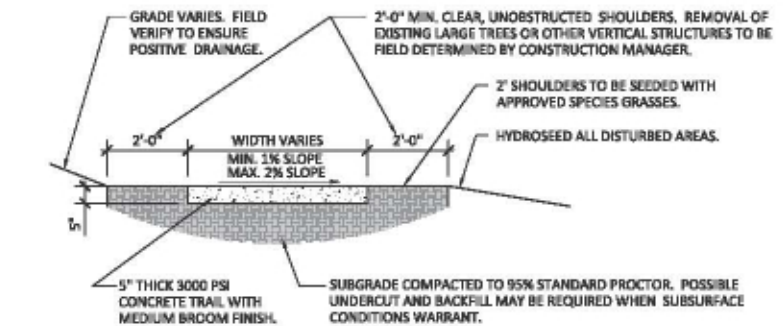
Multi-use trails with a 12-foot wide concrete surface provide for low long-term maintenance.



NOTES:
1) 4"x [TRAIL WIDTH] ALTERNATING YELLOW CENTERLINE STRIPING TO BE INSTALLED ALONG ENTIRE LENGTH OF TRAIL CENTERLINE.

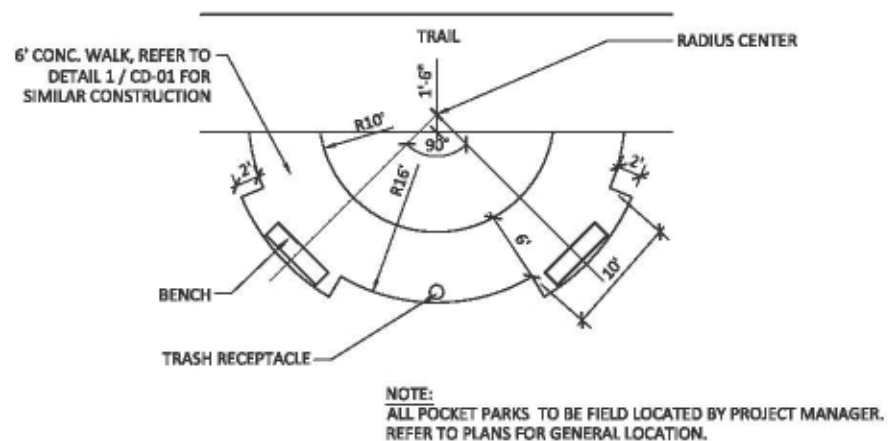
2) CONTRACTOR TO SAW CUT CONTROL JOINT AT LEAST 1/4 DEPTH OF SLAB ACROSS ENTIRE WIDTH OF TRAIL. CONTROL JOINTS TO BE LOCATED THE SAME DISTANCE APART AS THE WIDTH OF TRAIL (I.E. 12' WIDE TRAIL TO HAVE CONTROL JOINTS EVERY 12' ALONG TRAIL). CONTRACTOR REQUIRED TO REMOVE SAW DUST AFTER CUTTING.

3) EXPANSION JOINTS TO BE LOCATED ALONG TRAIL MIN. EVERY 100' IN PLACE OF CONTROL JOINT.





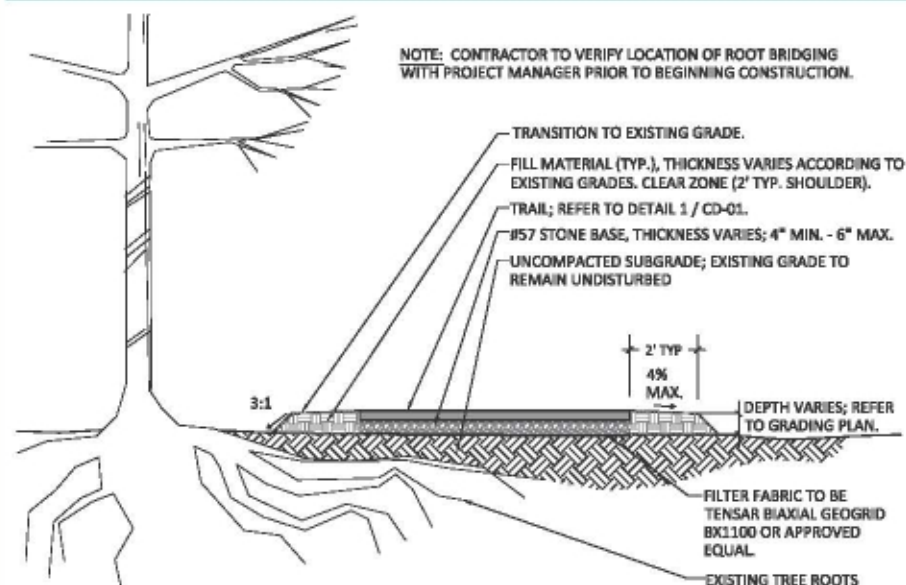
Pocket parks provide opportunities for trail users to enjoy time with friends and neighbors.



POCKET PARK
SCALE: 1/8" = 1'-0"



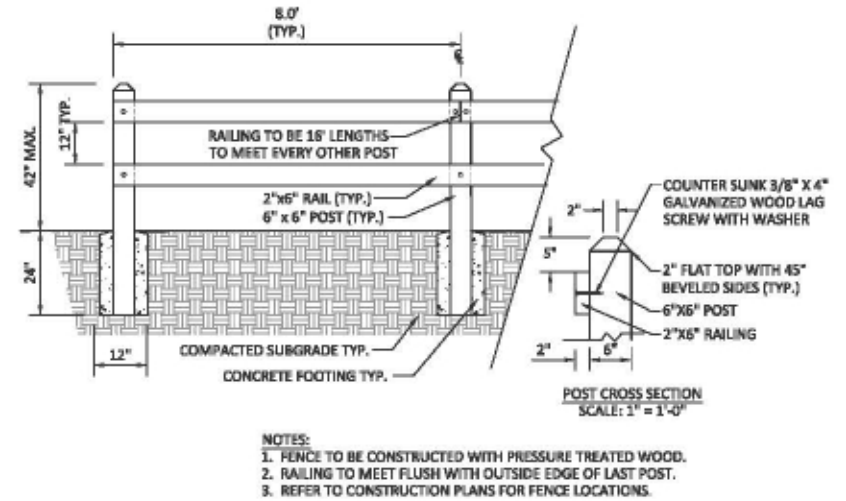
Root bridging insures protection of existing trees and allows the trail to blend into a wooded setting.



ROOT BRIDGING
SCALE: 1/4" = 1'-0"



Two-panel wood fence along side the trail.



2 PANEL WOOD FENCE

SCALE: 1/2\" = 1'-0\"



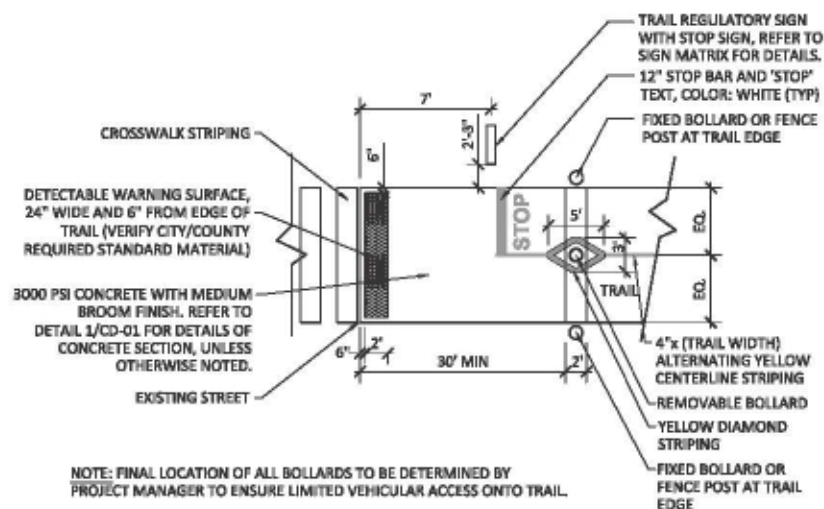
Boardwalk structure at Panola Mountain State Park



Box culvert structure allows trail underpassing under a roadway



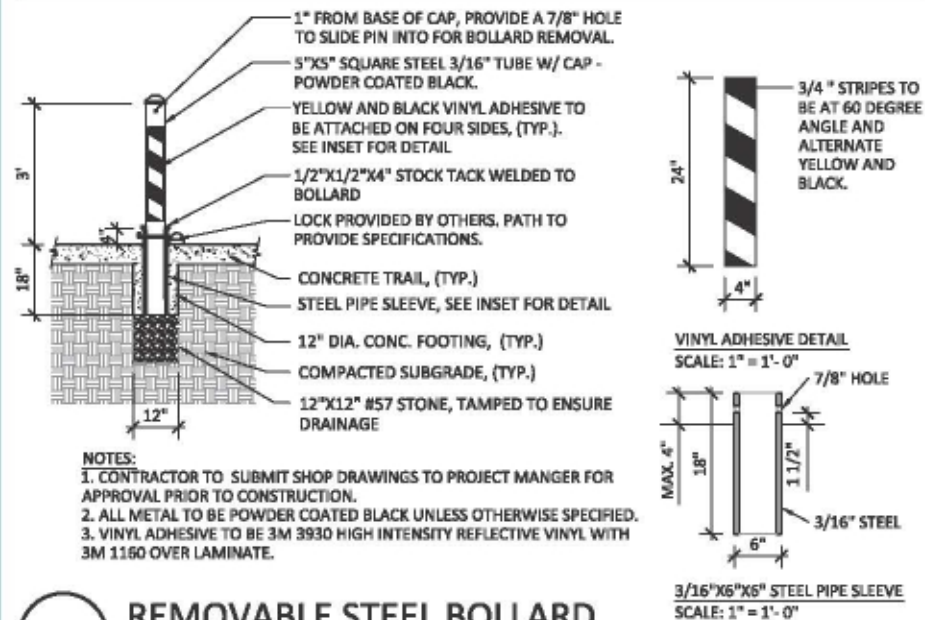
Typical trail at-grade crossing with a HAWK signal



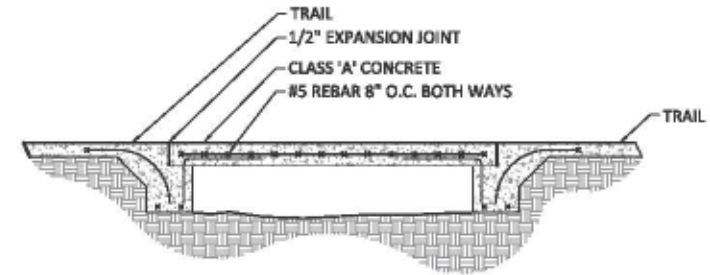
STANDARD INTERSECTION: PLAN VIEW
SCALE: 1/8" = 1'-0"



Typical trail intersection with signage, bollards, and pavement striping.



REMOVABLE STEEL BOLLARD
SCALE: 1/2" = 1'-0"



NOTES:

1. CONTRACTOR TO PROVIDE SHOP DRAWINGS COMPLETED BY A LICENSED STRUCTURAL ENGINEER PRIOR TO CONSTRUCTION, FOR APPROVAL BY OWNER AND LANDSCAPE ARCHITECT.
2. TOTAL HEIGHT FROM TOP OF TRAIL SURFACE TO LOW POINT OF SWALE IS NOT TO EXCEED 30\".



STRUCTURAL SLAB CROSSING

SCALE: 3/8" = 1'-0"



Structural slab is an enviromental friendly solution of creating the drainage swale under the trail

Villa Rica, Georgia



Example of tunnel under the railroad.

Photo: Knowles Avenue Pedestrian Tunnel, Glenolden Borough, Delaware County, PA

Next Steps

- **City to adopt *Gold Nugget Trail Master Plan***
- **Establish Implementation Committee**
- **Identify funding for Model Project**
- **Advance ordinances re:fines for motorized use of trails and land uses adjacent to trail.**

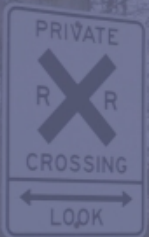
Next Steps

- **Advance Model Project to construction**
- **Review prioritization plan and advance 2nd segment toward implementation**
- **Identify funding for acquisition of key parcels in plan**
- **Acquire key parcels**



RAILROAD CROSSING
2 ROAD
TRACKS

APPENDIX



Appendix | Future Consideration

Parking Study on Temple Street - Existing



Appendix | Future Consideration

Parking Study on Temple Street – Proposed A



Appendix | Future Consideration

Parking Study on Temple Street – Proposed B



Appendix | Future Consideration – Temple Street



Appendix | Future Consideration – Temple Street



Appendix: Steering Committee Members

Name	Organization	Name	Organization
Amanda Spradlin	Southwire	Tom Flowers	
Bobby Elliott		Tom Large	
Christopher Pike	City of Villa Rica	Vicki Coleman	City of Villa Rica
Courtney Powell	City of Villa Rica		
Debbie Hohenstein	Real Living GA Life Realty		
Denise Taylor	Tanner Hospital		
Diane Trantham			
Don North	First Baptist Church of Villa Rica		
Jeff Matthews			
Jodie Boss			
Kelvin Hill	Sugar Foods Company		
Lenise Lyons	City of Villa Rica Community Development		
Mark Crawford	Glanton-Hindsman Elementary School		
Michael Young			
Mikki Griffin	Perpetual Motion Bicycles, Inc.		
Rusty Dean			
Scott Parker	Villa Rica Police Department		

Contact Information

Ed McBrayer
1601 W. Peachtree Street, Atlanta, Georgia 30309
(404) 875-7284
edwin@pathfoundation.org
www.pathfoundation.org



KAIZENCOLLABORATIVE

Greta deMayo | Nico Shen
2390 Main Street, Tucker, Georgia 30084
(404) 239-2521
greta.demayo@kaizencollaborative.com
nico.shen@kaizencollaborative.com
www.kaizencollaborative.com

CITY COUNCIL
JEFF REESE, MAYOR
GIL MCDOUGAL, MAYOR PRO-TEM
VERLAND BEST
DANNY CARTER
SHIRLEY MARCHMAN
LESLIE MCPHERSON

City of Villa Rica



CITY MANAGER: TOM BARBER
CITY CLERK: ALISA DOYAL
CITY ATTORNEY: C. DAVID MECKLIN

571 W BANKHEAD HWY
VILLA RICA, GA. 30180
770.459.7000 | VILLARICA.ORG

SPECIAL CALLED COUNCIL MEETING MINUTES

Holt-Bishop Justice Center, Municipal Courtroom, 101 Main Street

July 5, 2018 | 3:00 pm

Meeting Call to Order (Mayor Jeff Reese)

Mayor Jeff Reese called the meeting to order at 5:21 pm.

Adoption of the Agenda (Mayor Jeff Reese)

Councilman Danny Carter made the motion to approve the agenda, seconded by Councilman Gil McDougal.

RESULT:	ADOPTED (4-0)
MOVER:	Danny Carter, Councilman
SECONDER:	Gil McDougal, Councilman
AYES:	Carter, McDougal, Marchman, McPherson (Councilman Verland Best was not present during the vote)

A. Executive Session (David Mecklin, City Attorney)

1. Pursuant to the attorney-client privilege and as provided by Georgia Code section 50-14-2(1), a meeting otherwise required to be open was closed to the public in order to consult and meet with legal counsel pertaining to pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the agency or any officer or employee or in which the agency or any officer or employee may be directly involved and the matter discussed was [identify the matter but not the substance of the discussion].
2. Meeting to discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee as provided in Georgia Code section 50-14-3(b)(2).

City Attorney David Mecklin requested the Council to go into Executive Session for the two purposes listed on the Agenda. Councilman Danny Carter made the motion to go into Executive Session, seconded by Councilwoman Shirley Marchman. Vote: 5-0. Motion approved

Councilwoman Shirley Marchman made the motion to reconvene to regular session, seconded by Councilman Gil McDougal. Vote: 5-0. Motion approved.

City Attorney David Mecklin reported that the Council had completed the City Manager's Evaluation and official action on Tuesday, July 10, 2018.

B. Adjournment

Councilwoman Shirley Marchman made the motion to adjourn, seconded by Councilman Verland Best.
Vote: 5-0. Motion approved.

Jeff Reese, Mayor

Alisa Doyal, City Clerk

CITY COUNCIL
JEFF REESE, MAYOR
GIL MCDOUGAL, MAYOR PRO TEM
SHIRLEY MARCHMAN
VERLAND BEST
DANNY CARTER
LESLIE MCPHERSON

City of Villa Rica



CITY MANAGER: TOM BARBER
CITY CLERK: ALISA DOYAL
CITY ATTORNEY: C. DAVID MECKLIN

571 W BANKHEAD HWY
VILLA RICA, GA. 30180
770.459.7000 | VILLARICA.ORG

CITY COUNCIL MONTHLY MEETING MINUTES

Holt-Bishop Justice Center, Municipal Courtroom, 101 Main Street
Tuesday, July 10, 2018 | 6:00 pm

Meeting Call to Order (Mayor Jeff Reese)

Mayor Jeff Reese called the meeting to order at 6:00 pm. Present were Mayor Jeff Reese, Mayor Pro Tem Gil McDougal, Councilmembers Shirley Marchman, Verland Best, Danny Carter, Gil McDougal and Leslie McPherson.

Invocation (Councilman Danny Carter)

Councilman Danny Carter led the Invocation.

Pledge of Allegiance (Mayor Jeff Reese)

Mayor Jeff Reese led the Pledge of Allegiance.

Ceremonial Presentations (Mayor & Council)

- Recognition of Jacob Brown for 10 Years of Service
- Recognition of Michelle Capers for 15 Years of Service
- Recreation of Christopher Rowan for 5 Years of Service
- Oath of Office: Carolene Cox – Main Street Advisory Board

Adoption of Agenda (Mayor Jeff Reese)

Councilman Verland Best made the motion to adopt the agenda, seconded by Councilman Gil McDougal.

RESULT:	ADOPTED (UNANIMOUS)
MOVER:	Verland Best, Councilman
SECONDER:	Gil McDougal, Councilwoman
AYES:	Best, McDougal, Marchman, McPherson, Carter

Public Comment (We ask that you sign in for Public Comment before the meeting begins. Please state your Name and Address for the record and limit your comments to three minutes)

Five citizens came forward to make a public comment.

Council Updates (Subjects of General Interest and Concern)

Mayor Jeff Reese expressed thanks to Christopher Pike for all his work with the City of Villa Rica. Chris has tendered his resignation with the City and has accepted a position with the City of South Fulton.

Captain Scott Parker gave an updated of the recent break-ins. Mayor Reese also expressed thanks to Captain Parker and other police officers for working on this and working with other agencies.

Councilman Gil McDougal requested a policy be put into place on when changes can be made to the agenda. His suggestion was that nothing can be added or removed from the agenda after the Work Session without the City Manager making that decision. Anything that is removed should be streaked through so that we know what was on the agenda and this will allow us to be consistent. Mayor Jeff Reese agreed and stated that if we talk about it in the Work Session then it should still be on the agenda.

Consent Agenda

The Consent Agenda is a single item that encompasses all things the City Council would normally approve with little comment. Each of these items was discussed at the Thursday, July 5, 2018, Council Work Session, and it was the unanimous consensus of the Governing Body to place the following items on the Consent Agenda.

1. 2018 – 2019 GDOT Maintenance Contract Renewal
2. South Carroll Rd Drainage Improvements – Bid Proposals
3. Partially Developed Subdivisions – Sidewalk Requirements
4. Recreation Advisory Committee Appointment
5. Additional Funds for Construction of Retaining Wall at Hillcrest Cemetery by DL Masonry LLC
6. Comcast Franchise Renewal
7. Lease Agreement with Villa Rica Development Authority for Former Georgia Power Building
8. Ordinance to Provide Information Technology Fee

Councilman Danny Carter made the motion to approve the Consent Agenda.

RESULT:	ADOPTED (UNANIMOUS)
MOVER:	Danny Carter, Councilman
SECONDER:	Gil McDougal, Councilman
AYES:	Carter, McDougal, Marchman, Best, McPherson

A. Governing Body (Mayor Jeff Reese)

1. Approval of Minutes
 - a. Council Monthly Meeting of June 5, 2018.

Councilman Verland best made the motion to approve the June 5, 2018 Minutes.

RESULT:	ADOPTED (UNANIMOUS)
MOVER:	Verland Best, Councilman
SECONDER:	Danny Carter, Councilman
AYES:	Best, Carter, Marchman, McPherson, McDougal

2. Potential Opioid Litigation

Councilman Gil McDougal made the motion to adopt the Resolution regarding Opioid Crisis.

RESULT:	APPROVED (4-1)
MOVER:	Gil McDougal, Councilman
SECONDER:	Danny Carter, Councilwoman
AYES:	McDougal, Carter, Best, Marchman
NAYS:	McPherson

Councilman Verland Best made the motion to authorize the Mayor to sign the agreement.

RESULT: **APPROVED (4-1)**
MOVER: Gil McDougal, Councilman
SECONDER: Danny Carter, Councilwoman
AYES: McDougal, Carter, Best, Marchman
NAYS: McPherson

3. Dates and Times for Council Meetings

Councilman Gil McDougal made the motion to change our meeting schedule to two voting sessions and no work session, meeting on the second and fourth Tuesday of each month, beginning October 2018. Councilman Gil McDougal withdrew his motion due to Councilwoman Shirley Marchman having an issue with one of the meeting dates. Councilman Danny Carter made the motion to table until the August meeting.

RESULT: **TABLED (UNANIMOUS)**
MOVER: Danny Carter, Councilman
SECONDER: Gil McDougal, Councilman
AYES: Best, Carter, Marchman, McPherson

4. Discussion of Senate Bill 17 – Brunch Bill

Councilman Gil McDougal made the motion to call for an election referendum in conjunction with the November ballot to place the Brunch Bill for an election.

RESULT: **ADOPTED (UNANIMOUS)**
MOVER: Gil McDougal, Councilman
SECONDER: Verland Best, Councilman
AYES: Carter, Best, Marchman, McPherson

5. Mt. Zion Water Service Delivery District

Councilman Danny Carter made the motion to approve the resolution amending a map in the Carroll County Service Delivery Strategy to correctly reflect the Mt. Zion water server delivery area.

RESULT: **ADOPTED (UNANIMOUS)**
MOVER: Danny Carter, Councilman
SECONDER: Verland Best, Councilman
AYES: Carter, Best, Marchman, McPherson, McDougal

B. Finance (Sarah Hefty, CFO)

1. Financial Update: May 2018

Sarah Hefty presented the May 2018 Financial Report.

C. Human Resources (Stephanie Rooks, Manager)

1. Personnel Policy Handbook

The six new changes to the handbook were individually approved by the Council:

- Tobacco Use Policy – Councilman Gil McDougal made the motion to approve as amended, seconded by Councilman Verland Best. Vote: 5-0. Motion approved.

- Duty to report Criminal Charges and Determinations – Councilman Gil McDougal made the motion to include in the handbook, seconded by Councilman Verland Best. Vote: 5-0. Motion approved.
- Loss or damage to City Equipment (replace at employee's cost) – Councilman Gil McDougal made the motion to approve as amended, seconded by Councilman Verland Best. Vote: 5-0. Motion approved.
- Discounted facility rentals for employees – Councilman Danny Carter made the motion to offer the employees a free rental per calendar year, seconded by Councilman Verland Best.
- Tuition Reimbursement Program – Councilman Gil McDougal made the motion to adopt the Tuition Reimbursement Program as presented, seconded by Councilman Danny Carter. Vote: 4-1. Motion approved. Councilwoman Leslie McPherson opposed.
- Leave Accruals – Councilman Gil McDougal made the motion to approve as written, seconded by Councilman Danny Carter. Vote: 5-0. Motion approved.

Councilman Verland Best made the motion to adopt a resolution authorizing the City Manager and the Human Resources Manager to implement the revised personnel handbook effective 7/10/2018.

RESULT: **ADOPTED (UNANIMOUS)**
MOVER: Verland Best, Councilman
SECONDER: Danny Carter, Councilman
AYES: Best, Carter, Marchman, McDougal, McPherson

D. Community Development (Bobby Elliott, Director)

1. ABL-05-18: Alcoholic Beverage License Request, Hixtown Brewing Co., 407 Main Street

Public Hearing: No one came forward to speak for or against.

Councilwoman Leslie McPherson made the motion to approve the alcoholic beverage application for Hixtown Brewing Co., located at 407 Main Street.

RESULT: **ADOPTED (VOTE: 4-1)**
MOVER: Leslie McPherson, Councilwoman
SECONDER: Danny Carter, Councilman
AYES: McPherson, Carter, Best, McDougal
NAYS: Marchman

2. FP-02-18: Townsend Village Final Plat

Public Hearing: No one came forward to speak for or against.

Councilwoman Leslie McPherson made the motion to approve the final plat application from ALA Townsend Village for Townsend Village townhomes subdivision.

RESULT: **ADOPTED (UNANIMOUS)**
MOVER: Leslie McPherson, Councilwoman
SECONDER: Danny Carter, Councilman
AYES: McPherson, Carter, Best, Marchman, McDougal

3. RA-03-18 – Rezoning request for property located at 414 Old Stone Road. Currently zoned R20 (Single-Family Residential) to 01 (Office Institutional)

Public Hearing: No one came forward to speak for or against.

Councilman Danny Carter made the motion to approve the applications from Steve and Theresa Pulver for 414 Old Stone Road to rezone property from Single-Family Residential to Office-Institutional

with conditions, and to amend the future land use plan from Low Density Residential to Public/Institutional.

MOVER: Danny Carter, Councilman
SECONDER: Verland Best, Councilman
AYES: Carter, Best, Marchman, McPherson, McDougal

3. ABL-04-18: Alcoholic Beverage License Request, F & B Edge Road, LLC, 701 Edge Road

Public Hearing: No one came forward to speak for or against.

Councilman Danny Carter made the motion to approve the alcoholic beverage application for F & B Edge Road, LLC located at 701 Edge Road.

RESULT: **ADOPTED (VOTE: 4-1)**
MOVER: Danny Carter, Councilman
SECONDER: Leslie McPherson, Councilwoman
AYES: Carter, McPherson, Best, McDougal
NAYS: Marchman

E. Economic Development (Christopher Pike, Director)

1. August Summer Concert Alcohol License Agreement

Councilman Gil McDougal made the motion to approve the 2018 License Agreement between the City of Villa Rica and The Olive Tree Villa Rica for the purpose of selling beer and wine at the 2018 August Summer Concert.

RESULT: **ADOPTED (VOTE: 4-1)**
MOVER: Gil McDougal, Councilman
SECONDER: Danny Carter, Councilman
AYES: McDougal, Carter, Best, McPherson
NAYS: Marchman

F. City Manager's Report (Tom Barber)

City Manager Tom Barber presented his report of city projects.

G. Executive Session (David Mecklin, City Attorney)

City Attorney David Mecklin requested the Council to go into Executive Session to discuss the purpose listed below.

1. Meeting to discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee as provided in Georgia Code Section. 50-14-3(b)(2).

Councilman Gil McDougal made the motion to go into Executive Session, seconded by Councilman Danny Carter. Vote: 5-0. Motion approved.

Councilman Danny Carter made the motion to go back into regular session, seconded by Councilwoman Shirley Marchman. Vote: 5-0. Motion approved.

City Attorney David Mecklin reported that during Executive Session there was a discussion about the City Manager's contract and compensation. He read the motion: "We hereby resolve that the City Manager's contract be extended for the forthcoming year in accordance with a written contract between the City Manager and the City, and that the City Manager's salary be set at \$129,000 annually commencing on the beginning of the next contract year which is today. Now be it hereby resolved this

10th day of July 2018.” Councilman Gil McDougal made the motion to approve (motion quoted by City Attorney David Mecklin), seconded by Councilman Danny Carter. Vote: 5-0. Motion approved.

Adjournment

Councilman Gil McDougal made the motion to adjourn, seconded by Councilman Danny Carter. Vote:5-0. Motion approved.

Jeff Reese, Mayor

Alisa Doyal City Clerk

CITY COUNCIL
JEFF REESE, MAYOR
GIL MCDOUGAL, MAYOR PRO-TEM
VERLAND BEST
DANNY CARTER
SHIRLEY MARCHMAN
LESLIE MCPHERSON

City of Villa Rica



CITY MANAGER: TOM BARBER
CITY CLERK: ALISA DOYAL
CITY ATTORNEY: C. DAVID MECKLIN

571 W BANKHEAD HWY
VILLA RICA, GA. 30180
770.459.7000 | VILLARICA.ORG

SPECIAL CALLED COUNCIL MEETING MINUTES

Powell Park | 524 Leslie Drive

July 11, 2018 | 2:00 pm

Meeting Call to Order (Mayor Jeff Reese)

Mayor Jeff Reese called the meeting to order at 2:00 pm. Present were Mayor Jeff Reese, Mayor Pro Tem Gil McDougal, Councilmember's Shirley Marchman, Verland Best, Danny Carter, and Leslie McPherson.

Adoption of the Agenda (Mayor Jeff Reese)

Councilman Danny Carter made the motion to approve the agenda, seconded by Councilman Verland Best.

RESULT:	ADOPTED (4-0)
MOVER:	Danny Carter, Councilman
SECONDER:	Verland Best, Councilman
AYES:	Carter, Best, Marchman, McPherson (Councilman Gil McDougal was not present during the vote)

A. Budget Discussion (Sarah Hefty, CFO)

CFO Sarah Hefty led a discussion with the Council on specific items of the budget: Proposed Personnel Upgrades, Requested Capital, and the Reorganization Plan.

B. Adjournment

Councilwoman Shirley Marchman made the motion to adjourn, seconded by Councilman Verland Best.
Vote: 5-0. Motion approved.

Jeff Reese, Mayor

Alisa Doyal, City Clerk



Agenda Item: _____

CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

SUBJECT: LEASE AGREEMENT WITH GASTON OUTDOOR ADVERTISING

AGENDA DATE: 08/02/2018

DATE PREPARED: 07/26/2018

PREPARED BY: Tom Barber

AMOUNT: N/A

GL ACCOUNT #: N/A

PURPOSE: To approve a new lease agreement with Gaston Outdoor Advertising for a billboard structure located on City property between Harper Street and the north side of I-20.

BACKGROUND: The City currently is party to a ground lease with Gaston Outdoor Advertising which expires in early 2019. The Lessee would like to renew the lease now in order to confidently expend funds on tree removal around the sign. The new 10-year lease would begin on March 1, 2019. Compensation will either be the use of a sign face or \$450 per month, at the City's discretion.

Update: The lessee has made two additional proposals for the City's consideration.

STAFF RECOMMENDATION: Staff recommends approval of the lease presented at the July 10, 2018 meeting.

IMPACT:

MOTION: I move that we authorize the City Manager to execute the attached lease agreement with Gaston Outdoor Advertising, effective March 1, 2019.

BILLBOARD LEASE

Number: _____

LESSOR: City of Villa Rica, a political subdivision of the State of Georgia ("City")
571 W. Bankhead Highway
Villa Rica, GA 30180
Attn: City Manager

LESSEE: Gaston Outdoor Advertising ("Gaston")
P. O. Box 648
Carrollton, GA 30112
Attn: Allen Gaston

This Billboard Lease is made as of the _____ day of _____, 2018, by and between City and Gaston.

1. PREMISES. City does hereby lease and demise to Gaston, as space for outdoor advertising purposes, a portion of the real property located in the City of Villa Rica, Georgia, as more fully designated in Exhibit "A" attached hereto and by this reference made a part hereof (such designated area hereinafter being called the "Premises").

2. TERM. The term of this Lease shall be ten (10) years beginning on the first day of March, 2019 (the "Commencement Date") and ending on the 28th day of February, 2029, subject to the conditions of Paragraph 8 hereof and Georgia law concerning long term agreements by municipalities.

3. RENTAL.

(a) In lieu of rent for the space provided by the City to Gaston, Gaston agrees to provide one year round advertising face on one of Gaston's signs located on I-20. Gaston shall give the City a choice of any open sign face over which he has ownership or control on I-20. Gaston shall be responsible for placing one permanent face on a sign of the City's choosing in lieu of rent. The City shall be able to select the advertising space by giving Gaston notice of at least sixty (60) days. The City shall pay the production cost for this face. If the City chooses to change this face out more than once per year the City shall be responsible for the production and installation costs at Gaston's lowest available rate.

(b) At the City's discretion, the City may at any time during the term of the lease, choose to have Gaston pay rent at the rate of \$450 per month instead of the provision of the sign face in subsection 3(a) above. The City may during the time of the lease alternate between provision of advertising space and payment of rent.

(c) At Gaston's discretion, City may also request free use of any vacant sign spaces to promote special local events. Any and all production and installation costs for signs pursuant to this provision shall be charged to the City at Gaston's standard and customary rates.

4. USE. The Property is leased for the sole purpose of construction, operations and maintenance of a single outdoor advertising display and no other purpose whatsoever. Gaston shall have the right to erect, place and maintain a single advertising sign structure and equipment therefor on the Premises, and to post, paint, illuminate and maintain advertisements on such

structure. All structures, equipment and materials placed upon the said Premises by Gaston shall always remain the property of, and may be removed by Gaston at any time prior to or within a reasonable time after the expiration of the term hereof or any extension hereof, provided Gaston shall first give City no less than one business day's prior notice of Gaston's intention to remove any sign structure. Notwithstanding anything to the contrary contained herein, Gaston, at its sole cost and expense, shall remove all structures, equipment and materials from the Premises within thirty (30) days of the expiration or termination of this Lease, unless City specifically consents in writing to such structures, equipment and materials remaining in place. The parties agree that nothing in this lease shall be construed to prevent them from negotiating to continue the lease on mutually acceptable terms.

5. CONSTRUCTION. At the commencement of this lease there is an outdoor advertising structure in place on the premises. If the structure is to be changed during the term of this lease Gaston shall obtain the permission of the City before construction of a new structure.

6. INSURANCE AND INDEMNIFICATION.

(a) Gaston shall maintain, at Gaston's sole cost and expense, liability insurance for any and all damages resulting in personal injury or property damage in connection with the erection, servicing, maintenance, removal, or replacement of the sign structure, equipment and other property placed on the Premises by Gaston and all other occurrences arising out of Gaston's use of the Premises. Such insurance shall contain a provision that the policy shall not be terminated, amended or altered except upon 30 days prior written notice to City. Gaston shall provide proof of such insurance to City no less frequently than annually, if requested.

(b) Gaston shall also maintain at all times business automobile liability insurance and workers' compensation insurance in amounts no less than required by law and as would be maintained by a prudent firm undertaking Gaston's line of work.

(c) Gaston hereby waives, releases, relinquishes, discharges and agrees to indemnify, protect, save harmless, the City of Villa Rica, and all of their respective entities, and all respective officers, employees, directors, elected and appointed officials, members of authorities, boards and commissions and agents of and from any and all claims, demands, liabilities, losses, costs or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and attorneys' fees, caused by, growing out of, or otherwise happening in connection with the City's use of the Premises, due to any act or omission on the part of Gaston, its agents, employees or others working at the direction of Gaston or on its behalf, or due to any breach of this Lease by Gaston, or due to the application or violation of any pertinent Federal, State or local law, rule or regulation by Gaston. This indemnification applies whether: (i) the activities involve third parties or employees or agents of Gaston or of any City entity; or (ii) City is partially responsible for the situation giving rise to the claim; provided, however, this indemnification does not apply to the extent of the sole negligence of the City of Villa Rica and its officers or employees. This indemnification extends to the successors and assigns of Gaston, and this indemnification survives the expiration or termination of the Lease and the dissolution or, to the extent allowed by law, the bankruptcy of Gaston. To the full extent permitted by the Constitution and the laws of the State of Georgia, Gaston and its insurers waive any right of subrogation against the City of Villa Rica, or its respective officers, employees, elected and appointed officials, members of authorities, boards and commissions and agents, and its respective insurers, to the full extent of this indemnification.

7. SUBLEASING AND ASSIGNMENT. Gaston shall not have the right to sublease the Premises under the terms and conditions contained herein or assign this Lease without the specific written consent of the City.

8. TERMINATION. Gaston shall have the right to cancel this Lease upon thirty (30) days prior written notice to City if Gaston is prevented by any present or future law, regulation or ordinance from constructing or maintaining its billboard on the Premises.

9. LESSOR'S COVENANTS. City covenants to Gaston that:

(a) As of the Commencement Date, it will have the authority to carry out City's obligations under this Lease; and

(b) City will not permit any other billboards to be erected on the Premises;

10. LESSEE'S COVENANTS. Gaston covenants to City that it will:

(a) Abide by the rental terms pursuant to this Lease and abide by all of its terms and conditions;

(b) Keep all signs, structures, billboard, equipment and related property placed on the Premises by Gaston in good repair and condition;

(c) Use its best efforts to promptly attempt to maintain all permits necessary for construction, maintenance and use of the advertising structure on the Premises, all at Gaston's sole cost and expense;

(d) Comply with all laws, regulations, ordinances and rules including but not limited to any and all environmental laws, rules and regulations, applicable to the construction, erection, maintenance, replacement and removal of signs, sign structures and equipment used or placed on the Premises;

(e) Not place in or on nor bring in or onto the Premises, any hazardous substance. For purposes hereof, "hazardous substance" shall include any gas, liquid, solid or combination thereof which is regulated by an federal, state or local governmental entity due to its potentially deleterious effect on human health or the human or natural environment;

(f) Pay, when due, all taxes and assessments upon Gaston's structures, equipment and materials on the Premises, including any taxes payable on the land by virtue of its use by Gaston;

(g) Contract for and pay for all charges for utilities, including electricity, communications and similar charges applicable to the Premises, plus any applicable sales or other taxes thereon, as and when such charges become due and payable;

(h) Keep the premises neat and free from garbage and trash;

(i) Do all things necessary to prevent the filing of any mechanic's or other liens against the Premises by reason of any work, labor, services or materials performed or supplied or claimed to have been performed or supplied to City or anyone holding the Premises or any part thereof through or under Gaston; and

(j) Not accept or place any advertising in or on any structure on the Premises for any entity, product or activity which is objectionable to City in its reasonable discretion, it being acknowledged by Gaston that the Premises are local governmental property and located in the immediate vicinity of a public school. If Gaston is notified by the City of its objection to a sign, Gaston agrees to take action to address the City's concerns.

11. ACCESS AND TRIMMING OF VEGETATION.

(a) Access to the Premises exists as of the time of this agreement, and City, at its expense, shall maintain any drive or access road necessary for Gaston's access to the Premises. City, at its expense, shall maintain such access in reasonable condition at all times, so as to prevent erosion.

(b) Gaston shall not cut, trim, remove or spray any trees, bushes, brush or other vegetation on or about the Premises without City's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, it being acknowledged by City that the purpose of this Lease is to provide a location where Gaston's sign(s) are viewable by persons in vehicles on Interstate Highway 20. All such cutting, trimming, removal and spraying shall be done in a reasonable manner and shall not be undertaken on any trees, bushes, brush or other vegetation on land not owned by City. All cuttings shall be removed from the Premises and not left or burned thereon. City agrees to be responsible for Bush hogging around the sign on this premises. Gaston may request the City to provide such other reasonable maintenance on the premises that will benefit the use of the leased property.

12. TRADING WITH CITY EMPLOYEES. Gaston shall not violate any code of conduct governing City's employees or elected or appointed City officials, including members of the Villa Rica City Council, and the City's various commissions, boards and authorities.

13. WAIVER. The waiver by City of the breach of any provision contained in this Lease shall not be deemed to be a waiver of such provision on any subsequent breach of the same or any other provision contained in the Lease. No such waiver or waivers shall serve to establish a course of performance between the parties contradictory to the terms hereof.

14. CAPTIONS. Paragraph captions throughout this Lease are inserted for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease or as a limitation of the scope of the particular paragraph to which they refer.

15. BROKERS. Each of the parties represents and warrants that there are no claims for brokerage commissions, finders' fees or consultants' fees in connection with this Lease, and each party agrees to indemnify and defend the other party against, and hold it harmless from, all liability arising from any such claim, including without limitation attorney's fees, arising from any person or entity claiming any such compensation through that party.

16. MISCELLANEOUS.

(a) This Lease shall create the relationship of landlord and tenant and no estate shall pass out of City. Gaston has only a usufruct, not subject to levy and sale, and not assignable by Gaston except as otherwise provided herein.

(b) The use of gender shall include all genders. The singular number shall include the plural, or the plural the singular, as the context may require.

(c) This Lease shall be binding on the parties hereto and the respective successors, and to the extent assignable on the assigns or nominees of the parties hereto.

(d) Any notice required or permitted to be delivered hereunder shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to City or Gaston, as the case may be, at the addresses set forth at the beginning of this Lease or, in the alternative, via hand delivery or any recognized overnight delivery service.

(e) This Lease shall be governed by and construed in accordance with the laws of the State of Georgia.

(f) In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(g) This Lease constitutes the complete, final and exclusive agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties in connection with this subject matter.

(h) Although the printed provisions of this Lease may have been drafted by one party, each party represents that it has had the opportunity to seek the full advice of counsel, the terms of this Lease were fully negotiated by the parties, and no provisions of this Lease shall be automatically construed for or against either party, but this Lease shall be interpreted in accordance with the general meaning of the language herein contained in an effort to reach the intended result.

(i) This Lease and the terms and conditions herein may not be modified except by a writing, signed by all parties hereto.

(j) Time is of the essence of this Lease.

(k) City may freely assign, hypothecate, transfer and convey any or all of its rights, privileges, duties and obligations hereunder.

(l) Gaston shall not assign any of its rights, privileges, duties or obligations hereunder or sublease the Premises except in strict conformity with Paragraph 7 above.

(m) This Lease may be executed in counterparts with each copy having the full force and effect as if one agreement were executed.

[The following page is the signature page.]

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

LESSOR:

City of Villa Rica, a political subdivision of the State of Georgia

Witness or Attest

By: _____

Title: _____

LESSEE:

Gaston Outdoor Advertising

Witness or Attest

By: _____

Title: _____

EXHIBIT "A"

DESIGNATION OF PREMISES

Allen Gaston

From: Allen Gaston
Sent: Thursday, July 19, 2018 2:06 PM
To: Allen Gaston
Subject: FW: Gaston Outdoor Billboard Proposal

Perpetual Easement

Mr. Tom Barber,

Gaston Outdoor Advertising (GOA) Billboard Proposal for perpetual easement:

GOA would like to purchase a perceptual easement (this would be approximately 10' x 10' square) where the billboard is located on the City of Villa Rica's property just off of I-20 for \$30,000.

The billboard is located between I-20 right of way and a creek and is land locked. The land is a very small piece of property that was given to the City of Villa Rica because a landowner's property was split when I-20 was built (see enclosed map).

Bobby Dobbs owns the property between the billboard and the City of Villa Rica's property that joins up the AT&T easement and the City sewage line. The City would still have the full use of the small strip (if ever used) , but I would have an easement on the 10' x 10' square on the piece of property. Call me if you have any questions regarding this proposal. Thank you for your consideration. 770-301-6298.

Thanks, Allen Gaston

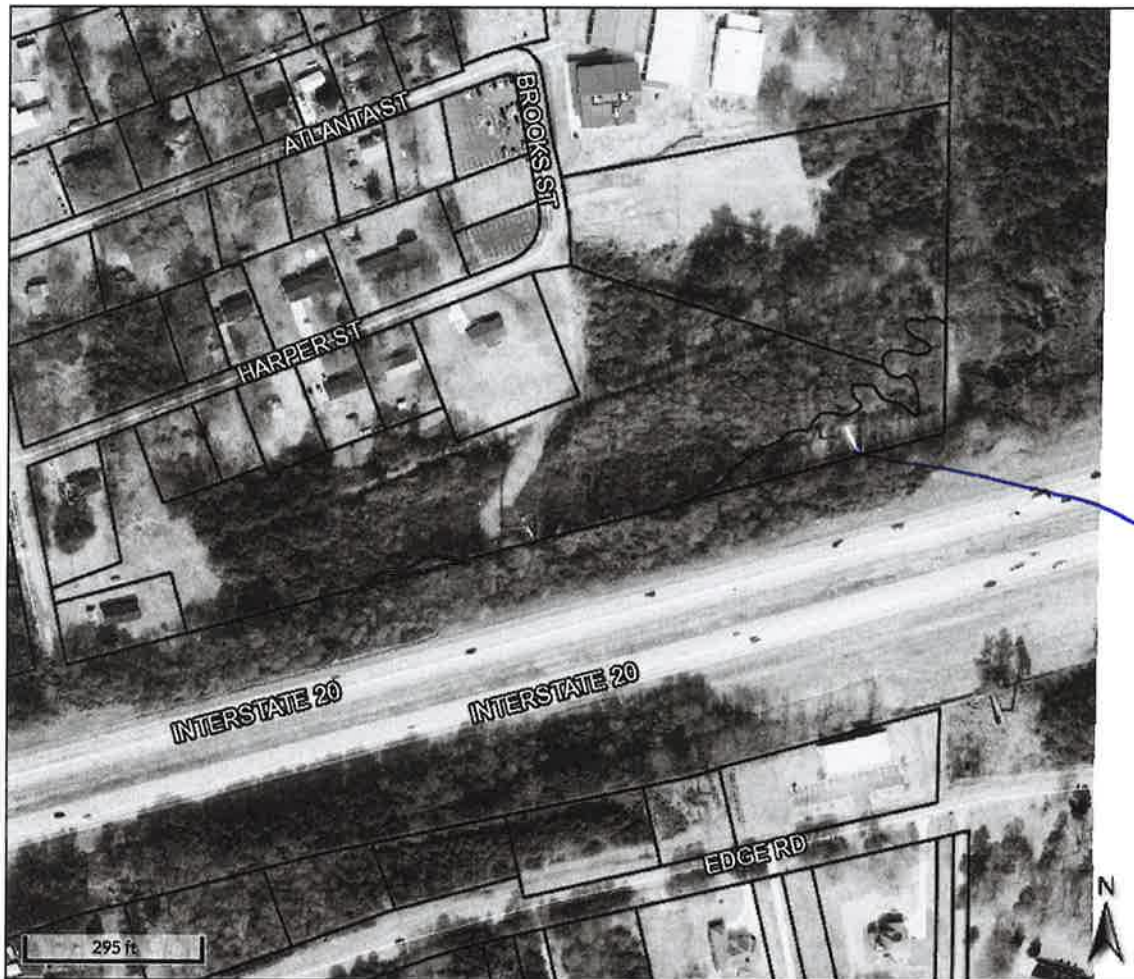
Gaston Outdoor Advertising, Inc.

Billboards, Scoreboards, Video Screens and Message Centers

P.O. Box 648, Carrollton, GA 30112

(770) 838-0079 - office

(770) 838-9585 - fax



Overview



Legend

- Parcels
- Roads
- City Labels

Billboard location

Parcel ID V06 0080001
Class Code Exempt
Taxing District VILLA RICA
VILLA RICA
Acres 1

Owner VILLA RICA MAYOR & CITY
571 WEST BANKHEAD HWY
VILLA RICA GA 30180
Physical Address E WILSON ST OFF
Assessed Value Value \$10000

Last 2 Sales			
Date	Price	Reason	Qual
12/12/1994	0	NM	U
7/18/1994	0	NM	U

Date created: 7/19/2018
Last Data Uploaded: 7/19/2018 7:38:36 AM

Developed by Schneider
GEOSPATIAL



Summary

Parcel Number V06 0080001
Location Address E WILSON ST OFF
Legal Description V/1AC OFF E WILSON ST VR35
 (Note: Not to be used on legal documents)
Class E1-Exempt
 (Note: This is for tax purposes only. Not to be used for zoning.)
Tax District VILLA RICA (District 03)
Millage Rate 32.705
Acres 1
Homestead Exemption No (S0)
Landlot/District 160 / 06
Water Public
Sewer Public Sewer
Electric Electricity
Gas Pipe Gas
Topography Level
Drainage Good
Road Class City
Parcel Road Access Paved

[View Map](#)

Owner

VILLA RICA MAYOR & CITY
 571 WEST BANKHEAD HWY
 VILLA RICA, GA 30180

Tax Commissioner Link

[Click here for tax information.](#)

Land

Type	Description	Calculation Method	Square Footage	Frontage	Depth	Acres	Lots
RES	Res-Villa Rica - City Acre 4	Acres	43,560	0	0	1	1

Sales

Sale Date	Deed Book / Page	Plat Book / Page	Sale Price	Reason	Grantor	Grantee
12/12/1994	856 220	51 291	\$0	Not Fair Market		VILLA RICA CITY
7/18/1994			\$0	Not Fair Market		FLORENCE MRS W G

Valuation

	2018	2017	2016	2015
Previous Value	\$10,000	\$10,000	\$10,000	\$10,000
Land Value	\$10,000	\$10,000	\$10,000	\$10,000
+ Improvement Value	\$0	\$0	\$0	\$0
+ Accessory Value	\$0	\$0	\$0	\$0
Current Value	\$10,000	\$10,000	\$10,000	\$10,000

No data available for the following modules: Rural Land, Conservation Use Rural Land, Residential Improvement Information, Commercial Improvement Information, Mobile Homes, Accessory Information, Prebill Mobile Homes, Permits, Photos, Sketches.

The Carroll County Tax Assessors makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. The assessed values are NOT certified values and therefore are subject to change before being finalized for ad valorem purposes.

Last Data Upload: 7/19/2018 7:38:36 AM

Developed by

Allen Gaston

From: Allen Gaston
Sent: Thursday, July 19, 2018 2:21 PM
To: Allen Gaston
Subject: FW: Gaston Outdoor Advertising Billboard Lease

*Billboard
Lease*

Mr. Barber,

Proposed New Billboard Renewal Lease with Gaston Outdoor Advertising (GOA) and City of Villa Rica. If we can not work out a perpetual easement agreement, I would like to pursue a lease with the following changes.

- 1) I would like to keep paying \$450.00 per month, but if we do trade I would like to trade out the same amount per month and not for a billboard face on I-20 in Villa Rica that cost \$1,200 per month. That would be a difference of \$750.00 per month (loss for GOA per month). It is going to cost \$50,000 to cut the trees and I have used the income from this billboard to finance a loan from the bank to do this. I would be ok with trading a billboard on Hwy. 61, 27 or I-20 in Heflin, AL where the rates are more in line with the \$450.00 per month. The City of VR is paying for two billboards now on Hwy. 61.
- 2) If the City of VR is paying for a billboard campaign, I would like for them to consider GOA.
- 3) GOA does not have workers compensation insurance, but the sub-contractors that I use do.

Thanks for working with me and if you have any questions please call 770-301-6298

Thanks, Allen Gaston

Gaston Outdoor Advertising, Inc.

Billboards, Scoreboards, Video Screens and Message Centers

P.O. Box 648, Carrollton, GA 30112

(770) 838-0079 - office

(770) 838-9585 - fax



Agenda Item: _____

CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

SUBJECT: Request for Temporary Signage for 2018 Frontier's Rodeo

AGENDA DATE: 08/07/2018

DATE PREPARED: 07/31/2018

PREPARED BY: Tom Barber

AMOUNT: N/A

GL ACCOUNT #: N/A

PURPOSE: To approve the temporary placement of signage for the Villa Rica Frontier's Rodeo.

BACKGROUND: Clint Chance is organizing the 13th Villa Rica Frontier's Rodeo. He is requesting permission to place signage from Friday, August 10th until the day after the event's conclusion.

The requested signage includes up to five 4-by-8 signs, up to ten 4-by-4 signs, and up to 75 18-inch-by-24-inch signs.

STAFF RECOMMENDATION: Staff recommends that we approve.

IMPACT: None

MOTION: I move that we give Villa Rica Frontier's Rodeo and Clint Chance permission to erect temporary signage for the 2018 event as requested in the accompanying email.



CITY OF VILLA RICA

City Council Packet

SUBJECT: RA-04-18/FLUM-02-18 – North Van Wert Road and 1483 Highway 78

CITY COUNCIL AGENDA DATE: August 7, 2018

DATE: August 1, 2018

PREPARED BY: Lenise Lyons, Planning and Zoning Specialist

FISCAL IMPACT: N/A

ANNUAL –

CAPITAL –

OTHER –

FUNDING SOURCE: N/A

PURPOSE:

Micah Hamrick of Villa Rica, GA requests rezoning for property located at North Van Wert Road and a portion of 1483 Highway 78, Villa Rica, GA, Parcel Nos: V02-007-0477 and V02-007-0362, in Land Lot 165 of the 6th District in Carroll County, currently zoned Rural Development (RD) to General Commercial (GC). Additionally, the applicants request a future land use amendment for the same property from Public/Institutional (PI) to Commercial (C). The property consists of 0.6+/- acres and is located in Ward 3.

BACKGROUND: The applicant, Micah Hamrick, submitted application to rezone property located at North Van Wert Road and 1483 Highway 78, Villa Rica, Georgia for a proposed assisted living facility. The application proposes a senior housing development that contains 42 memory care beds in a one-story building and 98 assisted living beds in a three-story building.

Additionally, the applicant submitted application for a future land use amendment from Public/Institutional (P/I) to Commercial (C), in order to make the land use designations for the properties consistent. Currently, the North Van Wert Road property is the site of the Hart House, and 1483 Highway 78 is the site for First Baptist Church.

STAFF RECOMMENDATION: Staff recommends Approval with Conditions.

1. Permitted uses limited to hospital, health, and medical institutions.
2. All improvements to be installed on property prior to occupancy.
3. It is encouraged that a preservation plan of action for the Hart House be submitted by the developer and approved by the City of Villa Rica prior to the issuance of any building permits.

IMPACT: N/A

PLANNING COMMISSION: Tabled until the next Planning Commission meeting date on August 28, 2018.

MOTION: N/A



Planning & Zoning

Community Development Department

RA-04-18

Council Ward: 3

Planning Board Member: Tom Flowers

City Council Member: Leslie McPherson

Public Hearing Dates

Planning Commission: July 31, 2018

City Council: August 7, 2018

Request: Rezone to from Rural Development (RD) to General Commercial (GC) for an assisted living facility.



Applicant: Micah Hamrick
1483 W Highway 78
Villa Rica, GA 30180
(770)459-5138

Acres: 6.0+/-
Current Land Use: Place of
Worship/Undeveloped
Future Land Use: Commercial and Public/
Institutional

Parcel Number(s): V02 0070477 and V02 0070362

Location: 1483 Highway 78 and North Van Wert Road, in Land Lot 165 of the 6th District in Carroll County.

Project Description:

The applicant is requesting to rezone property located at 1483 Highway 78 and North Van Wert Road from Rural Development (RD) to General Commercial (GC) for an assisted living facility. The parcel will be used for senior housing and contain 42 memory care beds in a one-story building and 98 assisted living beds in a three-story building.

Surrounding Properties:

Current Zoning		Land Use
North	Unincorporated Carroll County	Conservation Use
East	Planned Development (PD) and General Commercial (GC)	Single Family Residential and Undeveloped
South	Rural Development (RD)	Undeveloped
West	Rural Development (RD)	Undeveloped

Rezoning Review Standards:

The Code of the City of Villa Rica, Unified Development Code Section 2.03.B.4, requires all zoning amendment applications to be reviewed based upon the impact of the proposed rezoning with respect to each of the following matters:

A. *Whether the existing zoning was in error at the time of adoption.*

It does not appear that the existing Rural Development (RD) zoning designation is in error. Much of the surrounding area along North Van Wert Road is zoned RD and is undeveloped.

B. *Whether the proposed change is consistent with, and in furtherance of, the implementation of the goals and objectives of the Comprehensive Plan, other adopted plans, and the policies, intents and requirements of this Code and other city regulations and guidelines.*

Future Land Use Map

The subject property is currently located within City limits. The Future Land Use Map designations in the surrounding area are Commercial, Public/Institutional, and Low Density Residential.

Relation to the Comprehensive Plan Policies:

Economic Development

GOAL: Achieve a growing economy that equitably benefits all segments of Villa Rica.

Objective ED-1: Identify and put in place the prerequisites for quality economic growth.

Policies:

Objective ED-2: Strengthen and diversify Villa Rica's economic base.

Policies:

ED-2b: Encourage a greater variety of businesses.

ED-2f: Promote businesses that complement other businesses in the region.

Land Use and Growth

GOAL: Maintain a balanced, sustainable land use pattern that accommodates projected growth while fostering community vitality, and maintaining or improving the quality of the built environment.

Objective LU-2: Land Use Compatibility – Mitigate land use transitions to ensure that agricultural, residential, industrial, commercial and environmental lands can serve their intended functions (as determined by the Comprehensive Plan) with minimal interference from adjacent land uses.

Policies:

LU-2a: Require development approvals to be consistent with the Future Land Use Plan (Maps 5a-5e) and other plan directives.

C. Whether there is a community need for and benefit from the proposed rezoning; or

Rezoning the property to General Commercial is a benefit to the community because the proposed use is to provide senior housing and memory care. Population projections from the Comprehensive Plan indicate that Villa Rica has a growing population of individuals age 55 and above. Additionally, the Plan identifies that seniors will need more attached and communal housing types and increased medical services. Developments such as this will serve the demands of this growing population.

D. Whether the proposed change is consistent with the character of the area in which the proposed rezoning is proposed.

The proposed rezoning is consistent with the character of the area. The Bellevue Senior Living community is in close proximity to the subject parcels. The proposed development provides an appropriate transition from less-dense, residential development to the more-intense commercial Highway 78 corridor leading into the central city.

The future land use designated for this parcel is "Commercial" and "Public/Institutional". If zoning is approved, the portion of the development with the "Public/Institutional" land use will have to be amended to "Commercial" to be consistent with the proposed zoning.

E. Whether the proposed zoning is compatible with the zoning and uses of property nearby.

The proposed zoning is compatible with nearby zoning and uses nearby. There are several commercially-zoned properties along the nearby Highway 78 corridor.

F. Whether the existing zoning is suitable for the development of the uses authorized under the existing zoning classification, will be conducive to proper community planning, and is a logical extension of an existing urban area or growth center.

The existing zoning would be suitable for Rural Development residential and agricultural uses. It is currently undeveloped, but the Hart house has been relocated to the northern portion of the property. However, because the parcel is in close proximity to Highway 78, it is a logical extension of an existing urban area. Additionally, the Future Land Use Map supports Commercial land uses along North Van Wert Road and Highway 78.

G. Whether the public and community facilities, which may include, but are not limited to, sanitary and storm sewers, water, electrical service, police and fire protection, schools, parks and recreation facilities, roads, libraries, and solid waste collection and disposal, are available and adequate to serve uses authorized under the proposed zoning.

The subject property is currently provided with community facilities such as water, roads, and solid waste, however, there are inadequate sewer facilities on the site. Sewer is currently handled by a lift station, which most likely, will not be able to handle the increased demand created by the proposed assisted living facility. The existing pump station is maintained privately by First Baptist Church. The sewer facilities will require significant upgrades by the applicant to support the proposed use.

H. Whether the authorized uses will not adversely affect the capacity or safety of the street network in the vicinity of the property.

The proposed rezoning should not have a significant impact on the capacity of the road. The site plan indicates ingress and egress will occur from North Van Wert Road. Long-term medical facilities typically have set, regular business and visiting hours and do not generate very much traffic. Section 4.03 – Parking Standards of the Unified Development Code specifies the following in regards to parking requirements:

Hospital, Health, and Medical Institution): one (1) per three (3) patient beds, one (1) additional for three (3) employees.

I. Are there potential environmental impacts (e.g., excessive storm water runoff, water pollution, air pollution, noise pollution, excessive lighting, or other environmental harms) of authorized uses will be mitigated.

Based on the City's and County's available maps, there are wetlands that run east to west through the northern portion of the property. Should the zoning be approved, Staff will review all site plans for compliance with local and state guidelines for water bodies.

Staff Comments:

The applicant is requesting a rezoning of the subject property from Rural Development (RD) to General Commercial (GC). The proposed use for an assisted living facility should have a relatively low impact on the surrounding residential community, in comparison to other retail and service uses permitted in GC. There has been some concern from the public regarding the Hart

House, which is located on the subject property. Site plans submitted by the applicant indicate that the Hart House is in the area designated for development.

The Hart House is considered to have historical significance in Villa Rica because its architecture dates back to the 1800s. Unfortunately, the house does not lie in any of the Villa historic districts, nor is it on any State or national registers. Despite this, preservation of the structure should be contemplated in the development of this site.

Additionally, Staff recognizes that the Future Land Use Map designates a portion of the subject property as "Public/Institutional" which is not compatible with the GC zoning. The applicant has submitted a request for a Future Land Use Map amendment to be considered with the rezoning application. Should the parcel be rezoned, the Future Land Use Map should also be amended from Public/Institutional (P/I) to Commercial. Adequate parking facilities and other necessary improvements should be installed prior to occupancy.

Recommendation:

Staff recommendation: **APPROVAL WITH CONDITIONS**

1. Permitted uses limited to hospital, health, and medical institutions.
2. All improvements to be installed on property prior to occupancy.
3. It is encouraged that a preservation plan of action for the Hart House be submitted by the developer and approved by the City of Villa Rica prior to the issuance of any building permits.

Public Notifications:

As required by *Article 2, Section 2.01* in the Code of the City of Villa Rica, the public has been notified in *Times-Georgian* on July 14, 2018; a sign has been posted on the subject properties; and all abutting property owners have received notification via certified mail.

Public Response:

In response to the public notifications, residents within the surrounding neighborhoods have not contacted the City at the time of this staff report. However, some concern has been expressed by various groups and individuals regarding preserving or relocating the Hart House.

Office of Community Development

Attachments:

1. Application
2. Campaign Disclosure Statement
3. Letter of Intent
4. Property Owner Authorization
5. Warranty Deed
6. Property Plat
7. Location Map
8. Site Photos
9. Future Land Use Amendment Report

View from First Baptist Church Driveway





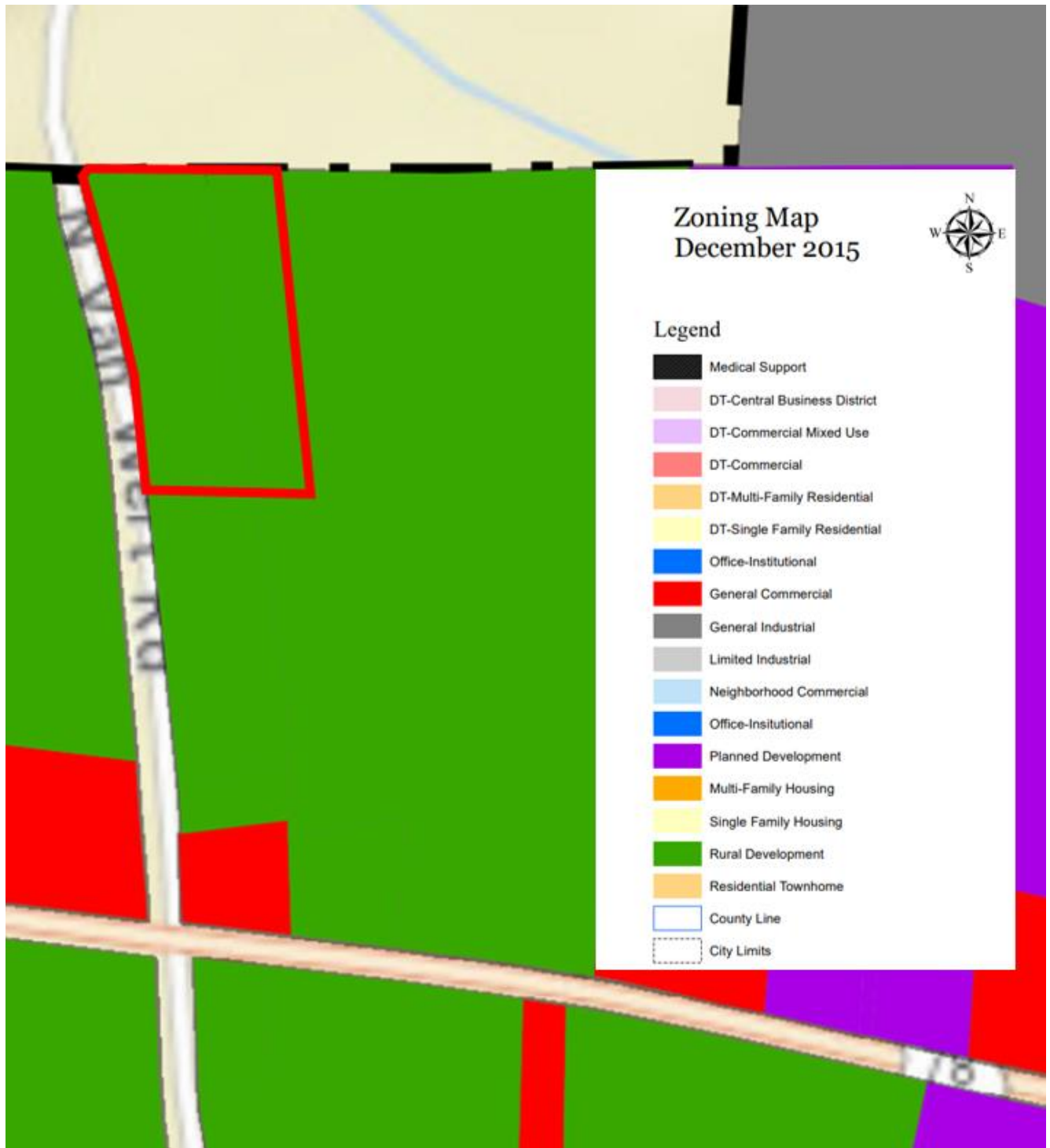
View Facing North on North Van Wert Road



View Facing South on North Van Wert Road



Zoning Map





Planning & Zoning

Community Development Department

FLUM-02-18

Council Ward: 3

Planning Board Member: Tom Flowers

City Council Member: Leslie McPherson

Public Hearing Dates

Planning Commission: July 31, 2018

City Council: August 7, 2018

Request: Amend future land use map from Commercial (C) and Public/Institutional (P/I) to Commercial (C).



Applicant: Micah Hamrick
1483 W Highway 78
Villa Rica, GA 30180
(770)459-5138

Acres: 6.0+/-
Current Land Use: Place of
Worship/Undeveloped
Future Land Use: Commercial and Public/
Institutional

Parcel Number(s): V02 0070477 and V02 0070362

Location: 1483 Highway 78 and North Van Wert Road, in Land Lot 165 of the 6th District in Carroll County.

Project Description:

The applicant is requesting a future land use amendment, along with a rezoning of property located at 1483 Highway 78 and North Van Wert Road for an assisted living facility. The parcel will be used for senior housing and contain 42 memory care beds in a one-story building and 98 assisted living beds in a three-story building.

Surrounding Properties:

Current Future Land Use		Land Use
North	Unincorporated Carroll County	Conservation Use
East	Low Density Residential (LDR)	Single Family Residential and Undeveloped
South	Commercial (C)	Undeveloped
West	Commercial (C)	Undeveloped

Rezoning Review Standards:

The Code of the City of Villa Rica, Unified Development Code Section 2.03.A., requires all comprehensive plan amendment applications to be reviewed based upon the impact of the proposed amendment with respect to each of the following matters:

A. *Whether there was error in the original Comprehensive Plan adoption in that the Council failed to take into account then existing facts, projections or trends that were reasonably foreseeable to exist in the future.*

It does not appear that the existing Commercial (C) and Public/Institutional (P/I) zoning designation is in error. Much of the property around North Van Wert Road and Highway 78 currently has a Commercial future land use designation. One of the subject parcels for this application currently has a Commercial future land use, however, the other parcel is currently designated as P/I. This is most likely because a place of worship is located on the P/I property, which is consistent with its current use. Should the rezoning application be approved, a portion of the P/I parcel will need to be amended to Commercial to make the land uses consistent.

B. *Whether events subsequent to the Comprehensive Plan adoption have invalidated the Council's original premises and findings made upon plan adoption.*

It does not appear that the original premises and findings have been invalidated due to subsequent events. The need for the comprehensive plan amendment is to make the future land use map designations consistent with the proposed rezoning request.

C. Whether any or all of the Council's original premises and findings regarding the Comprehensive Plan adoption were mistaken.

It does not appear that the original premises and findings regarding the Comprehensive Plan were mistaken.

D. Whether events subsequent to the Comprehensive Plan adoption have changed the character and/or condition of the area so as to make the application acceptable.

It does not appear that the character or condition of the area has changed significantly. Much of the area in the immediate vicinity of North Van Wert Road and Highway 78 are undeveloped.

Staff Comments:

The applicant is requesting a future land use amendment of the subject the portion of the property designated as Public/Institutional. The application was submitted concurrently with a rezoning application for the same property. Should the rezoning be approved, the Future Land Use Map should also be amended from Public/Institutional (P/I) to Commercial.

Recommendation:

Staff recommendation: **APPROVAL**

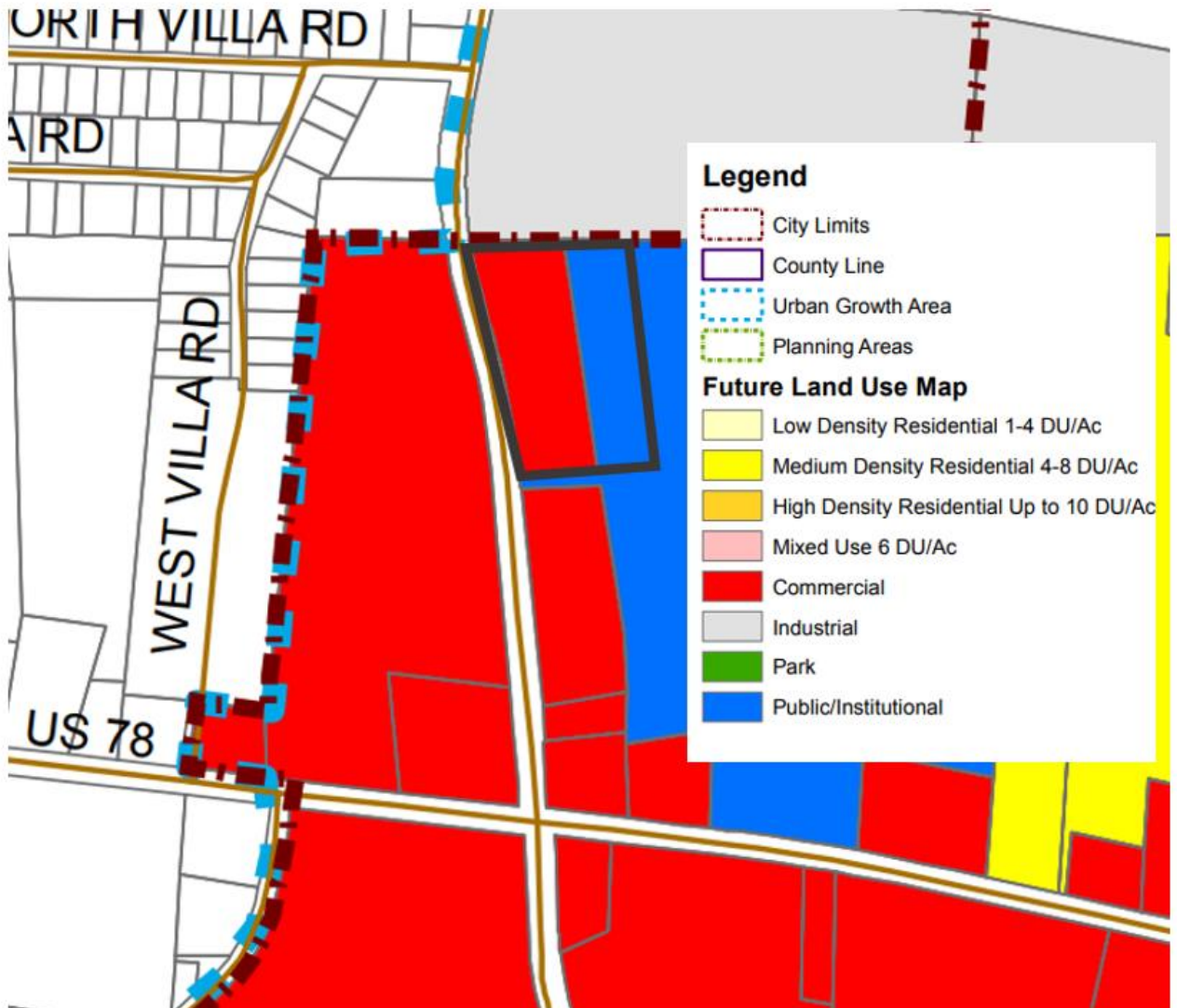
Public Notifications:

As required by *Article 2, Section 2.01* in the Code of the City of Villa Rica, the public has been notified in *Times-Georgian* on July 14, 2018; a sign has been posted on the subject properties; and all abutting property owners have received notification via certified mail.

Public Response:

In response to the public notifications, residents within the surrounding neighborhoods have not contacted the City at the time of this staff report. However, some concern has been expressed by various groups and individuals regarding preserving or relocating the Hart House.

Future Land Use Map





APPLICATION FOR
UDC TEXT AMENDMENT / ZONING MAP AMENDMENT

☐ UDC TEXT AMENDMENT ☐ ZONING MAP AMENDMENT

Please complete the blanks with the information requested. If any of the information or required materials is missing or incomplete, the application will not be processed. Also, please note the required information requested on the back of this page.

Date of Application: _____

APPLICANT

Applicant Name: First Baptist Church of Villa Rica

Address: 1483 West Highway 78 City: Villa Rica State: Georgia Zip: 30180

Phone: (770) 459 - 5138 Fax: (770) 459 - 4499 Email: micah@fbcvr.com

Agent Name: Micah Hamrick

Address: 1483 West Highway 78 City: Villa Rica State: Georgia Zip: 30180

Phone: (770) 459 - 5138 Fax: (770) 459 - 4499 Email: micah@fbcvr.com

Owner Name (If different from applicant): _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: () _____ - _____ Fax: () _____ - _____ Email: _____

(Note: A notarized statement signed by the property owner(s) authorizing the applicant to make this request shall be attached to the application.)

REZONING REQUEST

Existing Zoning: Rural Requested Zoning: General Commercial

Property Address: 1483 W. Highway 78 Nearest Intersection: +/-13,000 ft

Present Use of Property: Church

Proposed Use: Senior Housing Community

Size of Tract: 6 Land Lot Numbers: 165 Districts: 5th & 6th

Gross Density: _____ units per acre Net Density: _____ units per acre

Property Tax Parcel Number: V02 00700477 (4.14ac) & V02 0070362 (40.02ac)

(For Office Use Only)

Total Amount Paid \$ _____ Cash _____ Check # _____ Received by: _____

Application checked by: _____ Date: _____ Map Number(s): _____

Planning Commission: Approved ☐ Denied ☐ Date: _____ Conditions: No ☐ Yes ☐ How many: _____

City Council Decision: Approved ☐ Denied ☐ Date: _____ Conditions: No ☐ Yes ☐ How many: _____

Manager's Signature: _____ Date: _____

RA-04-18
RECEIVED
Boyer



CASE # _____
UDC TEXT/ZONING MAP

The procedure for amending the Unified Development Code (UDC) text, or making changes to the Official Zoning Map are set forth in Section 2.03.B, of the UDC. Generally, the amendment process involves review by the Community Development Manager and the Planning Commission with a final review and decision by the City Council.

I, Micah Hamrick, hereby state that all of the above statements and statements contained in the documents submitted with this application are true.

Micah Hamrick
Signature of Applicant

6-28-18
Date

Required Materials to Accompany the Application for Zoning Map Amendment:

The Community Development Manager may waive informational requirements upon finding that the information is not required to determine compliance with UDC requirements.

- ☐ 1. Copy of deed, lease, option agreement or other evidence of ownership or applicant's interest in the property. If the applicant is not the owner, attach a notarized statement signed by the owner authorizing the applicant to request the amendment.
- ☐ 2. A site development plan prepared in conformance with submittal requirements (unless waived by Community Development Manager or requested zoning district is Single-Family Residential).
- ☐ 3. A written statement describing the following:
 - a. The proposed uses and the effect the proposed use may have on surrounding properties and a statement of the facts indicating that the proposed change will not be detrimental to the general public interest and the purposes of this Code;
 - b. Whether such change is consistent with the intent and the purpose of this Code and the goals and policies of the Comprehensive Plan;
 - c. The areas which are most likely to be directly affected by such change and the likely effects;
 - d. Whether the proposed amendment is made necessary because of changed or changing social values, new planning concepts, or other social or economic conditions in the areas and zoning districts affected;
 - e. The proposed time schedule and phasing for development;
 - f. The source/method for providing utility/infrastructure services to the property;
 - g. A description of existing road conditions and any new roads to be included in the development and of the effect the proposed development will have on existing road and traffic conditions; and
 - h. A list of any state, federal, or other public agencies' approvals or permits required for the proposed development.
- ☐ 4. Additional exhibits, as may be required by the Community Development Director.

Required Materials to Accompany the Application for UDC Text Amendment:

The Community Development Manager may waive informational requirements upon finding that the information is not required to determine compliance with UDC requirements.

Proposed text amendment;

Written statement describing reasons for the proposed text amendment; and any other exhibits as may be required by the Community Development Director.



CASE # _____
UDC TEXT/ZONING MAP

Disclosure of Campaign Contributions

In accordance with the Conflict of Interest in Zoning Act, O.C.G.A., Chapter 36-67A, the following questions must be answered:

Has the applicant¹ made, within two (2) years immediately preceding the filing of this application for rezoning, campaign contributions aggregating \$250 or more or made gifts having in the aggregate a value of \$250 or more to a member of the City Council or Planning Commission who will consider the application?

Yes _____ No ☒

If Yes, the applicant and the attorney representing the applicant must file a disclosure report with the City within ten (10) days after this application is first filed. Please supply the following information that will be considered as the required disclosure:

Council/Planning Commission Member Name	Dollar amount of Campaign Contribution	Description of Gift \$250 or greater given to Board Member

We certify that the foregoing information is true and correct, this 28 day of June, 2018.

Micah Hamrick
Applicant's Name – Printed

Micah Hamrick
Signature of Applicant

Applicant's Attorney, if applicable – Printed

Signature of Applicant's Attorney, if applicable

Sworn to and subscribed before me this 28th day of June, 2018.

Helen W. Bruno
Notary Public



1. Applicant means any individual or business entity (corporation, partnership, limited partnership, firm enterprise, franchise, association, or trust) applying for rezoning or other action.

RETURN TO:

J. Larry Palmer
Suite D, 535 Maxham Road
Austell, Georgia 30168

QUIT-CLAIM DEED

Form 120

STATE OF GEORGIA, CARROLL County.

THIS INDENTURE, made this 27th day of February in the year of our

Lord One Thousand Nine Hundred and Ninety-Nine

between BARBARA ANN W. MITCHELL and DANIEL MITCHELL of the first part,
and VILLA RICA FIRST BAPTIST CHURCH of the second part.

WITNESSETH: That the said party of the first part for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, has bargained, sold and does by these presents bargain, sell, remise, release, and forever quit-claim to the said party of the second part, its heirs and assigns, all the right, title, interest, claim or demand which the said party of the first part has or may have had in and to

All that tract or parcel of land lying and being in Land Lot Number 165 of the 6th District of Carroll County, Georgia, and being more particularly described, to-wit:

To find the point of beginning, commence at the point of intersection between the northerly right of way line of U. S. Highway 78, said highway having a eighty (80') foot right of way, and the easterly right of way line of North Van Wert Road, said road having a fifty (50') foot right of way, and from said point of intersection run thence along the northerly right of way line of U. S. Highway 78, the following courses and distances, to-wit: South 81 degrees 24 minutes 02 seconds east 245.21 feet, south 81 degrees 37 minutes 49 seconds east 153.87 feet, south 81 degrees 23 minutes 45 seconds east 29.67 feet, south 80 degrees 52 minutes 18 seconds east 104.99 feet, south 79 degrees 56 minutes 36 seconds east 100.91 feet, and south 79 degrees 13 minutes 60 seconds east 62.21 feet to the point of beginning.

From said point of beginning run thence north 05 degrees 57 minutes 36 seconds east 799.45 feet to an iron pin; run thence north 87 degrees 04 minutes 02 seconds east 233.80 feet to an iron pin; run thence north 87 degrees 04 minutes 02 seconds east 261.45 feet to an iron pin; run thence south 05 degrees 33 minutes 13 seconds west 635.95 feet to an iron pin; run thence north 76 degrees 50 minutes 57 seconds west 400.00 feet to an iron pin; run thence south 05 degrees 28 minutes 17 seconds west 300.00 feet to an iron pin located on the northerly right of way line of U. S. Highway 78; run thence along the northerly right of way line of said highway, north 78 degrees 23 minutes 12 seconds west 100.00 feet to the point of beginning.

The above described property being more fully shown as Tract 1 containing 7.07 acres on that plat entitled "Property Survey for Villa Rica First Baptist Church" by Timothy L. McGukin, R.L.S. #2289, dated September 19, 1995, as recorded in Plat Book 55, Page 135, Clerk's Office, Carroll Superior Court, and said survey and the description contained therein is hereby incorporated by reference.

FILED
GA. CARROLL
SUPERIOR
98 MAR 27
J. L. Palmer

with all the rights, members and appurtenances to the said described premises in anywise appertaining or belonging.

This deed is given for the purpose of releasing any and all claims and rights which the grantors herein has or may have in and to the above described property by virtue of a loan deed from VILLA RICA FIRST BAPTIST CHURCH, INC. to grantor, dated January 12, 1996, and recorded in Deed Book 905, pages 150-152 Carroll County Records.

TO HAVE AND TO HOLD the said described premises unto the said party of the second part, its heirs and assigns, so that neither the said party of the first part nor its successors, nor any other person claiming under it shall at any time, claim or demand any right, title or interest to the aforesaid described premises or its appurtenances.

IN WITNESS WHEREOF, the said party of the first part has caused this instrument to be signed in its name by two of its officers and its corporate seal to be thereto attached.

Signed, sealed and delivered in the presence of:

[Signature]

[Signature: Daniel Mitchell] (Seal)

[Signature: Barbara Ann W. Mitchell] (Seal)

(Seal)

Notary Public, Carroll County, Ga.

(Seal)

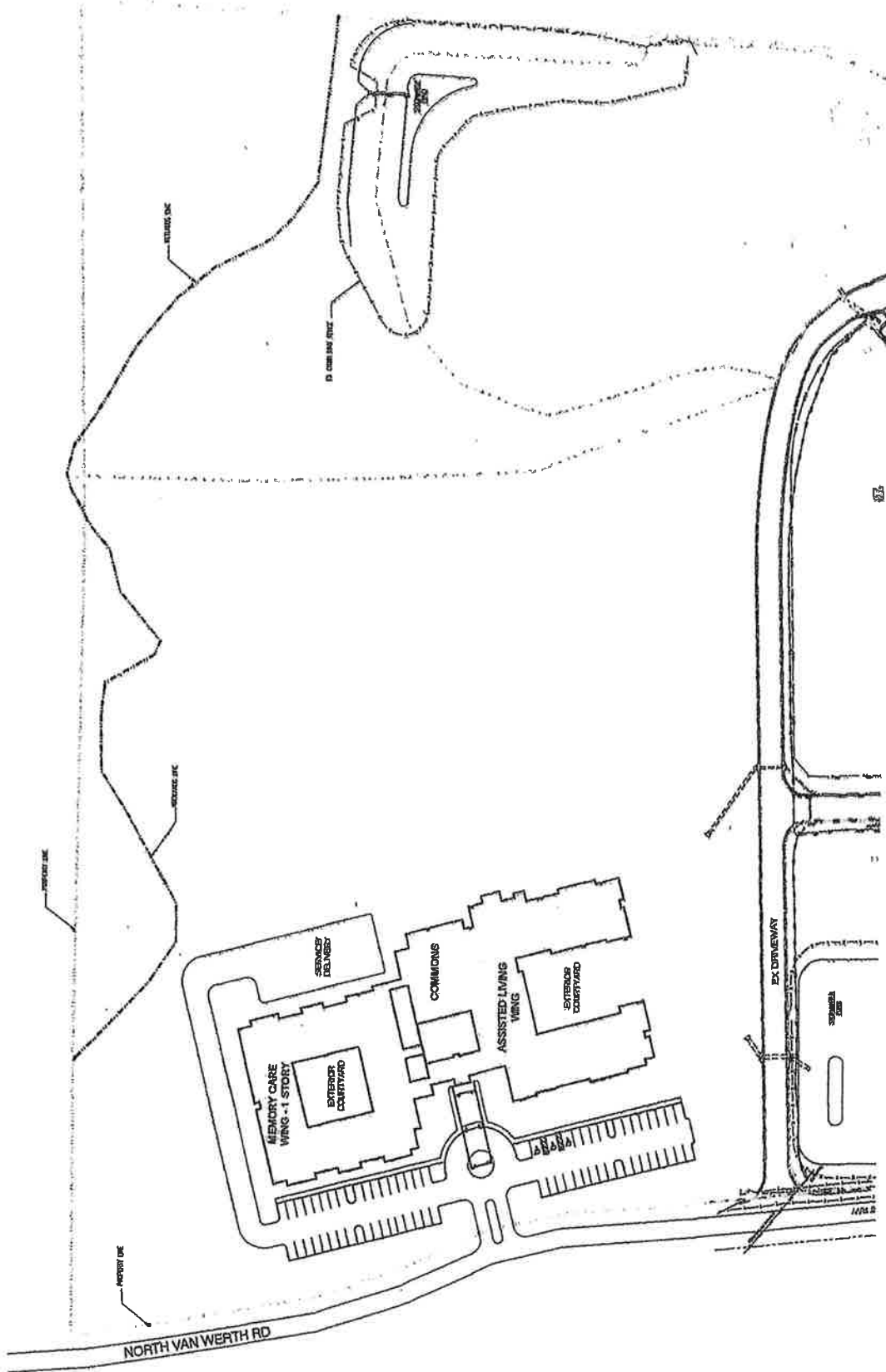
[Notary Seal: Notary Public, Carroll County, Georgia, My Commission Expires Oct. 21, 2000]

RECORDED

MAR 31 1998

TH SKINNER, CLERK

BOOK 1034 PAGE 568



LAWSON GROUP
ARCHITECTS, INC.
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309
404.525.1234
SCALE: 1/8" = 1'-0"

02-15-2017

SITE PLAN
VILLA RICA, GEORGIA

6 ACRE TRACT
VILLA RICA FIRST BAPTIST CHURCH
PROPERTY LINE DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 165 OF THE 6TH DISTRICT, 5TH SECTION, CITY OF VILLA RICA, CARROLL COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF LAND LOT 165 AND THE EASTERLY RIGHT-OF-WAY OF VAN WERT ROAD (50' R/W);
SAID POINT BEING THE POINT OF BEGINNING;

THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY, NORTH 89 DEGREES 26 MINUTES 45 SECONDS EAST, 272.87 FEET TO A 1/2" REBAR;

THENCE, SOUTH 89 DEGREES 42 MINUTES 13 SECONDS EAST, 120.60 FEET TO A 1/2" REBAR;

THENCE, SOUTH 08 DEGREES 35 MINUTES 14 SECONDS EAST, 704.58 FEET TO A 1/2" REBAR;

THENCE, SOUTH 88 DEGREES 29 MINUTES 01 SECONDS WEST, 358.22 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, NORTH 05 DEGREES 23 MINUTES 46 SECONDS WEST, 48.71 FEET TO A POINT;

THENCE, NORTH 04 DEGREES 20 MINUTES 22 SECONDS WEST, 150.19 FEET TO A POINT;

THENCE, NORTH 12 DEGREES 55 MINUTES 42 SECONDS WEST, 80.54 FEET TO A POINT;

THENCE, NORTH 24 DEGREES 07 MINUTES 38 SECONDS WEST, 99.37 FEET TO A POINT;

THENCE, NORTH 17 DEGREES 24 MINUTES 36 SECONDS WEST, 92.87 FEET TO A POINT;

THENCE, NORTH 09 DEGREES 25 MINUTES 36 SECONDS WEST, 134.81 FEET TO A POINT;

THENCE, NORTH 08 DEGREES 32 MINUTES 29 SECONDS WEST, 101.82 FEET TO A POINT;

THENCE, NORTH 03 DEGREES 56 MINUTES 57 SECONDS WEST, 14.45 FEET TO THE POINT OF BEGINNING;

SAID TRACT OR PARCEL CONTAINING 6.00 ACRES



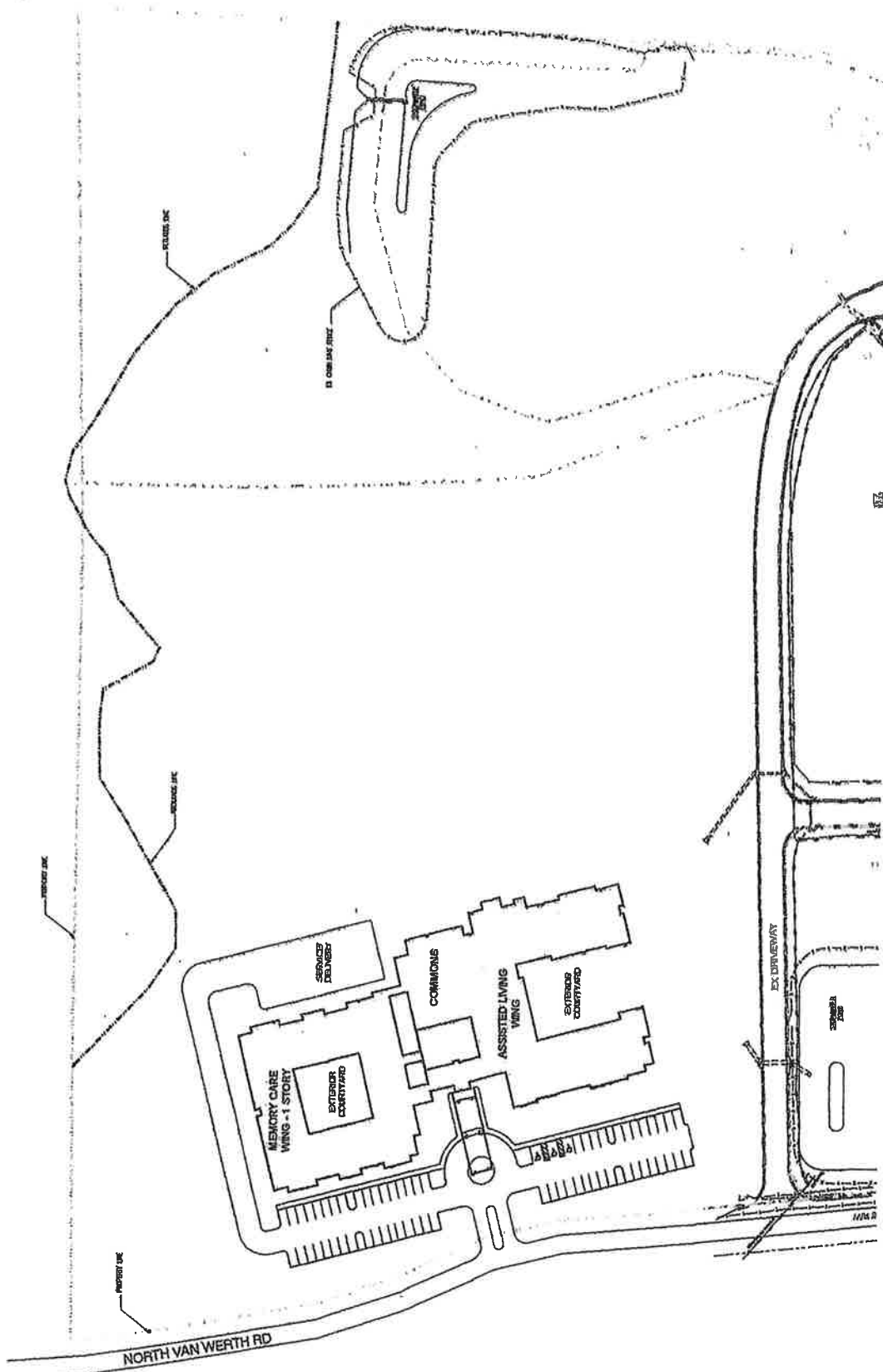
**ENGINEERS | SURVEYORS
LANDSCAPE ARCHITECTS**

6554 E. CHURCH ST. DOUGLASVILLE, GA 30134
TEL: 770.942.0196 | FAX: 770.942.0152
www.HughesRay.com

Villa Rica First Baptist Church, Inc.

Application for Amendments to the Comprehensive Plan Statement

A vacant house resides on this wooded lot. This property is zoned rural development with a special land use. The requested new comprehensive plan classification is General Commercial. The area of the property is 6.00 acres. Anticipated construction to begin fall 2018. Construction schedule is 12 to 18 months. The utilities and infrastructure that will be providing services to this property will be at or connecting to infrastructure and utilities along North Van Wert Road. Before connections occur, the contractor will coordinate with local utility companies for approval. The existing roads are in good condition. There are no new public roads being proposed for this development and there will be a minimal impact on the existing road and traffic conditions. A portion of this property is shown in a flood hazard area according to FEMA. No planned development is within the floodplain limits. No known approvals or permits by state, federal, or other public agencies are required for the proposed development. The development will affect the current church property with a complementary use. The adjacent properties are zoned as Rural Development. The adjacent properties consist of a church to the south east, residential housing to the North, wooded area to the East and Pasture land to the West across North Van Wert Road.



02-15-2017

SITE PLAN
VILLA RICA, GEORGIA

APPLICATION FOR AMENDMENTS TO THE COMPREHENSIVE PLAN:

(Check One)



PLAN TEXT ☐

FUTURE LAND USE MAP ☐

The procedure for amending the Comprehensive Plan is set forth in Section 2.03.A of the Unified Development Code (UDC). Generally, the amendment process involves review by the Community Development Manager and the Planning Commission with a final review and decision by the City Council.

Please complete the blanks with the requested information. If any of the information or required materials is missing or incomplete, the application will not be processed. Also, please note the required information requested on the back of this page.

Date of Application: 6-28-18

APPLICANT

Applicant Name: **Villa Rica First Baptist Church**

Address: 1483 W Hwy 78 City: Villa Rica State: GA Zip: 30180

Phone: (770) 459-5138 Fax: ()

Agent Name: Micah Hamrick

Address: 1483 W Hwy 78 City: Villa Rica State: GA Zip: 30180

Phone: (770) 459-5138 Fax: ()

Owner Name (If different from applicant):

Address: City: State: Zip:

Phone: () Fax: ()

(Note: A notarized statement signed by the property owner(s) authorizing the applicant to make this request shall be attached to the application.)

I, Micah Hamrick, hereby state that all of the above statements and statements contained in the documents submitted with this application are true.

Micah Hamrick

Signature of Applicant

6-28-18

Date



CASE # _____

COMPREHENSIVE PLAN AMENDMENT

Required Materials to Accompany the Application for Map Amendment:

The Community Development Manager may waive informational requirements upon finding that the information is not required to determine compliance with UDC requirements.

Helen W. Bruno
Commission Expires: July 21, 2019



FLUM-02-18



**ENGINEERS | SURVEYORS
LANDSCAPE ARCHITECTS**

6554 E. CHURCH ST. DOUGLASVILLE, GA 30134
TEL: 770.942.0196 | FAX: 770.942.0152
www.HughesRay.com

Villa Rica First Baptist Church, Inc.

UDC Text Amendment/ Zoning Map Amendment Statement

This parcel will be used for senior housing and contain 42 Memory Care beds in a 1-story building and 98 assisted living beds in a 3-story building. There will be little to no effect on surrounding properties. The change will not be detrimental to the public interest and the purposes of this Code. An application for a revision to the future land use map is submitted under separate cover. The church property will be affected by the development. This use should require an agreement for the use of private access and connections. The proposed amendment is made necessary because of a new planning concept for the described property. Anticipated construction to begin fall 2018. Construction schedule is 12 to 18 months. The utilities and infrastructure that will be providing services to this property will be at or connecting to infrastructure and utilities along North Van Wert Road. Before connections occur, the contractor will coordinate with local utility companies for approval. The existing roads are in good condition. There are no new public roads being proposed for this development and there will be a minimal impact on the existing road and traffic conditions. No known approvals or permits by state, federal, or other public agencies are required for the proposed development.

RETURN TO:

J. Larry Palmer
Suite D, 535 Maxham Road
Austell, Georgia 30168

QUIT-CLAIM DEED

Form 120

STATE OF GEORGIA, CARROLL County.

THIS INDENTURE, made this 27th day of February in the year of our

Lord One Thousand Nine Hundred and Ninety-Eight

between BARBARA ANN W. MITCHELL and DANIEL MITCHELL of the first part,

and VILLA RICA FIRST BAPTIST CHURCH of the second part.

WITNESSETH: That the said party of the first part for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, the receipt of which is hereby acknowledged, has bargained, sold and does by these presents bargain, sell, remise, release, and forever quit-claim to the said party of the second part, its heirs and assigns, all the right, title, interest, claim or demand which the said party of the first part has or may have had in and to

All that tract or parcel of land lying and being in Land Lot Number 165 of the 6th District of Carroll County, Georgia, and being more particularly described, to-wit:

To find the point of beginning, commence at the point of intersection between the northerly right of way line of U. S. Highway 78, said highway having a eighty (80') foot right of way, and the easterly right of way line of North Van Wert Road, said road having a fifty (50') foot right of way, and from said point of intersection run thence along the northerly right of way line of U. S. Highway 78, the following courses and distances, to-wit: South 81 degrees 24 minutes 02 seconds east 245.21 feet, south 81 degrees 37 minutes 49 seconds east 153.87 feet, south 81 degrees 23 minutes 45 seconds east 29.67 feet, south 80 degrees 52 minutes 18 seconds east 104.99 feet, south 79 degrees 56 minutes 36 seconds east 100.91 feet, and south 79 degrees 13 minutes 60 seconds east 62.21 feet to the point of beginning.

From said point of beginning run thence north 05 degrees 57 minutes 36 seconds east 799.45 feet to an iron pin; run thence north 87 degrees 04 minutes 02 seconds east 233.80 feet to an iron pin; run thence north 87 degrees 04 minutes 02 seconds east 261.45 feet to an iron pin; run thence south 05 degrees 33 minutes 13 seconds west 635.95 feet to an iron pin; run thence north 76 degrees 50 minutes 57 seconds west 400.00 feet to an iron pin; run thence south 05 degrees 28 minutes 17 seconds west 300.00 feet to an iron pin located on the northerly right of way line of U. S. Highway 78; run thence along the northerly right of way line of said highway, north 78 degrees 23 minutes 12 seconds west 100.00 feet to the point of beginning.

The above described property being more fully shown as Tract 1 containing 7.07 acres on that plat entitled "Property Survey for Villa Rica First Baptist Church" by Timothy L. McGukin, R.L.S. #2289, dated September 19, 1995, as recorded in Plat Book 55, Page 135, Clerk's Office, Carroll Superior Court, and said survey and the description contained therein is hereby incorporated by reference.

FILED
GA. CARROLL
SUPERIOR
98 MAR 27
CLERK OF SUPERIOR COURT

with all the rights, members and appurtenances to the said described premises in anywise appertaining or belonging.

This deed is given for the purpose of releasing any and all claims and rights which the grantors herein has or may have in and to the above described property by virtue of a loan deed from VILLA RICA FIRST BAPTIST CHURCH, INC. to grantor, dated January 12, 1996, and recorded in Deed Book 905, pages 150-152 Carroll County Records.

TO HAVE AND TO HOLD the said described premises unto the said party of the second part, its heirs and assigns, so that neither the said party of the first part nor its successors, nor any other person claiming under it shall at any time, claim or demand any right, title or interest to the aforesaid described premises or its appurtenances.

IN WITNESS WHEREOF, the said party of the first part has caused this instrument to be signed in its name by two of its officers and its corporate seal to be thereto attached.

Signed, sealed and delivered in the presence of:

[Signature]

[Signature: Daniel Mitchell] (Seal)

[Signature: Barbara Ann W. Mitchell] (Seal)

_____ (Seal)

_____ (Seal)

Notary Public, Carroll County, Ga.

[Notary Seal]

MY COMMISSION EXPIRES OCT. 21, 2000

RECORDED

MAR 31 1998

TH SKINNER, CLERK

BOOK 1034 PAGE 568

6 ACRE TRACT
VILLA RICA FIRST BAPTIST CHURCH
PROPERTY LINE DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 165 OF THE 6TH DISTRICT, 5TH SECTION, CITY OF VILLA RICA, CARROLL COUNTY, GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF LAND LOT 165 AND THE EASTERLY RIGHT-OF-WAY OF VAN WERT ROAD (50' R/W);
SAID POINT BEING THE POINT OF BEGINNING;

THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY, NORTH 89 DEGREES 26 MINUTES 45 SECONDS EAST, 272.87 FEET TO A 1/2" REBAR;
THENCE, SOUTH 89 DEGREES 42 MINUTES 13 SECONDS EAST, 120.60 FEET TO A 1/2" REBAR;
THENCE, SOUTH 08 DEGREES 35 MINUTES 14 SECONDS EAST, 704.58 FEET TO A 1/2" REBAR;
THENCE, SOUTH 88 DEGREES 29 MINUTES 01 SECONDS WEST, 358.22 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, NORTH 05 DEGREES 23 MINUTES 46 SECONDS WEST, 48.71 FEET TO A POINT;
THENCE, NORTH 04 DEGREES 20 MINUTES 22 SECONDS WEST, 150.19 FEET TO A POINT;
THENCE, NORTH 12 DEGREES 55 MINUTES 42 SECONDS WEST, 80.54 FEET TO A POINT;
THENCE, NORTH 24 DEGREES 07 MINUTES 38 SECONDS WEST, 99.37 FEET TO A POINT;
THENCE, NORTH 17 DEGREES 24 MINUTES 36 SECONDS WEST, 92.87 FEET TO A POINT;
THENCE, NORTH 09 DEGREES 25 MINUTES 36 SECONDS WEST, 134.81 FEET TO A POINT;
THENCE, NORTH 08 DEGREES 32 MINUTES 29 SECONDS WEST, 101.82 FEET TO A POINT;
THENCE, NORTH 03 DEGREES 56 MINUTES 57 SECONDS WEST, 14.45 FEET TO THE POINT OF BEGINNING;

SAID TRACT OR PARCEL CONTAINING 6.00 ACRES



Project Summary

- Total proposed building square footage is 106,000 sf
- 42 Memory Care beds in a 1-story building
- 98 Assisted Living beds in a 3-story building

VILLA RICA, GEORGA
SITE RENDERING



0 25' 50' 100'
SCALE: 1"=50'

RECORDATION AREA

GENERAL NOTES

CLOSURE STATEMENT

LEGEND

- ----- CALCULATED POINT
 ● ----- IRON PIN FOUND
 ○ ----- IRON PIN SET
 (1/2" REBAR)
- ----- R/W MONUMENT
 P/L ----- PROPERTY LINE
 R/W ----- RIGHT OF WAY
 N/F ----- NOW OR FORMERLY

DATE: 27 JUNE 2018			DRAWING NO. H15271
NO.	DATE	REVISION DESCRIPTION	DRAWN BY: DAS
			CHECKED BY: AMM
			JOB NO.: H15271
			SCALE: 1"=50'
			THIS DRAWING IS COPYRIGHTED.
			THE ORIGINAL DRAWING WAS PRODUCED AND IS ON RECORD IN THE OFFICES OF THIS FIRM.
			ANY UNAUTHORIZED USE, MODIFICATION, AND/OR REPRODUCTION OF THIS DRAWING, IN PART OR WHOLE IS HEREBY PROHIBITED.



Agenda Item: _____

CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

SUBJECT: Senior Services Grant Contract Renewal

AGENDA DATE: August 7, 2018

DATE PREPARED: July 18, 2018

PREPARED BY: Vicki Coleman, AICP, Director

AMOUNT: \$96,631

GL ACCOUNT #:

PURPOSE: To renew the annual contract for FY2019 Area Agency on Aging Contract for Services between the City of Villa Rica and the Three Rivers Regional Commission.

BACKGROUND: The City has operated under a contract with the Three Rivers Regional Commission for almost thirty years. The contract allows the City to address health and wellness services with its senior population through providing programs and meals to qualifying seniors and receiving reimbursements through state and federal grants

The City's reimbursement for meals are as follows:

- Home Delivered Meals: \$8.99
- Congregant Meals: \$10.66

A copy of the contract is attached.

STAFF RECOMMENDATION: Approval

IMPACT: N/A

MOTION: To approve the grant contract between the City and Three Rivers Regional Commission that will allow the City to continue to be reimbursed for the meals of those participating seniors.

SECTION ONE
AREA AGENCY ON AGING CONTRACT FOR SERVICES

THIS CONTRACT, entered into as of the 1st day of July 2018, by and between

CITY OF VILLA RICA
(hereinafter referred to as "SUBCONTRACTOR") and the

THREE RIVERS REGIONAL COMMISSION
(hereinafter referred to as "TRRC").

T-III C Funding CFDA# 93.045	ACL-NSIP Funding CFDA# 93.053
SSBG-HCBS Funding CFDA # 93.667	

WITNESSETH THAT:

WHEREAS, TRRC desires to engage the SUBCONTRACTOR to render certain services hereinafter described in connection with an undertaking or program (hereinafter referred to as the "program") which is to be wholly or partially financed by a grant from the U.S. Government through Georgia Department of Human Services (DHS) (hereinafter, along with the appropriate auditing agency of the entities making such grant, referred to as "the funding agencies"), and

WHEREAS, the SUBCONTRACTOR desires to render such services in order that the elderly and/or disabled persons in the Three Rivers Regional Commission region may live independently in their communities for as long as possible thereby preventing premature institutional placement.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

SECTION TWO GENERAL PROVISIONS AND FINANCIAL AND PROGRAMMATIC INFORMATION

1. **Engagement of the SUBCONTRACTOR.** TRRC hereby agrees to engage the SUBCONTRACTOR and the SUBCONTRACTOR hereby agrees to perform the services hereinafter set forth in accordance with the terms and conditions herein.
2. **Independent SUBCONTRACTORS.** No provision of this contract, act of the SUBCONTRACTOR in the performance of this contract, or act of TRRC in the performance of this contract shall be construed as constituting the SUBCONTRACTOR as an agent, servant, or employee of TRRC. Neither party to this contract shall have any authority to bind the other in any respect, it being intended that each shall remain an independent SUBCONTRACTOR.
3. **Scope of Services:** The SUBCONTRACTOR shall do, perform, and carry out in a satisfactory and proper manner, as determined by TRRC, the work and services described in Attachment "A", which is attached hereto and made a part thereof. Such services shall be provided within and respecting any or all of the Three Rivers Region (Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, and Upson Counties), as further specified in Attachment A hereto.
4. **Term and Time of Performance.** This term of this contract runs from July 1, 2018 through June 30, 2019. The effective date of this contract is July 1st, 2018. Work and services shall be undertaken and pursued in such sequence as to assure their expeditious completion and as may be required in Attachment "A" that is attached hereto and made a part hereof. All work and services required hereunder shall be completed on or before June 30th, 2019.
5. **Method of Payment.** The amount of this contract is included in Attachment B of this contract (page 2). Total payments from the TRRC to the SUBCONTRACTOR shall not exceed the maximum payments noted in Section One unless otherwise approved in writing as an official amendment to this contract. Such amendments shall become addendums to this contract. Unless otherwise specified in Attachments, which are attached hereto and made a part hereof, the following method of payment shall be used:
 - (a) **Progress Payments.** Unless otherwise approved by TRRC and the funding agencies, the SUBCONTRACTOR shall be entitled to receive progress payments on the following basis:
 - (1) a) Cost Reimbursement Contract - **On or before the fifth day of the month** following the month for which payment is requested, the SUBCONTRACTOR shall submit to TRRC, in a form acceptable to TRRC as specified in Attachment "B", a request documenting actual costs incurred during that month for each cost center as specified in Attachment "B"
 - b) Performance Based Fixed Rate Contract - **On or before the fifth day of the month** following the month for which payment is requested, the SUBCONTRACTOR shall submit to TRRC, in a form acceptable to TRRC as specified in Attachment "B", a request documenting the actual number of

service units provided during that month for each cost center as specified in Attachment "B"

TRRC shall verify and process reimbursement requests on or before the 15th working day of the month. TRRC shall distribute processed payments on or before the 25th day of the following month.

- (2) Upon the basis of TRRC's determination to its satisfaction that the SUBCONTRACTOR is in compliance with the terms of this agreement, including but not limited to the Paragraph titled **Subcontracts** below, and its audit and review and approval of (1) the monthly program performance report for the relevant month, and (2) the payment request by cost center, for the relevant month as specified hereinabove, TRRC will make payment to the SUBCONTRACTOR not more than once per month.
- (3) TRRC may, at its discretion, disallow or delay payment of all or part of a request if TRRC determines that the SUBCONTRACTOR is not in compliance to TRRC's satisfaction with any of the terms of this agreement. **Unless the monthly program performance report and the reimbursement request are received by TRRC on or before the fifth day of the month reimbursement may be withheld until the following payment cycle.**

(b) **Final Payment**

- (1) The SUBCONTRACTOR's payment request for the last month of the contract term must be received by TRRC no later than five days after the termination date of this contract. Proposed adjustments subsequent to this date are to be requested within ten days of contract termination. TRRC may, at its discretion, disallow payment of all or part of a final request received after this deadline.
- (2) The final request will be the request submitted on or before the fifth day following the termination date. Adjusted reports received by TRRC on or before the tenth day after the contract termination will become the final request.
- (3) Upon receipt by TRRC of the SUBCONTRACTOR's final payment request and all other required documentation, TRRC will review such documents and make comparisons among the costs authorized in Attachment "A" for each cost center and the cumulative value of all payments for each cost center. Based on such comparisons and upon its determination that all other requirements hereunder have been completed, TRRC will make either a final payment to the SUBCONTRACTOR for any allowable expenditure in excess of prior payments for each cost center or request from the SUBCONTRACTOR reimbursement of any overpayment. The SUBCONTRACTOR shall refund to TRRC any such overpayment within thirty calendar days of notification by TRRC.

(c) **Advance Payments**

- (1) Effective July 1, 2000, any Contractor who wishes to obtain an advance payment on any contractual obligations from the THREE RIVERS REGIONAL COMMISSION must provide an Irrevocable Letter of Credit payable to the THREE RIVERS REGIONAL COMMISSION for any advance amount requested in excess of ninety (90) percent of one twelfth (1/12th) of the annual contract amount. Contractor shall be bonded as stated in 29 (c).
- (2) The Irrevocable Letter of Credit will be called upon in the event the Contractor ceases to do business during the course of a contract period and fails to comply with the terms of this Agreement. Additionally, if such an event occurs, the TRRC will withhold from any remaining payments due to the Contractor the amount necessary to ensure that the total amount of advanced funds granted has been recouped.
- (3) Advanced payments issued to the Contractor shall be reclaimed in one-third installments during the contract period. Upon receipt by TRRC of the SUBCONTRACTOR's payment request during the ninth, tenth and eleventh month of the contract period, TRRC will reclaim one-third of any advanced funds during each of the three payment periods aforementioned with 100% of all advanced funds reclaimed during the eleventh month payment period.

6. **Communications.** All formal communication regarding this contract shall be in writing between the person executing this contract on behalf of the SUBCONTRACTOR (executor) and TRRC's Executive Director. Formal communications regarding this contract shall include, but not necessarily be limited to amendments, correspondence, progress reports and fiscal reports. The SUBCONTRACTOR shall bear the cost and other liability risks of making any changes covered by this contract in advance of receiving a formal contract change order from the TRRC Executive Director. The SUBCONTRACTOR executor and TRRC's Executive Director shall each have the right to designate in writing to the other an agent to act in his or her behalf regarding this contract. Any restrictions to such designation shall be clearly defined in the written designation.
7. **TRRC's Designated Agent.** TRRC's Executive Director hereby designates JOY Y. SHIRLEY, AREA AGENCY ON AGING DIRECTOR, as the agent for purposes of this contract only, except for executing amendments (see paragraph entitled "**Amendments**" below) or terminations (see paragraph entitled "**Termination**" below) or for interpretation of the requirements of this contract. In addition, all formal communications regarding this contract to include correspondence, reports, and requests for payments shall be submitted directly to the TRRC's AAA DESIGNATED AGENT and copied to the TRRC's Executive Director. Such appointments herein may be changed only by TRRC via a written addendum to this agreement.
8. **Review and Coordination.** To ensure adequate assessment of the SUBCONTRACTOR's program and proper coordination among interested parties, TRRC shall be kept fully informed concerning the progress of the work and services to be performed hereunder. The SUBCONTRACTOR may be required to meet with designated representatives of TRRC and

the funding agencies from time to time to review the work and services performed. Reasonable written notice of such review meetings shall be given to the SUBCONTRACTOR. The execution of a Health Insurance Portability and Accountability Act (HIPAA) Business Associate agreement shall occur prior to execution of this agreement and the HIPAA Business Associate agreement shall outline access granted to records under HIPAA regulations.

9. **Access to Records and Inspections.** The state and federal government and the designated TRRC staff member(s) shall have full and complete access to all consumer/customer/client records, administrative records, financial records, pertinent books, documents, papers, correspondence, including e-mails, management reports, memoranda, and any other records of the SUBCONTRACTOR and fourth party SUBCONTRACTOR(s). Upon request of such records, the SUBCONTRACTOR shall immediately provide the records requested. Failure to provide such records may result in termination of the contract and withholding of any remaining payments due until such time the SUBCONTRACTOR furnishes the records requested.

Reinstatement of payments to Contractors who have been sanctioned as denoted above must be approved by the TRRC's Council at the next regularly scheduled meeting of the Council. The SUBCONTRACTOR has executed a Health Insurance Portability and Accountability Act (HIPAA) Business Associate Agreement with the TRRC. Through the Business Associate Agreement, the SUBCONTRACTOR acknowledges and agrees that the Georgia Department of Human Services (DHS) Division of Aging Services, including the Long-Term Care Ombudsman, and the TRRC Area Agency on Aging provide functions that are considered health oversight agencies in their funding, quality improvement and regulatory functions. As health oversight agencies, protected health information must be shared with them and authorization is not required, according to HIPAA. The SUBCONTRACTOR is responsible for ensuring that a HIPAA Business Associate Agreement is executed by any fourth party SUBCONTRACTORS authorizing the same level of access to the entities noted above.

The SUBCONTRACTOR and fourth party SUBCONTRACTORS record retention requirements are six (6) years from submission of final expenditure reports. If any litigation, claim, or audit is started before the expiration of the six-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved. The SUBCONTRACTOR agrees that the DHS Office of Investigative Services, upon the request of the Commissioner or designee, has full authority to investigate any allegation of misconduct in performance of duties arising from this contract made against an employee of the SUBCONTRACTOR. The SUBCONTRACTOR agrees to cooperate fully in such investigations by providing the Office of Investigative Services full access to its records and by allowing its employees to be interviewed during such investigations.

The TRRC and the State Department of Human Services shall have the right to monitor and inspect the operations of the SUBCONTRACTOR and any fourth party SUBCONTRACTORS for compliance with the provisions of this Contract and all applicable federal and state laws and regulations, with or without notice, at anytime during the term of this Contract. The SUBCONTRACTOR agrees to cooperate fully with these monitoring and inspection activities. Such monitoring and inspection activities may include,

without limitation, on-site health and safety inspections, financial and behavioral health/clinical audits, review of any records developed directly or indirectly as a result of this Contract, review of management systems, policies and procedures, review of service authorization and utilization activities, and review of any other areas, activities or materials relevant to or pertaining to this Contract. DHS and/or TRRC will provide the SUBCONTRACTOR with a report of any findings and recommendations and may require the SUBCONTRACTOR to develop corrective action plans as appropriate. Such corrective action plans may include requiring the SUBCONTRACTOR to make changes in service authorization, utilization practices, and/or any activity deemed necessary by the DHS and/or TRRC.

The THREE RIVERS REGIONAL COMMISSION's Council has established the following sanctions for any violations of this section of the contract:

“If at any time an official representative of the TRRC (a staff member and/or an outside party hired to review certain records, documents, and/or procedures) is denied access to the information requested, or if the Contractor does not provide such information as requested, the TRRC will withhold any pending and/or future payments for services rendered until such time that the information is presented.”

10. General

- (a) The SUBCONTRACTOR agrees to carry out the program in accordance with all terms, provisions and conditions of the applicable guidelines and regulations issued by the funding agencies (e.g., the Older Americans Act of 1965, as amended, 45 CFR 74, 45 CFR 92, and 45 CFR 202). TRRC shall determine the appropriateness and application of such terms, provisions, and conditions. The SUBCONTRACTOR also agrees to carry out the program in compliance with requirements relating to the application, acceptance and use of Federal funds for this program, including, but not limited to, Executive Order 12372 and 41 CFR 29-70 or 45 CFR 74 or 45 CFR 92, as appropriate. The SUBCONTRACTOR assures and certifies that it shall comply with all requirements imposed by TRRC or the funding agencies concerning special requirements of law or program requirements including, but not limited to, 45 CFR 1321, or 45 CFR 202, as appropriate. The Code of Federal Regulations (CFR) are available at <http://www.gpoaccess.gov/cfr/>
- (b) The SUBCONTRACTOR agrees that the purpose of this program is to develop greater service capacity and to foster the development of comprehensive and coordinated service delivery systems to serve older persons and others deemed in need. To accomplish this purpose, the SUBCONTRACTOR agrees to execute a program which will:
 - (1) secure and maintain maximum independence and dignity in a home environment for older persons and other eligible individuals capable of self-care with appropriate supportive services;

- (2) remove individual and social barriers to economic and personal independence; and
- (3) provide specified services to eligible individuals who reside within the planning and service area, with greatest social need being determined by advanced age (75 years or more);
- (4) transport those deemed in need to scheduled sites.

11. **SUBCONTRACTOR's Personnel.** The SUBCONTRACTOR represents that it has, or will secure at its own expense, all personnel required to perform the services under this contract. Such personnel shall not be employees of TRRC.

12. **Standards for Service Performance.**

- a) The SUBCONTRACTOR shall perform all services in accordance with the definitions cited in Attachment A and as further defined in relevant notices issued by TRRC, or through TRRC from the Georgia Department of Human Services, the Administration on Aging, U. S. Department of Health and Human Services or any other funding entity.
- b) The SUBCONTRACTOR agrees to administer all programs in accordance with the Georgia Department of Human Services-Division of Aging Services Policies and Procedures. SUBCONTRACTOR will use the On-line Directives Information System (www.odis.dhr.state.ga.us) to stay current with the policies and procedures. The manuals may periodically be amended by DHS.
- c) The SUBCONTRACTOR assures that client assessment data and other required data elements for non-Medicaid Home and Community Based Services clients are collected and entered into the Harmony System in a timely manner.
- d) The SUBCONTRACTOR agrees to have a policy for reporting suspected abuse, neglect or exploitation since providers of Non-Medicaid Home and Community Based Service are considered mandated reporters under O.C.G.A. 30-4, "Protection of Disabled Adults and Elder Person."
- e) The SUBCONTRACTOR agrees that no changes resulting in a decrease in the scope of services, units of service to be provided, or numbers of persons to be served or any change in unit cost will be made without prior written approval of TRRC as provided in the Paragraph titled Amendments, herein below.
- f) The SUBCONTRACTOR agrees to implement Fee-For-Service/Cost Sharing requirements for non-Medicaid Home and Community Based Services, as required by the Department of Human Services-Division of Aging policies. SUBCONTRACTOR agrees that revenue generated from fee-for-service/cost sharing will be used to expand the services for which such pays was given.
- g) The SUBCONTRACTOR agrees that recipients of services have the opportunity to voluntarily contribute toward Older Americans Act Services provided, which is called

Program Income. SUBCONTRACTOR agrees that any Program Income generated as a result of this contract activity shall be expended in compliance with the funding sources identified in this contract. SUBCONTRACTOR also agrees that any Program Income collected shall be expended monthly or at intervals such that state and local funds are not expended at an accelerated rate.

- h) The SUBCONTRACTOR assures that aging services will not be denied to any person because they cannot or will not contribute toward the cost of the service for Title III Services.
- i) The SUBCONTRACTOR agrees to work with potential clients that want to pay privately for services.
- j) The SUBCONTRACTOR agrees to have a policy on how to handle emergency situations, accidents and/or critical incidents.
- k) The SUBCONTRACTOR agrees to have a policy on how to handle disasters.
- l) The SUBCONTRACTOR agrees to have a procedure for investigating and resolving complaints made by clients, family or other caregivers, or interested persons.
- m) The SUBCONTRACTOR agrees to have a written policy on for providing staff orientation and ongoing training for employees. Documentation on the types of trainings provided and attendees will be maintained by the SUBCONTRACTOR.
- n) The SUBCONTRACTOR acknowledges that TRRC has developed a multi-year Area Plan on Aging which is updated annually (hereinafter referred to as the "Area Plan") for a comprehensive and coordinated system for the delivery of supportive and nutrition services to the elderly and/or disabled.
- o) The SUBCONTRACTOR further acknowledges that said Area Plan defines the specific services to be provided to eligible persons residing within the TRRC Planning Area and that those services provided under this contract are a part of said Area Plan.
- p) The SUBCONTRACTOR acknowledges that said Area Plan delineates a range of available services for the elderly and/or disabled and, therefore, the SUBCONTRACTOR agrees to coordinate and cooperate with all other TRRC contracted service providers to the fullest extent possible and in a manner satisfactory to TRRC.
- q) Descriptions of supportive services and nutrition services included in this contract are listed in Attachment A, hereof, and shall be the basis for determining the SUBCONTRACTOR's performance of supportive services and nutrition services.
- r) The following special provisions shall apply to nutrition services:

- 1) The selection, relocation, and closing of nutrition sites shall have the prior written approval of TRRC. The sites approved in this contract as specified in "Provider Site Services List" in Attachment A.
 - 2) The SUBCONTRACTOR shall not initiate the delivery of nutrition services under this contract at a site not approved by TRRC.
 - 3) The SUBCONTRACTOR agrees to notify the AAA Gateway/ADRC of any openings in their HCBS programs. Once a referral is received by the SUBCONTRACTOR and a face-to-face assessment is conducted, they will notify the AAA Gateway/ADRC Staff within 30 days of their acceptance or denial of that person as a client.
 - 4) The SUBCONTRACTOR agrees to provide congregate meals to an average of 20 participants per day.
 - 5) The SUBCONTRACTOR agrees to serve hot or other appropriate meals at least once a day, for a minimum of 250 service days a year.
 - 6) The number of meals specified in the contract standards sets forth the maximum number of meals to be served under this contract.
 - 7) The SUBCONTRACTOR agrees to provide supportive services for their clients. Supportive services include: (a) access to services such as outreach, information/assistance; (b) recreational activities; (c) nutrition education; (d) nutrition screening/assessments; (e) nutrition counseling; and (g) health screening.
 - 8) The SUBCONTRACTOR agrees that staff engaged in food storage, preparation and distribution will observe all applicable Department of Human Services Rules and Regulations and local health ordinances governing food safety.
 - 9) The SUBCONTRACTOR agrees to attend monthly Site Manager Staff Meetings.
 - 10) The SUBCONTRACTORS that cook on site are required attend all menu planning meetings and use approved TRRC menu daily.
 - 11) The SUBCONTRACTOR agrees to attend the TRRC annual senior picnic.
 - 12) The SUBCONTRACTOR agrees that TRRC functions takes precedence over local functions, such as staff training, meetings, and volunteer recognitions.
 - 13) The SUBCONTRACTOR must have the TRRC logo printed on all publications and indicate that TRRC is a funding source for the programs.
13. **Termination of Services to Clients.** The SUBCONTRACTOR agrees, with respect to any individual who is a potential program participant or a potentially aggrieved program participant, to provide such individual with meaningful opportunity to be heard concerning his or her eligibility or continuing eligibility at a hearing. The SUBCONTRACTOR shall

have procedural requirements which, at a minimum, include all of the safeguards and elements of the model **Client Grievance/Complaint Procedure** on file at TRRC and available from TRRC upon written request.

14. **Reports.** The SUBCONTRACTOR shall furnish TRRC with monthly program performance reports, in such form as may be specified by TRRC, describing the work accomplished by the SUBCONTRACTOR. Such report(s) shall be furnished to TRRC within five days after the end of the period reported. All due dates in this contract shall be based on calendar days. If any such due date should occur on Saturday, Sunday or a TRRC holiday, the next TRRC workday shall be considered the due date.
15. **Rights in Documents, Materials and Data Produced.** The SUBCONTRACTOR agrees that all reports, studies, records, and other data prepared by or for it under the terms of this contract shall be the property of TRRC upon termination or completion of the work. TRRC shall have the right to use the same without restriction or limitation and without compensation to the SUBCONTRACTOR other than that provided for in this contract. For the purposes of this contract, "data" includes writings, sound recordings, photographs, films, videotapes or other graphic representations and works of a similar nature. No documents, material or data produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of the SUBCONTRACTOR or its fourth party SUBCONTRACTORS. The SUBCONTRACTOR acknowledges that matters regarding the rights to inventions and materials generated by or arising out of this contract may be subject to certain regulations issued by the funding agencies. Information regarding the applicability of such regulations to a specific situation may be obtained by written request to TRRC.
16. **TRRC'S Right to Suspend Contract:** The TRRC reserves the right to suspend the contract/subgrant in whole or in part under this contract provision if it appears to the TRRC that the SUBCONTRACTOR is failing to substantially comply with the quality of service or the specified completion schedule of its duties required under this contract, and/or to require further proof of reimbursable expenses prior to payment thereof, and/or to require improvement, at the discretion of the TRRC, in the programmatic performance or service delivery and/or to comply with any order or directive of a state or federal agency or court or arbitrator(s) with jurisdiction, by law or by consent, over the TRRC.
17. **Cooperation in Transition of Services** The SUBCONTRACTOR agrees upon termination of this contract, in whole or in part, for any reason that the SUBCONTRACTOR will cooperate as requested by the TRRC to effectuate the smooth and reasonable transition of the care and services for consumers/customers/clients as directed by the TRRC. This will include but not be limited to the transfer of the consumer/customer/client records, personal belongings, and funds of all consumers/customers/clients as directed by the TRRC. SUBCONTRACTOR further agrees that should it go out of business and/or cease to operate, all original records of consumers/customers/clients served pursuant to this contract shall be transferred by the SUBCONTRACTOR to the TRRC immediately and shall become the property of the TRRC in addition to any other remedy afforded the TRRC hereunder or by law. Failure to cooperate in the transition of services will result in the SUBCONTRACTOR becoming an ineligible contractor/SUBCONTRACTOR for a period of three (3) years from the end of this contract period.

18. **Force Majeure.** Each party will be excused from performance under this contract to the extent that it is prevented from performing, in whole or in substantial part, due to delays caused by an act of God, civil or military authority, war, court order, acts of public enemy, and such nonperformance will not be default under this contract nor a basis for termination for cause. Nothing in this paragraph shall be deemed to relieve the SUBCONTRACTOR from its liability for work performed by any fourth party SUBCONTRACTORS. If the services to be provided to the TRRC are interrupted by a force majeure event, the TRRC will be entitled to an equitable adjustment to the fees and other payments due under this contract.
19. **Publicity.**
- A. SUBCONTRACTORS must ensure that any publicity given to the program or services provided herein identify the TRRC AAA and the State Department of Human Services as sponsoring agencies. Publicity materials include, but are not limited to, signs, notices, information pamphlets, press releases, brochures, radio or television announcements, or similar information prepared by or for the SUBCONTRACTOR. Prior approval for the materials must be received from the TRRC and DHS's managing programmatic division/office. All media and public information materials must also be approved by the State of Georgia's Commissioner's Office of Policy and Government Services, Office of Communications. In addition, the SUBCONTRACTOR shall not display the TRRC or DHS's name or logo in any manner, including, but not limited to, display on SUBCONTRACTOR's letterhead or physical plant, without the prior written authorization of the Executive Director of the TRRC and/or the Commissioner of DHS.
- B. Notwithstanding subparagraph A above, if the SUBCONTRACTOR is a county board of health, the Commissioner's Office of Policy and Government Services must be notified prior to major publicity and/or media campaigns developed by or for the board-operated programs which identify DHS as a sponsoring agency. This is to enable the Commissioner's Office of Policy and Government Services to support the effort and to respond in a timely manner to inquiries to DHS that might result. In addition, the SUBCONTRACTOR shall not display DHS's name or logo in any manner, including, but not limited to, display on SUBCONTRACTOR's letterhead or physical plant, without the prior written authorization of the Commissioner of DHS.
20. **Inventions, Patents, Copyrights, Intangible Property and Publications.** The SUBCONTRACTOR agrees if patentable items, patent rights, processes, or inventions are produced in the course of work supported and funded by this contract, to report such facts in writing promptly and fully to the TRRC. The TRRC, the federal agency, and DHS shall determine whether protection of the invention or discovery shall be sought. The TRRC, the federal agency and DHS will also determine how the rights to the invention or discovery, including rights under any patent issued thereon, shall be allocated and administered in order to protect the public interest consistent with Government Patent Policy.

Copyrights. Except as otherwise provided in the terms and conditions of this contract, the author or the TRRC or DHS is free to copyright any books, publications, or other

copyrightable materials developed in the course of, or under this contract. Should any copyright materials be produced as a result of this contract, the TRRC, the federal agency and DHS shall reserve a royalty-free nonexclusive and irrevocable right to reproduce, modify, publish, or otherwise use and to authorize others to use the work for government, TRRC, and/or departmental purposes.

Publications: All publications, including pamphlets, art work, and reports shall be submitted to the TRRC on disk or electronically.

21. **Financial Management System.** SUBCONTRACTOR certifies that its financial management system currently complies and will continue to comply with all of the standards for financial management systems specified in 45 CFR 74, or 45 CFR 92, 41 CFR 29-70 as appropriate. In addition, the SUBCONTRACTOR agrees to accurately maintain its financial records for each cost center as specified in Attachment C in such form and utilizing such procedures as TRRC or the funding agencies may require. This includes, but is not limited to, the requirement that SUBCONTRACTOR financial records shall provide for (1) accurate, current, and complete disclosure of the financial results of each cost center; (2) records that identify adequately the source and application of funds by cost center for activities supported under this contract; and (3) time, attendance, and payroll distribution records to support salaries and wages paid to employees of the SUBCONTRACTOR.
22. **Employee's Rate of Compensation.** The rate of compensation for work performed under this program by a staff member or employee of the SUBCONTRACTOR shall not exceed the compensation of such person that is applicable to his or her other work activities for the SUBCONTRACTOR. Time and attendance and payroll distribution records shall support charges for salaries and wages of individual employees.
23. **Financial Reports.** In addition to other records required by this contract, the SUBCONTRACTOR agrees to provide to TRRC such additional financial reports in such form and frequency as TRRC may require in order to meet the TRRC's requirements for reporting to funding agencies.
24. **Audits.** SUBCONTRACTORS that expend \$750,000 or more in Federal funds during their fiscal year agree to have a single entity-wide **audit** conducted for that year in accordance with the provisions of the Single Audit Act Amendments of 1996 (Public Law 104-156) and their implementing regulation, 2 CFR 200 (Super Circular), "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" The audit reporting package shall include the documents listed in Policy 1244 of the DHS Directives Information System.

SUBCONTRACTORS expending \$100,000 or more in State funds during their fiscal year agree to have an entity-wide **audit conducted for that** year in accordance with Generally Accepted Auditing Standards issued by the American Institute of Certified Public Accountants. The audit reporting package shall include the documents listed in Policy 1244 of the DHS Directives Information System.

SUBCONTRACTORS expending at least \$25,000 but less than \$100,000 in State funds

during their fiscal year agree to prepare **unaudited entity-wide financial statements for that year. Assertions concerning** the basis of financial statement preparation must be made by the president or other corporate official as described in Policy 1244 of the DHS Directives Information System.

The SUBCONTRACTOR further agrees to submit the required audit or financial statement, within 180 days after the close of the SUBCONTRACTOR's fiscal year to:

***Three Rivers Regional Commission
LeeAnn Davis
Aging Fiscal Coordinator
P.O. Box 1600
Franklin, GA 30217***

Effective July 1, 2010, the THREE RIVERS REGIONAL COMMISSION's Council has established the following sanction for any violation of this contractual requirement:

If a Contractor fails to provide a final audit statement as required under the contract's terms, the TRRC will withhold any pending and/or future payments for services rendered until such time that the final audit is submitted and verified. If a pattern of such failures materializes, the Contractor will become ineligible to receive TRRC contracts for a period of 12 months. Recognizing that some situations might arise that are above and beyond the Contractor's control, the TRRC may extend the date of receipt of the final audit for a thirty (30) day period upon request and verifiable documentation related to the reason for the extension. Extensions past the thirty (30) day period may be requested, but any such request must be presented in person before the TRRC's Council with the Contractor's auditor present.

Reinstatement of payments to SUBCONTRACTORS who have been sanctioned as denoted above must be approved by the TRRC's Council at the next regularly scheduled meeting of the Council.

25. **Interest of SUBCONTRACTOR.** The SUBCONTRACTOR covenants that neither the SUBCONTRACTOR, nor anyone controlled by the SUBCONTRACTOR, controlling the SUBCONTRACTOR, or under common control with the SUBCONTRACTOR, nor its agents, employees or fourth party SUBCONTRACTORS, presently has an interest, nor shall acquire an interest, direct or indirect, which would conflict in any manner or degree with the performance of its service hereunder, or which would prevent, or tend to prevent, the satisfactory performance of the SUBCONTRACTOR's service hereunder in an impartial and unbiased manner. The SUBCONTRACTOR further covenants that in the performance of this contract no person having any such interest shall be employed by the SUBCONTRACTOR as an agent, fourth party SUBCONTRACTORS or otherwise. If the SUBCONTRACTOR contemplates taking some action which may constitute a violation of this paragraph, and SUBCONTRACTOR shall request in writing the advice of TRRC, and if TRRC notifies the SUBCONTRACTOR in writing that the SUBCONTRACTOR's contemplated action will not constitute a violation hereof, then the SUBCONTRACTOR shall be authorized to take such action without being in violation of this paragraph.

26. **Interest of Members of TRRC and Others.** No officer, member or employee of TRRC, and no public official of any local government which is affected in any way by the program, who exercises any function or responsibilities in the review or approval of the program or any component part thereof, shall participate in any decision relating to this contract which affects his or her personal interests or the interest of any corporation, partnership or association in which he or she is directly, or indirectly, interested; nor shall any such officer, member or employee of TRRC, or public official of any local government affected by the program, have an interest, direct, in this contract or the proceeds arising therefrom.
27. **Officials Not to Benefit.** No member or delegate to the (1) Legislature of the State of Georgia, elected or appointed State of Georgia official, or employee of the State of Georgia Department of Human Services (and Division of Aging Service) and (2) Congress of the United States of America, resident commissioner or employee of the United States Government, shall participate or influence any decision relating to the award or administration of this contract which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly, or indirectly, has any involvement.
28. **Restrictions on Hiring of TRRC Employees.** The SUBCONTRACTOR and any associated fourth party SUBCONTRACTORS shall not hire, retain, or engage in any paid or unpaid capacity (employee, consultant, or advisor) an employee (full-time, part-time, or consultant) of the TRRC within a twelve (12) month period after the termination date of this contract. Further, any former TRRC employee who is hired, retained, or engaged having met the above 12 month restriction may not be directly involved with the management and performance of this contract without the express written approval of the TRRC Executive Director. SUBCONTRACTOR violation of this restriction shall be grounds for contract termination.
29. **Project Administration.**
- (a) The SUBCONTRACTOR agrees that the SUBCONTRACTOR executor is responsible for ensuring that all terms and conditions of the contract are fully met to TRRC's satisfaction.
 - (b) The SUBCONTRACTOR agrees that all persons who administer the funds associated with this contract on behalf of the SUBCONTRACTOR will be responsible to the SUBCONTRACTOR executor.
 - (c) The SUBCONTRACTOR agrees that the SUBCONTRACTOR executor and all persons who administer the funds associated with this contract on behalf of the SUBCONTRACTOR will be bonded in an amount equal to at least ten percent of the total amount specified in Attachment "A" of the contract or \$25,000, whichever is less, if receiving an advance of funds. The SUBCONTRACTOR shall transmit written documentation of such bonding to TRRC, in form satisfactory to TRRC, prior to receipt of any funds from TRRC. For bonds that expire before the completion date of this contract, proof of renewal of such bond shall be provided to TRRC, within 20 days after renewal.

- (d) The SUBCONTRACTOR agrees to administer the program in a manner satisfactory to TRRC and in accordance with relevant procedures, as determined by TRRC and the funding agencies (e.g., 29 CFR 1321 or 45 CFR 202 as appropriate).
- (e) The SUBCONTRACTOR shall at all times maintain during the term of this agreement policies of insurance (including, where applicable, Worker's Compensation coverage) covering any property acquired with funds made available by this agreement, as well as public liability insurance with generally recognized, responsible insurance companies authorized to do business in the state of Georgia, each of which are also qualified and authorized to assume the risks undertaken. Such insurance shall be in such amounts as a responsible and prudent company or organization would require under similar circumstances. Such insurance shall cover the SUBCONTRACTOR and its above, described property, as well as its employees, agents and volunteers.

30. **Subcontracts.** Work or services to be performed under this (third party) contract by the SUBCONTRACTOR may be subcontracted (fourth party) under the following conditions:

- (a) The SUBCONTRACTOR agrees that the selection of fourth party SUBCONTRACTORS requires competition between potential fourth party SUBCONTRACTORS pursuant to 45 CFR 74 or adequate justification for sole source selection.
- (b) All such subcontracts shall bind the fourth party SUBCONTRACTOR to applicable terms and conditions of this (third party) contract between TRRC and the SUBCONTRACTOR.
- (c) Any fourth party contract in excess of \$10,000 total value shall have written TRRC approval prior to execution. TRRC approval shall not be unreasonably withheld.
- (d) A copy of all fourth party contracts shall be on file at the SUBCONTRACTOR's office and available for review by TRRC monitors upon request.
- (e) The SUBCONTRACTOR will be responsible for the performance of any fourth party SUBCONTRACTORS to whom any duties are delegated under any provision of this contract.
- (f) The SUBCONTRACTOR agrees to reimburse the TRRC for any federal or state audit disallowances arising from a fourth party SUBCONTRACTOR's performance or non-performance of duties under this contract which are delegated to the fourth party SUBCONTRACTORS.
- (g) If the SUBCONTRACTOR subcontracts for the provision of any deliverables pursuant to this contract, the SUBCONTRACTOR agrees to include the following in each subcontract:

1. Stipulations that the fourth party SUBCONTRACTORS is required to adhere to each provision of this contract related to the quality and quantity of deliverables, compliance with state and federal laws and regulations, confidentiality, auditing, access to records and contract administration.
 2. A clear statement of the service or product being acquired through said subcontract with detailed description of cost including properly completed Division of Aging Services Unit Cost Methodology documentation, as appropriate.
- (h) The SUBCONTRACTOR shall promptly pursue, at its own expense, appropriate legal and equitable remedies against any fourth party SUBCONTRACTORS who fails to adhere to the contract requirements. The SUBCONTRACTOR's failure to proceed against a fourth party SUBCONTRACTORS will constitute a separate breach by the SUBCONTRACTOR in which case the TRRC may pursue appropriate remedies as a result of such breach.

Failure by the SUBCONTRACTOR to comply with the provisions of this paragraph in a timely manner as determined by TRRC, may at TRRC's discretion result in disallowance or delay in payment under the Paragraph titled "**Method of Payment**" or in termination pursuant to the Paragraph titled "**Termination**" below.

31. **Assignability.** The SUBCONTRACTOR shall only assign, sublet or transfer all or any portion of its interest in this agreement with the prior written approval of TRRC.
32. **Amendments.** The TRRC may require changes in this contract from time-to-time. Such changes, including any increase or decrease in the amount of the SUBCONTRACTOR's compensation shall be incorporated in written amendments to this contract. Only the TRRC's Executive Director may execute amendments to this contract on behalf of the TRRC.
33. **Disputes and Appeals.** The TRRC Executive Director shall decide any questions arising under this contract. Such questions must be submitted to the TRRC's Executive Director in writing via certified mail, return-receipt requested. The TRRC's Executive Director shall reduce such decision concerning the question to writing and mail or otherwise furnish a copy thereof to the SUBCONTRACTOR within ten (10) business days after receipt of the question. The SUBCONTRACTOR agrees that the decision of TRRC's Executive Director shall be final and conclusive unless, within ten (10) days of receipt of such copy, the SUBCONTRACTOR mails or otherwise furnishes a written request for appeal concerning the question of fact to TRRC's Council, who shall arrange a formal hearing within thirty (30) business days after receipt of the appeal request. All such requests must be mailed via certified mail, return-receipt requested to the attention of the TRRC's Council at P.O. Box 1600, Franklin, GA 30217. Both the SUBCONTRACTOR and TRRC's Executive Director shall have the right to present witnesses and give evidence concerning the question of fact at such time. Within thirty-two (32) days after the hearing, the TRRC's Council shall render its decision concerning the question of fact in writing to the SUBCONTRACTOR and to TRRC's Executive Director.

Pending final decision of an appeal to the TRRC's Council, the SUBCONTRACTOR shall proceed diligently with the performance of the contract and in accordance with TRRC's Council's decision.

The SUBCONTRACTOR agrees that the decision of the TRRC's Council concerning the question shall be final and conclusive unless determined otherwise by the funding agencies, or the Comptroller General of the United States. In the event the funding agencies provide input, the TRRC's Council will reconsider its decision at the next regularly scheduled meeting of the TRRC Council. Any decision made based on the information provided from the funding agencies (the reconsideration action) shall be final and conclusive.

34. **Assurances.** The SUBCONTRACTOR hereby assures and certifies that it will comply with the regulations, policies, guidelines and requirements, including the Executive Order 12372, 45 CFR 74, 45 CFR 92, and U.S. Office of Management and Budget Circular (as currently amended) Nos. A-87, A-102, A-110, A-122, and A-133 (including compliance supplement), as appropriate, as they relate to the application, acceptance, use and audit of Federal funds for this federally assisted program. Also, the SUBCONTRACTOR gives assurance and certifies with respect to this purchase of service contract that:

(a) For all purchase of service contracts:

- (1) It possesses legal authority to apply for this purchase of service contract, and, if appropriate, to finance and construct any proposed facilities; and, a resolution, motion or similar action has been duly adopted or passed as an official act of the SUBCONTRACTOR's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the SUBCONTRACTOR to act in connection with the application and to provide such additional information as may be required, and, upon TRRC's approval of its application, that the person identified as the official representative of the SUBCONTRACTOR is authorized to execute a purchase of service agreement contract incorporating the terms of its application.
- (2) It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352 and 42USC 2000d) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of age, disability, religion, creed or belief, political affiliation, sex, sexual orientation, race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. It will further comply with Title VI provisions prohibiting employment discrimination where the primary purpose of a grant is to provide employment. It will not discriminate against any qualified employee, applicant for employment or service fourth party SUBCONTRACTORS, or client because of age, disability, religion, creed or belief, political affiliation, race, color, sex, sexual orientation, or national origin. The SUBCONTRACTOR shall take affirmative action to ensure that

qualified applicants are employed and qualified fourth party SUBCONTRACTORS are selected, and that qualified employees are treated during employment, without regard to their age, disability, religion, creed or belief, political affiliation, race, color, sex, sexual orientation, or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training including apprenticeship, and participation in recreational and educational activities. If the SUBCONTRACTOR has fifty or more employees (regardless of the funding sources) and if the total compensation and reimbursement to be paid to the SUBCONTRACTOR as specified in Attachment "A" of the contract is fifty thousand dollars (\$50,000) or more, the SUBCONTRACTOR certifies that: (A) It has developed a written Affirmative Action Program (AAP), which and (b) it presently has such a plan in effect and such plan will remain in effect at least until the program completion date of this contract. The SUBCONTRACTOR agrees to post in a conspicuous place available to employees and applicants for employment, notices to be provided setting forth the provisions of this non-discrimination clause.

The SUBCONTRACTOR shall in all solicitations or advertisements for fourth party SUBCONTRACTORS or employees placed by or on behalf of the SUBCONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to age, disability, religion, creed or belief, political affiliation, race, color, sex or national origin. The SUBCONTRACTOR shall not discriminate against any qualified client or recipient of services provided through this contract on the basis of age, disability, religion, creed or belief, political affiliation, race, color, sex or national origin. The SUBCONTRACTOR shall cause the foregoing provisions to be included in all subcontracts for any work covered by this contract so that such provisions will be binding upon each fourth party SUBCONTRACTORS, provided that the foregoing provisions shall not apply to subcontracts for less than ten thousand dollars (\$10,000).

The SUBCONTRACTOR shall keep such records and submit such reports concerning the racial and ethnic origin of applicants for employment and employees as TRRC or the funding agencies may require.

The SUBCONTRACTOR agrees to comply with such rules, regulations or guidelines as TRRC or the funding agencies may issue to implement the requirements of this paragraph.

- (3) It will comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs.

- (4) It will comply with the applicable provisions of the Hatch Act, which limits the political activity of employees.
- (5) It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- (6) It will cooperate with TRRC in assisting the funding agencies in compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) by (a) consulting, through TRRC, with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 3 CFR Part 800.8) by the activity, and subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying, through TRRC, the funding agencies of the existence of any such properties, and by (b) complying with all requirements established by TRRC or the funding agencies to avoid or mitigate adverse effects upon such properties.
- (7) It understands that the phrase "Federal financial assistance" is included any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
- (8) It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires, on and after March 2, 1975, the purchase of flood insurance in communities when such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.
- (9) The SUBCONTRACTOR agrees to abide by all State and Federal laws, rules and regulations and DHS and Division of Aging Services policy or procedure on respecting confidentiality of an individual's records. The SUBCONTRACTOR further agrees not to divulge any information concerning any individual to any unauthorized person without the written consent of the individual employee, client or responsible parent or guardian.
- (11) The SUBCONTRACTOR agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA) and any relevant federal and state laws, rules and regulations.

35. **Property Management Standards.** The SUBCONTRACTOR agrees:

- A. That all non-expendable personal property purchased, in total or in part, with funds received from the TRRC during the term of this contract and all previous contracts is property of the TRRC and is subject to the rules and regulations of the TRRC throughout the life and disposition of said property. Said property

cannot be transferred or otherwise disposed of without prior written approval of the TRRC.

- B. To adhere to all policies and procedures as promulgated in the State of Georgia's Department of Human Services Administrative Policy and Procedures Manual, Part IX, the Property Management Manual, and, if applicable, the Vehicle Management Manual, which are by reference made a part of this contract.

SUBCONTRACTOR understands that the requirements for inventory of property (at least every two years) and a control system to safeguard against loss, damage or theft as contained in the property manual shall be followed.

- C. That property records shall be maintained accurately and reported on Form #5111, Detailed Equipment Listing, within 30 days after acquisition of such property, to the TRRC as indicated below:

Three Rivers Regional Commission
Ramona Browning
P.O. Box 1600
Franklin, GA 30217

- D. In the event the Contract is terminated prior to expiration or is not renewed, SUBCONTRACTOR agrees to properly dispose of all TRRC property as follows:

1. Prepare Form 5086, Equipment Status Change form listing all TRRC equipment in the SUBCONTRACTOR's possession and send this form to the TRRC for final disposal determination.
2. Upon notification by the TRRC, SUBCONTRACTOR agrees to transport the TRRC's property to the TRRC's designated facility. Expenses incurred by the SUBCONTRACTOR in transporting this equipment may be charged to the terminated contract.

36. **Federal Prohibitions and Requirements Related to Lobbying:** Pursuant to Section 1352 of Public Law 101-221, the SUBCONTRACTOR agrees that:

- (a) No Federally appropriated funds have been paid or will be paid, by or on behalf of the SUBCONTRACTOR, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with

the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- (b) As a condition of receipt of any Federal contract, grant, loan, or cooperative agreement exceeding \$100,000, the SUBCONTRACTOR shall file with TRRC a signed "Certification Regarding Lobbying."
- (c) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Federal contract, grant, loan, or cooperative agreement, the SUBCONTRACTOR shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.
- (d) A disclosure form will be filed at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by the SUBCONTRACTOR under subparagraphs (B) or (C) of this paragraph. An event that materially affects the accuracy of the information reported includes:
 - (1) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or,
 - (3) A change in the officer(s), employee(s), or member(s) contacted to influence or attempt to influence a covered Federal action.

Any SUBCONTRACTOR who makes a prohibited expenditure or who fails to file or amend the disclosure form, as required, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

An imposition of a civil penalty under this action does not prevent the United States from seeking any other remedy that may apply to the same conduct that is the basis for the imposition of such civil penalty.

The SUBCONTRACTOR shall require that the prohibitions and requirements of this paragraph included in the award documents for all subawards at all tiers (including subcontracts, purchase of service agreements, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

37. **Debarment.** In accordance with Executive Order 12549, Debarment and Suspension, and implemented at 45 CFR Part 76, 100-510, the SUBCONTRACTOR shall certify that neither

it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency. The SUBCONTRACTOR further agrees that it will include the requirement for the "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier transactions and in all solicitations for lower tier covered transactions.

38. **Compliance with Requirements of the Georgia Department of Human Services (DHS).**

The SUBCONTRACTOR shall be bound by the applicable terms and conditions of the contract between TRRC and DHS, which is on file in the offices of TRRC and is hereby made a part of this contract as fully as if the same were attached hereto. If any of the terms and conditions of this agreement conflict with any terms and conditions of the purchase of service contract, the SUBCONTRACTOR agrees to abide by the terms and conditions of the contract, which shall be controlling unless prior written consent to the contrary is received from TRRC.

39. **Documentation of Rent Costs.** All SUBCONTRACTOR budgeted rent line items or maintenance in lieu of rent line items on privately owned buildings must be supported by three (3) separate Statements of Comparable Rent, DHS Form #5465 (copies available from DHS).

Public facility maintenance in lieu of rent budgeted by the SUBCONTRACTOR will be supported by a Local Statement of Service and Maintenance Cost in Lieu of Rent in Public Buildings, DHS Form #5464, and by three separate Statements of Comparable Rent, DHS Form #5465 (copies available from DHS). Rent per se is not applicable for publicly owned facilities/buildings unless newly occupied on or after October 1, 1980, in accordance with 2 CFR 200 (Super Circular).

40. **Criminal Records Investigation:**

The SUBCONTRACTOR agrees that, for the filling of positions or classes of positions having direct care/treatment custodial responsibilities for services rendered under this contract, applicants selected for such positions shall undergo a criminal record history investigation that shall include a fingerprint record check pursuant to the provisions of Code Section 49-2-14 of the Official Code of Georgia Annotated, (O.C.G.A.).

The provisions of this paragraph of the contract shall not apply to persons employed in day-care centers, group day-care homes, family day-care homes, or child-caring institutions which are required to be licensed or registered by DHS or to personal care homes required to be licensed, permitted, or registered by DHS.

41. **Other Requirements.** In addition to other requirements of this contract, the SUBCONTRACTOR agrees to comply with, and shall be bound by, the applicable terms and conditions of all State and Federal laws or regulations governing and defining resources, project administration, allowable costs and associated procurement standards including but not limited to 41 CFR 29-70, 45 CRR 74, or 45 CFR 92, as appropriate.

The SUBCONTRACTOR agrees that, if costs incurred by the SUBCONTRACTOR are not in conformity with the above requirements and are subsequently disallowed as a result of an audit pursuant to the Paragraph titled "**Audits**" above or by TRRC, Georgia Department of Human Services, U.S. Department of Health and Human Services, the Comptroller General of the United States, or any of their duly authorized representatives, then, upon written demand by TRRC, the SUBCONTRACTOR shall reimburse TRRC in full for any payment made by TRRC to the SUBCONTRACTOR for such disallowed costs within thirty days of receipt of such written demand.

42. **State of Georgia Ethics Code Violations.** The SUBCONTRACTOR understands that the State of Georgia's Department of Human Services' Division of Aging Services (DHS) is the primary source of funds for this subgrant agreement. Under Subsection 93.11 (§93.11) of the Division of Aging Services' *Compliance with Contractor Responsibilities, Rewards and Sanctions* publication, entitled Ethics Code Violations, all contractors, including the Area Agency on Aging and their sub-contractors are expected to abide by the Code of Ethics for Government Service (See Appendix 93-B of the above-referenced publication for a copy of the current Code of Ethics). Accordingly, any violations of the Ethics Code requirements will be investigated by DHS and referred by DHS to the appropriate law enforcement agency. Ethics violations may result in criminal prosecution and may be pursued based on the provisions pertinent laws and regulations. When conducting such investigations, DHS will inform the contractor of the exact nature of the complaint and may require the contractor to conduct its own internal investigation. DHS will document its investigation's findings and conclusions and inform the contractor and the complainant of the results. If an investigation indicates there is a substantiated situation in which there is a question of ethics code violations, DHS will require the contractor to take corrective action and/or refer the complaint to appropriate law enforcement agencies.

43. **Termination.**

- A. **Due to non-availability of funds.** Notwithstanding any other provision of this contract, in the event that any of the funding sources of for payments to the TRRC for services under this contract no longer exist, or in the event the sum of all obligations of the Center incurred under this and all other contracts entered into for this program exceeds the balance of such contract sources, then this contract shall immediately terminate without further obligation of the TRRC as of that moment. The certification by the Commissioner of the Department of Human Services of the occurrence of either of the events stated above shall be conclusive.
- B. **Due to default or for cause.** This contract may be terminated for cause, in whole or in part, at any time by the TRRC for failure of the SUBCONTRACTOR to perform any of the provisions hereof. Should the TRRC exercise its right to terminate this contract under the provisions of this paragraph, the termination shall be accomplished in writing and specify the reason and termination date. The SUBCONTRACTOR will be required to submit the final contract expenditure report not later than 45 days after the effective date of written notice of termination. Upon termination of this contract, the SUBCONTRACTOR shall not incur any new obligations after the effective date of the termination and shall cancel as many outstanding obligations as possible. The above remedies are in addition to any other remedies provided by law or the terms of this

contract.

- C. **For Convenience of the SUBCONTRACTOR.** This contract may be cancelled or terminated by the SUBCONTRACTOR without cause; however, the

SUBCONTRACTOR must give written notice of its intention to do so to the TRRC at least ninety (90) days prior to the effective date of cancellation or termination.

- D. **For Convenience of TRRC.** This contract may be cancelled or terminated by the TRRC without cause; however, the TRRC must give written notice of its intention to do

so to the SUBCONTRACTOR at least thirty (30) days prior to the effective date of cancellation or termination.

- E. Notwithstanding any other provision of this paragraph, this contract may be immediately terminated without any opportunity to cure, if any of the following events occurs:

1. SUBCONTRACTOR becomes insolvent or liquidation or dissolution or a sale of the SUBCONTRACTOR's assets begins.
2. SUBCONTRACTOR or any of its SUBCONTRACTORS violates or fails to comply with any applicable provision of federal or state law or regulation.
3. SUBCONTRACTOR or any of its SUBCONTRACTORS knowingly provides fraudulent, misleading or misrepresentative information to any consumer/customer/client of the TRRC or the Department of Human Services or to the TRRC or DHS' representatives.
4. SUBCONTRACTOR has exhibited an inability to meet its financial or services obligations.
5. A voluntary or involuntary bankruptcy petition is filed by or against the SUBCONTRACTOR under the U.S. Bankruptcy Code or any similar petition under any state insolvency law.
6. An assignment is made by the SUBCONTRACTOR for the benefit of creditors.
7. A proceeding for the appointment of a receiver, custodian, trustee, or similar agent is initiated with respect to the SUBCONTRACTOR.
8. The TRRC deems that such termination is necessary if the SUBCONTRACTOR or any fourth party SUBCONTRACTORS fails to protect or potentially threatens the health or safety of any consumer/customer/client and/or to prevent or protect against fraud or otherwise protect the TRRC or the State of Georgia's personnel, consumers/customers/clients, facilities, or services.
9. A court with competent jurisdiction, or an arbitrator(s) conducting an arbitration involving the TRRC by consent, issues an order or decision that causes or determines

the contract to be rendered voidable or null and void and/or prohibits the TRRC from contracting with the SUBCONTRACTOR, or otherwise invalidates the procurement process and/or the contractual relationship with the SUBCONTRACTOR.

10. SUBCONTRACTOR is debarred or suspended from performing services on any public contracts and/or subject to exclusion from participation in the Medicaid or Medicare programs.
44. **SUBCONTRACTOR/Fourth-Party License Requirements.** The SUBCONTRACTOR agrees to maintain any required city, county and state business licenses and any other special licenses required, prior to and during the performance of this contract. The SUBCONTRACTOR is responsible to ensure that fourth party (sub-SUBCONTRACTORS) contractors are appropriately licensed. The SUBCONTRACTOR agrees that if it loses or has sanctioned any license, certification or accreditation required by this Contract or state and federal laws, that this contract may be terminated immediately in whole or in part.
45. **AIDS Policy.** SUBCONTRACTOR agrees, as a condition to provision of services to the TRRC's and/or DHS's consumers/customers/clients/patients, not to discriminate against any consumer/customer/client/patient who may have AIDS or be infected with Human Immunodeficiency Virus (HIV). The SUBCONTRACTOR is encouraged to provide or cause to be provided appropriate AIDS training to its employees and to seek AIDS technical advice and assistance from the appropriate division or office of DHS, as the SUBCONTRACTOR deems necessary. The SUBCONTRACTOR further agrees to refer those consumers/customers/clients/patients requesting additional AIDS related services or information to the appropriate county health department.

Notwithstanding subparagraph A above, if the SUBCONTRACTOR is a county board of health it agrees to comply with the Joint Advisory Notice, entitled "Protection Against Occupational Exposure to Hepatitis B Virus (HBV) and Human Immunodeficiency Virus (HIV)," dated October 30, 1987. from the Department of Labor/Department of Health and Human Services and which has been made available to the board. The board further agrees that in the implementation of the DHS's programs it will follow those standard operation procedures developed and identified by the appropriate program division of DHS as applicable to the specific programs and as provided to the board by the program division.

SUBCONTRACTOR agrees, as a condition to provision of services to the TRRC's and/or DHS's consumers/customers/clients/patients, not to discriminate against any consumer/customer/client/patient who may have AIDS or be infected with Human Immunodeficiency Virus (HIV). The SUBCONTRACTOR is encouraged to provide or cause to be provided appropriate AIDS training to its employees and to seek AIDS technical advice and assistance from the appropriate division or office of DHS, as the SUBCONTRACTOR deems necessary. The SUBCONTRACTOR further agrees to refer those consumers/customers/clients/patients requesting additional AIDS related services or information to the appropriate county health department.

Notwithstanding subparagraph A above, if the SUBCONTRACTOR is a county board of health it agrees to comply with the Joint Advisory Notice, entitled "Protection Against Occupational Exposure to Hepatitis B Virus (HBV) and Human Immunodeficiency Virus (H

IV),” dated October 30, 1987 from the Department of Labor/Department of Health and Human Services and which has been made available to the board. The board further agrees that in the implementation of DHS’s programs it will follow those standard operation procedures developed and identified by the appropriate program division of DHS as applicable to the specific programs and as provided to the board by the program division.

46. **Indemnification of TRRC.** SUBCONTRACTOR hereby waives, releases, relinquishes, discharges and agrees to indemnify, protect and save harmless the State of Georgia (including the State Tort Claims Trust Fund), DHS, DOAS, and the THREE RIVERS REGIONAL COMMISSION AREA AGENCY ON AGING, their officers and employees (collectively “indemnities”) of and from any and all claims, demands, liabilities, loss, costs or expenses for any loss or damage for bodily injury (including but not limited to death), personal injury, property damage, or contract rights, attorneys’ fees caused by, growing out of, or otherwise happening in connection with this Contract, due to any act or omission on the part of SUBCONTRACTOR, its agents, employees, fourth party SUBCONTRACTORS, or others working at the direction of SUBCONTRACTOR or on SUBCONTRACTOR’s behalf: or due to any breach of this Contract by SUBCONTRACTOR; (collectively, the “Indemnity Claims”).

This indemnification extends to the successors and assigns of the SUBCONTRACTOR, and this indemnification and release survives the termination of this Contract and the dissolution or, to the extent allowed by law, the bankruptcy of the SUBCONTRACTOR.

If and to the extent such damage or loss as covered by this indemnification is covered by the State Tort Claims Fund or any other self-insurance funds maintained by the Department of Administrative Services (collectively, the “funds”), the SUBCONTRACTOR agrees to reimburse the Funds for such funds paid out by the Funds. To the full extent permitted by the Constitution and the laws of the State of Georgia and the terms of the Funds, the SUBCONTRACTOR and its insurers waive any right of subrogation against the State of Georgia, the Indemnities, and the Funds and insurers participating thereunder, to the full extent of this indemnification.

SUBCONTRACTOR shall, at its expense, be entitled to and shall have the duty to participate in the defense of any suit against the Indemnities. No settlement or compromise of any claim, loss or damage asserted against Indemnities shall be binding upon Indemnities unless expressly approved by the Indemnities.

47. **Conformance of Agreement with the Law.** It is the intent and understanding of the parties to this Agreement that each and every provision of law required to be inserted in this Agreement shall be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted herein, and if through mistakes or otherwise, any such provision is not inserted in correct form, then this Agreement shall upon application of either party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of either party. If this Agreement contains any unlawful provisions, not an essential part of the Agreement and which appears not to have been a controlling or material inducement to the making hereof, the same shall be deemed of no effect, and shall upon the application of either party be stricken from the Agreement without affecting the binding force of the Agreement as it shall remain after omitting such provision. The parties

agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

48. **Enforcement.** This Agreement shall be governed and construed in accordance with the laws of the State of Georgia. In any action or proceeding arising under this Agreement, the Superior Court of Heard County, Georgia shall have and may exercise exclusive personal jurisdiction over all parties hereto, and in any such action or proceeding in said venue shall be proper. In any such action or proceeding, service of process upon any party may be perfected, in addition to any other manner provided by applicable law, by personal delivery or by mail, with an appropriate return of service being made in writing and filed with said Court.

IN WITNESS WHEREOF, the SUBCONTRACTOR and the TRRC have executed this contract as of the day first above written.

ATTEST:

City of Villa Rica

Address for Official Notices:

David Milliron
571 West Bankhead Highway
Villa Rica, GA 30180

By: _____

Title

DATE _____

ATTEST:

Three Rivers Regional Commission
Area Agency on Aging
P.O. Box 1600
Franklin, GA 30217

Deann Davis

By: [Signature]
Executive Director

By: [Signature]
Council Chairman

DATE 6/28/18

ATTACHMENT A

CONTAINS THE FOLLOWING REPORTS:

1. DIVISION OF AGING SERVICES TAXONOMY OF SERVICES DEFINITIONS
2. SCOPE OF SERVICES

DIVISION OF AGING SERVICES

Taxonomy of Service Definitions

HCBS Services

PROGRAM/ CATEGORY	Service Name	Unit of Measure	Individual, Group, Staff Activity	Method of Reimburse- ment (Waiver Requests as	Definition
HCBS NUTRITION/ WELLNESS	Congregate Meals	1 Meal	Individual	Unit Cost	"A meal provided to a qualified individual in a congregate or group setting. The meal as served meets all of the requirements of the Older Americans Act and State/Local laws." (NAPIS_5_2010)
HCBS NUTRITION/ WELLNESS	Exercise/ Physical Fitness	1 Session	Individual	Line Item	Provision of activities which promote health, wellness, mobility, and flexibility, including specialized exercises/workouts for persons with disabilities or mobility limitations. (DAS)
HCBS NUTRITION/ WELLNESS	Health Promotion and Disease Prevention - Group	1 Session	Individual Staff Activity Logs document Group Services including Lifestyle Management, Nutrition Education, Physical Activity, & Public Awareness/ Prevention	Unit Cost	The provision of program activities promoting wellness, nutrition, and physical activity, disease prevention and risk management, healthy lifestyle and safety in a group setting. Staff activities will include: <u>Lifestyle Management</u> - The provision of activities and/or education sessions to promote overall health and improve quality of life <u>Nutrition Education</u> - The provision of information about foods and nutrients, diets, lifestyle factors, community nutrition resources and services to people to improve nutrition status. <u>Physical Activity</u> - The provision of a variety of leisure time, fun activities to improve balance, strength and flexibility. <u>Program Awareness/Prevention</u> - The provision of activities and/or education sessions related to medications management group sessions ; prevention of flu; pneumonia; preventing chronic disease and managing risk associated with chronic diseases. (DAS)
HCBS NUTRITION/ WELLNESS	Home Delivered Meals	1 Meal	Individual	Unit Cost	"A meal provided to a qualified individual in his/her place of residence. The meal is served in a program administered by SUAs and/or AAAs and meets all of the requirements of the Older Americans Act and State/Local laws." (NAPIS_5_2010) May include assistive technology for dining. (DAS)
HCBS NUTRITION/ WELLNESS	Medications Management	1 Contact	Individual	Unit Cost	Provision of one-on-one screening to prevent incorrect medication use and adverse drug reactions. <i>Provision of assistive technology to support proper medication usage.</i> (DAS)

SCOPE OF SERVICES

SUBCONTRACTOR will administer all programs in accordance with the Georgia Department of Human Services Division of Aging Services Policies and Procedures Manuals.

SUBCONTRACTOR will use the On-line Directives Information System (ODIS) to stay informed on the current DHS policies and procedures. The system can be accessed anytime at www.odis.dhr.state.ga.us. The manuals may periodically be amended by the Georgia Department of Human Services Division of Aging Services.

STATEMENT OF SERVICE

The SUBCONTRACTOR will provide funded authorized services by authorized fund source as detailed in the attached DHS-Division of Aging Services Area Plan-Provider Service Detail Report and DHS-Division of Aging Services Area Plan-Summary of all Revenue by Provider Report.

ATTACHMENT B

CONTAINS THE FOLLOWING REPORTS:

1. STATEMENT OF SERVICE
2. AREA PLAN-BUDGET FUND SOURCE SUMMARY PROVIDER REPORT

STATEMENT OF SERVICE

DHS - Division of Aging Services
Area Plan - Budget Fund Source Summary by Provider

Print date: 06/27/2018

Print time: 4:19PM

SFY: 2019 Status: Approved

Page 9 of 32

PSA: Three Rivers (Southern Crescent)

Provider: City of Villa Rica

Program: HCBS Nutrition / Wellness

Fund Source	Service	Federal	State	Minimum Required Match	Total
ACL Nutrition Services Incentive Program (NSIP)	HCBS-Congregate Meals-Ind	\$15,588	\$0	\$0	\$15,588
	HCBS-Home Delivered Meals-Ind	\$9,789	\$0	\$0	\$9,789
	Total	\$25,377.00	\$0.00	\$0.00	\$25,377.00
CBS - HCBS State	HCBS-Home Delivered Meals-Ind	\$0	\$3,002	\$0	\$3,002
	Total	\$0.00	\$3,002.00	\$0.00	\$3,002.00
NSIP - State	HCBS-Home Delivered Meals-Ind	\$0	\$14,924	\$0	\$14,924
	Total	\$0.00	\$14,924.00	\$0.00	\$14,924.00
NSIP SSBG Supplemental	HCBS-Home Delivered Meals-Ind	\$4,729	\$0	\$0	\$4,729
	Total	\$4,729.00	\$0.00	\$0.00	\$4,729.00
OAA Title III C1 - Congregate Meals	HCBS-Congregate Meals-Ind	\$29,059	\$1,710	\$3,419	\$34,188
	Total	\$29,059.00	\$1,710.00	\$3,419.00	\$34,188.00
OAA Title III C2 - Home Delivered Meals	HCBS-Home Delivered Meals-Ind	\$12,249	\$721	\$1,441	\$14,411
	Total	\$12,249.00	\$721.00	\$1,441.00	\$14,411.00
Total		\$71,414.00	\$20,357.00	\$4,860.00	\$96,631.00

Provider Total of All Services: \$96,631



CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

Agenda Item: _____

SUBJECT: Military Surplus
AGENDA DATE:

DATE PREPARED: 7/26/2018
PREPARED BY: Nic Griffin

AMOUNT: TBD
GL ACCOUNT #: TBD

PURPOSE: To surplus all non-working, non-functional equipment that came from the 1033 program.

BACKGROUND: These items and pieces of equipment were procured a couple years ago. The city received many items that were not operational out of the box. The maintenance staff has used the equipment, that was not operational, as a parts source for equipment that had only minor issues. The list that is attached, includes all equipment that would be too costly for repair and is not worth keeping.

STAFF RECOMMENDATION: Staff recommends that the City of Villa Rica sell these items on Govdeals.com.

IMPACT: The purging of this equipment would open up more space for storage and parking in the Avanti Building. There will also be a small revenue from selling this equipment.

MOTION: I move that we allow staff to list and auction all of the items and equipment that is listed on the attachment of this cover sheet.

13322GA0038 - Microscope, Optical (could not be used for MJ identification) Closed
14064GA00029 - Floodlight set, Electrical (engine(s) not operational) Closed
14069GA00001 - Generator, set (bad engine) Closed
14097GA00003 - All Terrain Vehicle (bad engine, bad wiring harness) Closed
14115GA00008 - Cart, Motorized (pieced out) Closed (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)
14115GA00009 - Cart, Motorized (pieced out) Closed (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)
14115GA00010 - Cart, Motorized (pieced out) Closed (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)
14136GA00046 - Cart, Motorized (pieced out) Closed (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)

14140GA00002 - Generator Set, Diesel (bad engine) Closed ? are both bad ? what size (disregard these two, they were fixed and are running for now)

14154GA00018 - Cart, Motorized (pieced out) Closed ? are both bad (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)

14218GA00003 - Tooth, Surface Ripper (fits nothing we have) Closed ? what are these qty 10 (these supposed to go on back of a bulldozer type plow/rack. earth ripper things)

14245GA00001 - Hydro seeder, Trailer (bad tank and engine) Closed ? need picture

14245GA00012 - engine (fits nothing we have) Closed ? have any other info on what it fits (we think they are Polaris engines, go to ATV, Side x Side, snow mobile, or something like that. Fits nothing we have)

14245GA00002 - Cart, Motorized (pieced out) Closed (out of all the motorized carts, we have three that are running for now, the others are parted out. The stickers have been removed and I cant tell them apart)

14308GA00011 - Security Inspection Machine (bad machine all around) Closed ? Pictures (this is the courtroom screening machine that y'all turned in, photos attached.)



Agenda Item: _____

CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

SUBJECT: Emergency Replacement of the 150HP gear reducer for #1 Aerator
AGENDA DATE: August 2, 2018

DATE PREPARED: August 2, 2018
PREPARED BY: Pete Zorbanos

AMOUNT: \$ 59,861.00
GL ACCOUNT #: 505-4420-531510

PURPOSE: To procure and expedite the emergency replacement of the 150HP gear reducer for the #1 aerator at the West Plant.

BACKGROUND: On July 28, Saturday afternoon, the #1 aerator had tripped out. When the unit was restarted, a grinding noise was observed and the unit was immediately shut down. Upon inspection, it was determined that several teeth on all of the gears had broken. As a result, the #1 aerator was no longer operable. The aerator is a critical piece of equipment to the process by supplying dissolved oxygen to the waste stream.

STAFF RECOMMENDATION: Staff recommends the replacement of a new 150 HP gear reducer.

IMPACT: It is essential to have the aerator operational for adequate treatment and to maintain compliance.

MOTION: I make the motion to approve the emergency purchase of the 150 HP gear reducer for the #1 aerator at the West Plant in the amount of \$59,861.00 to Ovivo USA, LLC.



Worldwide Experts
in Water Treatment

PROPOSAL

Q2018080101

N/A

VILLA RICA WPCP VILLA RICA, GA

Prepared for:
Dean Zeigler
Villa Rica WPCP, Manager

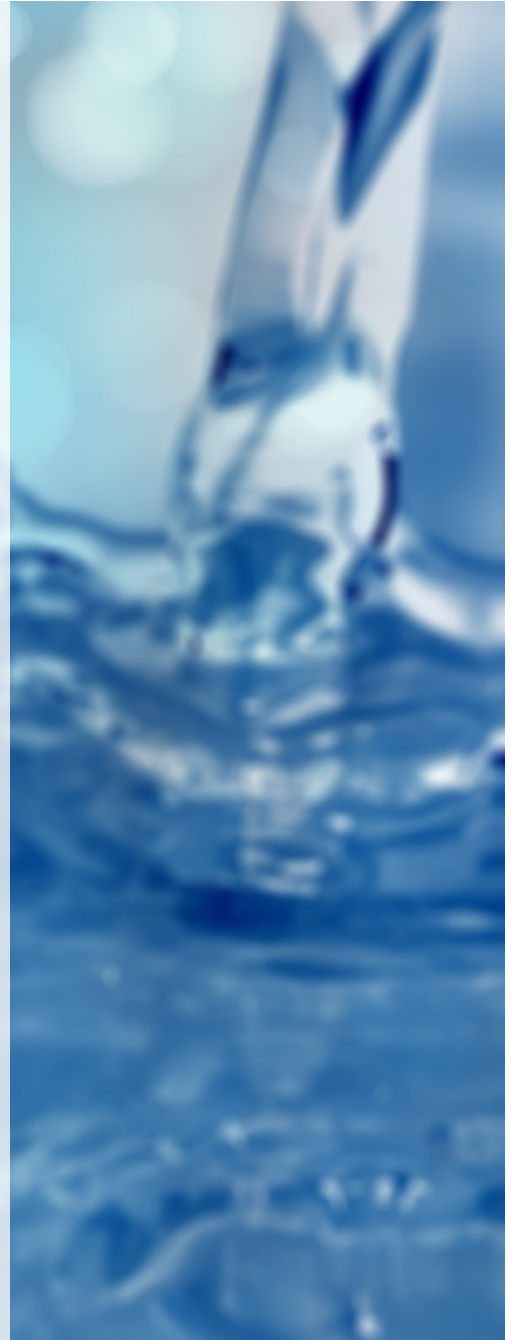
AREA REPRESENTATIVE

Jerry Wills
Principle Environmental
jerrywills@mindspring.com

PREPARED BY

Mark Williams
Phone: (801) 931-3037
Fax: (801) 931-3080
mark.williams@ovivowater.com

Ovivo USA, LLC
4246 Riverboat Road – Suite 300
Salt Lake City, Utah 84123-2583



DATE: August 1, 2018

TO: Villa Rica, GA WWTP

Ovivo USA, LLC is pleased to submit a proposal for the following equipment (the “Products”) on the project indicated above (the “Project”). This proposal, either in its original form or in its “as sold” format, constitutes Ovivo’s contractual offer of goods and services in connection with the Project. Please contact Ovivo’s sales representative in your area for any questions or comments you may have in connection with this proposal. The address is:

PRINCIPLE ENVIRONMENTAL, INC.
1770 The Exchange NW
Suite 210
Atlanta, GA 30339

Attention: Jerry Wills
Telephone: 404-285-1481
Email: jerrywills@mindspring.com

PRICING OPTIONS

ITEM	EQUIPMENT	ESTIMATED LEAD TIME*	PRICE
I	(1) Replacement 150 HP Reducer	18-20 WEEKS	\$ 59,361
II	(1) 150 HP Reducer Rebuild	20-22 WEEKS	\$ 43,383

***Lead times are estimated based on the date approval is given to purchase equipment.**

PROJECT SUMMARY:

Ovivo USA, LLC is pleased to offer the following proposal to provide pricing for the following options:

- One (1) Replacement 150 HP Reducer.
- One (1) 150 HP Reducer Rebuild.

All mechanism(s) are for installation in the existing Carrousel System basins. The design of the proposed mechanism is based upon Ovivo's standard engineering practices and details which meet the intent of the project requirements. These options are with respect to the existing 75 HP Aerators, serial #24113.

REPLACEMENT REDUCER

ITEMS INCLUDED per Aerator:

- One (1) gearbox including:
 - 2.0 service factor (minimum).
 - Independent lower bearing.
 - Oil drain.
 - Mechanical oil pump.
 - Dip Stick.
 - Low oil Pressure switch.
- One (1) high speed flexible coupling.
- One (1) low speed coupling (cast iron).
- Nameplate (stainless steel).
- Painting as noted in the SURFACE PREPARATION AND PAINTING segment of this proposal.
- Freight, FCA factory, freight allowed.

REDUCER REBUILD

ITEMS INCLUDED per Aerator:

- Disassembly and Inspection:
 - Complete disassembly of gearbox into individual parts and components.
 - All gearing will be inspected.
 - Bearing journals on all shafts will be inspected for excessive wear and scuffing.
 - Bearing bores will be inspected for excessive wear and scuffing.
 - Seal areas on the input shaft and seal sleeve will be inspected for grooving from the old seals.
- Rebuild – repair or replace:
 - 100 Pinion
 - 102 Gear
 - 123 O-Ring
 - 132 Oil seal
 - 150 Bearing
 - 151 Bearing

- 232 Oil Seal
- 250 Bearing
- 251 Bearing
- 268 O-Ring
- 300 Pinion
- 302 Gear
- 350 Bearing
- 351 Bearing
- 400 Pinion
- 402 Gear
- 450 Bearing
- 451 Bearing
- 700 Oil Pump
- 701 O-Ring
- 708 Driver
- Painting as noted in the SURFACE PREPARATION AND PAINTING segment of this proposal.
- Freight, FCA factory, freight allowed.
-

NOTE: ADDITIONAL DAMAGE TO THE HOUSING AND OTHER COMPONENTS MAY HAVE RESULTED FROM THE FAILURE OF THE GEARING. ALL COMPONENTS WILL BE INSPECTED AND CONDITION ACCESSED AT THE TIME OF DISASSEMBLY. IN THE EVENT THAT ADDITIONAL WORK IS REQUIRED TO RESTORE THE REDUCER TO ACCEPTABLE WORKING CONDITION, NOTICE WILL BE GIVEN IMMEDIATELY TO COME UP WITH A PLAN OF ACTION. CUSTOMER WOULD BE RESPONSIBLE FOR ANY ADDITIONAL WORK THAT MAY BE REQUIRED.

ITEMS NOT INCLUDED

ITEMS NOT INCLUDED WITH CARROUSEL SYSTEM (But not limited to the following):

- Vibration analysis testing.
- Removal and installation.
- Oxygen transfer testing.
- Bypass with across the line starter (internal).
- Output Load Reactor.
- dV/dT Filter.
- External Wiring and Conduit.
- Power Factor Correction Capacitors (PFCC).
- Harmonic Testing.
- Conformal Coatings.
- Pushbutton stations.
- Panel mounting components.
- Field wiring/installation.
- Bridges, walkway, stairs, ladders, and hand railing.
- Mist shields or curtains.
- Slide gates, sluice gates or weirs.
- Tools, Warning signs.

- Permits, fees, samples, testing.
- Liquidated damages.
- Tank dewatering
- Tank cleaning
- Removal or disposal of any plant waste
- Any work not stated in this proposal.

SURFACE PREPARATION AND PAINT

Gear reducers shall receive manufactures standard surface preparation. Shop priming and painting shall consist of a high quality coating that is specifically resistant to chemical, solvent, salt water, and acid environmental conditions.

DELIVERY

Ovivo intends to ship all Products as indicated above after the receipt of approved purchase order and/or approval of submittal drawings if required. The dates of the shipment of the Products represents Ovivo's best estimate, but is not guaranteed, and Ovivo shall not be liable for any damages due to late delivery. The Products shall be delivered to the delivery point or points in accordance with the delivery terms stated in this proposal. If such delivery is prevented or postponed by reason of Force Majeure, as defined in Ovivo's standard terms and conditions of sale, Ovivo shall be entitled at its option to tender delivery to Purchaser at the point or points of manufacture, and in default of Purchaser's acceptance of delivery, to cause the Products to be stored at such a point or points of manufacture at Purchaser's expense. Such tender, if accepted, or such storage, shall constitute delivery for all purposes of this proposal. If shipment is postponed at request of Purchaser, or due to delay in receipt of shipping instructions, payment of the purchase price shall be due on notice from Ovivo that the Products are ready for shipment. Handling, moving, storage, insurance and other charges thereafter incurred by Ovivo with respect to the Products shall be for the account of Purchaser and shall be paid by Purchaser when invoiced.

PRICING TERMS

The prices quoted are based upon Purchaser's acceptance of this proposal, through the submission of a purchase order or other written acceptance, being placed no later than 45 days after date this proposal. After expiration of the pricing effectivity period, prices will be subject to review and adjustment. Prices quoted are FCA surface point of shipment, with freight included to an accessible point nearest the jobsite. Federal, state or local sales, use or other taxes are not included in the sales price.

PAYMENT TERMS

One hundred percent (100%) net cash within forty-five (45) days after Purchaser's receipt of invoice. Invoice will be submitted after all materials have been received at the job site or they have been successfully installed by an Ovivo contractor and the field service check-out and start-up procedure is finalized. Credit is subject to acceptance by the Ovivo Credit Department.

Purchaser shall remit payment for proper invoices received from Ovivo in accordance with the payment terms stated above even if the Purchaser has not been paid by the Purchaser's customer (the "Owner"), if Purchaser is not the end-user of the Products. Payments are due within forty-five (45) days after Purchaser's receipt of invoice. Overdue and unpaid invoices are subject to a service charge of 2% per month until paid.

If Purchaser requests or causes cancellation, suspension or delay of Ovivo's work, Purchaser shall accept transfer of title and pay Ovivo all appropriate charges incurred up to date of such event plus Ovivo's overhead and reasonable profit. Additionally, all charges related to and risks incidental to storage, disposition and/or resumption of work shall be borne solely by Purchaser. Full payment for all work shall be due and payable thirty (30) days from the date work is placed into storage.

TAXES

Federal, State or local sales, use or other taxes are not included in the sales price. Such taxes, if applicable, shall be for Purchaser's account.

BACKCHARGES

In no event shall Purchaser/Owner do or cause to be done any work, purchase any services or material or incur any expense for the account of Ovivo, nor shall Ovivo be responsible for such work or expenses, until after Purchaser/Owner has provided Ovivo's PROJECT MANAGER full details (including estimate of material cost and amount and rate of labor required) of the work, services, material or expenses, and Ovivo has approved the same in writing. Ovivo will not accept Products returned by Purchaser/Owner unless Ovivo has previously accepted the return in writing and provided Purchaser/Owner with shipping instructions.

****PURCHASE ORDER SUBMISSION****

In an effort to ensure all purchase orders are processed timely and efficiently, please submit all purchase order documentation to the following department and address:

Attn: Order Entry Administrator
Ovivo USA, LLC
4246 Riverboat Road, Suite 300
Salt Lake City, Utah 84123

Fax #: 801-931-3080
Tel. #: 801-931-3000
mark.williams@ovivowater.com

ADDITIONAL FIELD SERVICE

When included and noted in the Product pricing of each proposal item, Ovivo will supply the service of a competent field representative to inspect the completed installation and adjustment of equipment, supervise initial operation, and instruct Owner's personnel in the operation and maintenance of each proposal item for the number of eight (8) hour days. Notwithstanding Ovivo's performance of the above-referenced services, Ovivo shall not be held liable for any faulty workmanship or other defects in

the Products' installation, or for other goods and/or services, performed by third parties unless such goods and/or services are expressly included under Ovivo's scope of work.

If additional service is required, it will be furnished to the Purchaser and billed to him at the current rate for each additional day required, plus travel and lodging expenses incurred by the service personnel during the additional service days.

It shall be the Purchaser's responsibility to provide for all necessary lubrication of all equipment prior to placing equipment in operation. All equipment must be in operating condition and ready for the Field Service Engineer when called to the project location. Should the Purchaser/Owner not be ready when the Field Service Engineer is requested or if additional service is requested, the Ovivo current service rates will apply for each additional day required, plus travel and lodging expenses incurred by the service personnel during the additional service days.

GENERAL ITEMS NOT INCLUDED

Unless specifically and expressly included above, prices quoted by Ovivo do not include unloading, hauling, erection, installation, piping, valves, fittings, stairways, ladders, walkways, grating, wall spools, concrete, grout, sealant, dissimilar metal protection, oakum, mastic, field painting, oil or grease, electrical controls, wiring, mounting hardware, welding, weld rod, shims, leveling plates, protection against corrosion due to unprotected storage, special engineering, or overall plant or system operating instructions or any other products or services.

Performance and payment security, including but not limited to bonds, letters of credit, or bank guarantees, are not included, but can be provided if purchased for an additional cost.

MANUALS

The content of any and all installation, operation and maintenance or other manuals or documents pertaining to the Products are copyrighted and shall not be modified without the express prior written consent of Ovivo. Ovivo disclaims any liability for claims resulting from unauthorized modifications to any such manuals or other documents provided by Ovivo in connection with the Project.

WARRANTY AND CONDITIONS

Ovivo standard Terms and Conditions of Sale is attached and made an essential part of this proposal. These terms and conditions are an integral part of Ovivo's offer of Products and related services and replace and supersede any terms and conditions or warranty included in Purchaser or Owner requests for quotation or specifications and cannot be changed without written approval from an authorized representative of Ovivo.

CONFIDENTIALITY

This document is not to be reproduced or submitted to any third party without the written consent of Ovivo.

This document contains, or Ovivo may have previously disclosed to Purchaser, certain technical and business information of Ovivo and/or Ovivo's affiliated entities, including certain copyrighted material, which is considered to be confidential. Such information, hereinafter referred to individually and collectively as the "Information", may include, without limitation, ideas, concepts, development plans for new or improved products or processes, data, formulae, techniques, flow sheets, designs, sketches, know-how, photographs, plans, drawings (regardless of what name, if any, is stated on the title block), specifications, samples, test specimens, reports, customer lists, price lists, findings, studies, computer programs and technical documentation, trade secrets, diagrams, and inventions, notes, and all information pertaining thereto and/or developed therefrom. This Information is disclosed in good faith solely for the purposes of our proposal, and in addition on the understanding that its confidentiality will be properly maintained and safeguarded.

Neither this proposal, the Information nor any part thereof may be copied, reproduced or used for any purpose other than that for which it is disclosed by Ovivo. Except as reasonably necessary for the evaluation of this proposal, no part thereof may be disclosed to any other person, without Ovivo's prior consent in writing.

Ovivo will retain the rights to any intellectual property rights ("IPR") related to the Products. Ovivo will grant a non-exclusive royalty free license to use the IPR for the sole purposes of operating and maintaining the equipment supplied by Ovivo.

The duties, obligations, restrictions, and responsibilities described hereinabove shall apply to the Purchaser, their agents, affiliates, and all related parties regardless of whether any transaction occurs between Ovivo and Purchaser, and shall survive termination, cancellation, and expiration of any transaction between Ovivo and Purchaser.

In the event of a breach of the terms herein, Ovivo maintains the right to seek any and all remedies and damages available to it, including but not limited to the amount, including interest, by which Purchaser profited from the breach, any gains made by Purchaser or any third party who received Information from Purchaser, compensation for all Ovivo loss or injury, and the value of Ovivo's expectation created by the promise of Purchaser. The parties agree Ovivo would suffer irreparable harm in the event of any breach of these terms, and therefore Ovivo shall be entitled to any and all injunctive relief available.

Very truly yours,

Ovivo USA, LLC

Attachment:

Ovivo USA, LLC General Terms and Conditions

TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE. The proposal of **Ovivo USA, LLC** ("SELLER"), as well as these terms and conditions of sale (collectively the "Agreement"), constitutes SELLER's contractual offer of goods and associated services, and PURCHASER's acceptance of this offer is expressly limited to the terms of the Agreement. The scope and terms and conditions of this Agreement represent the entire offer by SELLER and supersede all prior solicitations, discussions, agreements, understandings and representations between the parties. Any scope or terms and conditions included in PURCHASER's acceptance/purchase order that are in addition to or different from this Agreement are hereby rejected.

2. DELIVERY. Any statements relating to the date of shipment of the Products (as defined below) represent SELLER's best estimate, but is not guaranteed, and SELLER shall not be liable for any damages due to late delivery. The Products shall be delivered to the delivery point or points in accordance with the delivery terms stated in SELLER's proposal. If such delivery is prevented or postponed by reason of Force Majeure (as defined below), SELLER shall be entitled at its option to tender delivery to PURCHASER at the point or points of manufacture, and in default of PURCHASER's acceptance of delivery to cause the Products to be stored at such a point or points of manufacture at PURCHASER's expense. Such tender, if accepted, or such storage, shall constitute delivery for all purposes of this agreement. If shipment is postponed at request of PURCHASER, or due to delay in receipt of shipping instructions, payment of the purchase price shall be due on notice from SELLER that the Products are ready for shipment. Handling, moving, storage, insurance and other charges thereafter incurred by SELLER with respect to the Products shall be for the account of PURCHASER and shall be paid by PURCHASER when invoiced.

3. TITLE AND RISK OF LOSS. SELLER shall retain the fullest right, title, and interest in the Products to the extent permitted by applicable law, including a security interest in the Products, until the full purchase price has been paid to SELLER. The giving and accepting of drafts, notes and/or trade acceptances to evidence the payments due shall not constitute or be construed as payment so as to pass SELLER's interests until said drafts, notes and/or trade acceptances are paid in full. Risk of loss shall pass to PURCHASER at the delivery point.

4. PAYMENT TERMS. SELLER reserves the right to ship the Products and be paid for such on a pro rata basis, as shipped. If payments are not made by the due date, interest at a rate of two percent (2%) per month, calculated daily, shall apply from the due date for payment. PURCHASER is liable to pay SELLER's legal fees and all other expenses in respect of enforcing or attempting to enforce any of SELLER's rights relating to a breach or threatened breach of the payment terms by PURCHASER.

5. TAXES. Unless otherwise specifically provided in SELLER's quotation/proposal; PURCHASER shall pay and/or reimburse SELLER, in addition to the price, for all sales, use and other taxes, excises and charges which SELLER may pay or be required to pay to any government directly or indirectly in connection with the production, sale, transportation, and/or use by SELLER or PURCHASER, of any of the Products or services dealt with herein (whether the same may be regarded as personal or real property). PURCHASER agrees to pay all property and other taxes which may be levied, assessed or charged against or upon any of the Products on or after the date of actual shipment, or placing into storage for PURCHASER's account.

6. MECHANICAL WARRANTY. Solely for the benefit of PURCHASER, SELLER warrants that new equipment and parts manufactured by it and provided to PURCHASER (collectively, "Products") shall be free from defects in material and workmanship. The warranty period shall be twelve (12) months from startup of the equipment not to exceed eighteen (18) months from shipment. If any of SELLER'S Products fail to comply with the foregoing warranty, SELLER shall repair or replace free of charge to PURCHASER, EX WORKS SELLER'S FACTORIES or other location that SELLER designates, any Product or parts thereof returned to SELLER, which examination shall show to have failed under normal use and service operation by PURCHASER within the Warranty Period; provided, that if it would be impracticable for the Product or part thereof to be returned to SELLER, SELLER will send a representative to PURCHASER's job site to inspect the Product. If it is determined after inspection that SELLER is liable under this warranty to repair or replace the Product or part thereof, SELLER shall bear the transportation costs of (a) returning the Product to SELLER for inspection or sending its representative to the job site and (b) returning the repaired or replaced Products to PURCHASER; however, if it is determined after inspection that SELLER is not liable under this warranty, PURCHASER shall pay those costs. For SELLER to be liable with respect to this warranty, PURCHASER must make its claims to SELLER with respect to this warranty in writing no later than thirty (30) days after the date PURCHASER discovers the basis for its warranty claim and in no event more than thirty (30) days after the expiration of the Warranty Period. In addition to any other limitation or disclaimer with respect to this warranty, SELLER shall have no liability with respect to any of the following: (i) failure of the Products, or damages to them, due to PURCHASER's negligence or willful misconduct, abuse or improper storage, installation, application or maintenance (as specified in any manuals or written instructions that SELLER provides to the PURCHASER); (ii) any Products that have been altered or repaired in any way without SELLER's prior written authorization; (iii) The costs of dismantling and reinstallation of the Products; (iv) any Products damaged while in transit or otherwise by accident; (v) decomposition of Products by chemical action, erosion or corrosion or wear to Products or due to conditions of temperature, moisture and dirt; or (vi) claims with respect to parts that are consumable and normally replaced during maintenance such as filter media, filter drainage belts and the like, except where such parts are not performing to SELLER's estimate of normal service life, in which case, SELLER shall only be liable for the pro rata cost of replacement of those parts based on SELLER's estimate of what the remaining service life of those parts should have been; provided, that failure of those parts did not result from any of the matters listed in clauses (i) through (v) above. With regard to third-party parts, equipment, accessories or components not of SELLER's design, SELLER'S liability shall be limited solely to the assignment of available third-party warranties. **THE PARTIES AGREE THAT ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, WHETHER WRITTEN, ORAL OR STATUTORY, ARE EXCLUDED TO THE FULLEST EXTENT PERMISSIBLE BY LAW.** All warranties and obligations of SELLER shall terminate if PURCHASER fails to perform its obligations under this Agreement including but not limited to any failure to pay any charges due to SELLER. SELLER'S quoted price for the Products is based upon this warranty. Any increase in warranty obligation may be subject to an increase in price.

7. CONFIDENTIAL INFORMATION. All nonpublic information and data furnished to PURCHASER hereunder, including but not limited to price, size, type and design of the Products is the sole property of SELLER and submitted for PURCHASER'S own confidential use solely in connection with this Agreement and is not to be made known or available to any third party without SELLER'S prior written consent.

8. PAINTING. The Products shall be painted in accordance with SELLER'S standard practice, and purchased items such as motors, controls, speed reducers, pumps, etc., will be painted in accordance with manufacturers' standard practices, unless otherwise agreed in writing.

9. DRAWINGS AND TECHNICAL DOCUMENTATION. When PURCHASER requests approval of drawings before commencement of manufacture, shipment may be delayed if approved drawings are not returned to SELLER within fourteen (14) days of receipt by PURCHASER of such drawings for approval. SELLER will furnish only general arrangement, general assembly, and if required, wiring diagrams, erection drawings, installation and operation-maintenance manuals for SELLER'S equipment (in English language). SELLER will supply six (6) complete sets of drawings and operating instructions. Additional sets will be paid for by PURCHASER. Electronic files, if requested from SELLER, will be provided in pdf, jpg or tif format only.

10. SET OFF. This Agreement shall be completely independent of all other contracts between the parties and all payments due to SELLER hereunder shall be paid when due and shall not be setoff or applied against any money due or claimed to be due from SELLER to PURCHASER on account of any other transaction or claim.

11. SOFTWARE. PURCHASER shall have a nonexclusive and nontransferable license to use any information processing program supplied by SELLER with the Products. PURCHASER acknowledges that such programs and the information contained therein is Confidential Information and agrees: a) not to copy or duplicate the program except for archival or security purposes; b) not to use the program on any computer other than the computer with which it is supplied; and c) to limit access to the program to those of its employees who

are necessary to permit authorized use of the program. PURCHASER agrees to execute and be bound by the terms of any software license applicable to the Products supplied.

12. PATENT INDEMNITY. SELLER will defend at its own expense any suit instituted against PURCHASER based upon claims that SELLER's Product hereunder in and of itself constitutes an infringement of any valid apparatus claims of any United States patent issued and existing as of the date of this Agreement, if notified promptly in writing and given all information, assistance, and sole authority to defend and settle the same, and SELLER shall indemnify the PURCHASER against such claims of infringement. Furthermore, in case the use of the Products is enjoined in such suit or in case SELLER otherwise deems it advisable, SELLER shall, at its own expense and discretion, (a) procure for the PURCHASER the right to continue using the Products, (b) replace the same with non-infringing Products, (c) modify the Product so it becomes non-infringing, or (d) remove the Products and refund the purchase price less freight charges and depreciation. SELLER shall not be liable for, and PURCHASER shall indemnify SELLER for, any claim of infringement related to (a) the use of the Products for any purpose other than that for which it was furnished by SELLER, (b) compliance with equipment designs not furnished by SELLER or (c) use of the Products in combination with any other equipment. The foregoing states the sole liability of SELLER for patent infringement with respect to the Products.

13. GENERAL INDEMNITY. Subject to the rights, obligations and limitations of liabilities of the parties set forth in this Agreement, PURCHASER shall protect and indemnify SELLER, its ultimate parent, its ultimate parent's subsidiaries and each of their respective officers, directors, employees and agents, from and against all claims, demands and causes of action asserted by any entity to the extent of PURCHASER's negligence or willful misconduct in connection with this Agreement.

14. DEFAULT, TERMINATION. In the event that PURCHASER becomes insolvent, commits an act of bankruptcy or defaults in the performance of any term or condition of this Agreement, the entire unpaid portion of the purchase price shall, without notice or demand, become immediately due and payable. SELLER at its option, without notice or demand, shall be entitled to sue for said balance and for reasonable legal fees, plus out-of-pocket expenses and interest; and/or to enter any place where the Products are located and to take immediate possession of and remove the Products, with or without legal process; and/or retain all payments made as compensation for the use of the Products; and/or resell the Products, without notice or demand, for and on behalf of the PURCHASER, and to apply the net proceeds from such sale (after deduction from the sale price of all expenses of such sale and all expenses of retaking possession, repairs necessary to put the Products in saleable condition, storage charges, taxes, liens, collection and legal fees and all other expenses in connection therewith) to the balance then due to SELLER for the Products and to receive from the PURCHASER the deficiency between such net proceeds of sale and such balance. PURCHASER hereby waives all trespass, damage and claims resulting from any such entry, repossession, removal, retention, repair, alteration and sale. The remedies provided in this paragraph are in addition to and not limitations of any other rights of SELLER.

15. CANCELLATION. PURCHASER may terminate this Agreement for convenience upon giving SELLER thirty (30) days prior written notice of such fact and paying SELLER for all costs and expenses (including overhead) incurred by it in performing its work and closing out the same plus a reasonable profit thereon. All such costs and expenses shall be paid to SELLER within ten (10) days of the termination of the Agreement, or be subject to an additional late payment penalty of five percent (5%) of the total amount of costs and expenses owed.

16. REMEDIES. The rights and remedies of the PURCHASER in connection with the goods and services provided by SELLER hereunder are exclusive and limited to the rights and remedies expressly stated in this Agreement.

17. INSPECTION. PURCHASER is entitled to make reasonable inspection of Products at SELLER's facility. SELLER reserves the right to determine the reasonableness of the request and to select an appropriate time for such inspection. All costs of inspections not expressly included as an itemized part of the quoted price of the Products in this Agreement shall be paid by PURCHASER.

18. WAIVER. Any failure by SELLER to enforce PURCHASER'S strict performance of any provision of this Agreement will not constitute a waiver of its right to subsequently enforce such provision or any other provision of this Agreement.

19. COMPLIANCE WITH LAWS. If applicable laws, ordinances, regulations or conditions require anything different from, or in addition to, that called for by this Agreement, SELLER will satisfy such requirements at PURCHASER'S written request and expense.

20. FORCE MAJEURE. If SELLER is rendered unable, wholly or in material part, by reason of Force Majeure to carry out any of its obligations hereunder, then on SELLER'S notice in writing to PURCHASER within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include, but not be limited to, acts of God, laws and regulations, strikes, civil disobedience or unrest, lightning, fire, flood, washout, storm, communication lines failure, delays of the PURCHASER or PURCHASER'S subcontractors, breakage or accident to equipment or machinery, wars, police actions, terrorism, embargos, and any other causes that are not reasonably within the control of the SELLER. If the delay is the result of PURCHASER'S action or inaction, then in addition to an adjustment in time, SELLER shall be entitled to reimbursement of costs incurred to maintain its schedule.

21. INDEPENDENT CONTRACTOR. It is expressly understood that SELLER is an independent contractor, and that neither SELLER nor its principals, partners, parents, subsidiaries, affiliates, employees or subcontractors are servants, agents, partners, joint ventures or employees of PURCHASER in any way whatsoever.

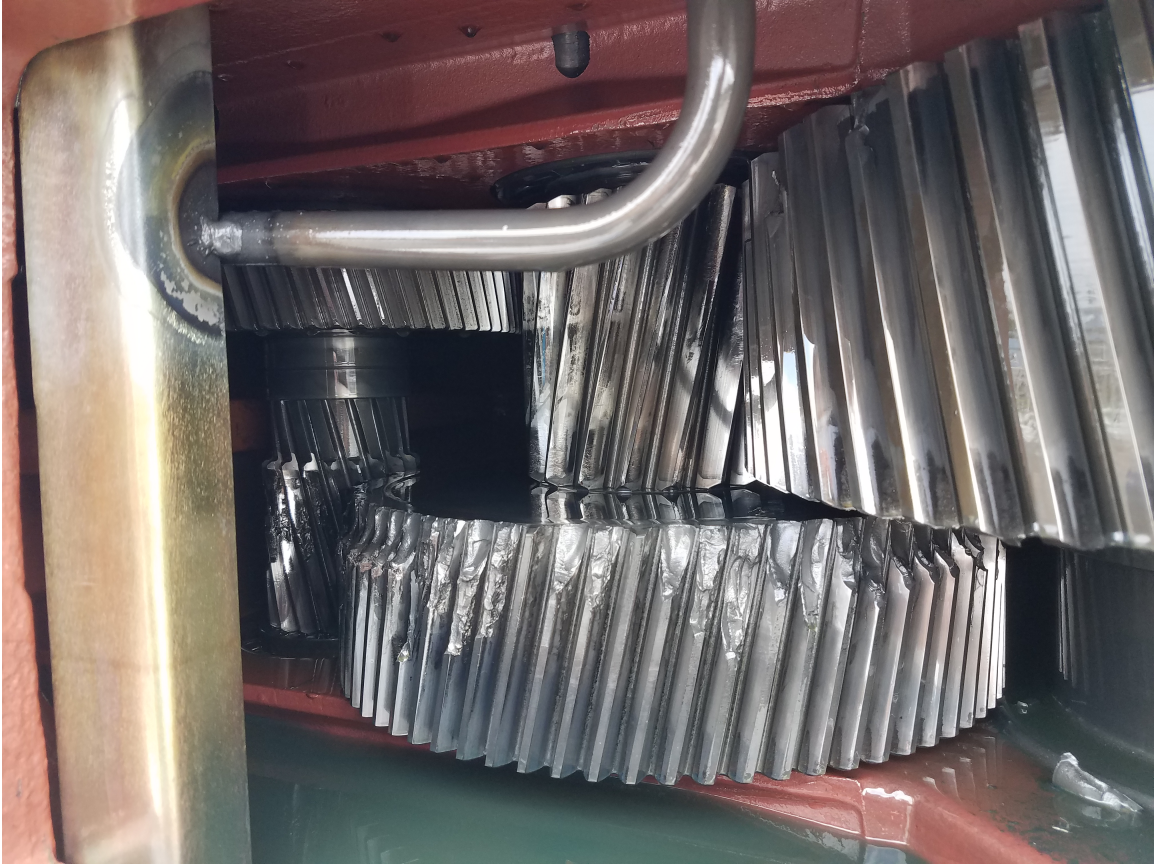
22. SEVERABILITY. Should any portion of this Agreement, be held to be invalid or unenforceable under applicable law then the validity of the remaining portions thereof shall not be affected by such invalidity or unenforceability and shall remain in full force and effect. Furthermore, any invalid or unenforceable provision shall be modified accordingly within the confines of applicable law, giving maximum permissible effect to the parties' intentions expressed herein.

23. CHOICE OF LAW, CHOICE OF VENUE. This Agreement shall be governed and construed in accordance with the laws of the State of Utah, without regard to its rules regarding conflicts or choice of law. The parties submit to the jurisdiction and venue of the state and federal courts located in Salt Lake City, Utah.

24. ASSIGNMENT. PURCHASER shall not assign or transfer this Agreement without the prior written consent of the SELLER. Any attempt to make such an assignment or transfer shall be null and void. SELLER shall have the authority to assign, or otherwise transfer, its rights and obligations in connection with this Agreement, in whole or in part, upon prior written notice to PURCHASER.

25. LIMITATION ON LIABILITY. TO THE EXTENT PERMISSIBLE BY LAW, SELLER SHALL HAVE NO FURTHER LIABILITY IN CONNECTION WITH THIS AGREEMENT IN EXCESS OF THE COST OF CORRECTING ANY DEFECTS, OR IN THE ABSENCE OF ANY DEFECT, IN EXCESS OF THE VALUE OF THE PRODUCTS SOLD HEREUNDER. NOTWITHSTANDING ANY LIABILITIES OR RESPONSIBILITIES ASSUMED BY SELLER HEREUNDER, SELLER SHALL IN NO EVENT BE RESPONSIBLE TO PURCHASER OR ANY THIRD PARTY, WHETHER ARISING UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, FOR LOSS OF ANTICIPATED PROFITS, LOSS BY REASON OF PLANT SHUTDOWN, NON-OPERATION OR INCREASED EXPENSE OF OPERATION, SERVICE INTERRUPTIONS, COST OF PURCHASED OR REPLACEMENT POWER, COST OF MONEY, LOSS OF USE OF CAPITAL OR REVENUE OR ANY OTHER INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL LOSS OR DAMAGE, WHETHER ARISING FROM DEFECTS, DELAY, OR FROM ANY OTHER CAUSE WHATSOEVER

REVISION DATE – APRIL 2016





FINANCIAL UPDATE

JUNE 2018

BUSINESS ACTIVITY

YEAR TO DATE

WATER & SEWER

	2017	2018
Revenue	3,011,261	3,580,667
Expense	3,591,961	3,880,162
Net Income (Loss)	<u>(580,700)</u>	<u>(299,496)</u>

48%
improvement
from 2017

SANITATION & SOLID WASTE

	2017	2018
Revenue	408,102	551,140
Expense	462,959	601,824
Net Income (Loss)	<u>(54,857)</u>	<u>(50,684)</u>

Includes more personnel
and higher tipping fees

OTHER HIGHLIGHTS

OTHER HIGHLIGHTS

	2017	2018
Sales Tax Revenue	\$ 1,151,436	\$ 1,311,847
Hotel-Motel Tax Revenue	\$ 72,397	\$ 130,319
Water Purchases	\$ 263,747	\$ 133,096
Total # of Employees (Excludes Seasonal)	137	152

SELF-FUNDED INSURANCE

SELF-FUNDED INSURANCE

United Healthcare		Self-Funded		Cash Outlay
Premiums Paid		Admin + Claims Paid		Difference
Oct-Dec '16	338,617	Oct-Dec '17	219,994	118,623
Jan-Mar '17	342,474	Jan-Mar '18	262,380	80,094
Apr-Jun '17	336,672	Apr-Jun '18	249,477	87,195
				-
TOTALS	\$ 1,017,763		\$ 731,850	\$ 285,912



CITY OF VILLA RICA
FINANCIAL UPDATE
June 2018

CASH			SELF-FUNDED INSURANCE		
	6-30-2017	6-30-2018			
Total Cash in Bank	\$ 5,884,811	\$ 8,584,193			
General Fund	\$ 5,157,249	\$ 5,546,121			
Water/Sewer Fund	\$ (488,551)	\$ 1,535,826			
Sanitation/Solid Waste	\$ (324,375)	\$ (54,651)			
2008 Carroll SPLOST	\$ 688,314	\$ 537,936			
2015 Carroll SPLOST	\$ 1,045,650	\$ 280,774			
2016 Douglas SPLOST	\$ 60	\$ 201,609			
			United Healthcare	Self-Funded	Cash Outlay
			Premiums Paid	Admin + Claims Paid	Difference
			Oct-Dec '16 338,617	Oct-Dec '17 219,994	118,623
			Jan-Mar '17 342,474	Jan-Mar '18 262,380	80,094
			Apr-Jun '17 336,672	Apr-Jun '18 249,477	87,195
					-
			TOTALS \$1,017,763	\$ 731,850	\$ 285,912
OTHER HIGHLIGHTS			GROWTH		
	2017	2018		2017	2018
Sales Tax Revenue	\$ 1,151,436	\$ 1,311,847	<i>Residential</i>	# Amount	# Amount
Hotel-Motel Tax Revenue	\$ 72,397	\$ 130,319	Building Permits	41 \$ 57,108	104 \$ 163,746
Water Purchases	\$ 263,747	\$ 133,096	Water Taps	35 \$ 55,000	102 \$ 159,900
			Sewer Taps	35 \$ 137,500	95 \$ 392,250
Total # of Employees (Excludes Seasonal)	137	152	<i>Commercial</i>	# Amount	# Amount
			Building Permits	6 \$ 16,233	- \$ -
			Water Taps	2 \$ 8,300	- \$ -
			Sewer Taps	1 \$ 15,000	- \$ -
BUSINESS ACTIVITY			SANITATION/ SOLID WASTE		
WATER/SEWER	2017	2018		2017	2018
Water Revenue	\$ 1,263,242	\$ 1,377,989	Sanitation Revenue	\$ 297,646	\$ 332,238
Sewer Revenue	\$ 1,087,932	\$ 1,527,232	Solid Waste Revenue	\$ 110,456	\$ 167,235
Misc. Revenue	\$ 660,086	\$ 675,445	Misc. Revenue	\$ -	\$ 51,667
Total Revenue	\$ 3,011,261	\$ 3,580,667	Total Revenue	\$ 408,102	\$ 551,140
Water Expenses	\$ 746,792	\$ 588,524	Sanitation Expenses	\$ 304,522	\$ 333,565
Sewer Expenses	\$ 743,803	\$ 773,395	Solid Waste Expenses	\$ 153,439	\$ 229,526
Dist./Coll. Expenses	\$ 505,612	\$ 624,447	Depreciation	\$ 4,998	\$ 38,733
Debt Expense	\$ 859,167	\$ 1,140,496	Total Expenses	\$ 462,959	\$ 601,824
Depreciation	\$ 736,587	\$ 753,300			
Total Expenses	\$ 3,591,961	\$ 3,880,162			
Net Income (Loss)	\$ (580,700)	\$ (299,496)	Net Income (Loss)	\$ (54,857)	\$ (50,684)

STATE OF GEORGIA

ORDINANCE NO. _____

CITY OF VILLA RICA

**AN ORDINANCE TO APPROVE AN AMENDMENT TO THE BUDGET
FOR THE FISCAL YEAR 2018 FOR THE CITY
PURSUANT TO SECTION _____ OF THE CITY CHARTER**

WHEREAS, the Mayor and City Council adopted the 2018 Budget on December 5, 2017, which incorporated all of the various funds of the City; and

WHEREAS, the Mayor and Council have determined it appropriate to amend the budget for the reasons set forth herein.

WHEREAS, the Mayor and Council have reviewed the proposed budget; and

WHEREAS, each of the funds, as amended, has a balanced budget, such that anticipated revenues equal or exceed proposed expenditures.

NOW, THEREFORE, the Mayor and City Council of the City of Villa Rica, Georgia, hereby ordain as follows:

Section 1. That the City of Villa Rica, Georgia, hereby amends the Budget for Fiscal Year 2018, said budget amendment being described as Amendment No. 1-38, attached hereto and incorporated as Exhibit A.

Section 2. That any increase or decrease in appropriations or revenue of any fund or for any department; the establishment of new capital projects; or the establishment of new grant projects other than those expectations provided for herein, shall require approval of the City Council.

Section 3. That the City Manager and his/her designee may promulgate all necessary internal rules, regulations and policies to ensure that this Budget Amendment Ordinance is followed.

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

1. It is hereby declared to be the intention of the Mayor and City Council that all sections, paragraphs, sentences, clauses and phrases of this Ordinance are and were, upon their enactment, believed by the Mayor and City Council to be fully valid, enforceable and constitutional.

2. It is hereby declared to be the intention of the Mayor and City Council that, to the greatest extent allowed by law, each and every section, paragraph, sentence, clause or phrase of this Ordinance is severable from every other section, paragraph, sentence,

clause or phrase of same. It is hereby further declared to be the intention of the Mayor and City Council that, to the greatest extent allowed by law, no section, paragraph, sentence, clause or phrase of this Ordinance is mutually dependent upon any other section, paragraph, sentence, clause or phrase of same.

3. In the event that any phrase, clause, sentence, paragraph or section of this Ordinance shall, for any reason whatsoever, be declared invalid, unconstitutional or otherwise unenforceable by the valid judgment or decree of any court of competent jurisdiction, it is the express intent of the Mayor and City Council that such invalidity, unconstitutionality, or unenforceability shall, to the greatest extent allowed by law, not render invalid, unconstitutional or otherwise unenforceable any of the remaining phrases, clauses, sentences, paragraphs or sections of the same and that, to the greatest extent allowed by law, all remaining phrases, clauses, sentences, paragraphs and sections of the Ordinance shall remain valid, constitutional, enforceable, and of full force and effect.

4. All ordinances or resolutions and parts of ordinances or resolutions in conflict herewith are expressly repealed.

5. The within ordinance shall become effective upon its adoption.

SO ORDAINED AND EFFECTIVE this the _____ day of _____, 2018.

Approved:

Jeff Reese, Mayor

As to form:

C. David Mecklin, Jr., City Attorney

Attest:

Alisa Doyal, City Clerk

City of Villa Rica
Exhibit A
Proposed 2018 Budget Amendments

GENERAL FUND

<i>Item</i>	<i>Account Name</i>	<i>Account Type</i>		<i>Notes</i>	<i>Amount</i>
1 100-1510-521200	Professional Svcs	Expenditure	Increase	Contract Raftelis for Work on Utility Rate Model and Tap Fees	27,840.00
2 100-391250	Transfer from Water/Sewer	Revenue	Increase	Contract Raftelis for Work on Utility Rate Model and Tap Fees	27,840.00

WATER/SEWER

<i>Item</i>		<i>Account Type</i>		<i>Notes</i>	<i>Amount</i>
3 505-344231	Sewer Tap Fee Revenue	Revenue	Increase	Contract Raftelis for Work on Utility Rate Model and Tap Fees	27,840.00
4 505-9000-611110	Transfer to General Fund	Expense	Increase	Contract Raftelis for Work on Utility Rate Model and Tap Fees	27,840.00
5 505-344231	Sewer Tap Fee Revenue	Revenue	Increase	Contract Brennan Jones to Evaluate Lift Stations	81,251.00
6 505-4440-521200	Professional Services	Expense	Increase	Contract Brennan Jones to Evaluate Lift Stations	81,251.00

SELF-FUNDED INSURANCE

<i>Item</i>		<i>Account Type</i>		<i>Notes</i>	<i>Amount</i>
7 610-371010	Employer Contributions	Revenue	Increase	Establish 2018 Self-Funded Insurance Budget	1,008,900.00
8 610-371020	Employee Contributions	Revenue	Increase	Establish 2018 Self-Funded Insurance Budget	201,150.00
9 610-1540-571010	Claims	Expenditure	Increase	Establish 2018 Self-Funded Insurance Budget	878,050.00
10 610-1540-571040	Wellness	Expenditure	Increase	Establish 2018 Self-Funded Insurance Budget	35,000.00
11 610-1540-571050	Administrative Fees	Expenditure	Increase	Establish 2018 Self-Funded Insurance Budget	297,000.00

2008 CARROLL COUNTY SPLOST

<i>Item</i>		<i>Account Type</i>		<i>Notes</i>	<i>Amount</i>
12 320-1320-542500	Other Equipment	Expenditure	Decrease	Correct amount for AV at Court Room	(50,000.00)
13 320-4210-541410	Street Improvements	Expenditure	Increase	Correct amount for last HEH payment and traffic islands	11,000.00

14	320-4950-541400	Cemetery	Expenditure	Increase	Correct amount for cemetery wall	75,000.00
15	320-6510-541300	Buildings and Improvements	Expenditure	Increase	Correct amount for dumpster pad and screen	25,000.00
16	320-7220-542200	Vehicles	Expenditure	Increase	Correct amount for Inspector's Vehicle	20,000.00
17	320-7400-542200	Vehicles	Expenditure	Increase	Correct amount for Engineer's Vehicle	24,000.00
18	320-381000	Fund Balance	Revenue	Increase	Correct amount of fund balance to use	105,000.00

2015 CARROLL COUNTY SPLOST

Item	Account Type	Notes	Amount
19 321-4210-541200	Street Improvements	Expenditure Increase Correct amount for street improvements	100,000.00
20 321-4210-541406	Gateway	Expenditure Decrease Remove Gateway budget	(60,000.00)
21 321-4210-541411	Mirror Lake Connector	Expenditure Increase Correct amount for Mirror Lake Connector engineering	59,500.00
22 321-4210-541415	Traffic Calming	Expenditure Decrease Correct amount for traffic calming in Carroll County	(14,000.00)
23 321-4210-542500	Other Equipment	Expenditure Increase Correct amount for trailer for tires	10,000.00
24 321-6120-541200	Site Improvements	Expenditure Decrease Remove line for 2018	(100,000.00)
25 321-6120-541201	Spring Lake	Expenditure Decrease Remove line for 2018	(100,000.00)
26 321-6120-541202	Vplex Ballfields	Expenditure Decrease Remove line for 2018	(75,000.00)
27 321-6120-541300	Buildings and Improvements	Expenditure Increase Correct amount for Gutters and Boiler install	91,000.00
28 321-7550-541410	Street Improvements	Expenditure Decrease Remove downtown sidewalks for 2018	(125,000.00)
29 321-381000	Fund Balance	Revenue Decrease Correct amount of fund balance to use	(213,500.00)

2016 DOUGLAS COUNTY SPLOST

Item	Account Type	Notes	Amount
30 322-4210-541410	Street Improvements	Expenditure Increase Correct amount for street improvements	200,000.00
31 322-4210-541415	Traffic Calming	Expenditure Decrease Correct amount for traffic calming in Carroll County	(14,000.00)
32 322-3210-542500	Other Equipment	Expenditure Decrease Remove video evidence storage	(80,000.00)
33 322-3520-571000	Dougals Co Fire/EMS	Expenditure Increase Correct amount for Fire/EMS capital	157,364.00
34 322-6120-541201	Connors Rd Passive Park	Expenditure Decrease Correct amount for Connors Rd in 2018	(231,000.00)
35 322-4440-541450	Water and Sewer Infrastructure	Expenditure Increase Correct amount for water and sewer infrastructure	110,000.00
36 322-4330-541440	Wastewater Plan	Expenditure Increase Correct amount for North Plant improvements	85,000.00
37 322-4330-541450	Equipment	Expenditure Increase Correct amount for Tractor	35,000.00
38 322-381000	Fund Balance	Revenue Increase Correct amount of fund balance to use	262,364.00

PUBLIC NOTICE

The Mayor and Council of the City of Villa Rica do hereby announce that the millage rate will be set at a Special Called Council Meeting to be held Thursday, August 7, 2018 at 6:00 pm in the Villa Rica Municipal Courtroom, 101 Main Street, Villa Rica, Georgia. Pursuant to the requirements of O.C.G.A. Section 48-5-32, the City of Villa Rica does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2017 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

CITY OF VILLA RICA	2013	2014	2015	2016	2017	2018
Real & Personal	448,534,282	455,969,648	472,534,447	569,971,617	623,552,249	656,078,390
Motor Vehicles	34,292,010	29,690,260	18,851,450	14,166,770	11,064,660	8,871,570
Mobile Homes	47,975	44,983	42,533	41,516	39,435	38,982
Timber - 100%	-	-	-	-	-	-
Heavy Duty Equipment	2,847	7,148	18,819	2,881	-	-
Gross Digest	482,877,114	485,712,039	491,447,249	584,182,784	634,656,344	664,988,942
Less M&O Exemptions	60,039,529	60,881,512	64,587,298	102,079,000	77,250,562	84,695,581
Net M&O Digest	422,837,585	424,830,527	426,859,951	482,103,784	557,405,782	580,293,361
Gross M&O Millage	10.2630	9.9100	10.3500	11.6337	10.5427	10.2014
Less Rollbacks	3.4880	3.2800	3.7200	5.1337	4.1777	4.1454
Net M&O Millage	6.7750	6.6300	6.6300	6.5000	6.3650	6.0560
Total City Taxes Levied	2,864,725	2,816,626	2,830,081	3,133,675	3,547,888	3,514,257
Net Taxes \$ Increase	(167,811)	(48,098)	13,455	303,593	414,213	(33,631)
Net Taxes % Increase	-5.53%	-1.68%	0.48%	10.73%	13.22%	-1.07%



Agenda Item: _____

CITY OF VILLA RICA

City Council Meeting Agenda Item Cover Sheet

SUBJECT: 2018 Millage Rate
AGENDA DATE: 8/2/2018

DATE PREPARED: 7/26/2018
PREPARED BY: Sarah Hefty

AMOUNT: \$3,514,257
GL ACCOUNT #: 100-311100 (Carroll), 100-311150 (Douglas)

PURPOSE: To discuss proposed 2018 Millage Rate.

BACKGROUND:

Change in Carroll Tax Digest from 2017:	Decrease of 3%
Change in Douglas Tax Digest from 2017:	Increase of 16%

Current Millage Rate:	6.3650
Proposed Rollback Rate:	6.0560

Taxes Levied in 2017:	\$3,547,888
Proposed Taxes in 2018:	\$3,514,257

Change in Taxes Levied:	Decrease of \$33,631
Percentage Change:	-1.07%

Meeting Schedule:

August 2, 2018 – Discussion
August 7, 2018 – Public Hearing
August 14, 2018 – Adoption (tentatively scheduled special called meeting)

STAFF RECOMMENDATION: To adopt the rollback rate of 6.0560 for 2018.

IMPACT: This tax rate would fulfill the needs of 2019 fiscal year budget.

MOTION: n/a