



City of Stockbridge

Bringing People

Together

STOCKBRIDGE CITY COUNCIL

Mayor

Anthony Ford

Mayor Pro Tem LaKeisha Gantt

Councilman Elton Alexander

Councilman John Blount

Councilwoman Neat Robinson

Councilman Alphonso Thomas

CITY MANAGER

Randy Knighton

CITY CLERK

Vanessa Holiday

DEPUTY CLERK

Randi Rainey

CITY ATTORNEY

Michael Williams

**Council Meeting
Agenda
September 10, 2018 6:00 PM**



Stockbridge City Hall

4640 N. Henry Blvd.

Stockbridge, GA 30281

Website: www.cityofstockbridge.com

Phone: 770-389-7900

Fax: 770-389-7912



AGENDA COUNCIL MEETING CITY OF STOCKBRIDGE

MONDAY, SEPTEMBER 10, 2018 6:00 PM

Mayor & City Council

Mayor Anthony S. Ford
Councilman Elton Alexander
Councilman John Blount
Councilwoman LaKeisha Gantt
Councilwoman Neat Robinson
Councilman Alphonso Thomas

Administration

Randy Knighton, City Manager
Vanessa Holiday, City Clerk
Randi Rainey, Deputy City Clerk
Michael Williams, City Attorney

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADOPTION OF THE AGENDA

ADOPTION OF THE MINUTES FOR THE FOLLOWING MEETINGS: 7/20/2018, 7/24/2018, 8/13/18, 8/16/18, AND 8/17/18

- 1 Draft Minutes of 7/20/18
- 2 Draft Minutes of 7/24/18
- 3 Draft Minutes of 8/13/18
- 4 Draft Minutes of 8/16/18
- 5 Draft Minutes of 8/17/18

REVIEW OF CEREMONIAL

Swearing in- Planning Commission Member

Radio One Letter of Appreciation

Hispanic Heritage Month Proclamation

Walk to end Alzheimer's Proclamation

Stockbridge Association of Business- Announcement of New Businesses

PUBLIC COMMENTS

PRESENTATION

- 6 FY2017 Financial Audit Report
- 7 Hands of Hope Clinic 15th Annual Goblin Gallop

OLD BUSINESS

- 8 Council Consideration to amend the City's Alcohol Ordinance regarding an Open Container District to include map of boundaries of designated area

NEW BUSINESS

- 9 Council Consideration to approve a Resolution for the use of Ted Strickland Community Center on October 3, 2018 from 10:00am-12:00pm for a Bingo Bash activity for seniors in the Community
- 10 Council Consideration to approve a Resolution for the use of Ted Strickland Community Center on December 14, 2018 for a Toy Drive
- 11 Council Consideration to approve the Wage & Salary Analysis and Option 2 recommendation.

CITY MANAGER'S COMMENTS (Randy Knighton)

CITY CLERK'S COMMENTS (Vanessa Holiday)

COMMENTS FROM THE CITY COUNCIL

MAYOR'S COMMENTS (Mayor Anthony Ford)

ANNOUNCEMENTS OF UPCOMING MEETINGS & EVENTS

EXECUTIVE SESSION (Exemptions to the Georgia Open Meetings Acts)

ADJOURNMENT



Mission: To provide visionary leadership and superior municipal services that enhance the quality of life for citizens while creating a welcoming business atmosphere focused on sustainability and expansion of tourism and cultural events.



SUMMARY MINUTES SPECIAL CALLED MEETING

FRIDAY, JULY 20, 2018 5:00 P.M.

Mayor & City Council

**Mayor Anthony S. Ford
Councilman Elton Alexander
Councilman Alphonso Thomas
Councilman John Blount
Mayor Pro Tem LaKeisha Gantt
Councilwoman Neat Robinson**

Administration

**Randy Knighton, City Manager
Camilla Moore, Asst. City Manager
Michael Williams, City Attorney
Vanessa Holiday, City Clerk**

Call to Order by Mayor Ford

Invocation by Councilman Thomas

Pledge of Allegiance was recited in unison.

City Clerk, Vanessa Holiday was asked to proceed with a verbal roll call. All members of Council were present except Mayor Pro Tem Gantt.

Councilman Alexander motioned to approve the Agenda; second by Councilwoman Robinson. The motion passed 4-0.

Motion to convene Executive Session for Personnel, Litigation and Real Estate made by Councilman Blount; second by Councilman Thomas. The motion passed 4-0.

NEW BUSINESS:

1. Discussion of Map Area (DDA, Main Street, LCI)

Council reviewed and discussed the boundaries of the Downtown Development Authority map, the Main Street map and the outline of the LCI. There was no action taken.

Mayor Pro Tem Gantt joined the meeting at 5:35 p.m.

2. Discussion of Historic Preservation

Council discussed appointing a Historic Preservation Committee. It was deemed to be a best fit as a Planning function to cover the entire city and not be limited to the Main Street boundaries.

3. Discussion of Fire Station Property – RFP Timeline

Motion to direct staff to issue an RFP for demolition of the Old Police Station located on Burke Street: Alexander/Gantt – Passed 5-0.

4. Comprehensive Plan Designation for Downtown Area

Ms. Moore reviewed the Comprehensive Plan as it related to the development of the downtown area of the city. There was not action taken.

5. Entrepreneur/Entertainment District – Regulations, Standards, Alcohol

Motion to amend the City's Alcohol Ordinance as it relates to City Events and distributed by approved City vendors: Gantt/Robinson – Passed 5-0.

Motion to convene Executive Session for Personnel, Real Estate and Litigation:

Alexander/Thomas: Passed 5-0.

Mayor Pro Tem Gantt exited the meeting during Executive Session at 7:20 p.m.

Motion to adjourn Executive Session: Alexander/Blount: Passed 4-0.

Motion to reconvene the meeting: Thomas/Robinson: Passed 4-0.

Meeting Adjourned.

Respectfully submitted by:

Vanessa Holiday, City Clerk CMC

Anthony S. Ford, Mayor



Mission: To provide visionary leadership and superior municipal services that enhance the quality of life for citizens while creating a welcoming business atmosphere focused on sustainability and expansion of tourism and cultural events.



SUMMARY MINUTES WORK SESSION MEETING

TUESDAY, JULY 24, 2018 4:00 P.M.

Mayor & City Council

**Mayor Anthony S. Ford
Councilman Elton Alexander
Councilman John Blount
Mayor Pro Tem LaKeisha Gantt
Councilwoman Neat Robinson
Councilman Alphonso Thomas**

Administration

**Randy Knighton, City Manager
Camilla Moore, Asst. City Manager
Vanessa Holiday, City Clerk
Randi Rainey, Deputy City Clerk
Michael Williams, City Attorney**

The meeting was called to order by Mayor Ford.

Invocation by Pastor McFarland.

Pledge of Allegiance was recited in unison.

City Clerk, Vanessa Holiday was asked to proceed with a verbal roll call. All members of Council were present except Mayor Pro Tem Gantt.

Councilman Blount motioned to add the Community in Schools Presentation to the Agenda and hear Item #7 after Executive Session; second by Councilman Thomas. The motion passed 4-0.

Review of the Minutes for the following meetings: No Action taken.

1. 6/27/2018
2. 7/9/2018

PUBLIC COMMENTS

All persons wishing to speak for public comment must sign in with the City Clerk prior to the beginning of the meeting. You must sign your name, address, and phone number. You will be able to address the Mayor and Council for three (3) minutes. Speakers must respect all members

of the elected body, officials, and staff. Defamation, unruliness and/or swearing will not be tolerated while meetings are in session. NONE.

Mayor Pro Tem Gantt joined the meeting.

PRESENTATION

Community in Schools (CIS) of Georgia in Henry County

Presented by: Glenda Harris, Executive Director joined by Principal Watson of Stockbridge High School

Ms. Harris noted is one of the largest national non-profit drop-out prevention organizations in the county and explained how they work directly with students at a high school level to prevent them from dropping out. Ms. Harris noted there are 248 sites in Georgia who work with over 1,389 students on a case management basis; and mentioned Henry County High and Stockbridge High are a part of the program. Principal Watson of Stockbridge High thanked Ms. Harris and noted the success of the program specifically at Stockbridge High School noting the incentives to keep the kids excited to stay in school.

2ND QUARTER REPORTS:

Councilman Blount motioned to hear Public Safety Report first; second by Councilman Alexander. The motion passed 5-0.

Public Safety

Presented by: Lieutenant Stapp

Lt. Stapp noted the actual stats will not be ready until next week, however, staff was able to gather data. Lt. Stapp expressed the calls of service had gone down slightly from May to June; arrests remained the same with no changes; citations and warrants are down also. Lt. Stapp stated there were no homicides and one rape, two robberies, four aggravated assaults; larceny and theft by taking increasing. Lt. Stapp noted fraud crimes are down and drug crimes remained the same; with DUI's becoming more frequent on the weekends and that accidents had remained about the same with no fatalities.

Councilman Alexander stated he noticed there was a spike in citations in May and inquired if there was a program going on. Lieutenant Stapp stated during the month of May, there is the Zero Tolerance and Click it, or ticket campaigns.

Youth Council Advisory Committee

Presented by: Mr. Kenneth McFarland & Youth Council Chair Kelli Crews

Mr. McFarland noted the report is tailored to making sure the kids understand government on a local, state and federal basis. Mr. McFarland referenced the Youth Council retreat which helped the kids to bond. Mr. McFarland thanked the Governing Body for their support of the Stockbridge Youth Council and presented the program Outline and curriculum for 2018 which included the Youth Council Retreat, participating in Food Truck Tuesday, Main Street Movie Night, attending the Stockbridge Association of Business meeting, Stockbridge Beautification Day and

assisting with the upcoming No Litter Campaign and the Back-to-School Kickoff Event. Mr. McFarland ended with thanking Council for the \$5,000 for the trip to North Carolina in 2017 and noted \$7,000 was returned to the city. Kellie Crews, Chair for the Youth Council reiterated the previous events where the Youth Council members have volunteered, and informed Council of their next event will be to attend the National League of Cities City Summit in Los Angeles in November, and they have already started fund raising for that conference.

Main Street Program and Advisory Board – presented by: Kira Harris-Braggs
Councilman Thomas noted the Main Street Program, City Council and Downtown Development Authority held a joint meeting earlier in the month. Councilman Thomas also commended the Main Street Program and Advisory Board for their program efforts. Mrs. Harris-Braggs noted the Main Street Program has been busy working on the Branding Initiative, which has not concluded yet; the Downtown RSVP has been completed and the final report will be ready at the end of the month, with hopes the recommendations will be included in the city's Comprehensive Plan. Mrs. Harris-Braggs noted the Lil' Free Library project is doing well, with 3 installations and the program has been approached by more organizations who would like to sponsor and Lil' Libraries in the Downtown area. Mrs. Harris-Braggs stated Stockbridge Stories brings fourth historic story-telling about the City of Stockbridge and as a part of the Stockbridge Stories Series, the City completed a Welcome Home Tour celebration for Winter Olympic Athlete Chris Kinney; observed the 50th death anniversary of Martin Luther King Jr. by placing a memorial photo in City Hall lobby as well as a Daddy King: A *Stockbridge Story* display in City Hall. Ms. Harris-Braggs noted the Main Street Program went to the 2018 National Main Street Conference mid-May; attended the Southeastern Tourism Society (STS) Marketing College for a second year and will receive certifications in tourism upon completing the final training next year. Mrs. Harris- Braggs noted the Main Street Program hosted a Downtown Discovery Tour of Dublin, GA in May; and, will host their first movie of the season, Peter Rabbit in June followed by the second movie Coco. Mrs. Harris-Braggs noted the Main Street staff will be coordinating with City Events for BridgeFest 2018 in September. Mrs. Harris-Braggs ended with the Main Street Program having started planning for Small Business Saturday; with *Save the Date* flyers circulated at the June Sounds of Summer concert and the Main Street Movie events.

Downtown Development Authority – Presented by: Mayor Pro Tem Gantt
Mayor Pro Tem Gantt noted the Stockbridge Downtown Development Authority (SDDA) met with the Assistant City Manager, Camilla Moore to discuss having a Developer's Day and explore options for generating revenues from venues held with alcohol on premises. Mayor Pro Tem Gantt noted the SDDA voted to have the implementation of the Façade Grant for up to \$5,000 in which businesses within the downtown area could use and apply to improve their business façade. Mayor Pro Tem Gantt noted the DDA Board looked at streamlining and making the overall process smoother for new applicants. Mayor Pro Tem also noted the DDA has had

discussions regarding vacant city-owned properties and making them available via the website for investors to view; and is planning for a retreat soon.

Finance Department – Presented by: Interim Treasurer, John Wiggins
Mr. Wiggins presented the financial summary report ending in the month of June 30, 2018; a follow up will be presented at the August Budget Retreat.

Public Works Department – Presented by: Decius Aaron
Mr. Aaron noted the Stormwater Division has 4 current projects and has completed 11, making it a total of 15 projects; Wastewater Division has 16 current projects and has completed 5, making it a total of 21 projects; Water Division currently has 9 open projects, and has completed 5, making it a total of 14 projects; Public Works Division currently has 6 open projects and 7 completed, making it a total of 13; Parks Division currently has 12 projects with 8 completed, making it a total of 20 and Government Building currently has 13 projects, with 14 completed, making it a total of 27. Mr. Aaron noted in all there are 60 current projects open and 50 completed projects, making it a total of 110 projects.

Community Development – Presented by: Camilla Moore
Ms. Moore noted under Business Services, revenue has exceeded over \$1 million of its budgeted amount with October and November being big revenue generating months with business license renewals. Ms. Moore noted there has been at least 112 developers interested in doing business within the City. Ms. Moore noted the Collaborative Firm was hired to assist the City in moving forward with submission of the Comprehensive Land Use Plan and hopes to bring back a draft of the proposal for Mayor and Council to review soon. Ms. Moore explained because the City will be submitting the Short-Term Work Program/Capital Improvements Project on its own for the first time, the CIP documentation must be a part of the documents submitted to the DCA by August 30, 2018. Ms. Moore noted the final submission to DCA is October 31, 2018. Ms. Moore reported that Code Enforcement had issued over 116 warning notices and has generated revenues. Ms. Moore noted the biggest challenge with permitting is getting the files from the County who did majority of the plans for the City. The Clerk referenced the state's records retention schedule as a reason the County may not have certain records. Ms. Moore noted the upcoming HOA/community meetings to inform and educate citizens on the de-annexation matter.

OLD BUSINESS:

3. Turning Lane for Red Oak United Methodist Church

Presented by: Decius Aaron, Public Works Director

Mr. Aaron noted Red Oak United Methodist Church is requesting a turning lane to be installed on Walt Stephens Rd. in front of their church due to traffic backing up when the church has service or other events. Mr. Aaron suggested a traffic study to be completed by the City before any road work and recommended Red Oak United Methodist Church use a traffic police

officer to direct traffic. Mayor Ford referenced the driveway as the issue noting it needs to be widened to allow for two cars to enter and exit at the same time. Mr. Aaron noted the church would be responsible for the widening of the lane. Ms. Moore stated the transportation network must be based on a few factors and would need to see the results first. Mayor Ford directed staff to send Red Oak a letter letting them know the City's decision following the traffic study.

NEW BUSINESS:

3. Council Consideration to approve selection vendor ICS for Janitorial Services for the remainder of 2018 in the amount of \$27,526.80.
Presented by: Donald Riley, Procurement Specialist
Mr. Riley requested approval of the lowest responsible bidder for Janitorial Services in the amount of \$27,526.80 with Intercontinental Commercial Services (ICS) for the remainder of FY2018. Mr. Riley noted the company shall provide all chemicals, cleaning supplies and other necessary equipment. Councilwoman Gantt motioned to approve ICS for Janitorial Services for the remainder of 2018 in the amount of \$27,526.80; second by Councilwoman Robinson. The motion passed 5-0.
4. Council Consideration to approve the Monument Sign RFP process not to exceed \$100,000.
Presented by: Randy Knighton, City Manager
Mr. Knighton requested approval to move forward with the Monument Sign process not to exceed \$100,000. Councilman Alexander motioned to approve the Monument Sign RFP process not to exceed \$100,000; second by Councilman Thomas. The motion passed 5-0.
5. Council Consideration to amend the City's Organizational Chart
Presented by: Randy Knighton, City Manager
Councilman Blount motioned to amend the City's Organizational Chart placing the position of the Executive Assistant to Mayor & Council under the City Clerk; second by Councilwoman Gantt. The motion passed 3-0-2 (Alexander and Robinson abstained).

NEW BUSINESS:

6. Council Discussion of Street Parking Ordinance
Presented by: Camilla Moore, Asst. City Mgr./Community Development Dir.
Ms. Moore stated there was a recent conversation within the City and residents, particularly HOA members regarding street parking; however, some HOA's did not receive information in time and has therefore requested staff to complete a survey over a two-week time frame beginning July 31st to receive more input. Ms. Moore noted residents will have to choose an option that would best fit that neighborhood and the Planning Department would bring the survey results forward to Mayor & Council for review.

COMMENTS FROM THE CITY MANAGER

Mr. Knighton announced the series of upcoming Education/Information Town Hall Meetings throughout the community and referenced the upcoming meeting at the Falling Waters Community on Thursday, July 26th at 7:00 p.m.

COMMENTS FROM THE CITY CLERK

None

COMMENTS FROM THE CITY COUNCIL

Councilman Thomas read the "Don't Trash Stockbridge" Mission and spoke to the ongoing campaign of educating the community not to litter.

Councilman Blount thanked everyone for attending and invited everyone out to the Back to School Kickoff on Saturday, July 28th from 10:00 a.m. – 1:00 p.m. taking place at the Merle Manders Conference Center; noted the City was in a good place and that everyone was dedicated to the youth of Stockbridge.

Mayor Pro Tem Gantt thanked everyone for listening and watching; thanked the Stockbridge Team; referenced the City's willingness to address the alcohol district and undesirable business moratorium; noted school will start soon and asked that everyone keep the kids in prayer.

Councilman Alexander thanked everyone for tuning in; noted this is all about you; commended the Sounds of Summer Concerts and thanked the Events Team for doing a great job; and saluted the radio station 107.5 for their support and wants to issue a proclamation in their honor.

Councilwoman Robinson asked everyone to support the Youth Council; referenced the upcoming County Retreat; announced a Youth Summit taking place in 2019 hosted by Stockbridge; noted the Youth Council Minutes were available to the Councilmembers for any information.

COMMENTS FROM THE MAYOR

Mayor Ford noted today was the last day to vote in the July 24th Primary Run-Off election and that he had already done so and encouraged everyone to vote; thanked everyone for tuning in and coming out; asked everyone to keep the faith as the City remains whole and continues to grow.

UPCOMING MEETINGS

Meeting will be held at City Hall unless otherwise noted. Meeting dates and times are subject to change. Please visit the city's website www.cityofstockbridge.com, Facebook page or contact City Hall offices at 770-389-7900 for updates and detailed information.

- Stockbridge Association of Businesses Meeting, Thursday, July 26, 2018 at 8:00 a.m. at the Ted Strickland Community Center 130 M L King, Sr. Heritage Trail.

- Education/Information Town Hall – Thursday, July 26, 2018 at 7:00 p.m. at the Falling Waters Community Club House.
- Education/Information Town Hall – Monday, August 6, 2018 at 7:00 p.m. at the Clark Meadows Club House.
- Education/Information Town Hall – Tuesday, August 7, 2018 at 7:00 p.m. at Windsong Club House.
- Youth Council Meeting, Wednesday, August 8, 2018 at 5:30 p.m. at City Hall in the Levi Meeting Room.
- Council Meeting, Monday, August 13, 2018 at 6:00 p.m. at City Hall in the Council Chamber.
- Youth Council Advisory Committee Meeting, Wednesday, August 15, 2018 at 6:30 p.m. at City Hall in the Levi Meeting Room.
- Planning Commission Meeting, Thursday, August 16, 2018 at 6:00 p.m. at City Hall in the Council Chamber.
- Council Retreat, Thurs., August 16, 2018 and Friday, August 17, 2018 from 8:00 a.m.– 5:00 p.m.
- Downtown Development Authority Meeting, Monday August 20, 2018 at 6:00 p.m. at City Hall in the Levi Meeting Room.
- Stockbridge Association of Businesses Meeting, Thursday, August 23, 2018 at 8:00 a.m. at the Ted Strickland Community Center 130 M L King, Sr. Heritage Trail.
- Council Work Session Meeting, Tuesday, August 28, 2018 at 4:00 p.m. at City Hall in the Levi Meeting Room.

UPCOMING EVENT(S) & ANNOUNCEMENTS

- Don't Trash Stockbridge No Litter Campaign – Ongoing – spearheaded by Councilman Thomas. Contact: LaQuinda Jackson @ 678-833-3348 for more information.
- Food Truck Tuesday May 1st thru July 31st at Clark Community Park and will run through from 5:30 – 9:00 p.m.
- Back to School Kickoff Celebration, Saturday, July 28 from 10:00 a.m. to 1:00 p.m. at the Merle Manders Conference Center 111 Davis Rd. spearheaded by Councilman Blount.

Councilwoman Gantt motioned to convene into Executive Session for Personnel, Litigation and Real Estate; second by Councilman Alexander The motion passed 5-0.

Councilwoman Gantt motioned to adjourn Executive Session; second by Councilman Blount. The motion passed 4-0. (Councilman Thomas was not present for the vote).

Councilwoman Robinson motioned to reconvene the meeting; second by Councilwoman Gantt. The motion passed 4-0. (Councilman Thomas was not present for the vote).

Councilman Blount motioned to amend the City's Organizational Chart placing the position of the Executive Assistant to Mayor & Council under the City Clerk; second by Councilwoman Gantt. The motion passed 3-0-2 (Alexander and Robinson abstained).

ADJOURN

Councilman Thomas motioned to adjourn the meeting; second by Councilwoman Gantt. The motion passed 5-0.

Respectfully submitted by:

Vanessa Holiday, City Clerk CMC

Anthony S. Ford, Mayor



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SUMMARY MINUTES COUNCIL MEETING

MONDAY, AUGUST 13, 2018 6:00 P.M.

Mayor & City Council

**Mayor Anthony S. Ford
Councilman Elton Alexander
Councilman John Blount
Mayor Pro Tem LaKeisha Gantt
Councilwoman Neat Robinson
Councilman Alphonso Thomas**

Administration

**Randy Knighton, City Manager
Camilla Moore, Asst. City Manager
Vanessa Holiday, City Clerk
Randi Rainey, Deputy City Clerk
Michael Williams, City Attorney**

The meeting was called to order by Mayor Ford

Invocation by Vivian Thomas.

Pledge of Allegiance was recited in unison.

City Clerk, Vanessa Holiday was asked to proceed with a verbal roll call. All members of Council were present.

Councilman Blount motioned to amend the Agenda to remove Item#7 and add Item #8 Council Consideration to approve use of the TSCC 8/30/2018 for a Volunteer Appreciation event spearheaded by Councilman Blount; second by Councilman Thomas. The motion passed 5-0.

Councilman Blount motioned to adopt the Minutes for the following meetings: June 27, 2018 and July 9, 2018; second by Councilwoman Gantt. The motion passed 5-0.

Mayor Ford announced the recent swearing-in ceremony of the Stockbridge Youth Council.

PUBLIC COMMENTS

All persons wishing to speak for public comment must sign in with the City Clerk prior to the beginning of the meeting. You must sign your name, address, and phone number. You will be able to address the Mayor and Council for three (3) minutes. Speakers must respect all members of the elected body, officials, and staff. Defamation, unruliness and/or swearing will not be tolerated while meetings are in session

Mr. Kenneth McFarland thanked the City Council for their support of the Stockbridge Youth Council; noted Youth Council members were paying for their transportation to attend the NLC conference in Los Angeles and that other donations were coming in to help with the costs.

Mr. Greg Horton of BarnBeautiful addressed concerns with the City's film permit process and the effect on local businesses as it related to parking, street closures, and communication. Mr. Horton made a request to notify businesses no less than 5 days in advance of filming.

PUBLIC HEARING

3. **PUBLIC HEARING-** Council Consideration to amend the Chapter 12 of the City's Code as it relates to Parking Requirements for Development.
Presented by: Randy Knighton, City Manager

Public Hearing was opened with no speakers in favor or opposed.
The Public Hearing was continued to August 28, 2018 at 4:00 p.m.
Consensus of the Council was to extend the parking survey one week.

4. **PUBLIC HEARING-** Council Consideration to amend the City's Parking Ordinance as it relates to On-Street Parking.
Presented by: Randy Knighton, City Manager
Public Hearing was opened with no speakers in favor or opposed.
The Public Hearing was continued to August 28, 2018 at 4:00 p.m.
Consensus of the Council was to extend the parking survey one week.

NEW BUSINESS:

5. Council Consideration to move forward with an ITB (Invitation to Bid) for Wrecker Service in the City of Stockbridge.
Presented by: Donald Riley, Procurement Specialist
Mr. Riley made a request to move forward with the ITB (Invitation to Bid) for Wrecker Services for the City. Councilman Alexander inquired if there will be towing included. Mr. Riley responded towing language will be included.
Councilwoman Robinson motioned to approve the ITB for Wrecker Services in the City; second by Councilwoman Gantt. The motion passed 5-0.
6. Council Consideration to approve a Resolution expressing the Mayor and Council's support of House Bill (HB) 930 which is legislation to create the

Atlanta Regional Transit Link (ATL) and to authorize referendums of Taxation for Transportation.

Presented by: Randy Knighton, City Manager

Mr. Knighton noted this Resolution was approved by legislation in support of the Atlanta Regional Transit Link (ATL) which will consolidate 13 counties in various transportation and transit entities into 1; and, to authorize referendums of taxation for transportation.

Councilman Alexander motioned to approve a Resolution expressing the Mayor and Council's support of House Bill (HB) 930 which is legislation to create the Atlanta Regional Transit Link (ATL) and to authorize referendums of Taxation for Transportation; second by Councilwoman Robinson. The motion passed 5-0.

7. Council Consideration to approve a Resolution for use of the Ted Strickland Community Center on August 30, 2018 a Volunteer Appreciation Event at 6:00 p.m. spearheaded by Councilman Blount.

Presented by: Councilman Blount

Councilman Blount made a request for use of the Ted Strickland Community Center on August 30th to award and recognize those who volunteered for the 3rd Annual Back to School Kick-Off.

Councilman Blount motioned to approve a Resolution for use of the Ted Strickland Community Center on August 30, 2018 a Volunteer Appreciation Event at 6:00 p.m.; second by Councilwoman Robinson. The motion passed 5-0.

COMMENTS FROM THE CITY MANAGER

Mr. Knighton noted the walking trail at Clark Park Community Park had been completed and that the walking trail at Memorial Park was next on the list.

COMMENTS FROM THE CITY CLERK

No Comments

COMMENTS FROM THE CITY COUNCIL

Councilman Thomas thanked the Stockbridge Youth Council, Troop #65 and others for participating in the Don't Trash Stockbridge Initiative that took place on August 4th; thanked the local businesses for participating in the No Litter Campaign video for a great message; agreed with the owner of BarnBeautiful that we need a clean and vibrant city and he appreciates the support of the initiative.

Councilman Blount thanked his colleagues for the work they put in; thanked the Stockbridge Youth Council for their participation in the Back-To-School Kickoff event along with Global Impact Christian Ministries, all the volunteers, sponsors

and donations for making this a successful event; referenced all the beautiful parks here in the City and asked all to visit and enjoy.

Mayor Pro Tem Gantt thanked everyone for coming out and tuning in; referenced a recent book she is reading that speaks about communities and what everyone could do as a whole which could be as simple as a smile; asked that everyone get to know your community and become both engaged and involved; asked empty nesters to volunteer at the local schools, and volunteer in the community; noted her focus is on the community.

Councilman Alexander thanked everyone for tuning in; congratulated the Stockbridge Youth Council; referenced his upcoming Quarterly Town Hall that will speak to the Future of Stockbridge taking place on Thursday, August 21st at 7:00 p.m. at Mt. Olive Baptist Church, Stockbridge and will highlight the City's many accomplishments and speak to many more things to come to improve the quality of life for Stockbridge residents; noted weekend code enforcement coming forward at the end of the month; noted the upcoming SPLOST V and asked everyone to get involved to make your requests heard; echoed the sentiments of Mayor Pro Tem Gantt; and noted the City's official Chaplain is Pastor Terrance Gattis of Mt. Olive Baptist Church.

Councilwoman Robinson thanked everyone for coming out; thanked the Stockbridge Youth Council and the Youth Council Advisory Committee for their time and sacrifices as it does not go unnoticed; noted she is both thrilled and happy the City is supporting the Youth Council Ambassadors as this is an opportunity for these young people who will become the future leaders of Stockbridge; asked that everyone work together and not just say it, but do it; thanked the City Attorney as he volunteers his time to assist with the Stockbridge Youth Council outside of his work for the City.

COMMENTS FROM THE MAYOR

Mayor Ford asked everyone to continue to be engaged as the City continues to move forward; emphasized that the City has no intentions of splitting, and will instead grow, together and do what is in the best interest of all of the citizens of Stockbridge; noted the City will continue to inform and educate residents on the issues; thanked everyone for their support of the Stockbridge Youth Council, as he is certain there are good things to come; asked everyone to be careful on the roads as school has resumed and to watch out for the kids.

UPCOMING MEETINGS

Meeting will be held at City Hall unless otherwise noted. Meeting dates and times are subject to change. Please visit the city's website www.cityofstockbridge.com, Facebook page or contact City Hall offices at 770-389-7900 for updates and detailed information.

- Youth Council Advisory Committee Meeting, Wednesday, August 15, 2018 at 6:30 p.m. at City Hall in the Levi Meeting Room

- Planning Commission Meeting, Thursday, August 16, 2018 at 6:00 p.m. at City Hall in the Council Chamber
- Council Retreat, Thurs., August 16, 2018 and Friday, August 17, 2018 from 8:00 a.m.– 5:00 p.m.
- Downtown Development Authority Meeting, Monday, August 20, 2018 at 6:00 p.m. at City Hall in the Levi Meeting Room
- Education/Information Town Hall – Monday, August 20, 2018, 2018 at 6:30 p.m. at the Red Oak Village Club House.
- Education/Information Town Hall – Wednesday, August 22, 2018, 2018 at 7:00 p.m. at the Eagles Landing Country Club.
- Stockbridge Association of Businesses Meeting, Thursday, August 23, 2018 at 8:00 a.m. at the Ted Strickland Community Center 130 M L King, Sr. Heritage Trail
- Education/Information Town Hall – Thursday, August 23, 2018 at 7:00 p.m. at St. Margrits Village Community 100 St. Margrit Circle, Stockbridge.
- Council Work Session Meeting, Tuesday, August 28, 2018 at 4:00 p.m. at City Hall in the Levi Meeting Room
- Education/Information Town Hall – Tuesday, September 11, 2018 at 7:00 p.m. at the Vineyards Community Club House.
- Education/Information Town Hall – Wednesday, September 19, 2018, 2018 at 7:00 p.m. at the Eagles Landing Country Club.

UPCOMING EVENT(S) & ANNOUNCEMENTS

- Don't Trash Stockbridge No Litter Campaign – Ongoing – spearheaded by Councilman Thomas. Contact: LaQuinda Jackson @ 678-833-3348 for more information.
- Quarterly Town Hall – Tuesday, August 21, 2018 @ 7:00 p.m. Location: Mt. Olive Baptist Church 469 Mt. Olive Rd. Stockbridge, GA spearheaded by Councilman Alexander

EXECUTIVE SESSION

Councilman Blount motioned to convene into Executive Session for the following: Litigation, Personnel and Real Estate; second by Councilwoman Robinson. The motion passed 5-0.

Councilman Thomas motioned to adjourn Executive Session; second by Councilwoman Robinson. The motion passed 5-0.

Councilwoman Robinson motioned to reconvene the meeting; second by Councilman Thomas. The motion passed 5-0.

Councilman Thomas motioned to adjourn the meeting; second by Councilman Alexander. The motion passed 5-0.

Respectfully submitted by:

Vanessa Holiday, City Clerk CMC

Anthony S. Ford, Mayor



Mission: To provide visionary leadership and superior municipal services that enhance the quality of life for citizens while creating a welcoming business atmosphere focused on sustainability and expansion of tourism and cultural events.



SUMMARY MINUTES BUDGET RETREAT

THURSDAY, AUGUST 16, 2018

8:00 A.M.

Crowne Plaza - Peachtree City Hotel & Conference Center
201 Aberdeen Parkway | Peachtree City, GA 30269

2018 BUDGET RETREAT / DAY 1

In Attendance: Mayor Ford, Councilman Blount, Councilwoman Robinson, Councilman Thomas, City Manager Randy Knighton, Assistant City Manager Camilla Moore, City Attorney Michael Williams, City Clerk Vanessa Holiday, Human Resources Manager Renee Wheeler, Interim Treasurer John Wiggins, and Lead Accountant Rashonda Favors. Councilman Alexander joined the meeting at 8:00 a.m. Mayor Pro Tem Gantt joined the meeting at 10:45 a.m.

The meeting was called to order by Mayor Ford.

Invocation by Councilman John Blount.

Motion to adopt the Agenda was made by Councilman Blount; second by Councilwoman Robinson. The motion passed 3-0

Facilitated by: Randy Knighton, City Manager

1. Identifying & Prioritizing the goals for the remainder of FY2018
Mr. Knighton spoke to the remaining goals of FY2018 to include:
The City of Stockbridge remaining strong and continuing to educate and inform the public regarding the De-Annexation issue.

The Amphitheater development with construction beginning by the end of the year.

The Campground Road Extension project.
Proposing a GDOT MOU setting aside \$50,000 to maintain gateways to the

City and additional funds for Nuisance and Abatement issues.

Upon review of the Police Services Agreement, it was noted the City had agreed that HCPD would cease enforcement of the City's Municipal Code Ordinances effective

2. Short-Term Work Program and Capital Improvements Plan Annual Update: 2018-2022 Presented by: Camilla Moore, Asst. City Manager and Hope Pendergrass, CPA Mauldin & Jenkins, CPAs

Ms. Moore noted the STWP/CIP item would be presented on August 17th.

Ms. Pendergrass reviewed the City's FY2017 Audit noting Unmodified "Clean" opinions, the best you can get, with no findings. Ms. Pendergrass commended Rashonda Favors, the Lead Accountant, and the Finance team for their efforts. Ms. Pendergrass noted the City's long-term liabilities of \$13 million dollars and referenced the City's potential uncertainties.

3. Wage & Salary Analysis – Presented by: Renee Wheeler, HR Mgr. & Nancy Berkley, Evergreen Consultants, LLC.

Ms. Berkley presented the 2018 Wage and Salary Analysis Results noting the City's current system to be an Open-Range Plan and were constant at 48% with some anomalies, noting not all pay grades were being utilized. The analysis included the salary ranges of and data from 17 peer cities and counties: Brookhaven, Chamblee, Douglasville, Duluth, Dunwoody, Fayetteville, Griffin, McDonough, Milton, Suwanee, Henry, Clayton, Cobb, DeKalb, Fayette, Gwinnett and Spalding. The report offered two options for implementation - Option 1 – Capped at Midpoint affecting 27 employees with a cost of \$87,593 and Option 2 - affecting 23 employees with a cost of \$22,793. The consensus of the Council was to move forward with Option No. 2.

Ms. Wheeler presented the requests from each department for staff recommendations for the FY2019 Operating Budget.

Finance Department made a request for an Inventory Clerk and Part-Time Grant Writer.

Planning Department made a request for a Permit Coordinator.

The Governing Body tasked staff with providing a comparison to a P/T Staff and Contract Grant Writer; asked for clarification of the Charles Abbot Associates Permit Technician and proposed Permit Coordinator and requested proposed Pay and Classification and proposed salaries of each of the positions.

It was noted that (4) Public Works staff employees would be assigned to the Events/Initiatives team.

4. Staff Presentations
Governing Body – Presented by: LaQuinda Jackson, Executive Assistant to

Mayor & Council

Ms. Jackson presented the proposed FY2019 Governing Body Budget. The consensus of the Council was to amend the current FY2018 and FY2019 Hospitality Budget to purchase dinner for the Governing Body effective immediately for both the Council and Work Session meetings.

Councilwoman Robinson made a request to the Council for funding to allow for the Vice-Chair of the Youth Council Advisory Committee to attend the NLC National League of Cities Conference in Los Angeles, CA; and to also allow for travel funds in the amount of \$3,000 to be re-allocated towards to NLC National League of Cities Conference in Los Angeles, CA.

Mr. McFarland, Youth Council Advisory Committee Chair also spoke regarding the Youth Council and the desire for the group to attend the LA Conference; noting travel arrangements would begin on Monday, and they would need an answer from Council by that time.

No Action was taken.

Executive/ Financial & Administration – Presented by: John Wiggins, Interim City Treasurer & Rashonda Favors, Lead Accountant

Mr. Wiggins presented the proposed FY2019 Executive & Financial & Administration Budgets noting a Contingency Emergency Fund in the amount of \$75,000; \$50,000 for ROW (Right-of-Way) Improvements and \$50,000 for Nuisance and Abatements.

There was a consensus of the Council to move forward in 2018 for Directional Signage in the City.

Mr. Wiggins noted the increase in the Travel/Training budget due to new staff coming on board.

5. Staff Presentations from 1:00 p.m. – 3:00 p.m.

Information Technology – Presented by: Ashley Smith of InterDev

Mr. Smith with InterDev presented the proposed FY2019 IT Budget and referenced areas of improvement and upgrades for the City.

Mr. Smith noted the City needs to go from a Flat to a Layered System.

Consensus of the Council was to move forward with technology upgrades in 2018 for the Merle Manders Conference Center, Ted Strickland Conference Center and the City Hall Levi Conference Room.

Public Works – Presented by: Decius Aaron, Public Works Director

General Maintenance

Facilities Maintenance

Parks

Water & Sewer

Wastewater

Stormwater

Mr. Aaron presented the proposed Public Works FY2019 Budget.

Mr. Aaron noted the results of the First Well testing and the Consensus of

the Council was to move forward with find the results of Well No. 2.

6. Staff Presentations

Downtown Development Authority – Presented by: Mayor Pro Tem Gantt
Mayor Pro Tem Gantt made a request for the same budget amount for FY2019 as was issued in FY2018 in the amount of \$45,000; and noted Mildred Reed's resignation from the Board.

Economic Development – Presented by: Randy Knighton
Mr. Knighton noted the Economic Development information would be presented on 8/17/2018.

Executive Session for Personnel, Litigation and Real Estate:
Robinson/Gantt – Passed 5-0. Mayor Pro Tem Gantt exited the meeting and did not join the Council in Executive Session.

Motion to adjourn Executive Session: Robinson/Thomas – Passed 4-0.

Motion to reconvene meeting: Alexander/Thomas – Passed 4-0.

Motion to adjourn: Alexander/Thomas – Passed 4-0.

Respectfully submitted by:

Vanessa Holiday, City Clerk CMC

Anthony S. Ford, Mayor



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SUMMARY MINUTES BUDGET RETREAT

FRIDAY, AUGUST 17, 2018

8:00 A.M.

Crowne Plaza - Peachtree City Hotel & Conference Center
201 Aberdeen Parkway | Peachtree City, GA 30269

2018 BUDGET RETREAT / DAY 2

In Attendance: Mayor Ford, Councilman Alexander, Councilman Blount, Councilwoman Robinson, Councilman Thomas, City Manager Randy Knighton, Assistant City Manager Camilla Moore, City Attorney Michael Williams, City Clerk Vanessa Holiday, Human Resources Manager Renee Wheeler, Interim Treasurer John Wiggins, Lead Accountant Rashonda Favors and Public Works Director Decius Aaron. Mayor Pro Tem Gantt was absent.

The meeting was called to order by Mayor Ford.

Invocation by Randy Knighton.

Motion to adopt the Agenda was made by Councilwoman Robinson; second by Councilman Alexander. The motion passed 4-0

Facilitated by: Randy Knighton, City Manager

1. Recap of Day 1
Mr. Knighton reviewed Day One of the Retreat highlighting the Wayfinding Signage request, DDA Update, Youth Council requests; Increase in Governing Body Budget adjustment for FY2018 & FY2019; Nuisance & Abatement and GDOT MOU funding; Wage & Y Salary Analysis Option 2; Audit presentation with zero findings and increase in fund balance.
2. Identifying & Prioritizing City Events and Funding
The 2019 Proposed Schedule of Events was presented to the Governing

Body with the same City Events schedule as FY2018, noting a proposed increase for the Sounds of Summer Concerts and Bridgefest event. Councilman Thomas proposed a Public Works policy; consensus of the Council agreed with the policy and will place on the Consent Agenda 8/28/18.

Councilman Alexander made a request to change the Trail Alive Event from a Council Initiative to a City Event.
No Action Taken.

Mayor Ford recommended the addition of a 3rd Sounds of Summer Concert in August 2019.
No Action Taken.

Councilwoman Robinson made a request to increase the proposed funding for the FY2019 Annual Breast Cancer Luncheon/Walk from \$5,000 to \$7,000. The Consensus of the Council agreed with the increase in funding.

Consensus of the Council to move forward with an RFP for Management Services for the Amphitheater.

3. Staff Presentations

Short-Term Work Program and Capital Improvements Plan Annual Update: 2018-2022 Presented by: Camilla Moore, Asst. City Manager

Ms. Moore presented the City's Future Land Use Map noting there would be a new classification in and around the amphitheater with an updated map to be presented to the Council noted the Transmittal of the STWP/CIP is due to the DCA by 8/31/2018 for review with final adoption by 10/31/2018.

Ms. Moore noted the City's need to re-write both the Sign Ordinance and Zoning Code which will both require outside assistance in the amount of \$100,000 each.

Conference Center & Events - Presented by: CieCie McGhee, Conference Center & Events Manager

Ms. McGhee presented the proposed FY2019 Conference Center and Events budget noting much needed repairs and upgrades to the Merle Manders Conference Center and Ted Strickland Community Center and funding an advertising budget to promote both facilities.

4. Staff Presentations

Main Street - Presented by: Kira Harris-Braggs, Main Street Manager

Ms. Harris-Braggs presented the proposed FY2019 Main Street Program budget noting increases in the Travel/Training budget and salaries.
Code Enforcement - Presented by: Camilla Moore, Asst. City Mgr. & Community Development Director

Business Services - Presented by: Camilla Moore, Asst. City Mgr. & Community Development Director

GIS Services - Presented by: Camilla Moore, Asst. City Mgr. & Community Development Director

Ms. Moore asked the Council to review the proposed FY2019 Code Enforcement, Business Services and GIS budgets and advise of any remarks and/or questions.

Building Permits & Inspections - Presented by: Camilla Moore, Asst. City Mgr. & Community Development Director

Ms. Moore presented Council with a report of Charles Abbott & Associates costs related to Building, Permits and Inspections services for the City of Stockbridge.

Ms. Moore referenced the need for a Permit Coordinator position.

The Clerk's Office was tasked with reaching out the County Clerk to seek assistance in obtaining the City's past Building/Permitting and Inspection files and records.

Planning & Community Development - Presented by: Camilla Moore, Asst. City Mgr. & Community Development Director

Ms. Moore presented the Planning & Community Development proposed FY2019 budget, noting the Senior Planner position would be assisting with the Sign Ordinance and Zoning Code updates

5. Blighted Properties, Nuisance Abatements, MOU GDOT Maintenance

Attorney Williams & Community Development Director would be addressing these items.

6. 2019 Goals - Remain whole – One Stockbridge; To remain fiscally sound; To continue to provide excellence in service to all citizens and business owners/operators of Stockbridge; To complete the State-of-the- Art Amphitheater.

Motion to adjourn: Robinson/Alexander – Passed 4-0.

Respectfully submitted by:

Vanessa Holiday, City Clerk CMC

Anthony S. Ford, Mayor

CITY OF STOCKBRIDGE, GEORGIA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

CITY OF STOCKBRIDGE, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of City Council
City of Stockbridge, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Stockbridge, 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, each major fund, and the aggregate remaining fund information of the City of Stockbridge, Georgia as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for 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 (on pages 4 through 10), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 50), and the Schedule of City Contributions (on page 51) 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 Stockbridge, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, 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 schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules as well as the schedules of expenditures of special purpose local option sales tax proceeds (the “supplementary information”) 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 supplementary information is 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 28, 2018, on our consideration of the City’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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 28, 2018

CITY OF STOCKBRIDGE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Stockbridge, we offer readers of the City of Stockbridge's financial statements this narrative overview and analysis of the financial activities of the City of Stockbridge for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of the City of Stockbridge exceeded its liabilities and deferred inflows at December 31, 2017 by \$84,211,504 (total net position). Of this amount, \$24,765,842 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position, on an entity-wide basis, increased by \$3,994,480. Of this amount, an increase of \$1,940,887 was associated with governmental activities and an increase of \$2,053,593 was associated with business-type activities.
- As of the close of the current fiscal year, the City of Stockbridge's governmental funds reported combined ending fund balances of \$33,934,355 an increase of \$1,185,742 in comparison with the prior year. Of this amount \$16,328,566 is unassigned and available for spending and \$15,311,268 is restricted by third parties or assigned for other specific future uses.
- At the end of the current year, unassigned fund balance for the general fund was \$16,328,566 or 265.2 percent of total General Fund expenditures.
- The City of Stockbridge's total debt obligations decreased by \$941,392 for an overall decrease of 5.8 percent in total debt obligations. The Net Pension liability decreased by \$250,002. Bonds and notes payable decreased by \$707,922 due to scheduled debt service payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Stockbridge'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.

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report also contains other supplementary information that will enhance the reader's understanding of the financial condition of the City.

Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial position.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements:

- 1) The governmental funds statements;
- 2) The budgetary comparison statements; and
- 3) The proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds.

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

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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 of Stockbridge include general government, public safety and courts, highways and streets, parks and recreation, tourism and promotion, and code enforcement. The business-type activities of the City are water and sewer, solid waste management, conference center, community center and stormwater management.

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 of Stockbridge 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 near term inflows and outflows 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 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 statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains four major governmental funds. The City's major governmental funds are the General Fund, Urban Redevelopment Fund, Downtown Development Fund (DDA) and SPLOST IV Capital Project Fund. 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 all major funds. The non-major funds are the Hotel/Motel Fund, the Perpetual Care Permanent Fund and the State and Federal Grants Fund, along with the SPLOST III Capital Project Fund.

The City of Stockbridge adopts an annual budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund for the Fiscal Year 2017 budget. A project length budget has been adopted for the SPLOST Capital Project Funds.

Proprietary funds. 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 and Sewer Fund, Solid Waste Management Fund, Conference Center Fund, Community Center Fund and Stormwater Management Fund. The first two enterprise funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

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.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2017, the City's assets exceeded liabilities by \$84,211,504. The City's net position reflects its investment in capital assets (52.4 percent), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the total net position, \$15,313,394 (18.2 percent) is restricted for capital projects and other external restrictions on how they may be used. The unrestricted amount of \$24,765,842 (29.4 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

The following is a comparison statement of the City of Stockbridge's net position as of December 31, 2017:

The City of Stockbridge's Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$35,580,700	\$33,841,596	\$9,287,518	\$9,324,280	\$44,868,218	\$43,165,876
Capital assets	37,876,622	37,731,392	20,087,802	17,852,998	57,964,424	55,584,390
Total assets	73,457,322	71,572,988	29,375,320	27,177,278	102,832,642	98,750,266
Deferred outflows of resources						
Pension	442,603	555,859	236,603	220,485	679,206	776,344
Long-term liabilities outstanding	13,387,414	14,294,442	1,983,130	1,454,901	15,370,544	15,749,343
Other liabilities	1,852,665	1,218,046	1,562,921	2,017,494	3,415,586	3,235,540
Total liabilities	15,240,079	15,512,488	3,546,051	3,472,395	18,786,130	18,984,883
Deferred inflows of resources						
Pension	335,087	232,487	179,127	92,216	514,214	324,703
Net position:						
Net investment in capital assets	25,476,622	24,706,392	18,655,646	16,337,920	44,132,268	41,044,312
Restricted	15,313,394	16,757,135	-	-	15,313,394	16,757,135
Unrestricted	17,534,743	14,920,345	7,231,099	7,495,232	24,765,842	22,415,577
Total net position	\$58,324,759	\$56,383,872	\$25,886,745	\$23,833,152	\$84,211,504	\$80,217,024

Governmental activities. Governmental activities increased the City of Stockbridge's net position by \$1,940,887, primarily due to strong Sales Tax receipts and contributed capital from SPLOST for Public Works Equipment and Improvements. Other key elements of this increase are as follows:

City of Stockbridge Changes in Net Position

	Governmental		Business		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 484,025	\$ 849,808	\$ 5,573,392	\$ 5,295,897	\$ 6,057,417	\$ 6,145,705
Capital grants and contributions	2,811,531	2,863,565	-	-	2,811,531	2,863,565
General revenues						
Sales tax	3,887,722	3,785,414	-	-	3,887,722	3,785,414
Other tax	5,310,845	4,887,185	-	-	5,310,845	4,887,185
Interest	2,007	1,381	-	4	2,007	1,385
Total Revenues	<u>12,496,130</u>	<u>12,387,353</u>	<u>5,573,392</u>	<u>5,295,901</u>	<u>18,069,522</u>	<u>17,683,254</u>
Expenses:						
General Government	3,397,192	3,496,445	-	-	3,397,192	3,496,445
Judicial	172,218	447,338	-	-	172,218	447,338
Public safety	436,880	584,235	-	-	436,880	584,235
Public works	2,608,574	1,650,982	-	-	2,608,574	1,650,982
Housing and development	1,037,910	739,159	-	-	1,042,949	739,159
Interest on long-term debt	573,861	602,535	-	-	573,861	602,535
Water and sewer	-	-	3,429,805	3,090,427	3,429,805	3,090,427
Stormwater management	-	-	599,575	389,999	599,575	389,999
Solid waste	-	-	1,270,720	1,024,671	1,270,720	1,024,671
Conference center	-	-	492,130	393,485	492,130	393,485
Community center	-	-	56,177	51,876	56,177	51,876
Total Expenses	<u>8,226,635</u>	<u>7,520,694</u>	<u>5,848,407</u>	<u>4,950,458</u>	<u>14,075,042</u>	<u>12,471,152</u>
Change in net position before transfers	4,269,495	4,866,659	(275,015)	345,443	3,994,480	5,212,102
Transfers	<u>(2,328,608)</u>	<u>(493,164)</u>	<u>2,328,608</u>	<u>493,164</u>	<u>-</u>	<u>-</u>
Increase in net position	1,940,887	4,373,495	2,053,593	838,607	3,994,480	5,212,102
Net position - beginning of year	<u>56,383,872</u>	<u>52,010,377</u>	<u>23,833,152</u>	<u>22,994,545</u>	<u>80,217,024</u>	<u>75,004,922</u>
Net position - end of year	<u><u>\$58,324,759</u></u>	<u><u>\$56,383,872</u></u>	<u><u>\$25,886,745</u></u>	<u><u>\$23,833,152</u></u>	<u><u>\$84,211,504</u></u>	<u><u>\$80,217,024</u></u>

- Revenues from Local Option Sales Tax increased by \$102,308 or 2.7% from 2016 to 2017. This increase is due to the overall economy. The Special Purpose Local Option Sales Tax increased by \$98,570 or 4.1% for the SPLOST IV revenues, due to the required debt service payments for the bonds from SPLOST IV. The City has an intergovernmental agreement with Henry County for bonds issued in the amount of \$6,000,000.
- Investment earnings increased by \$622 from 2016 to 2017. This is due to an increase in cash on hand.
- The City received \$239,653 for Local Maintenance Improvement Grants for the year associated with street improvements.
- Expenses in the General Government were down due primarily to the policing services agreement with Henry County, and the Local Option Sales Taxes revenues were up which offset the loss in the courts.
- Revenue from Courts was down \$470,563 as Henry County diverted the tickets from our municipal court to State Court. Receivables for fines were down because of this change and the change in law for probation tolling laws.

Business-type activities. Business-type activities increased the City's net position by \$2,053,593. The increase is basically the result of the capital contributions of \$2,207,823 from the SPLOST IV Fund to the Water and Sewer Fund. The transfer from the City's General Fund to the Conference Center is to supplement the operation. The sanitation department privatized the collection of residential solid waste in 2016 with Waste Industries and the startup proved beneficial.

Financial Analysis of the Government's Funds

As noted earlier, the City of Stockbridge uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2017, the City's governmental funds reported combined ending fund balances of \$33,934,355, an increase of \$1,185,742 in comparison to the prior year. Of this amount, \$16,328,566 (48.1 percent) is unassigned fund balance, which is available for spending at the government's discretion. Additionally, \$15,311,268 is restricted by third parties for 1) capital items most of which is funded by the proceeds of the Special Purpose Local Option Sales Tax (\$14,963,965); 2) Perpetual Care of the City's cemetery (\$12,284); and 3) tourism. The General Fund's increase of \$2,630,080 resulted from a decrease in court fines and amounts paid to Henry County for police services.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16,328,566. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 265.2 percent of the total general fund expenditures, while total fund balance represents 302.4 percent of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$2,630,080. Key factors in the increase are due to: 1) Increased tax revenues and 2) decreased departmental expenditures. The City collected a total of \$3,887,722 in local option sales taxes for 2017, an increase of 2.7% over 2016. Franchise taxes decreased by 1% to \$1,419,203 in 2017 from \$1,433,090 in 2016, for electric, television and telephone taxes. The City's general fund revenues decreased due to Court Fines and Forfeitures offset by Local Option Sales Tax receipts. In 2016, General Fund transfers increased slightly from \$1,377,187 to \$1,442,644 because of the money transferred from General Fund to subsidize the Merle Manders Conference Center. The expenditures in General Fund increased by 13.1% from \$5,445,702 to \$6,158,090 in 2017 compared to 2016.

The City of Stockbridge received \$2,519,170 in Special Purpose Local Option Sales Taxes in 2017 compared to \$2,420,600 in 2016. This is up by 4.1% due primarily to the increase in collections. Henry County issued bonds in order to begin projects approved by the voters in November 2013. The City received \$6,000,000 from the County's bond issue in order to begin special projects rather than wait for the revenue to come in over the six-year period of the referendum. The debt service on the bonds has to be paid each year before the City or County receives any proceeds to be used on projects. The projects approved by the voters in the SPLOST IV referendum include public works facilities and equipment, new park equipment, the City's share of roads, bridges, sidewalks and transportation facilities and public safety facilities and equipment.

As of December 31, 2017, the Urban Redevelopment Agency of the City of Stockbridge had long-term liabilities from Revenue Bonds in the amount of \$12,400,000. The majority of these funds were used for purchasing property and building and furnishing a new city hall facility which was completed in 2009. The cost of the building is approximately \$11,964,000.

The Hotel/Motel Tax Fund is used to promote tourism in The City. The Fund is used to account for proceeds from the City's Hotel/Motel tax and is required to make a 43.75% payment to the Henry County Chamber of Commerce. The total fund balance at December 31, 2017 for this fund amounted to \$337,145.

The City of Stockbridge has a Perpetual Care Permanent Fund which is for the upkeep of the city cemetery. A donation of \$5,000 was made with only the investment earnings to be used for cemetery upkeep purposes. Currently, the City has not used any of these proceeds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the proprietary funds at the end of the year were \$7,231,099 of which the Water and Sewer Fund had \$4,301,771 (60%) and the Solid Waste Fund had \$1,882,657 (26%). Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The original budget for the City of Stockbridge's General Fund for 2017 was \$8,785,750. There was a \$473,432 difference between the net change in fund balance from the original budget and the final amended budget. This was due to increased expenditures.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at December 31, 2017 amounts to \$44,132,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

Major capital asset events during the current fiscal year include the following:

- Purchase of land: \$50,531 for 115 Burke Street and \$172,012 for Tye Street at Second Street.
- \$71,950 for a Chipper.
- \$49,648 for Gardner Park Tennis Court resurfacing and fence replacement - SPLOST IV.
- \$211,114 for Clark Park playground equipment and rubber surfacing - SPLOST IV.
- \$30,602 for Reeves Creek Park rubber surfacing - SPLOST IV.
- \$25,386 for Audio Equipment for Merle Manders Conference Center.
- \$224,887 for a Street Sweeper.
- \$1,198,155 for the Water Meter Replacement Project.
- \$107,469 for the Water and Sewer Department Cues Lamp Camera.

Additional information on the City's capital assets can be found in note 6.

Long-term debt. At the end of the current fiscal year the City had \$15,370,544 in outstanding debt consisting of the following:

City of Stockbridge's Outstanding Debt	
	<u>Balance</u>
Governmental Activities	
Revenue Bonds	\$12,400,000
Accrued Compensated Absences	81,443
Net Pension Liability	905,971
Business-Type Activities	
GEFA Notes Payable	1,432,156
Accrued Compensated Absences	66,668
Net Pension Liability	<u>484,306</u>
TOTAL	<u>\$15,370,544</u>

The City's total debt decreased by \$941,392. Additional information on the City's long-term debt can be found in note 7.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Stockbridge is \$84,791,773, which is in excess of the City of Stockbridge's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- The estimated unemployment rate for the City of Stockbridge is currently 6.7 percent, which is slightly above the state and the national rates.
- Cost of Living indices in the region, compare favorably to national indices.
- Occupational Taxes (Business Licenses) were up from 2017 due to the economy rebound. These are based on gross receipts.
- Sales tax receipts have been stable in recent months.

All of these factors were considered in preparing the City of Stockbridge's budget for Fiscal Year 2018.

Requests for Information

This financial report is designed to provide a general overview of the City of Stockbridge's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 389-7900 or at the following address:

City of Stockbridge
Finance Department
4640 North Henry Boulevard
Stockbridge, GA 30281

BASIC FINANCIAL STATEMENTS

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 25,083,085	\$ 8,424,209	\$ 33,507,294
Investments	6,095,168	58,000	6,153,168
Taxes receivable	1,666,227	-	1,666,227
Accounts receivable, net of allowances	37,902	694,947	732,849
Due from other governments	406,541	19,085	425,626
Inventories	-	78,009	78,009
Prepaid expenses	92,489	13,268	105,757
Restricted assets, cash and cash equivalents	2,256	-	2,256
Assets held for resale	2,197,032	-	2,197,032
Capital assets, nondepreciable	11,632,534	2,797,336	14,429,870
Capital assets, depreciable, net of accumulated depreciation	26,244,088	17,290,466	43,534,554
Total assets	73,457,322	29,375,320	102,832,642
DEFERRED OUTFLOWS OF RESOURCES			
Pension	442,603	236,603	679,206
Total deferred outflows of resources	442,603	236,603	679,206
LIABILITIES			
Accounts payable	896,934	239,341	1,136,275
Retainage payable	5,000	-	5,000
Accrued interest expense	238,110	3,580	241,690
Other accrued expenses	66,504	33,297	99,801
Customer deposits	-	176,607	176,607
Compensated absences due within one year	16,289	13,334	29,623
Compensated absences due in more than one year	65,154	53,334	118,488
Unearned revenue	646,117	1,110,096	1,756,213
Bonds payable due within one year	650,000	-	650,000
Bonds payable due in more than one year	11,750,000	-	11,750,000
Notes payable due within one year	-	85,444	85,444
Notes payable due in more than one year	-	1,346,712	1,346,712
Net pension liability	905,971	484,306	1,390,277
Total liabilities	15,240,079	3,546,051	18,786,130
DEFERRED INFLOWS OF RESOURCES			
Pension	335,087	179,127	514,214
Total deferred inflows of resources	335,087	179,127	514,214
NET POSITION			
Net investment in capital assets	25,476,622	18,655,646	44,132,268
Restricted for capital projects	14,963,965	-	14,963,965
Restricted for tourism	337,145	-	337,145
Restricted for cemetery maintenance	12,284	-	12,284
Unrestricted	17,534,743	7,231,099	24,765,842
Total net position	\$ 58,324,759	\$ 25,886,745	\$ 84,211,504

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 3,397,192	\$ 440,347	\$ -	\$ 52,708
Judicial	172,218	43,678	-	-
Public safety	436,880	-	-	-
Public works	2,608,574	-	-	2,758,823
Housing and development	1,037,910	-	-	-
Interest on long-term debt	573,861	-	-	-
Total governmental activities	<u>8,226,635</u>	<u>484,025</u>	<u>-</u>	<u>2,811,531</u>
Business-type activities:				
Water and sewer	3,429,805	3,580,309	-	-
Stormwater	599,575	510,920	-	-
Solid waste	1,270,720	1,237,250	-	-
Conference center	492,130	198,496	-	-
Community center	56,177	46,417	-	-
Total business-type activities	<u>5,848,407</u>	<u>5,573,392</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 14,075,042</u>	<u>\$ 6,057,417</u>	<u>\$ -</u>	<u>\$ 2,811,531</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Alcoholic beverage excise taxes				
Business and occupation taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
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 (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (2,904,137)	\$ -	\$ (2,904,137)
(128,540)	-	(128,540)
(436,880)	-	(436,880)
150,249	-	150,249
(1,037,910)	-	(1,037,910)
(573,861)	-	(573,861)
(4,931,079)	-	(4,931,079)
-	150,504	150,504
-	(88,655)	(88,655)
-	(33,470)	(33,470)
-	(293,634)	(293,634)
-	(9,760)	(9,760)
-	(275,015)	(275,015)
(4,931,079)	(275,015)	(5,206,094)
126,814	-	126,814
3,887,722	-	3,887,722
1,419,291	-	1,419,291
726,445	-	726,445
661,371	-	661,371
1,751,247	-	1,751,247
445,240	-	445,240
180,437	-	180,437
2,007	-	2,007
(2,328,608)	2,328,608	-
6,871,966	2,328,608	9,200,574
1,940,887	2,053,593	3,994,480
56,383,872	23,833,152	80,217,024
\$ 58,324,759	\$ 25,886,745	\$ 84,211,504

CITY OF STOCKBRIDGE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Urban Redevelopment Fund	Downtown Development Fund	SPLOST IV Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 15,710,369	\$ -	\$ 87,668	\$ 5,604,912	\$ 3,680,136	\$ 25,083,085
Investments	-	-	-	6,082,884	12,284	6,095,168
Taxes receivable	1,626,747	-	-	-	39,480	1,666,227
Accounts receivable	35,402	-	2,500	-	-	37,902
Due from other governments	11,304	-	-	395,237	-	406,541
Prepaid expenditures	92,489	-	-	-	-	92,489
Assets held for resale	2,197,032	-	-	-	-	2,197,032
Restricted assets, cash	-	2,256	-	-	-	2,256
Total assets	<u>\$ 19,673,343</u>	<u>\$ 2,256</u>	<u>\$ 90,168</u>	<u>\$ 12,083,033</u>	<u>\$ 3,731,900</u>	<u>\$ 35,580,700</u>
LIABILITIES						
Accounts payable	\$ 308,092	\$ -	\$ -	\$ 496,280	\$ 92,562	\$ 896,934
Retainage payable	-	-	-	5,000	-	5,000
Accrued liabilities	66,383	-	121	-	-	66,504
Unearned revenue - occupational taxes	646,117	-	-	-	-	646,117
Total liabilities	<u>1,020,592</u>	<u>-</u>	<u>121</u>	<u>501,280</u>	<u>92,562</u>	<u>1,614,555</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - court fines	26,725	-	-	-	-	26,725
Unavailable revenue - rental income	5,065	-	-	-	-	5,065
Total deferred inflows of resources	<u>31,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,790</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepays	92,489	-	-	-	-	92,489
Permanent fund corpus	-	-	-	-	5,000	5,000
Assets held for resale	2,197,032	-	-	-	-	2,197,032
Restricted for:						
Capital projects	-	2,256	90,047	11,581,753	3,289,909	14,963,965
Tourism	-	-	-	-	337,145	337,145
Cemetery maintenance	-	-	-	-	7,284	7,284
Assigned for purchases on order	2,874	-	-	-	-	2,874
Unassigned	16,328,566	-	-	-	-	16,328,566
Total fund balances	<u>18,620,961</u>	<u>2,256</u>	<u>90,047</u>	<u>11,581,753</u>	<u>3,639,338</u>	<u>33,934,355</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,673,343</u>	<u>\$ 2,256</u>	<u>\$ 90,168</u>	<u>\$ 12,083,033</u>	<u>\$ 3,731,900</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.

37,876,622

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

31,790

The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.

(798,455)

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

(12,719,553)

Net position of governmental activities

\$ 58,324,759

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

CITY OF STOCKBRIDGE, GEORGIA

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

	General Fund	Urban Redevelopment Fund	Downtown Development Fund	SPLOST IV Fund	Other Governmental Funds	Totals Governmental Funds
Revenues						
Taxes	\$ 8,821,753	\$ -	\$ -	\$ -	\$ 445,240	\$ 9,266,993
Licenses and permits	291,989	-	-	-	-	291,989
Intergovernmental	239,653	-	-	2,519,170	-	2,758,823
Fines and forfeitures	68,652	-	-	-	-	68,652
Charges for services	7,858	-	-	-	-	7,858
Rental income	600	-	-	-	-	600
Interest income	1,920	-	87	52,175	533	54,715
Other revenues	139,752	-	-	-	-	139,752
Total revenues	<u>9,572,177</u>	<u>-</u>	<u>87</u>	<u>2,571,345</u>	<u>445,773</u>	<u>12,589,382</u>
Expenditures						
Current:						
General government	2,990,473	-	-	-	-	2,990,473
Judicial	180,971	-	-	-	-	180,971
Public safety	161,280	-	-	-	-	161,280
Public works and parks	2,122,376	-	-	-	-	2,122,376
Housing and development	702,990	-	44,194	-	295,765	1,042,949
Capital outlay:						
General government	-	-	-	555,445	230,765	786,210
Public safety	-	-	-	-	225,681	225,681
Public works	-	-	-	2,730,375	22,207	2,752,582
Culture and recreation	-	-	-	357,111	-	357,111
Debt service:						
Principal	-	625,000	-	-	-	625,000
Interest	-	585,859	-	-	-	585,859
Total expenditures	<u>6,158,090</u>	<u>1,210,859</u>	<u>44,194</u>	<u>3,642,931</u>	<u>774,418</u>	<u>11,830,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,414,087</u>	<u>(1,210,859)</u>	<u>(44,107)</u>	<u>(1,071,586)</u>	<u>(328,645)</u>	<u>758,890</u>
Other financing sources (uses):						
Proceeds from sale of assets	547,637	-	-	-	-	547,637
Transfers in	111,000	1,210,859	-	-	-	1,321,859
Transfers out	<u>(1,442,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,442,644)</u>
Total other financing sources (uses)	<u>(784,007)</u>	<u>1,210,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,852</u>
Net change in fund balances	2,630,080	-	(44,107)	(1,071,586)	(328,645)	1,185,742
Fund balances, beginning of year	<u>15,990,881</u>	<u>2,256</u>	<u>134,154</u>	<u>12,653,339</u>	<u>3,967,983</u>	<u>32,748,613</u>
Fund balances, end of year	<u>\$ 18,620,961</u>	<u>\$ 2,256</u>	<u>\$ 90,047</u>	<u>\$ 11,581,753</u>	<u>\$ 3,639,338</u>	<u>\$ 33,934,355</u>

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

CITY OF STOCKBRIDGE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL 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	\$ 1,185,742
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 depreciation expense exceeded capital outlay in the current period.	2,353,053
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(2,207,823)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(93,252)
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.	625,000
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>78,167</u>
Changes in net position - governmental activities	<u><u>\$ 1,940,887</u></u>

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

**CITY OF STOCKBRIDGE, GEORGIA
GENERAL FUND**

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Sales taxes	\$ 3,546,450	\$ 3,546,450	\$ 3,887,722	\$ 341,272
Other taxes	4,558,100	4,558,100	4,934,031	375,931
Licenses and permits	205,500	205,500	291,989	86,489
Intergovernmental	239,600	239,600	239,653	53
Fines and forfeitures	113,000	113,000	68,652	(44,348)
Charges for services	500	500	7,858	7,358
Contributions	600	600	600	-
Interest income	1,000	1,000	1,920	920
Other revenues	121,000	121,000	139,752	18,752
Total revenues	<u>8,785,750</u>	<u>8,785,750</u>	<u>9,572,177</u>	<u>786,427</u>
Expenditures:				
Current:				
General government:				
Mayor and council	271,100	290,500	228,792	61,708
Executive	739,200	741,000	524,613	216,387
Financial administration	1,683,000	1,906,050	1,484,198	421,852
Data processing	190,500	340,500	306,797	33,703
Building and plant	702,750	707,496	446,073	261,423
Total general government	<u>3,586,550</u>	<u>3,985,546</u>	<u>2,990,473</u>	<u>995,073</u>
Judicial:				
Municipal court	<u>265,675</u>	<u>265,675</u>	<u>180,971</u>	<u>84,704</u>
Public safety:				
Police administration	<u>400,000</u>	<u>400,000</u>	<u>161,280</u>	<u>238,720</u>
Public Works and Parks:				
Public works	2,134,380	2,173,875	2,044,716	129,159
Parks	65,500	123,500	77,660	45,840
Total public works	<u>2,199,880</u>	<u>2,297,375</u>	<u>2,122,376</u>	<u>174,999</u>
Housing and development:				
Code enforcement	192,840	166,940	159,897	7,043
Main Street	205,445	205,445	176,397	29,048
Planning and zoning	351,900	286,300	196,746	89,554
City events	203,815	213,815	169,950	43,865
Total housing and development	<u>954,000</u>	<u>872,500</u>	<u>702,990</u>	<u>169,510</u>
Total expenditures	<u>7,406,105</u>	<u>7,821,096</u>	<u>6,158,090</u>	<u>1,663,006</u>
Excess of revenues over expenditures	<u>1,379,645</u>	<u>964,654</u>	<u>3,414,087</u>	<u>2,449,433</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	(58,441)	547,637	606,078
Transfers in	111,000	111,000	111,000	-
Transfers out	(1,490,645)	(1,490,645)	(1,442,644)	48,001
Total other financing sources	<u>(1,379,645)</u>	<u>(1,438,086)</u>	<u>(784,007)</u>	<u>654,079</u>
Net change in fund balances	-	(473,432)	2,630,080	3,103,512
Fund balances, beginning of year	<u>15,990,881</u>	<u>15,990,881</u>	<u>15,990,881</u>	<u>-</u>
Fund balances, end of year	<u>\$ 15,990,881</u>	<u>\$ 15,517,449</u>	<u>\$ 18,620,961</u>	<u>\$ 3,103,512</u>

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,225,087	\$ 3,030,505	\$ 1,168,617	\$ 8,424,209
Investments	58,000	-	-	58,000
Accounts receivable, net of allowances	477,910	73,408	143,629	694,947
Due from other governments	12,174	3,558	3,353	19,085
Inventories	78,009	-	-	78,009
Prepaid expenses	7,429	849	4,990	13,268
Total current assets	4,858,609	3,108,320	1,320,589	9,287,518
NONCURRENT ASSETS				
Capital assets:				
Capital assets, non-depreciable	2,674,083	-	123,253	2,797,336
Capital assets, depreciable, net of accumulated depreciation	13,457,485	82,793	3,750,188	17,290,466
Total capital assets	16,131,568	82,793	3,873,441	20,087,802
Total noncurrent assets	16,131,568	82,793	3,873,441	20,087,802
Total assets	20,990,177	3,191,113	5,194,030	29,375,320
DEFERRED OUTFLOWS OF RESOURCES				
Pension	149,003	7,069	80,531	236,603
Total deferred outflows of resources	149,003	7,069	80,531	236,603
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	100,571	98,772	39,998	239,341
Accrued liabilities	20,827	1,366	11,104	33,297
Unearned revenue	-	1,110,096	-	1,110,096
Notes payable, current portion	85,444	-	-	85,444
Compensated absences due within one year	8,001	535	4,797	13,334
Customer deposits	123,055	-	53,552	176,607
Accrued interest	3,580	-	-	3,580
Total current liabilities	341,478	1,210,769	109,451	1,661,699
NONCURRENT LIABILITIES				
Compensated absences due in more than one year	32,004	2,141	19,190	53,334
Net pension liability	304,996	14,470	164,840	484,306
Notes payable, long-term portion	1,346,712	-	-	1,346,712
Total noncurrent liabilities	1,683,712	16,611	184,030	1,884,352
Total liabilities	2,025,190	1,227,380	293,481	3,546,051
DEFERRED INFLOWS OF RESOURCES				
Pension	112,807	5,352	60,968	179,127
Total deferred outflows of resources	112,807	5,352	60,968	179,127
NET POSITION				
Net investment in capital assets	14,699,412	82,793	3,873,441	18,655,646
Unrestricted	4,301,771	1,882,657	1,046,671	7,231,099
Total net position	\$ 19,001,183	\$ 1,965,450	\$ 4,920,112	\$ 25,886,745

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

CITY OF STOCKBRIDGE, GEORGIA

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

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
OPERATING REVENUES				
Charges for services:				
Water sales	\$ 1,803,073	\$ -	\$ -	\$ 1,803,073
Sewer sales	1,682,700	-	-	1,682,700
Stormwater fees	-	-	510,920	510,920
Sanitation charges	-	1,085,103	-	1,085,103
Rentals	-	152,147	244,913	397,060
Other fees and charges	94,536	-	-	94,536
Total operating revenues	<u>3,580,309</u>	<u>1,237,250</u>	<u>755,833</u>	<u>5,573,392</u>
OPERATING EXPENSES				
Personal services and employee benefits	1,195,322	55,269	627,619	1,878,210
Contracted services	452,123	1,177,735	294,039	1,923,897
Supplies	1,020,972	3,738	81,819	1,106,529
Repairs and maintenance	24,911	-	2,737	27,648
Bad debt expense	22,409	-	-	22,409
Depreciation	669,957	33,978	141,668	845,603
Total operating expenses	<u>3,385,694</u>	<u>1,270,720</u>	<u>1,147,882</u>	<u>5,804,296</u>
Operating income (loss)	<u>194,615</u>	<u>(33,470)</u>	<u>(392,049)</u>	<u>(230,904)</u>
NON-OPERATING (EXPENSE)				
Interest expense	<u>(44,111)</u>	-	-	<u>(44,111)</u>
Total non-operating (expenses)	<u>(44,111)</u>	-	-	<u>(44,111)</u>
Income (loss) before capital contributions and transfers	150,504	(33,470)	(392,049)	(275,015)
CAPITAL CONTRIBUTIONS	2,207,823	-	-	2,207,823
TRANSFERS IN	-	-	231,785	231,785
TRANSFERS OUT	<u>(55,500)</u>	-	<u>(55,500)</u>	<u>(111,000)</u>
Change in net position	2,302,827	(33,470)	(215,764)	2,053,593
NET POSITION, beginning of year	<u>16,698,356</u>	<u>1,998,920</u>	<u>5,135,876</u>	<u>23,833,152</u>
NET POSITION, end of year	<u>\$ 19,001,183</u>	<u>\$ 1,965,450</u>	<u>\$ 4,920,112</u>	<u>\$ 25,886,745</u>

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Water and Sewer Fund	Solid Waste Fund	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,485,122	\$ 1,287,143	\$ 729,877	\$ 5,502,142
Payments to suppliers and service providers	(1,458,431)	(1,171,201)	(359,584)	(2,989,216)
Payments to employees	(1,102,798)	(64,534)	(587,560)	(1,754,892)
Net cash provided by (used in) operating activities	923,893	51,408	(217,267)	758,034
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	(55,500)	-	176,285	120,785
Net cash provided by (used in) non-capital financing activities	(55,500)	-	176,285	120,785
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of property and equipment	(480,221)	-	(392,363)	(872,584)
Principal payments on notes payable	(82,922)	-	-	(82,922)
Interest paid	(44,319)	-	-	(44,319)
Net cash used in capital and related financing activities	(607,462)	-	(392,363)	(999,825)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	-	-	-
Net cash provided by investing activities	-	-	-	-
Increase (decrease) in cash and cash equivalents	260,931	51,408	(433,345)	(121,006)
Cash and cash equivalents:				
Beginning of year	3,964,156	2,979,097	1,601,962	8,545,215
End of year	\$ 4,225,087	\$ 3,030,505	\$ 1,168,617	\$ 8,424,209

(Continued)

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 194,615	\$ (33,470)	\$ (392,049)	\$ (230,904)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	669,957	33,978	141,668	845,603
Increase in accounts receivable	(93,702)	(17,532)	(15,574)	(126,808)
Decrease in inventories	25,088	-	-	25,088
Decrease in due from other governments	2,015	1,185	3,216	6,416
(Increase) decrease in deferred outflows of resources - pension	(18,134)	6,925	(4,909)	(16,118)
Decrease in customer deposits	(3,500)	-	(13,598)	(17,098)
(Increase) decrease in prepaid expenses	13,287	248	(2,475)	11,060
Increase in accrued liabilities	24,091	(593)	10,564	34,062
Increase in accounts payable	23,609	10,024	21,486	55,119
Increase in unearned revenue	-	66,240	-	66,240
Increase (decrease) in deferred inflows of resources - pension	58,072	(501)	29,340	86,911
Increase (decrease) in net pension liability	28,495	(15,096)	5,064	18,463
	<u>\$ 923,893</u>	<u>\$ 51,408</u>	<u>\$ (217,267)</u>	<u>\$ 758,034</u>
Net cash provided by (used in) operating activities				
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets from other funds	<u>\$ 2,207,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,207,823</u>

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

CITY OF STOCKBRIDGE, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Stockbridge, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments. 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 was incorporated in 1920 and is located in the northern part of Henry County about 18 miles south of Atlanta. The City provides a full range of services to approximately 26,000 residents. These services are provided in whole by the City or through contractual agreements with Henry County. These services include police services, community development, highways and streets, water and sewer, sanitation, parks, public improvements, planning and zoning, and general administrative services.

In 2013, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Nos. 14 and 34*, which defines the reporting entity for determining which potential component units should be included in the primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. In addition to the above criteria, GASB 61 added that if the primary government is expected to repay substantially all of the component unit's debt, then the component unit should be blended.

Blended Component Units - Blended component units, although legally separate entities, are, in substance, part of the government's operations.

The City of Stockbridge Urban Redevelopment Agency (the "URA") was created by the City's elected officials to provide for the issuance of bonds to finance the construction of the Town Center facilities including City Hall. The City Council appoints the majority of the URA board members and the URA's debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the URA is blended as a governmental fund into the primary government. Separate financial statements for the URA are not issued.

The City of Stockbridge Downtown Development Authority (the "DDA") exists to encourage growth and redevelopment of the Stockbridge, Georgia central business district. The City Council appoints the majority of the DDA board members and the DDA's debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the DDA is blended as a major governmental fund into the primary government. Separate financial statements for the DDA are not issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those 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.

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

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. For this purpose, the City considers revenues to be 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the City's financial activity.

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 **Special Purpose Local Option Sales (SPLOST) IV Fund** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

The **Urban Redevelopment Fund** accounts for the proceeds from the issuance of bonds to finance the acquisition and construction of major capital facilities.

The **Downtown Development Fund** accounts for the activities of the City's blended component unit, the Downtown Development Authority.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The **Solid Waste Fund** accounts for revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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 revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Use of Estimates

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

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase and the State of Georgia's Georgia Fund 1. For reporting purposes, all investments are recorded at fair value.

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds. The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

The City's policy is to hold investments to maturity.

In applying GASB Statement No. 72, the City utilized the following methods and assumptions as of December 31, 2017:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and c) items associated with a fund other than the fund to which the income is assigned.

F. Inventories

Inventories are valued at cost, which approximates market, using the first in, first out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of December 31, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

Certain proceeds from the Urban Redevelopment Agency Fund's debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

I. Deferred Outflows/Inflows

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 represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. These four items relate to the City's defined benefit pension plan. The pension assumption changes, experience differences, investment differences, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

In addition to liabilities, the statement of net position and/or the governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance/net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue for court fines, rental income, and franchise taxes levied, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the City's defined benefit pension plan and are reported in the government-wide statement of net position. The pension experience differences and pension investment earnings difference represent future acquisitions of net position and, accordingly, are reported as deferred inflows of resources.

J. 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 Stockbridge Retirement 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in respective funds.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	30-50
Improvements other than buildings	25-50
Furniture and fixtures	10-20
Vehicles	5-10
Machinery and equipment	5-10
Infrastructure	40-50

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

L. Compensated Absences

In 2017, the City switched from using a Paid Time Off (PTO) system to a compensated absences system. Under the compensated absences system, the City accrues accumulated unpaid vacation and sick benefits. Annual leave will be paid to employees upon separation from service when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be market or near market rates, are treated as revenues and expenditures/expenses and are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

O. Budgets and Budgetary Accounting

The City adopts an annual budget for all of the City's funds and is required by state law to adopt annual budgets for the General Fund and all special revenue funds, i.e., Hotel/Motel Tax Fund. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2017. All annual appropriations lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Revenues

Substantially all governmental fund revenues are accrued. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

Q. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

R. 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 deferred outflows, and liabilities and deferred inflows under the current financial resources measurement 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 purposes for which amounts in those funds can be spent. 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 there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. Only the City Council may modify or remove the commitment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the Treasurer and his designee to assign fund balances. Assignments may occur subsequent to fiscal year-end.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

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; and 3) unassigned.

Net Position – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows 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 when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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 a 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 \$12,719,553 difference are as follows:

Accrued interest payable	\$ (238,110)
Compensated absences payable	(81,443)
Bonds payable	<u>(12,400,000)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (12,719,553)</u></u>

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 useful lives and reported as depreciation expense.” The details of this \$2,353,053 difference are as follows:

Capital outlay	\$ 3,578,440
Depreciation expense	<u>(1,225,387)</u>
Net adjustment to increase <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ 2,353,053</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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 \$78,167 difference are as follows:

Compensated absences	\$	13,563
Net pension liability		52,609
Accrued interest		<u>11,995</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>		
	\$	<u><u>78,167</u></u>

NOTE 3. CASH AND INVESTMENTS

Credit Risk. State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1).

The local government investment pool, Georgia Fund 1, created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability.

The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. The City does not have a policy for credit risk beyond the types of investments authorized by Georgia State law.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH 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 – Deposits. 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 require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2017, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy. Additionally, the City's certificates of deposit are nonnegotiable and, therefore, are not subject to fair value hierarchy.

Investments. The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At December 31, 2017, the City had the following investments:

Investment	Maturities	Fair Value
Georgia Fund 1	9-day weighted average	\$ 6,082,884
Certificate of Deposit	August 19, 2019	12,284
Certificate of Deposit	December 29, 2018	58,000
		<u>\$ 6,153,168</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The City, when applicable, obtains the services of Henry County to bill and collect the City's property taxes. The County remits taxes collected to the City on a bi-monthly basis. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from the tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended December 31, 2017. There were no property taxes receivable as of December 31, 2017.

NOTE 5. RECEIVABLES

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

Governmental Funds

	<u>General</u>	<u>SPLOST IV</u>	<u>Downtown Development Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 11,304	\$ 395,237	\$ -	\$ -	\$ 406,541
Taxes	1,626,747	-	-	39,480	1,666,227
Accounts	64,866	-	2,500	-	67,366
Gross receivables	1,702,917	395,237	2,500	39,480	2,140,134
Less allowance for uncollectibles	(29,464)	-	-	-	(29,464)
Net total receivables	<u>\$ 1,673,453</u>	<u>\$ 395,237</u>	<u>\$ 2,500</u>	<u>\$ 39,480</u>	<u>\$ 2,110,670</u>

Proprietary Funds

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 12,174	\$ 3,558	\$ 3,353	\$ 19,085
Accounts	501,025	73,408	143,629	718,062
Gross receivables	513,199	76,966	146,982	737,147
Less allowance for uncollectibles	(23,115)	-	-	(23,115)
Net total receivables	<u>\$ 490,084</u>	<u>\$ 76,966</u>	<u>\$ 146,982</u>	<u>\$ 714,032</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 10,660,695	\$ 231,044	\$ -	\$ -	\$ 10,891,739
Construction in progress	261,304	2,630,186	-	(2,150,695)	740,795
Total	<u>10,921,999</u>	<u>2,861,230</u>	<u>-</u>	<u>(2,150,695)</u>	<u>11,632,534</u>
Capital assets, being depreciated:					
Buildings and improvements	21,940,454	57,128	-	(57,128)	21,940,454
Improvements other than buildings	2,277,304	291,363	-	-	2,568,667
Infrastructure	8,317,631	-	-	-	8,317,631
Machinery and equipment	1,648,011	117,094	(178,687)	-	1,586,418
Office equipment	904,920	145,774	-	-	1,050,694
Vehicles	1,356,216	105,851	(145,400)	(11,664)	1,305,003
Furniture and fixtures	1,063,391	-	-	-	1,063,391
Total	<u>37,507,927</u>	<u>717,210</u>	<u>(324,087)</u>	<u>(68,792)</u>	<u>37,832,258</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,490,691)	(535,613)	-	-	(5,026,304)
Improvements other than buildings	(827,133)	(101,944)	-	-	(929,077)
Infrastructure	(1,524,681)	(201,768)	-	-	(1,726,449)
Machinery and equipment	(1,295,238)	(95,725)	178,687	-	(1,212,276)
Office equipment	(684,344)	(99,374)	-	-	(783,718)
Vehicles	(1,036,241)	(105,617)	145,400	11,664	(984,794)
Furniture and fixtures	(840,206)	(85,346)	-	-	(925,552)
Total	<u>(10,698,534)</u>	<u>(1,225,387)</u>	<u>324,087</u>	<u>11,664</u>	<u>(11,588,170)</u>
Total assets, being depreciated, net	<u>26,809,393</u>	<u>(508,177)</u>	<u>-</u>	<u>(57,128)</u>	<u>26,244,088</u>
Governmental activities capital assets, net	<u>\$ 37,731,392</u>	<u>\$ 2,353,053</u>	<u>\$ -</u>	<u>\$ (2,207,823)</u>	<u>\$ 37,876,622</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 445,603	\$ -	\$ -	\$ -	\$ 445,603
Construction in progress	124,425	76,613	-	2,150,695	2,351,733
Total	<u>570,028</u>	<u>76,613</u>	<u>-</u>	<u>2,150,695</u>	<u>2,797,336</u>
Capital assets, being depreciated:					
Buildings and improvements	6,059,638	-	-	57,128	6,116,766
Improvements other than buildings	18,282,767	-	-	-	18,282,767
Infrastructure	482,551	-	-	-	482,551
Vehicles	1,375,038	339,328	(14,655)	11,664	1,711,375
Furniture and fixtures	455,287	5,209	-	-	460,496
Machinery and equipment	1,419,505	451,434	-	-	1,870,939
Total	<u>28,074,786</u>	<u>795,971</u>	<u>(14,655)</u>	<u>68,792</u>	<u>28,924,894</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,567,541)	(328,111)	-	-	(1,895,652)
Improvements other than buildings	(6,768,663)	(243,124)	-	-	(7,011,787)
Infrastructure	(61,769)	(16,085)	-	-	(77,854)
Vehicles	(884,271)	(144,901)	14,655	(11,664)	(1,026,181)
Furniture and fixtures	(336,188)	(21,741)	-	-	(357,929)
Machinery and equipment	(1,173,384)	(91,641)	-	-	(1,265,025)
Total	<u>(10,791,816)</u>	<u>(845,603)</u>	<u>14,655</u>	<u>(11,664)</u>	<u>(11,634,428)</u>
Total assets, being depreciated, net	<u>17,282,970</u>	<u>(49,632)</u>	<u>-</u>	<u>57,128</u>	<u>17,290,466</u>
Business-type activities capital assets, net	<u>\$ 17,852,998</u>	<u>\$ 26,981</u>	<u>\$ -</u>	<u>\$ 2,207,823</u>	<u>\$ 20,087,802</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 633,040
Judicial	57,011
Public safety	52,612
Public works	482,724

Total depreciation expense - governmental activities	<u>\$ 1,225,387</u>
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Business-type activities:

Water and sewer	\$ 669,957
Solid waste	33,978
Stormwater	32,516
Conference center	86,499
Community center	22,653

Total depreciation expense - business-type activities	<u>\$ 845,603</u>
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NOTE 7. LONG-TERM DEBT

Changes in Long-Term Debt. The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Urban Redevelopment revenue bonds	\$ 13,025,000	\$ -	\$ (625,000)	\$ 12,400,000	\$ 650,000
Accrued compensated absences	95,006	193,364	(206,927)	81,443	16,289
Net pension liability	<u>1,174,436</u>	<u>629,766</u>	<u>(898,231)</u>	<u>905,971</u>	<u>-</u>
Total governmental-type activity long-term debt	<u>\$ 14,294,442</u>	<u>\$ 823,130</u>	<u>\$ (1,730,158)</u>	<u>\$ 13,387,414</u>	<u>\$ 666,289</u>
Business-type activities:					
GEFA notes payable	\$ 1,515,078	\$ -	\$ (82,922)	\$ 1,432,156	\$ 85,444
Accrued compensated absences	36,573	163,269	(133,174)	66,668	13,334
Net pension liability	<u>465,843</u>	<u>336,651</u>	<u>(318,188)</u>	<u>484,306</u>	<u>-</u>
Total business-type activity long-term debt	<u>\$ 2,017,494</u>	<u>\$ 499,920</u>	<u>\$ (534,284)</u>	<u>\$ 1,983,130</u>	<u>\$ 98,778</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities. However, proceeds from any asset sales relative to the Urban Redevelopment project will be used to liquidate the related revenue bond obligation.

The Water and Sewer Enterprise Fund is used to liquidate all of the business-type activity long-term liabilities.

Urban Redevelopment Revenue Bonds. The City entered into an agreement with a financial institution that provided for the issuance of revenue bonds for the purchase of land and construction of structures and improvements for the New Town Center. Various bond issues were used by the City during the purchase and construction phases. Some of the issues were nontaxable while others were taxable issues. All of the remaining outstanding bonds are nontaxable. During the year ended December 31, 2017, the City repaid various bond issues in the amount of \$625,000. Amounts outstanding at year-end of \$12,400,000 reflect total drawdowns to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at December 31, 2017, are as follows:

Series 2005 B Revenue bonds payable to Capital One Bank, in the total amount of \$7,330,000, interest at 4.45%, matures 2/1/31.	\$ 5,275,000
Series 2006 A Revenue bonds payable to Capital One Bank, in the total amount of \$4,795,000, current interest at 4.58%, matures 2/1/31.	3,475,000
Series 2006 C Revenue bonds payable to Capital One Bank, in the total amount of \$5,000,000, current interest at 4.865%, matures 2/1/31.	<u>3,650,000</u>
Total	<u><u>\$ 12,400,000</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the revenue bonds that have closed are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 650,000	\$ 556,491	\$ 1,206,491
2019	680,000	525,859	1,205,859
2020	710,000	493,848	1,203,848
2021	745,000	460,337	1,205,337
2022	780,000	425,213	1,205,213
2023-2027	4,470,000	1,543,025	6,013,025
2028-2031	4,365,000	413,686	4,778,686
Total	<u>\$ 12,400,000</u>	<u>\$ 4,418,459</u>	<u>\$ 16,818,459</u>

Water and Sewer Long-Term Debt. The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Facilities Authority where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year relate to a note issued in 2010 to finance construction projects to improve the City's water distribution facilities. The note was issued by the Georgia Environmental Facilities Authority in the total amount of \$1,911,900. During the year ended December 31, 2017, the City repaid \$82,922 of the note payable. Amounts outstanding at year-end of \$1,432,156 reflect total drawdowns to date net of repayments, if any.

The annual requirement to pay the Georgia Environmental Facilities Authority's note outstanding is as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 85,444	\$ 41,796	\$ 127,240
2019	88,043	39,197	127,240
2020	90,721	36,519	127,240
2021	93,480	33,760	127,240
2022	96,323	30,917	127,240
2023-2027	527,387	108,814	636,201
2028-2031	450,758	26,393	477,151
Total	<u>\$ 1,432,156</u>	<u>\$ 317,396</u>	<u>\$ 1,749,552</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS

Transfers In	Transfers Out				Total
	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ -	\$ 55,500	\$ 55,500	\$ 111,000
Urban Redevelopment Fund	1,210,859	-	-	-	1,210,859
Nonmajor Enterprise Funds	231,785	-	-	-	231,785
Total	<u>\$ 1,442,644</u>	<u>\$ -</u>	<u>\$ 55,500</u>	<u>\$ 55,500</u>	<u>\$ 1,553,644</u>

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county Atlanta area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Henry County makes contributions on behalf of the City to the ARC. Separate financial statements may be obtained from:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. 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.

Plan Membership

As of July 1, 2017, the date of the most recent actuarial valuation, there were 132 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	33
Inactive plan members entitled to but not receiving benefits	26
Active plan members	73
	132

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 actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended December 31, 2017, the City's contribution rate was 12.9% of annual payroll. City contributions to the Plan were \$365,104 for the year ended December 31, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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*, and Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75% - 8.00%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2017 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 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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 following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.71 %
International equity	20	7.71
Real estate	10	5.21
Global fixed income	5	3.36
Domestic fixed income	20	2.11
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 10. DEFINED BENEFIT PENSION PLAN (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 year ended December 31, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	<u>\$ 8,636,372</u>	<u>\$ 6,996,093</u>	<u>\$ 1,640,279</u>
Changes for the year:			
Service cost	297,396	-	297,396
Interest	650,509	-	650,509
Differences between expected and actual experience	(11,712)	-	(11,712)
Assumption changes	-	-	-
Contributions - employer	-	334,499	(334,499)
Contributions - employee	-	-	-
Net investment income	-	870,208	(870,208)
Benefit payments, including refunds of employee contributions	(485,418)	(485,418)	-
Administrative expense	-	(18,512)	18,512
Net changes	<u>450,775</u>	<u>700,777</u>	<u>(250,002)</u>
Balances at December 31, 2017	<u><u>\$ 9,087,147</u></u>	<u><u>\$ 7,696,870</u></u>	<u><u>\$ 1,390,277</u></u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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%, 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%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 2,497,220	\$ 1,390,277	\$ 457,911

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 \$401,751. 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	\$ 88,596	\$ (195,824)
Changes in assumptions	2,271	-
Net difference between projected and actual earnings on pension plan investments	314,511	(318,390)
City contributions subsequent to the measurement date	273,828	-
Total	<u>\$ 679,206</u>	<u>\$ (514,214)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$273,828 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	\$	(29,031)
2019		(29,031)
2020		(3,666)
2021		(47,108)
2022		-
Total	\$	<u>(108,836)</u>

NOTE 11. RISK MANAGEMENT

The City of Stockbridge is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance in amounts deemed prudent by City management. Commercial insurance is carried for coverage of property, errors and omissions, professional liability and injuries to employees.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of any expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In 2014, the citizens of Henry County voted to approve a special purpose local option sales tax to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue revenue bonds to finance some of the SPLOST projects in advance of the SPLOST tax collections. The City of Stockbridge received \$6,000,000 from the County under this agreement in fiscal year 2015.

The revenue bonds are in the name of Henry County and are not a direct liability of the City of Stockbridge. However, under the terms of the intergovernmental agreement, Henry County will retain all of the first SPLOST revenue collections for each year in amounts that will satisfy the annual debt service requirements. The agreement also requires the City of Stockbridge to pay its share of debt service requirements should the SPLOST revenue collections not be sufficient to satisfy the debt service requirements under the bond issue. Management believes the SPLOST revenue collections will be sufficient to satisfy all debt service requirements under the bond ordinance.

NOTE 13. HOTEL/MOTEL TAX

The City levies an 8% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditure requirements of this code section, the City remits 40% of the monies from the first 5% collected under this provision to the Henry County Chamber of Commerce. The Henry County Chamber of Commerce also receives 50% of the additional 3%. Total collections for year ended December 31, 2017 were \$445,240. The amount remitted to the Chamber totaled \$192,751.

NOTE 14. POLICE PROTECTION

In 2009, the City of Stockbridge and Henry County entered into a Service Delivery Agreement, which included police services. The original agreement called for Henry County to provide full, comprehensive police services within the City's boundaries and, in return, the County would collect and keep a portion of taxes received from Stockbridge residents. In addition to the full service protection provided by the County, the City elected to add additional supplemental police services in the form of two additional full-time officers patrolling throughout the City. The agreed-upon cost for this additional service was \$500,000 annually, paid in quarterly installments of \$125,000. In January 2016, County officials made the decision to reroute all violations written in Stockbridge to the Henry County State Court, thereby reducing the City's court-related revenue by approximately \$520,000 from fiscal year 2015 to fiscal year 2016, and by approximately \$482,000 from fiscal year 2016 to fiscal year 2017. To help offset this financial loss, the City ceased all payments to the County for the supplemental police services.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. LEASE AGREEMENTS

The City leases its solid waste transfer station to Lamar County Regional Solid Waste Management Authority who subleases to Waste Management. The current lease extends until April 30, 2026. The monthly rental charged by the City is \$1.40 for each ton of waste received at the site through April 30, 2021, at which time the monthly rental will be adjusted by the Consumer Price Index (CPI) annually through the termination of the agreement. For the year ended December 31, 2017, the City received \$152,147 in rental fees under the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$28,893 for a net carrying value of \$7,223.

The City's lease agreements, other than the agreement described above, are relatively minor commitments whereby the City is leasing various pieces of office equipment.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED DECEMBER 31

	2017	2016	2015
Total pension liability			
Service cost	\$ 297,396	\$ 247,214	\$ 319,885
Interest on total pension liability	650,509	611,199	604,791
Differences between expected and actual experience	(11,712)	132,894	(372,914)
Changes of assumptions	-	-	4,539
Changes in benefit terms	-	-	3,871
Benefit payments, including refunds of employee contributions	(485,418)	(482,759)	(472,198)
Net change in total pension liability	450,775	508,548	87,974
Total pension liability - beginning	8,636,372	8,127,824	8,039,850
Total pension liability - ending (a)	\$ 9,087,147	\$ 8,636,372	\$ 8,127,824
 Plan fiduciary net position			
Contributions - employer	\$ 334,499	\$ 401,339	\$ 397,450
Net investment income	870,208	20,122	629,378
Benefit payments, including refunds of employee contributions	(485,418)	(482,759)	(472,198)
Administrative expenses	(18,512)	(13,276)	(11,731)
Net change in plan fiduciary net position	700,777	(74,574)	542,899
Plan fiduciary net position - beginning	6,996,093	7,070,667	6,527,768
Plan fiduciary net position - ending (b)	\$ 7,696,870	\$ 6,996,093	\$ 7,070,667
 City's net pension liability (a) - (b)	\$ 1,390,277	\$ 1,640,279	\$ 1,057,157
 Plan fiduciary net position as a percentage of the total pension liability	84.7%	81.0%	87.0%
 Covered-employee payroll	\$ 2,839,086	\$ 2,777,571	\$ 2,297,038
 City's net pension liability as a percentage of covered payroll	48.97%	59.05%	46.02%

Notes to the Schedule

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

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF CITY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED DECEMBER 31

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 365,104	\$ 324,417	\$ 427,020	\$ 387,593
Contributions in relation to the actuarially determined contribution	<u>365,104</u>	<u>324,417</u>	<u>427,020</u>	<u>387,593</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,839,086	\$ 2,777,571	\$ 2,297,038	\$ 2,705,584
Contributions as a percentage of covered-employee payroll	12.9%	11.7%	18.6%	14.3%

Notes to the Schedule

Valuation date	July 1, 2017
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 adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Permanent Fund

Burke Cemetery Fund – This fund is used to account for revenues earned from a trust set up for cemetery improvements at Burke Cemetery.

Capital Projects Funds

State and Federal Grants Fund – This fund is used to account for the acquisition and construction of major capital facilities which are financed with state and federal financial assistance.

SPLOST III Fund – This fund is used to account for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

CITY OF STOCKBRIDGE, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

	Special Revenue Fund	Permanent Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Burke Cemetery Fund	State and Federal Grants Fund	SPLOST III Fund	
ASSETS					
Cash and cash equivalents	\$ 314,265	\$ -	\$ 449,377	\$ 2,916,494	\$ 3,680,136
Investments	-	12,284	-	-	12,284
Taxes receivable	39,480	-	-	-	39,480
Total assets	<u>\$ 353,745</u>	<u>\$ 12,284</u>	<u>\$ 449,377</u>	<u>\$ 2,916,494</u>	<u>\$ 3,731,900</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 16,600	\$ -	\$ 7,067	\$ 68,895	\$ 92,562
Total liabilities	<u>16,600</u>	<u>-</u>	<u>7,067</u>	<u>68,895</u>	<u>92,562</u>
Fund Balances:					
Nonspendable:					
Permanent fund corpus	-	5,000	-	-	5,000
Restricted:					
Cemetery maintenance	-	7,284	-	-	7,284
Capital projects	-	-	442,310	2,847,599	3,289,909
Tourism	337,145	-	-	-	337,145
Total fund balances	<u>337,145</u>	<u>12,284</u>	<u>442,310</u>	<u>2,847,599</u>	<u>3,639,338</u>
Total liabilities and fund balances	<u>\$ 353,745</u>	<u>\$ 12,284</u>	<u>\$ 449,377</u>	<u>\$ 2,916,494</u>	<u>\$ 3,731,900</u>

CITY OF STOCKBRIDGE, GEORGIA

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

	Special Revenue Fund	Permanent Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Burke Cemetery Fund	State and Federal Grants Fund	SPLOST III Fund	
Revenues:					
Other taxes	\$ 445,240	\$ -	\$ -	\$ -	\$ 445,240
Interest income	-	-	-	533	533
Total revenues	<u>445,240</u>	<u>-</u>	<u>-</u>	<u>533</u>	<u>445,773</u>
Expenditures:					
Current:					
Housing and development	295,765	-	-	-	295,765
Capital outlay:					
General government	-	-	-	230,765	230,765
Public safety	-	-	-	225,681	225,681
Public works	-	-	22,207	-	22,207
Total expenditures	<u>295,765</u>	<u>-</u>	<u>22,207</u>	<u>456,446</u>	<u>774,418</u>
Excess (deficiency) of revenues over expenditures	<u>149,475</u>	<u>-</u>	<u>(22,207)</u>	<u>(455,913)</u>	<u>(328,645)</u>
Net change in fund balances	149,475	-	(22,207)	(455,913)	(328,645)
Fund balances, beginning of year	<u>187,670</u>	<u>12,284</u>	<u>464,517</u>	<u>3,303,512</u>	<u>3,967,983</u>
Fund balances, end of year	<u>\$ 337,145</u>	<u>\$ 12,284</u>	<u>\$ 442,310</u>	<u>\$ 2,847,599</u>	<u>\$ 3,639,338</u>

NONMAJOR ENTERPRISE FUNDS

Community Center Fund – This fund is used to account for activities of the Ted Strickland Community Center.

Stormwater Fund – This fund is used to account for revenues generated from the charges for stormwater services provided to the citizens of Stockbridge.

Conference Center Fund – This fund is used to account for activities related to the Merle Manders Conference Center.

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2017

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 89,939	\$ 839,627	\$ 239,051	\$ 1,168,617
Accounts receivable	-	143,629	-	143,629
Due from other governments	-	3,353	-	3,353
Prepaid expenses	240	4,119	631	4,990
Total current assets	90,179	990,728	239,682	1,320,589
NONCURRENT ASSETS				
Capital assets, net of accumulated depreciation	627,812	831,084	2,414,545	3,873,441
Total noncurrent assets	627,812	831,084	2,414,545	3,873,441
Total assets	717,991	1,821,812	2,654,227	5,194,030
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	54,750	25,781	80,531
Total deferred outflows of resources	-	54,750	25,781	80,531
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,677	23,649	14,672	39,998
Accrued liabilities	-	6,104	5,000	11,104
Customer deposits	11,410	-	42,142	53,552
Compensated absences due within one year	-	3,371	1,427	4,797
Total current liabilities	13,087	33,124	63,241	109,451
NONCURRENT LIABILITIES				
Compensated absences due in more than one year	-	13,483	5,706	19,190
Net pension liability	-	112,069	52,771	164,840
Total noncurrent liabilities	-	125,552	58,477	184,030
Total liabilities	13,087	158,676	121,718	293,481
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	41,450	19,518	60,968
Total deferred inflows of resources	-	41,450	19,518	60,968
NET POSITION				
Investment in capital assets	627,812	831,084	2,414,545	3,873,441
Unrestricted	77,092	845,352	124,227	1,046,671
Total net position	\$ 704,904	\$ 1,676,436	\$ 2,538,772	\$ 4,920,112

CITY OF STOCKBRIDGE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
OPERATING REVENUES				
Charges for services:				
Rentals	\$ 46,417	\$ -	\$ 198,496	\$ 244,913
Stormwater fees	-	510,920	-	510,920
Total operating revenues	<u>46,417</u>	<u>510,920</u>	<u>198,496</u>	<u>755,833</u>
OPERATING EXPENSES				
Personal services	511	452,885	174,223	627,619
Contracted services	23,655	85,530	184,854	294,039
Supplies	8,908	27,190	45,721	81,819
Repairs and maintenance	450	1,454	833	2,737
Depreciation	<u>22,653</u>	<u>32,516</u>	<u>86,499</u>	<u>141,668</u>
Total operating expenses	<u>56,177</u>	<u>599,575</u>	<u>492,130</u>	<u>1,147,882</u>
Operating loss	<u>(9,760)</u>	<u>(88,655)</u>	<u>(293,634)</u>	<u>(392,049)</u>
Loss before capital contributions and transfers	(9,760)	(88,655)	(293,634)	(392,049)
TRANSFERS IN	-	-	231,785	231,785
TRANSFERS OUT	<u>-</u>	<u>(55,500)</u>	<u>-</u>	<u>(55,500)</u>
Change in net position	(9,760)	(144,155)	(61,849)	(215,764)
NET POSITION, beginning of year	<u>714,664</u>	<u>1,820,591</u>	<u>2,600,621</u>	<u>5,135,876</u>
NET POSITION, end of year	<u><u>\$ 704,904</u></u>	<u><u>\$ 1,676,436</u></u>	<u><u>\$ 2,538,772</u></u>	<u><u>\$ 4,920,112</u></u>

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Community Center Fund	Stormwater Fund	Conference Center Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 39,747	\$ 498,562	\$ 191,568	\$ 729,877
Payments to suppliers and service providers	(33,069)	(98,180)	(228,335)	(359,584)
Payments to employees	(511)	(418,225)	(168,824)	(587,560)
Net cash provided by (used in) operating activities	6,167	(17,843)	(205,591)	(217,267)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	-	(55,500)	231,785	176,285
Net cash provided by (used in) non-capital financing activities	-	(55,500)	231,785	176,285
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of equipment	-	(361,768)	(30,595)	(392,363)
Net cash used in capital and related financing activities	-	(361,768)	(30,595)	(392,363)
Increase (decrease) in cash and cash equivalents	6,167	(435,111)	(4,401)	(433,345)
Cash and cash equivalents:				
Beginning of year	83,772	1,274,738	243,452	1,601,962
End of year	<u>\$ 89,939</u>	<u>\$ 839,627</u>	<u>\$ 239,051</u>	<u>\$ 1,168,617</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	\$ (9,760)	\$ (88,655)	\$ (293,634)	\$ (392,049)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	22,653	32,516	86,499	141,668
Increase in accounts receivable	-	(15,574)	-	(15,574)
Decrease in due from other governments	-	3,216	-	3,216
(Increase) decrease in deferred outflows of resources-pension	-	(7,533)	2,624	(4,909)
Decrease in customer deposits	(6,670)	-	(6,928)	(13,598)
(Increase) decrease in prepaid expenses	109	(2,714)	130	(2,475)
Increase in accrued liabilities	-	8,183	2,381	10,564
Increase (decrease) in accounts payable	(165)	18,708	2,943	21,486
Increase in deferred inflows of resources-pension	-	21,702	7,638	29,340
Increase (decrease) in net pension liability	-	12,308	(7,244)	5,064
Net cash provided by (used in) operating activities	<u>\$ 6,167</u>	<u>\$ (17,843)</u>	<u>\$ (205,591)</u>	<u>\$ (217,267)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST III FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Project</u>	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 3,060,000	\$ 1,742,941	\$ 1,591,498	\$ 151,443	\$ 1,742,941	100.00%
Public safety facilities and equipment	2,000,000	2,551,386	2,551,386	-	2,551,386	100.00%
Public works facilities and equipment	17,097,500	7,574,302	4,915,543	74,238	4,989,781	65.88%
Construction and renovation of municipal buildings	<u>10,700,000</u>	<u>6,280,848</u>	<u>5,971,156</u>	<u>230,765</u>	<u>6,201,921</u>	<u>98.74%</u>
Totals	<u>\$ 32,857,500</u>	<u>\$ 18,149,477</u>	<u>\$ 15,029,583</u>	<u>\$ 456,446</u>	<u>\$ 15,486,029</u>	<u>85.32%</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST IV FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Project</u>	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 1,500,000	\$ 5,550,000	\$ 380,935	\$ 579,680	\$ 960,615	17.31%
Public safety facilities and equipment	4,180,000	150,000	9,943	-	9,943	6.63%
Public works facilities and equipment	19,000,000	12,250,000	140,353	2,534,127	2,674,480	21.83%
Parks and recreation	2,000,000	1,550,000	252,401	529,124	781,525	50.42%
Totals	<u>\$ 26,680,000</u>	<u>\$ 19,500,000</u>	<u>\$ 783,632</u>	<u>\$ 3,642,931</u>	<u>\$ 4,426,563</u>	<u>22.70%</u>



Hands of Hope Clinic Presents 15th Annual Goblin Gallop Saturday, October 20, 2018

Panola Mountain State Park
2620 Highway 155 SW
Stockbridge, GA 30281 Henry County
Race Starts at 7:30AM

☐ The Grand Goblin Presenting Sponsor \$3000

- o Tent at event and distribute promotional materials to over 250 attendees
- o Opportunity to speak at start of race
- o Name and logo on start banner
- o Premiere logo placement on race day programs, t-shirts, posters and flyers
- o 5 message signs along course
- o Full media coverage including print, website, social media
- o Eight (8) race entry tickets

☐ Great Pumpkin Sponsor \$1500

- o Tent at event and distribute promotional materials to over 250 attendees
- o Opportunity to speak at post-race awards ceremony
- o Prominent logo placement on race banners
- o Prominent logo placement on race day programs, t-shirts, posters and flyers
- o 2 message signs along course
- o Full media coverage including print, website and social media
- o Six (6) race entry tickets

☐ Ghost Rider Sponsor \$750

- o Tent at event and distribute promotional materials to over 250 attendees
- o Media recognition including print, website, social media
- o Logo placement on race day programs, t-shirts, posters and flyers
- o Four (4) race entry tickets

☐ Trick or Treat Sponsor \$400

- o Tent at event and distribute promotional materials to over 250 attendees
- o Media coverage on website, social media
- o Recognition on race day programs, t-shirts, posters and flyers
- o Two (2) race entry tickets

☐ Spooky Sponsor \$300

- o Recognition on race day programs and t-shirts
- o Sign with company logo placed along race route
- o Two (2) race entry tickets

☐ Ghoulish Guide \$125

- o Sign with company logo placed along race route

Please print your name, as you would like it to appear in the program, and send checks to Hands of Hope Clinic, 1010 Hospital Drive Building B, Stockbridge, GA. 30281. Please forward high-resolution file of your logo to aura@handsofhopeclinic.org. In order to appear in the program and on the t-shirt, please return this form by October 5, 2018.

Business Name _____

Contact _____ Phone _____

Address _____ City/State/Zip _____

Sponsorship Level _____ Email _____

Please keep a copy of this form for your records

☐ I cannot sponsor the race, but please accept this donation in support of the mission of Hands of Hope Clinic \$ _____



Hands of Hope Clinic Presents

15th Annual Goblin Gallop

5K/10K/15K Race

Saturday October 20th

Panola Mtn. State Park

2620 Highway 155 SW
Stockbridge, GA (Henry County)



The Goblin turns 15 this year!!! Join us as we celebrate our Goblin's makeover, a new Gallop location, and the all new Gallop 15K course!

Panola Mountain offers challenging courses as well as a few added surprises. Be sure to pay careful attention as you run through "The Barn."

We will also award prizes for the best costume!

Registration is now open at GetSetGrow.com and Sponsorship opportunities are available as well. Please contact BJ Mathis execdir@handsofhopeclinic.org or 770-389-6818 for sponsor information.

Race Schedule:

October 20, 2018

6:00 am - walk-up registration & packet pickup begins

7:00 am - walk-up registration closes

7:00 am - pre-race celebration & warm up

7:30 am - 15K Race Start

7:35 am - 10K Race Start

7:40 am - 5K Race Start

7:50 am - Tot Trot

Awards Ceremony to Follow

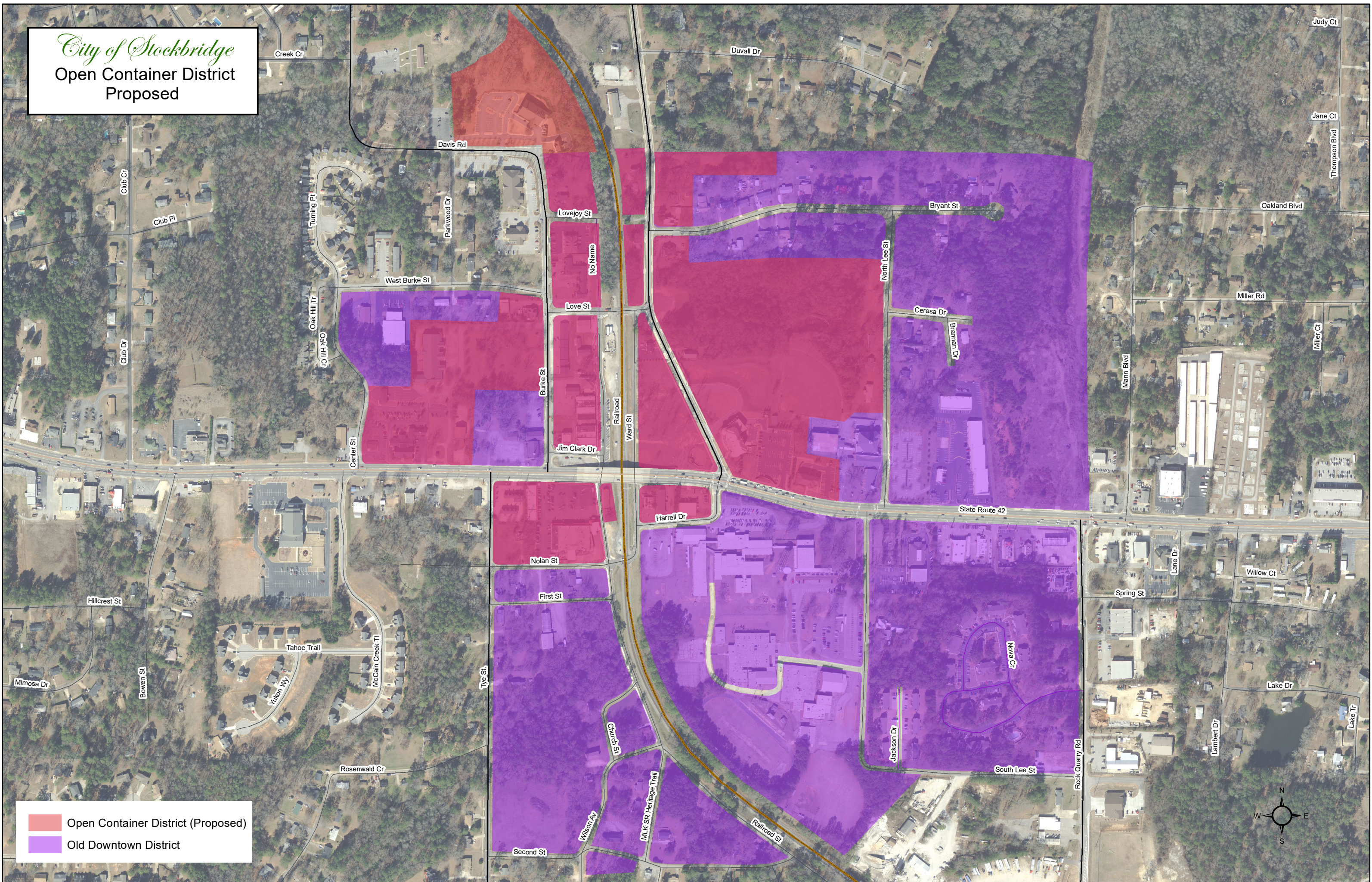


HANDS of HOPE
CLINIC

Handsofhopeclinic.org

City of Stockbridge
Open Container District
Proposed

Open Container District (Proposed)
Old Downtown District



STATE OF GEORGIA
COUNTY OF HENRY
CITY OF STOCKBRIDGE

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE USE OF THE TED STRICKLAND
COMMUNITY CENTER FOR A CERTAIN COMMUNITY EVENT**

WHEREAS, the City of Stockbridge ("City") is a municipal corporation duly organized and existing under the laws of the State of Georgia and is charged with being fiscally responsible concerning the use and expenditure of all public funds;

WHEREAS, Section 1.12(b)(41) of the City Charter, the City is vested with certain broad powers "to exercise and enjoy all other powers, functions, rights, privileges, and immunities necessary or desirable to promote or protect the safety, health, peace, security, good order, comfort, convenience, or general welfare of the city and its inhabitants;"

WHEREAS, Section 1.12(b) of the City Charter states that "the powers of this city shall be construed liberally in favor of the city. The specific mention or failure to mention particular powers shall not be construed as limiting in any way the powers of this city;"

WHEREAS, the City desires to allow to utilize the Ted Strickland Community Center for a certain community event "Bingo Bash" for the benefit of the City's residents;

WHEREAS, the Mayor and Council believe that allowing such use is in the best interest of the City and its citizens;

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED as follows:

Section 1. Authorization – The Mayor and Council of the City of Stockbridge hereby authorizes a community event – "Bingo Bash" to be held at the Ted Strickland Community Center on October 3, 2018.

Section 2. Documents – The City Clerk is authorized to execute, attest to, and seal any documents which may be necessary to effectuate this Resolution, subject to approval as to form by the City Attorney.

Section 3. Severability - To the extent any portion of this Resolution is declared to be invalid, unenforceable, or non-binding, that shall not affect the remaining portions of this Resolution.

Section 4. Repeal of Conflicting Provisions - All City resolutions inconsistent with this Resolution are hereby repealed.

Section 5. Effective Date - This Resolution shall be effective immediately upon the date of its adoption by the City Council and Mayor as provided in the City Charter.

SO RESOLVED, this the 10th day of September, 2018.

CITY OF STOCKBRIDGE, GEORGIA

ANTHONY S. FORD, MAYOR

ATTEST:

RANDI RAINEY, DEPUTY CITY CLERK

APPROVED AS TO FORM:

MICHAEL WILLIAMS, CITY ATTORNEY

STATE OF GEORGIA
COUNTY OF HENRY
CITY OF STOCKBRIDGE

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WHEREAS, the City desires to allow to utilize the Ted Strickland Community Center for a certain community event "Toy Drive" for the benefit of the City's residents;

WHEREAS, the Mayor and Council believe that allowing such use is in the best interest of the City and its citizens;

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED as follows:

Section 1. **Authorization** – The Mayor and Council of the City of Stockbridge hereby authorizes a community event – "Toy Drive" to be held at the Ted Strickland Community Center on December 14, 2018.

Section 2. **Documents** – The City Clerk is authorized to execute, attest to, and seal any documents which may be necessary to effectuate this Resolution, subject to approval as to form by the City Attorney.

Section 3. **Severability** - To the extent any portion of this Resolution is declared to be invalid, unenforceable, or non-binding, that shall not affect the remaining portions of this Resolution.

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ANTHONY S. FORD, MAYOR

ATTEST:

RANDI RAINEY, DEPUTY CITY CLERK

APPROVED AS TO FORM:

MICHAEL WILLIAMS, CITY ATTORNEY

Wages and Salaries Compensation Study for the City of Stockbridge, GA



Presentation of Results

September 10, 2018



Evergreen Solutions, LLC

Agenda

- Study Process
- Outreach Summary
- Review of Current Conditions
- City Compensation Philosophy
- Classification Review
- Compensation Review
- Proposed Pay Plan and Implementation
- Next Steps/Additional Recommendations



Study Process

Completed:

- ✓ Employee outreach.
- ✓ Analysis of conditions of the current pay system.
- ✓ Review of City's Compensation Philosophy.
- ✓ Internal equity analysis - reviewed Job Assessment Tool (JAT) and Management Issues Tools (MIT) input; recommended proposed class structure.
- ✓ External equity analysis - determined market competitiveness of the current pay structure/ranges.



Study Process (cont.)

- ✓ Development of new competitive pay plan.
- ✓ Individual assignment of classifications to a pay grade (range).
- ✓ Development of options for implementing the proposed plan.
- ✓ Estimated annualized salary costs for implementing the new structure.

Remaining:

- ☐ Provide Final Report.



Employee Outreach Summary

General Feedback:

- City provides good employee benefits; some would like option to select higher health coverage at their cost.
- Pay is not competitive with peers; regular cost of living adjustments should be provided.
- Some interest in linking pay increases to individual performance.
- Job titles do not always accurately reflect breadth of work performed.



Current Conditions

Reviewed the current pay system:

- Open-range plan with 27 pay grades
- Pay range spreads constant at 48% (some anomalies)
- Not all pay grades/ranges are utilized/occupied

Analyzed the distribution of employees' salaries across the current pay ranges:

- Salaries are clustered above the midpoint, with the 4th Quartile having the most.

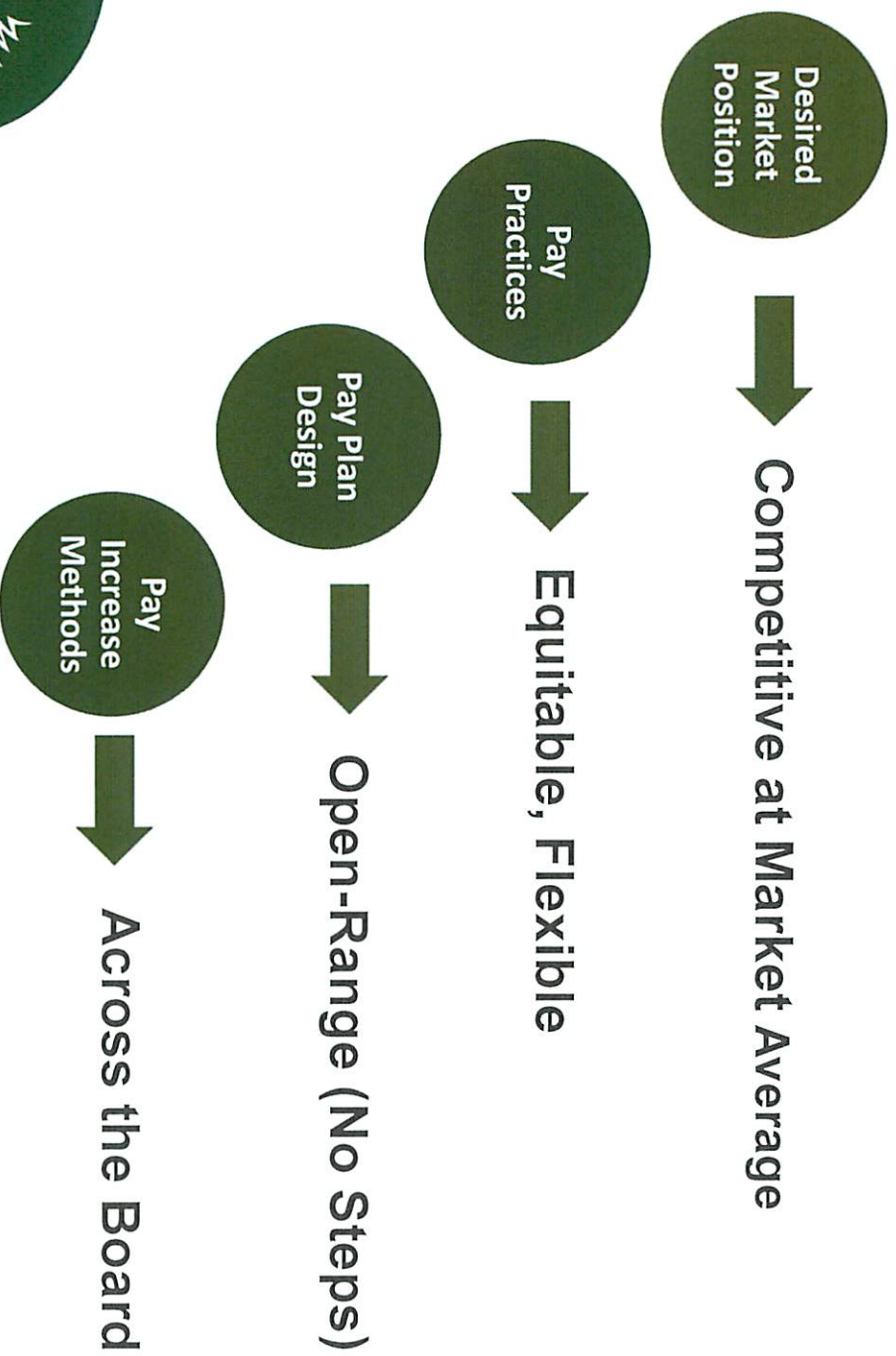
1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
9.2%	13.9%	20.0%	56.9%

Midpoint



Compensation Philosophy

Key elements of the City's compensation philosophy:



Classification Review

- Reviewed JAT employee and supervisor input;
- Determined internal equity;
- Made appropriate title change recommendations.



Compensation Review

Conducted a salary survey; collected salary range data from 17 peers; analyzed external (market) equity:

Peer Data Collected	
City of Brookhaven, GA	Henry County, GA
City of Chamblee, GA	Clayton County, GA
City of Douglasville, GA	Cobb County, GA
City of Duluth, GA	DeKalb County, GA
City of Dunwoody, GA	Fayette County, GA
City of Fayetteville, GA	Gwinnett County, GA
City of Griffin, GA	Spalding County, GA
City of McDonough, GA	
City of Milton, GA	
City of Suwanee, GA	



Compensation Review (cont.)

Collected public sector salary range data for 51 benchmark classifications (subset of all); compared City's pay range data to peers at the average of market:

Benchmark Classifications	Differential at the Range Minimum	Differential at the Range Midpoint	Differential at the Range Maximum
Overall Average	-5.7%	-9.1%	-11.6%

Midpoint is typically considered “market” as employees receiving pay at this point should be proficient and satisfactorily performing the duties of their classification.

* *Results do not indicate that all benchmarks (classifications) were ahead or behind.*



Proposed Pay Plan

New, competitive open-range plan:

- Pay grades:
Current: 27
Proposed: 26
- Range spreads:
Current: 48%
Proposed: 55%
- Easy to administer, flexible

Grade	Minimum	Midpoint	Maximum
101	\$ 24,253	\$ 30,922	\$ 37,592
102	\$ 25,465	\$ 32,468	\$ 39,471
103	\$ 26,739	\$ 34,092	\$ 41,445
104	\$ 28,076	\$ 35,796	\$ 43,517
105	\$ 29,479	\$ 37,586	\$ 45,693
106	\$ 30,953	\$ 39,466	\$ 47,978
107	\$ 32,501	\$ 41,439	\$ 50,377
108	\$ 34,126	\$ 43,511	\$ 52,895
109	\$ 36,174	\$ 46,121	\$ 56,069
110	\$ 38,344	\$ 48,889	\$ 59,433
111	\$ 40,645	\$ 51,822	\$ 62,999
112	\$ 43,083	\$ 54,931	\$ 66,779
113	\$ 45,668	\$ 58,227	\$ 70,786
114	\$ 48,409	\$ 61,721	\$ 75,033
115	\$ 51,313	\$ 65,424	\$ 79,535
116	\$ 54,392	\$ 69,350	\$ 84,307
117	\$ 57,655	\$ 73,511	\$ 89,366
118	\$ 61,691	\$ 78,656	\$ 95,621
119	\$ 66,010	\$ 84,162	\$ 102,315
120	\$ 70,630	\$ 90,054	\$ 109,477
121	\$ 75,574	\$ 96,357	\$ 117,140
122	\$ 80,865	\$ 103,102	\$ 125,340
123	\$ 86,525	\$ 110,320	\$ 134,114
124	\$ 92,582	\$ 118,042	\$ 143,502
125	\$ 99,063	\$ 126,305	\$ 153,547
126	\$ 105,997	\$ 135,146	\$ 164,295



Proposed Pay Plan (cont.)

- Individually assigned a pay grade (range) for each classification based on both internal and external equity results.
- Some pay ranges increased, some remained relatively the same.



Implementation

Developed options and estimated annual cost to implement the new pay plan:

➤ *Option 1:*

Current Range Penetration – Capped at Midpoint

In this method, the relative positions of employees' current salaries within each pay range are calculated. Employees' recommended salaries are based on employees' new salaries being placed at the same relative position in the proposed range. For example, if an employee's salary is 40% into the current pay range, the proposed salary is placed at 40% into the recommended pay range. However, this adjustment does not apply to employees whose salaries are already above the proposed midpoints.

- Implementation cost = **\$89,593**
- # employees who would receive adjustments = **27**

* *Cost estimates are salary only and do not include the cost of benefits.*



Implementation (cont.)

➤ *Option 2:*

Move Toward Market (Midpoint) – 3 Tier

In this method, employees' salaries are adjusted based on both their relative position to the proposed market point (midpoint) of their respective pay ranges, and their tenure for the City. Employees with 1 to 3 years of tenure are moved closer toward the market point, employees with 3 to 7 years of tenure are moved even closer toward the market point, and employees with more than 7 years of tenure are moved yet even closer toward the market point of each pay grade range. Employees at or above the market (midpoint) point are unaffected.

- Implementation cost = **\$22,793**
- # employees who would receive adjustments = **23**

** Cost estimates are salary only and do not include the cost of benefits.*



Implementation (cont.)

*When implemented, the new plan (new ranges compared to peer data) will be *slightly ahead of peers:*

Benchmark Classifications	Differential at the Range Minimum	Differential at the Range Midpoint	Differential at the Range Maximum
Overall Average	4.3%	4.1%	3.8%

- Results from pay grade assignment process; should remain competitive for several years.

Next Steps

- Determine most appropriate method to implement the new plan.
- Communicate study results to employees.
- Review pay practices; revise as necessary to align with compensation philosophy, be fiscally responsible, and be competitive with peers.
- Administer and maintain the new plan; make pay grade/range adjustments as necessary.
- Conduct a comprehensive study every three to five years.



Option	Description	Total Implementation Cost	# Employees Receiving Adjustments	Avg Salary Adjustment for Employees who receive an Adjustment	Avg Percentage Adjustment	Considerations for Selecting Options	Pros/Cons for Each Option
Move Toward Market 3 Tier	Employees with at least 1 year and less than 3 years with the organization are moved closer toward the market point of the proposed pay grade range, employees with between 3 and 7 years tenure are moved even closer toward the market point, and employees with more than 7 years are moved yet even closer toward the market point of the pay grade range. For example, an employee's salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point if tenure were less than 3 years, but would be brought to 80% if tenure were 3 to 7 years, and to 81% if tenure were greater than 7 years. These increments are designed to give larger adjustments (in percentage terms) to those with salaries furthest from the market point and to provide greater adjustments to those employees with more tenure. Employees at or above the market point are unaffected. This option includes the Bring to Minimum Cost.	\$ 22,434.24	23	\$ 975.40	2.4%	This option would best align with a compensation philosophy in which it is expected that employees' salaries will be progressed to the market point as the employee performs the duties of the position proficiently and satisfactorily. It does attempt to improve the market position of employees' salaries that are currently below the market point and utilizes an employee's tenure to vary the adjustments to this position.	PRO: This option simply places salaries into the new structure based on a calculation of the employee's salary relative to the market point (Compa-Ratio) and attempts to adjust salaries (or move them closer to the market point). The market point is the point (in terms of salary) that an employee is considered to be performing work at a fully proficient, satisfactory level. CON: This option may not change any perceived salary inequities by employees if they consider/compare their individual salary to another employee within the same classification.