



Council Meeting

AGENDA

Tuesday, October 13, 2020

6:00 PM

City Hall

I. CALL TO ORDER

- 1. Invocation**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Approval of Consent Agenda**
 - [a.](#) September 1, 2020 Council Minutes
 - [b.](#) September 8, 2020 Council Minutes
 - [c.](#) September 1, 2020 Executive Session Minutes
 - [d.](#) September 8, 2020 Executive Session Minutes
 - [e.](#) September 15, 2020 Planning Commission Minutes
 - [f.](#) September 22, 2020 Historic Preservation Commission Minutes
 - [g.](#) August 13, 2020 Downtown Development Authority Minutes
 - [h.](#) September 10, 2020 Downtown Development Authority Minutes
 - [i.](#) August 13, 2020 Conventions and Visitors Bureau Minutes
 - [j.](#) September 10, 2020 Conventions and Visitors Bureau Minutes
 - [k.](#) Approval - Purchase 30-Ton Dump Trailer - To purchase from Gainesville Truck Center for \$61,653.00. (Recommended for Council approval by Utilities Committee October 6, 2020)

- I. Yield Analysis Update Engineering Services - Approval of Wiedeman & Singleton for \$15,000.00. (Recommended for Council approval by Utilities Committee October 6, 2020)

II. PUBLIC PRESENTATIONS

1. Workforce Development

III. PUBLIC FORUM

1. Public Comments

2. Public Hearing

- a. Conditional Use - 319 South Madison Avenue
- b. Zoning Ordinance Code Text Amendment #8

IV. NEW BUSINESS

1. Conditional Use - 319 South Madison Avenue
2. 1st Reading - Zoning Ordinance Code Text Amendment #8
3. Resolution - Support Development of the Proposed Downtown Green
4. Capital Campaign Commitment
5. Financial Policies Update
6. Authorization of a Parity Bond Ordinance
7. Code Officer Appeal - 410 East Church Street

V. ADJOURN TO EXECUTIVE SESSION

1. Legal Issue (s)

VI. MAYOR'S UPDATE

VII. ADJOURN

The Mayor and Council met for a called meeting.

Those Present:	John Howard	Mayor
	Larry Bradley	Vice-Mayor
	Lee Malcom	Council Member
	Myoshia Crawford	Council Member
	Ross Bradley	Council Member (via phone)
	Norman Garrett	Council Member
	Nathan Little	Council Member
	David Dickinson	Council Member
	Logan Propes	City Administrator
	Debbie Kirk	City Clerk
	Russell Preston	City Attorney
	Paul Rosenthal	City Attorney
	Jesse Couch	City Attorney

Staff Present: Danny Smith, Jeremiah Still, R.V. Watts, Bill Owens, Beth Thompson, Rodney Middlebrooks, Brian Thompson, Patrick Kelley, Chris Bailey, Sadie Krawczyk, Beverly Harrison

Visitors: Les Russell, Amylee Dire, Lynn Carrell, Anne Huie Smith

I. CALL TO ORDER – JOHN HOWARD

1. Roll Call

Mayor Howard noted that all Council Members were present. Council Member Ross Bradley was present via telephone. There was a quorum.

2. City Administrator Update

City Administrator Logan Propes stated the West Bound thru lane on West Spring Street is now functionally complete, even though Georgia Department of Transportation still has some tidying up to do. The quick response project was completely funded by the State. He explained all of the projects discussed during the retreat are continuing to move forward.

3. Central Services Update

Mr. Chris Bailey stated expenses are down, and employees are being more conscientious about spending. There has been a decline in purchase order requests and p-card transactions. The completion date for the Police Station / Municipal Court Building is projected for mid-October. He explained that he and Mr. Still will be working on an advertised Leaf Collection schedule, which will have start and stop dates. They will have the full plan details and schedule available in October.

II. COMMITTEE INFORMATION

1. Finance

a. Monthly Finance Report

Ms. Beth Thompson presented the monthly Finance Report. She stated the Sales Tax Collections have continued to increase, with an 8% increase from this time last year. She

explained notification has been received that the City will be reimbursed \$501,000.00 from the State of Georgia for funding from the CARES Act. The Finance Department is currently working on the 2021 Operating and CIP Budgets. Ms. Thompson stated the City received the Distinguished Budget Presentation Award from the Georgia Finance Officers Association for the 2020 Budget, which makes the eighth consecutive year.

2. Airport

a. Monthly Airport Report

Mr. Chris Bailey presented the monthly Airport Report. He stated there is dirt being moved to grade for the sites of the 16-unit t-hangar and the 6-unit t-hangar. He explained the Airport CIP will be changed in order to take advantage of the extra Federal Grant money while it is available.

3. Public Works

a. Monthly Solid Waste Report

Mr. Danny Smith presented the monthly Solid Waste Report. The welding of the Transfer Station wall is still pending. The tonnage has increased 600 tons from this time last year; there was 7,878.83 tons deposited at the Transfer Station. There are 182 customers opting for the curbside glass collection service. He reminded customers to rinse the containers out and to remove all caps and lids. The glass items cannot be mixed with other recyclable items, because glass items are collected by a separate truck. Mr. Smith reviewed the holiday collection schedule.

b. Monthly Streets & Transportation Report

Mr. Jeremiah Still presented the monthly Streets & Transportation Report. The crews have been working to maintain the right-of-ways and have done a significant amount of patching. They have been working on projects at the Airport and within the parks. The stormwater projects on Breedlove Drive and Wheeler Street have been completed. Tri Scapes is making good progress on the Church Street Traffic Calming Project, without any traffic problems.

c. Milledge Avenue & Colley Street One Way Conversion

Mr. Chris Bailey discussed the traffic calming element on Church Street and Davis Street, the development located between Milledge Avenue and Colley Street, the intersection at South Madison Avenue and Church Street, and the narrow width of the streets. He explained Milledge Avenue would be converted to a south bound one-way street, and Colley Street would be converted to a north bound one-way street. He stated the width of Milledge Avenue from road edge to road edge is only 16 feet wide, Colley Street is 19 feet wide, Davis Street is 23 feet wide, and the standard street in the City is typically between 20 and 24 feet wide. The narrow width is a Public Safety issue and a Solid Waste issue.

The committee recommends to Council to convert Milledge Avenue and Colley Street to one-way streets as presented.

*Motion by Little, seconded by Dickinson.
Passed Unanimously.*

d. Leaf Vacuum Trailer Purchase

Mr. Chris Bailey requested approval to purchase a Leaf Vacuum Trailer from Environmental Products Group, for \$84,678.00. He explained the trailer will be used as a backup unit and will

allow dual routes of leaf collection during the fall and winter months. The trailer will also serve as a stormwater tool for cleaning drains, pipes, and inlets throughout the year. The old leaf truck will be surplus after some of the parts are removed.

Council Member Norman Garrett questioned the length of the trailer.

Mr. Bailey answered the trailer to be 12 feet long.

The committee recommends approval to purchase the leaf vacuum trailer from Environmental Products Group for the amount of \$84,678.00 to Council.

*Motion by Little, seconded by Dickinson.
Passed Unanimously.*

4. Utilities

a. Monthly Electric & Telecom Report

Mr. Brian Thompson presented the monthly Electric & Telecom Report. He stated the electric usage is five to seven percent lower than this time last year. The major meters are being tested more than twice a year, due to the losses tracking badly. The ductile iron poles for the Pavilion Project came in about five weeks early, so they will start installing within the next couple of weeks. The transformers have been energized for the events center at the mill, but not inside the apartment buildings. He stated the City continues to receive large numbers of residential and commercial service orders; over the last two weeks, there were 26 residential service orders. The Roe and Rinse are being converted to underground. Mr. Thompson explained micro fiber duct is being installed along Jones Woods Road in conjunction with the gas installation, which will expand the network between 60 and 70 new customers. The CGNAT is in place and operational.

b. Cable Television Service Discontinuation

City Administrator Logan Propes discussed issues with the cable television services and the loss factor, which were talked about during the Retreat. CATV has been losing between \$1.5 and \$2 million each fiscal year. He explained one option would be discontinuation, which would mean cable television would be phased out as a service. This would also give the City more bandwidth on the cable coax platform, until the entire Fiber Monroe Project can be done. The alternative would be to offer the cable customers a cost plus 15% option, which would cover the programming cost plus a little more to help defray the other associated costs. These rates would be set annually and automatically based on the programming costs and would be evaluated twice a year.

Mr. Brian Thompson stated that television as a service is dying away; internet is cheaper and customizable. He explained the cable programmers have control over what networks the City receives and the costs of those networks, which can change every few months. He discussed streaming options.

Council Members Nathan Little stated when the City got started in the cable television business, there weren't any other cable businesses around. At that time, it was an important service that has made the City some money. The retransmission costs and programming costs are driving the cable costs way up. He is concerned whether offering the alternative option will be financially reasonable if the City ends up with only a few customers. The programming cost will work with having only a few customers, but will it support personnel costs.

Mr. Thompson answered that the technicians are dual use; they work on internet and cable service at the same time. The personnel can be repurposed and utilized in different ways.

Mr. Propes discussed previously doing a full cost accounting report of cable television as a division under telecom. The cable television component is about two thirds of all the workorders; the internet workorders are relatively low in comparison.

Council, Mr. Propes, and Mr. Thompson discussed discontinuation, the cost-plus option, the short-term plan, the long-term plan, and streaming services. Surveying the customers, creating a transition plan, helping the customers, and making sure the customers are taken care of were also discussed.

Mr. Propes explained a decision needs to be made next week in order to stay on schedule for the Bond, whether it is a discontinuation of service or an increase to reach solvency for the cable service.

Mayor, Council, Mr. Propes, and Mr. Thompson further discussed different transition plans, time frames, taking a multi-phase approach, and the Fiber Monroe Project.

Mr. Little questioned whether a transition plan could be brought back to full Council next week.

Mr. Propes stated the item will be brought back to full Council next week. It will be a multi-phase approach beginning with the cost plus 15% option beginning January 1, 2021, which will allow the City to get back to some solvency. Then, the other approaches and full transition plan can be figured out. He explained this will allow the City some time to get a better interest rate on the Bond.

No Action.

c. Monthly Water, Sewer, Gas, & Stormwater Report

Mr. Rodney Middlebrooks presented the monthly Water, Sewer, Gas, & Stormwater Report. He stated Phase I of the Alcovy River and Highway 138 sewer extension will be out for bid soon. The Sewer Plant plans are being reviewed by EPD. The Loganville water line extension is moving along very well. The bores and pump station are the only things remaining; the pump station building will not be delivered until October. He gave an update on the John T. Briscoe Reservoir, which is staying full due to all of the rain. The reservoir has been restocked with 1,500 carp to help clear up a hydrilla outbreak. Mr. Middlebrooks should find out next week whether the City will receive funding for the 2020 CDBG Project, which will be a storm drainage project along Cherokee Avenue, Wilkins Drive, Colquitt Street, South Hubbard Street, and Indian Creek Drive.

d. Morgan County Gas Extension Update

Mr. Rodney Middlebrooks gave an update on the Georgia Public Service Commission Application for a Certificate of Public Convenience and Necessity to Provide Natural Gas Service in Morgan County. This will allow the City to serve several chicken-house farms with natural gas. This morning he found out that the application was approved. He stated the certificate process has been changed after the Oconee County issue. The City of Madison actually wants the City of Monroe to serve the area, and it cannot be taken away later.

No Action.

e. Approval – Dump Trailer Purchase

Removed from agenda.

f. Approval – Loganville Water Line Change Order

Mr. Rodney Middlebrooks requested approval of two change orders for the Loganville Transmission Line totaling \$848,581.65 from Mid-South Builders, Inc. Change Order #1 is for \$722,518.65 for the rock bore under the Alcovy River. He explained a Geo-Tech company did some test drilling and a rock profile of the river, but they were unable to find a cheaper solution. Change Order #2 is for \$126,000.00 for the rock bore under Cown Road. The site cannot be jack and bored conventionally and GDOT won't allow an open-cut. He stated the cost will be split 50/50 with the City of Loganville.

The committee recommends to Council approval of Change Orders #1 and #2 with Mid-South Builders, Inc. for the total amount of \$848,518.65, which will be split 50/50 with the City of Loganville.

*Motion by L. Bradley, seconded by Little.
Passed Unanimously.*

5. Public Safety

a. Monthly Fire Report

Fire Chief Bill Owens presented the monthly Fire Report. He stated there were no structure fires, so there is not any fire loss to report. The pump service testing has been completed for all the apparatus, with only minor deficiencies. The department got a chlorine dioxide fogger for use throughout the City. The fogger will allow an area to be disinfected. Battalion Chief Andrew Dikes submitted an application for a FEMA Grant in January and was awarded \$26,000.00 last month; the City has a \$1,300.00 match amount. The grant funds are for updating and repairing the exhaust system in the truck bay. The ISO Audit will be finished on Thursday.

b. Monthly Police Report

Police Chief R.V. Watts presented the monthly Police Report. He stated their actual calls for service that have been responded to are up approximately 500 from last year, and the area checks increased by about 5,000. There were 50 Part I Crimes and 15 Part II Crimes, both were down significantly from last year. Arrests were also down from last year. The Joint Operations Unit made a total of 18 adult felony arrests in July, executed two search warrants on home residences, and executed three search warrants on cell phones. An example of an area check would be when officers check the doors on downtown businesses at night; if the doors are unlocked the officer would contact the keyholder to come and secure the premises. He explained area checks help to deter criminal activity from even happening.

6. Planning & Code

a. Monthly Code Report

Mr. Patrick Kelley presented the monthly Code Report. He stated that permitting in the City is tremendous right now; there are tons of small activity going on as well as the large projects. The Main Street Apartments Project is going as well as can be expected considering the weather. Monroe Self Storage has started operating in a couple of their buildings. He is waiting for contact from the Monroe Pavilion contractor.

7. Economic Development

a. Monthly Economic Development Report

Ms. Sadie Krawczyk stated the City has been awarded an AARP Community Challenge Grant, which is a quick-action grant for almost \$12,000.00. The grant will be used to create a new pocket park behind the Visitor’s Center and to add swings around the hammock park. The City was one of 184 communities selected to receive the grant, which was a nationwide grant for readymade projects. She explained the City of Monroe is partnering with ECG to virtually host the Incremental Development Alliance. The training will teach citizens to be small-scale developers within Monroe. Registration is required in order to receive the zoom link and log-in information for the virtual lectures, which will be held on September 9, September 23, and October 6 and are free of charge. The full-day training event held on October 29 will require a registration with an associated fee. She stated the First Friday Concert will be September 4 on the Downtown Green.

City Administrator Logan Propes stated he has gotten a lot of positive comments about the gridding system used at the previous concert.

8. Parks

a. Monthly Parks Report

Mr. Chris Bailey presented the monthly Parks Report. All of the playground equipment has been installed at Pilot Park, about three fourths of the walkways are finished, and the fencing is currently being replaced. The irrigation and landscaping will be done as the weather permits. He explained there will be a company coming through to sanitize all of the playground equipment at the parks starting mid-month and will be done on a monthly basis.

b. Mathews Park Rehabilitation & Additions

Mr. Chris Bailey requested approval of the Mathews Park rehabilitation project budget. The Parks Committee Members have agreed that it will have to be a multi-faceted project. The first phase will encompass the addition of some playground equipment, swing replacement, benches around the lake, and the awning will be painted. He stated a sign will be built for the front that will include a plaque telling the history of Mathews Park. The first phase also includes a restroom facility, which will be a prefabbed unit with two stalls. He requested approval for an overall project budget amount of \$175,000.00. Mr. Bailey discussed possibly adding another pavilion and restocking the lake next year.

Mayor, Council, and Mr. Bailey discussed the equipment and possible future improvements.

The committee recommends approval of the rehabilitation and restoration budget amount of \$175,000.00 to Council.

*Motion by Crawford, seconded by Malcom.
Passed Unanimously.*

III. ITEMS OF DISCUSSION

- 1. Public Hearing Variance – 828 Harvest Lane**
- 2. Appointment – Housing Authority**

There was a general discussion on the above items. There was no action taken.

IV. ITEMS REQUIRING ACTION

1. Appointment – Planning Commission

To appoint Chase Sisk to a five (5) year term to expire September 1, 2025.

*Motion by Dickinson, seconded by Malcom.
Passed Unanimously.*

V. MAYOR’S UPDATE

Mayor John Howard stated the Swinging Medallions will be playing at the concert Friday night. It will be the first football weekend, and Monroe Area High School will be hosting Loganville. He stated George Walton Academy and Social Circle will be playing as well.

VI. ADJOURN TO EXECUTIVE SESSION

*Motion by Malcom, seconded by Crawford.
Passed Unanimously.*

RETURN TO REGULAR SESSION

I make a motion pursuant to the City’s Code of Ordinances Section 2.1(b)(2), and the Personnel Policies and Procedures Manual, to remove Bill Owens as City of Monroe Fire Chief, and to terminate the employment of Bill Owens as City of Monroe Fire Chief effective immediately.

*Motion by Malcom, seconded by L. Bradley.
Voting no Garrett, Crawford.
Passed 5-2.*

VII. ADJOURN

*Motion by Little, seconded by Malcom.
Passed Unanimously.*

MAYOR

CITY CLERK

The Mayor and Council met for their regular meeting.

Those Present:	John Howard	Mayor
	Larry Bradley	Vice-Mayor
	Lee Malcom	Council Member
	Myoshia Crawford	Council Member
	Ross Bradley	Council Member
	Norman Garrett	Council Member
	Nathan Little	Council Member
	David Dickinson	Council Member
	Logan Propes	City Administrator
	Debbie Kirk	City Clerk
	Paul Rosenthal	City Attorney

Staff Present: Danny Smith, Jeremiah Still, R.V. Watts, Beth Thompson, Rodney Middlebrooks, Brian Thompson, Patrick Kelley, Chris Bailey, Sadie Krawczyk, Beverly Harrison

Visitors: David Clemons, Les Russell, Thad Gilliam, Joy Gilliam, Judy Jordan, Diana Smith, Cheyenne Smith, Sam Davis, Foley Beach, John Nix, Derek Gwaltney, Cheryl Larson, Sally Fielder, Allisa Abraham, Tom Mayfield, Angela Yarman

I. CALL TO ORDER – JOHN HOWARD

1. Invocation

Archbishop Foley Beach, with the Holy Cross Anglican Church in Loganville, gave the invocation.

2. Roll Call

Mayor Howard noted that all Council Members were present. There was a quorum.

3. Approval of Agenda

To approve the agenda as presented.

*Motion by Little, seconded by Malcom.
Passed Unanimously*

4. Approval of Consent Agenda

- a. August 4, 2020 Council Minutes
- b. August 6, 2020 Council Minutes
- c. August 11, 2020 Council Minutes
- d. August 11, 2020 Executive Session Minutes
- e. August 18, 2020 Planning Commission Minutes
- f. August 25, 2020 Historic Preservation Commission Minutes
- g. July 9, 2020 Downtown Development Authority Minutes

- h.** July 9, 2020 Conventions and Visitors Bureau Minutes
- i.** Milledge Avenue & Colley Street One Way Conversion – To convert to one-way streets as presented. (Recommended for Council approval by Public Works Committee September 1, 2020)
- j.** Leaf Vacuum Trailer – To purchase from Environmental Products Group for \$84,678.00. (Recommended for Council approval by Public Works Committee September 1, 2020)
- k.** Approval – Loganville Water Line Change Order – Approval of Mid-South Builders Change Orders for \$848,518.65, which will be split 50/50 with City of Loganville. (Recommended for Council approval by Utilities Committee September 1, 2020)
- l.** Mathews Park Rehabilitation & Additions – Approval of rehab and restoration budget amount of \$175,000.00. (Recommended for Council approval by Parks Committee September 1, 2020)

To approve the consent agenda as presented.

*Motion by Dickinson, seconded by L. Bradley.
Passed Unanimously*

II. PUBLIC PRESENTATION

1. Judy Lewis Jordan Proclamation

Mayor John Howard discussed Walton County GA Rocks. He explained the group requests anyone who finds a decorated rock to take a picture with the rock, post the picture on Facebook, and then re-hide the rock for someone else to find. He presented a Proclamation as a Community Spirit Award to Ms. Judy Lewis Jordan.

Ms. Judy Lewis Jordan stated she saw the North East Ohio Rocks program on Facebook. She started looking and found a program to join in Newton County. She then decided to start a program in Walton County. Walton County GA Rocks now has 2,300 members in less than two years' time.

No Action.

III. PUBLIC FORUM

1. Public Comments

Ms. Cheryl Larson, of 501 East Church Street, stated she opposes changing the Code of Ordinances for the Sparrow Hill Inn. They are trying to sell to a drug rehab facility. It is in a residential neighborhood; this is the only commercial building within two blocks. There is a school two blocks down the street and a playground less than two blocks away. She is against the proposed appeal.

Mr. Samuel Davis, of 507 East Church Street, stated his family loves living in Monroe on Church Street. He has three kids and another on the way. He opposes the appeal, and would like more information in regards to the appeal. He is excited about the park and the measures to slow the traffic down. He does not believe a drug rehab facility fits what the homeowners desire on Church Street.

Ms. Sally Fielder, of 414 East Church Street, stated she has lived next door to Sparrow Hill Inn for about 45 years. She is opposed to the drug rehab facility; it does not fit the neighborhood. She believes there are plenty of rehab facilities in Monroe already. She discussed how it would

be a nuisance to the Police Department. There needs to be some citizen input on how it will affect them and how they feel.

Ms. Allisa Abraham, of 500 East Church Street, stated she moved into the neighborhood about six years ago. She loves seeing the excitement that has come to Monroe and to Church Street; she would like to see that continue. She opposes the drug rehab facility and asks that Council deny the appeal for a variance. She has teenage boys and wants them to be safe.

Mr. Tom Mayfield, with Sparrow Hill Inn, stated he will reserve his comments until the appeal.

2. Public Hearing

a. Variance – 828 Harvest Lane

Code Enforcement Officer Patrick Kelley presented the application for a variance of Section 700.1 Table 11 of the Zoning Ordinance for lot frontage and lot width. The property has an existing and unintentional encroachment of a driveway on two lots that are owned by the same individual. He explained this to be a minor variance on the frontage to allow them to sale the other lot separate from the lot with their home on it. The Code Office and Planning Commission recommend the request be approved.

The Mayor declared the meeting open for the purpose of public input.

There were no public comments; Mayor Howard declared that portion of the meeting closed.

No Action.

IV. NEW BUSINESS

1. Variance – 828 Harvest Lane

To approve the variance.

*Motion by Malcom, seconded by Dickinson.
Passed Unanimously.*

2. Appointment – Housing Authority

To reappoint Ruby Cooper to a five (5) year term to expire October 6, 2025.

*Motion by Dickinson, seconded by R. Bradley.
Passed Unanimously.*

3. Cable Television Service Discontinuation

City Administrator Logan Propes stated the previous discussion on the discontinuation of the cable television service is being revisited as requested. Comments from Council have been taken into consideration when trying to render a decision on how to stay solvent in the CATV Fund and also be able to more adequately sell the Utility Revenue Bonds to be more favorable. He stated the revised recommendation from staff is that the City will continue to offer CATV but at a Programming Cost plus an estimated 15%, of which the rates would be set twice annually and automatically based on programming contracts. This would begin on January 1, 2021, with the new proposed rate schedule that is enclosed. Additionally, the City would begin to authorize a sunset of traditional CATV service upon completion of the “Fiber Monroe”

telecommunications project and when the customer count drops below 1,000 subscribers. Mr. Propes discussed the proposed price increases and leaving the mini-basic cable price the same.

Council Member Ross Bradley requested an estimated time frame for the Fiber Monroe Project.

Mr. Propes answered Fiber Monroe will be a two to three-year project, once the Bond Funds are secured.

Council Member David Dickinson stated it is important to reiterate to the citizens that the City has got to do something towards continuing to lose money on CATV. Losing between \$1.5 and \$2 million a year cannot go on, because the money has to be subsidized somewhere else in the Utility package. He wants to make sure the citizens understand how much money the City loses by not adjusting the prices on a regular basis; it also imperils the Bond Rating. The percentage could go anywhere from 2% to 5% based on how the City is rated when going to the Bond Market for funds to install the fiber optic network Citywide. The City must show the Bond Market that the economic problem has been corrected; it will save a tremendous amount of money.

Vice-Mayor Larry Bradley questioned whether someone that currently has the City's internet service would have ample enough internet for streaming, if they choose to drop cable and go to a streaming service.

Mr. Propes answered that the system is already capable of handling the additional streaming, and there are already additional improvements being made.

Council Members Nathan Little stated this would need to be done relatively soon after the notification to give the customers time to prepare and make their decisions. He stated as a matter of record, Council discussed the other options and trying to help the cable customers understand what those options are and help them move to those options if that is what they choose.

Mr. Propes stated if Council approves the change tonight, he will work with Ms. Thompson and get the change notification out to the CATV subscribers immediately. He explained that the City does not have a preferred vendor, but staff are well equipped to help customers transition and still retain the City's internet service. Most of the CATV subscribers are on the City's internet service as well. He noted for the record, he researched competitive offerings from Dish Network, Direct TV, and Comcast. A lot of the introductory prices are around \$80.00 to \$95.00, prior to equipment fees and other charges. There are also 12 and 24-month contracts associated with those prices and the customer must sign-up for autopay and paperless billing. The City does not require any of those things for service.

Mr. Little questioned adopting the fee schedule now even though it does not go into effect until January 1, 2021.

Mr. Propes explained adopting the fee schedule now will give the City time to educate the public and it allows the City to show good faith to potential bond buyers for the direction of solvency for the CATV Fund.

Council Member Norman Garrett questioned how soon the City will be starting on the Bond, and if it could wait a few more meetings.

Mr. Propes answered they are working on the Bond now and hope to get it to the Bond Market by November. He explained they will shop for the Bond in a couple of weeks. However, the City is not discontinuing cable, unless it gets below 1,000 customers. The Fiber Monroe Project will take two to three years to complete, and the City will still offer cable television at a little higher rate. The CATV service will not be discontinued until the customer count reaches below 1,000.

Mayor, Council, and Mr. Propes further discussed the motion and the steps that will be taken.

To adopt the new rate schedule as presented beginning January 1, 2021, referencing the City Administrator’s reading of the recommendation to continue offering CATV service at Programming Cost plus an estimated 15% increase, with the rates to be set twice annually and automatically based on programming contracts, and for CATV service to be discontinued once the CATV customer count drops below 1,000.

*Motion by Little, seconded by R. Bradley.
Passed Unanimously.*

4. Code Officer Appeal – 410 East Church Street

Code Enforcement Officer Patrick Kelley read the zoning determination letter he sent to Mr. Nix which is dated July 13, 2020. The letter is in regards to the Zoning Ordinance and B-2 Zoning classification.

Mr. Thomas Mitchell, with Carothers & Mitchell, LLC, stated he will be representing the City in this matter. He explained since Mr. Nix threatened litigation, once Mr. Kelley and Mr. Nix have been heard, it would be appropriate for Council to go into executive session. If Council should have any questions that he would be happy to answer them.

City Attorney Paul Rosenthal explained Mr. Mitchell is representing the City, because his office is conflicted out, due to having done work for the Mayfields and Sparrow Hill previously. Therefore, his office doesn’t have anything to do with this appeal.

Council Member David Dickinson stated as a point of order, it would be good if the Mayor explained this is an appeal not a rezoning.

Mayor John Howard explained the owners of Sparrow Hill Inn have a potential buyer that is a drug and alcohol rehabilitation facility that is based in North Carolina. Instead of going before the Planning Commission, they are appealing directly to Council.

Attorney John Andrew Nix stated he is representing Pyramid Healthcare, who is the contracted party attempting to purchase this property, subject to getting appropriate use recognition from the Council. He stated it is unusual that they are here in this context. They basically asked for the Zoning Department to provide a zoning letter for clarification as to whether or not their use was allowed in the existing district. They believed it was, but needed the Code Department to agree or disagree. When Mr. Kelley issued his letter stating it was not permitted in the zoning district, the City's Ordinances not Zoning Code allow for his decision to be appealed, which is the reason they are here now. He stated according to the rules, they have approximately 15 minutes to present their case and save any other time possibly for rebuttal. Mr. Nix stated that Derek Gwaltney is going to give a presentation on the facility, Joy Gilliam is going to present, and then he will provide the legal analysis.

Derek Gwaltney, Vice-President of Marketing with Pyramid Healthcare, gave a presentation about their facility and background. He stated Pyramid Healthcare was founded in Altoona, Pennsylvania in 1999. They provide a variety of different services, everything from schools for severely autistic children to outpatient services for those suffering from anxiety and mood disorders, such as depression and trauma, and they also have inpatient substance abuse programs. Mr. Gwaltney discussed some of their other local programs. They want to have another premier program such as Silver Ridge, which is in Asheville, North Carolina, in Monroe. He gave a power point presentation showing their programming at Silver Ridge versus other programs that are in town. The type of person coming to Silver Ridge in Monroe would be a midlife adult, that are required to be 35 years of age, required to be gainfully employed, and required to have some sort of family involvement in their life. It is not the 18-year-old homeless heroin addict, not the schizophrenic suicidal lockdown patient. Silver Ridge treats doctors, lawyers, and executives; they would not stand for a program not to look immaculate. It will be the best neighbors someone can have; there will be no loud parties, and if someone is out of line, they will be sent home. He explained the facility will have maybe 12 beds, and other programs in town treat more than 40, of all different age groups. Mr. Gwaltney discussed the estate, different therapeutic processes, types of therapy used, and different treatment modalities.

Council Member Lee Malcom questioned whether the facility would be a holding facility.

Mr. Gwaltney answered this would be a residential facility where the patients would spend 30 to 40 days for treatment.

Mr. Dickinson questioned what happens when Silver Ridge doesn't make enough money to keep it going and decides to sell, and that person decides to run things differently. This concerns the neighborhood.

Mr. Gwaltney stated their Asheville location stays 100% full with a waiting list. The demand is here for the program to thrive; most of the people coming to their program are paying out of pocket cash. Pyramid Healthcare owns 64 locations, with 3,000 employees, and haven't sold off any of their programs.

Ms. Joy Gillian stated that she has a personal passion for this program. She has a loved one that was in a very traumatic situation and was at the point of death. They were introduced to Silver Ridge, which is a unique and progressive program. The program is designed for midlife adults and professionals that come and leave by choice, not because they are mandated. The program encourages families to come and visit. She believes this company would be a perfect buyer for Sparrow Hill Inn; she discussed the other business on Church Street. Ms. Gillian stated they wanted to honor their neighbors for being so good to them. There would be very little traffic, no

signs in the yard, the property would be maintained extremely well, it is a well-established business, and they would preserve the historic value of the property. The business would also have a positive impact on the City. The families come each week to visit; they will be eating at the restaurants, shopping, and staying in lodging. It would also provide employment opportunities for the citizens of Monroe.

Mr. Nix stated he initially thought that this facility was permitted under B-2 Zoning which includes convalescent care, nursing, rest homes, hospitals, laboratories, personal care homes, family personal care homes, and group personal care homes. They felt their description fit into that category. Unfortunately, the City's Code does not provide definitions for some of the uses, which is not unusual. In absence of a definition, the North American Industry Classification System can be used, which is a national publication. He stated when going to that code and looking under convalescent and looking under categories, this use falls under convalescent. Therefore, they are arguing that their definition is a convalescent home, because it isn't a sanitarium, which is prohibited under the City's Code in this zoning district. He stated when going by the definition of planning on this, the City does not allow this kind of use in the Zoning Code, so the Zoning Code is void of allowing this use anywhere in the City of Monroe. Sanitariums have not been provided as definition of use by the national code since its 2002 publication. He does not think they are a non-use beyond the City limits; this is a use that is viable. Based on the definitions and the fact that they think they fit into the category convalescent without a rezoning, this use is permitted. The interpretation that is being given from the Code Department says that their use is not permitted in the City of Monroe. This means the City of Monroe is prohibiting a use that addresses a protected class. Therefore, there is some federal case law that suggest that the City of Monroe is blocking or not permitting a use that addresses a protected class, which would be handicapped people and people that have drug and alcohol additions that are defined as handicapped under the federal law. Mr. Nix is arguing under the federal housing code that this use has to be permitted. He discussed reading federal cases out of different circuits, which would have a different interpretation as to whether or not this proposal is housing. There are federal cases that do define it as housing that is protected under federal law. It is also an issue for the City to exclude this use, when so many other uses are allowed in B-2. He questioned how this particular use impacts the health, safety, and welfare of the community any more than all of the other uses. There is a viable legal argument that excluding the use is contrary to the law.

Mr. Dickinson questioned the distinction under both the ADA and FHAA that is drawn between an individual who is recovering and an individual who suffers from drug and alcohol abuses but isn't recovering. As he understands it, the first is covered under those two acts, but the person who is actively using is not. He questioned who gets to make that decision.

Mr. Nix answered that he does not know how someone makes that call for every individual that is in recovery, whether they fall under classification one or classification two. He believes that medical staff, doctors, psychologists, and psychiatrists make educated calculated decisions about the individuals.

Council Member Norman Garrett questioned how many similar businesses are located on Church Street.

Mr. Nix stated he does not believe there is anything similar, but there are other existing commercial uses in the neighborhood. He feels this business would have less of an impact on the neighborhood than its current use; there will be no functions on the grounds and no signs.

Mr. Garrett questioned whether Council has heard about this previously.

Council Member Ross Bradley stated that he heard it mentioned last week and spoke to a party involved around lunch time today. He thinks it is a great product, but can understand how the direct community could be apprehensive.

Mr. Kelley stated that it was presented to the applicant that the variance option would be the most transparent and visible option, but they opted for this appeal after the decision was made. He encouraged them to exercise the variance option so that it would serve both purposes; it would give the public a notice and if granted, give them what they were looking for.

Mr. Nix stated Mr. Kelley graciously advised him of alternatives, but he differs as to whether a variance is how to proceed. The Code Department took the position that this zoning was not allowed in the zoning district and if a zoning is not allowed in a district, a variance would not be the legal remedy to seek a change in the decision from Council.

Mr. Garrett stated he would like more time to look into what other facilities and businesses are located on Church Street. He would like the item to be put off until next month.

Mr. Mitchell stated it would be appropriate for Council to defer or table the item if Council wishes.

Mr. Bradley stated Mr. Nix has done an eloquent job of explaining why he thinks the interpretation that the Code Department made was incorrect. For Council’s knowledge, he asked if Mr. Mitchell wanted to present anything as to why he thinks Mr. Nix is wrong and the Code Department is correct.

Mr. Mitchell stated he would rather advise the Council in that regard in a closed session prior to discussing it in public. He does not feel it would be appropriate to discuss the matter in public without consulting with Council in private first.

To table until next month’s meeting.

*Motion by Garrett, seconded by Dickinson.
Passed Unanimously.*

V. MAYOR’S UPDATE

Mayor John Howard stated the Incremental Development Alliance begins tomorrow, which can be signed up for at incrementaldevelopment.org. He thanked Ms. Crawford, Mr. Bailey, Mr. Gravette, and Jimi Martin for all the work they’ve done at Pilot Park. He stated Angela Yarman is with the Student Success Alliance and the number one supporter of the public schools that is not a member of the school board or a teacher. She loves the kids from Monroe and Walton County, and is the director of United Way. The kickoff is tomorrow at the Chamber Luncheon at 1025 Church, which is formerly Grace Baptist.

VI. ADJOURN TO EXECUTIVE SESSION

*Motion by R. Bradley, seconded by Crawford.
Passed Unanimously.*

RETURN TO REGULAR SESSION

I make a motion to approve the purchase of Tract #1 being .680 acres and Tract #3 being .517 acres located on Gray Fox Lane as shown on Plat Book 54, page 24 Walton County, Georgia records with a Map and Parcel #C0740080, commonly known as 598 Gray Fox Lane, Monroe, Georgia for the total purchase price of \$130,500.00 as shown to be the fair market value per the appraisal dated August 25, 2020 by William P. Stone, III with the purchase monies to be taken from the Utility CIP Fund. The City Administrator is hereby authorized to sign any and all documents necessary to effectuate the purchase including entering into a purchase and sale agreement with the seller as drafted and approved by the City Attorney's office.

*Motion by R. Bradley, seconded by Little.
Passed Unanimously.*

VII. ADJOURN

*Motion by R. Bradley, seconded by Crawford.
Passed Unanimously.*

MAYOR

CITY CLERK

The Mayor and Council met for an Executive Session.

Those Present:	John Howard	Mayor
	Larry Bradley	Vice-Mayor
	Lee Malcom	Council Member
	Myoshia Crawford	Council Member
	Ross Bradley	Council Member (via phone)
	Norman Garrett	Council Member
	Nathan Little	Council Member
	David Dickinson	Council Member
	Logan Propes	City Administrator
	Debbie Kirk	City Clerk
	Russell Preston	City Attorney
	Paul Rosenthal	City Attorney
	Jesse Couch	City Attorney

Staff Present: Rodney Middlebrooks

I. Call to Order – John Howard

1. Roll Call

Mayor Howard noted that all Council Members were present. Council Member Ross Bradley was present via telephone. There was a quorum.

II. Real Estate Issue (s)

1. Real Estate Matter

Real Estate matters were discussed, including attorney-client discussions.

Debbie Kirk and Rodney Middlebrooks left the meeting.

III. Personnel Issues (s)

1. Personnel Matter

I make a motion pursuant to the City’s Code of Ordinances Section 2.1(b)(2), and the Personnel Policies and Procedures Manual, to remove Bill Owens as City of Monroe Fire Chief, and to terminate the employment of Bill Owens as City of Monroe Fire Chief effective immediately.

*Motion by Malcom, seconded by L. Bradley.
Voting no Garrett, Crawford.
Passed 5-2.*

IV. Adjourn to Regular Session

*Motion by Malcom, seconded by Crawford.
Passed Unanimously.*

MAYOR

CITY CLERK

The Mayor and Council met for an Executive Session.

Those Present:	John Howard	Mayor
	Larry Bradley	Vice-Mayor
	Lee Malcom	Council Member
	Myoshia Crawford	Council Member
	Ross Bradley	Council Member
	Norman Garrett	Council Member
	Nathan Little	Council Member
	David Dickinson	Council Member
	Logan Propes	City Administrator
	Debbie Kirk	City Clerk
	Paul Rosenthal	City Attorney

I. Call to Order – John Howard

1. Roll Call

Mayor Howard noted that all Council Members were present. There was a quorum.

II. Real Estate Issue (s)

1. Real Estate Matter

I make a motion to approve the purchase of Tract #1 being .680 acres and Tract #3 being .517 acres located on Gray Fox Lane as shown on Plat Book 54, page 24 Walton County, Georgia records with a Map and Parcel #C0740080, commonly known as 598 Gray Fox Lane, Monroe, Georgia for the total purchase price of \$130,500.00 as shown to be the fair market value per the appraisal dated August 25, 2020 by William P. Stone, III with the purchase monies to be taken from the Utility CIP Fund. The City Administrator is hereby authorized to sign any and all documents necessary to effectuate the purchase including entering into a purchase and sale agreement with the seller as drafted and approved by the City Attorney’s office.

*Motion by R. Bradley, seconded by Little.
Passed Unanimously.*

III. Adjourn to Regular Session

*Motion by Malcom, seconded by R. Bradley.
Passed Unanimously.*

MAYOR

CITY CLERK

**MONROE PLANNING COMMISSION
MINUTES FOR ZOOM MEETING
September 15, 2020**

Present: Nate Treadaway, Randy Camp, Rosalind Parks, Mike Eckles, Chase Sisk

Absent:

Staff: Pat Kelley – Director of Planning and Code
Debbie Adkinson – Code Department Assistant

Visitors: James & Jamie Cox, Susan wood, Lori Volk, Bruce Hendley

CALL TO ORDER by Chairman Eckles at 5:30 pm.

Chairman Eckles asked for any changes, corrections or additions to the August 18, 2020 minutes. Hearing none he entertained a motion. Camp made a motion to approve. Parks seconded. Motion carried. Minutes approved.

Chairman Eckles ask for a Code Officer Report.

Kelley: no report for this meeting.

Public Hearing Open 5:32 pm

The First Item of Business is for petition # PCOM-000063-2020 for a Certificate of Appropriateness for a new sign at 428 W Highland Avenue. The applicant is Wood Vision Center. Code Department recommends approval.

Susan Wood, Co-owner of property spoke to the request. She stated they would like a new sign to be placed for better view of the location. Their sign would have a pergola on top and the monument would be stone below. The sign would hang inside the pergola.

Chairman Eckles asked for any questions.

Treadaway asked where the sign would be placed. The rendering supplied looks like it would be at the back of the building.

Wood: The sign would be to the side.

Chairman Eckles asked if she is looking to get approval for two signs.

Kelley stated there is no information or rendering on another sign in the application so that would have to wait.

Wood stated she will come back at a later date with other plans they have for another sign and new landscaping and fencing.

Chairman Eckles asked for any opposition to this request. Being none, the Public Hearing was closed at 5:36 pm

Chairman Eckles asked for a motion:

Motion to approve made by Treadaway.
Seconded by Sisk. Motion Carried Unanimously.
COA Granted

Public Hearing Opened at 5:37 pm

The Second Item of Business is for petition # LDU-000064-2020 for a Conditional Use to build Townhouses at 319 South Madison Avenue. The applicant is New Leaf Georgia. Code Department Recommends Approval

Lori Volk with New Leaf Georgia spoke to the request. She stated the plan is to place seven luxury upscale townhomes with three facing Milledge Avenue and four facing South Madison Avenue. They will be two story, with mostly brick exterior to portray the Historic look. There will be one entrance into the complex on South Madison Avenue and one entrance on Milledge Avenue with a shared back alley entrance.

Chairman Eckles asked for any questions and explained to Ms. Volk that she would have to get this approved by Historic Preservation Commission as well.

Camp asked what the price point on the units would be.

Volk stated upper \$200's - \$259 or \$279

Treadaway asked the exact location.

Volk gave a landmark of the corner plant stand.

Chairman Eckles asked for any opposition. Hearing none the Public Hearing was closed at 5:40 pm

Chairman Eckles entertained a motion.

Motion to approve with conditions the Historic Preservation Commission approved made by Treadaway. Seconded by Parks. Motion Carried Unanimously.

Public Hearing Opened at 5:45 pm

The Third Item of Business is for petition # ZONE-000066-2020 for a Zoning Code Text Amendment # 8 for Article X, Sect 1000.3.2 addition of item 4 Cottage Food Business. The applicant is Jamie Cox of 919 Holly Hill Road.

Code Officer Report: Text amendment to allow a cottage food business in their home at 919 Holly Hill Road pursuant to restrictions related to a home business. They have recently relocated to the city and had operated this business in the jurisdiction

from which they moved. Additionally, they have another business on Hubbard Street. This is to add this business type to that code section.

Chairman Eckles asked if item # three would need to be completed before item # 4 can be determined.

Kelley: yes. What will probably have to be done because they applied concurrently but the 4th item on the agenda can't be ruled on until a later date if the text amendment passes. Therefore, it will need to be tabled if you so choose.

Chairman Eckles stated the third item is for text amendment only.

Jamie Cox, the applicant and owner of 919 Holly Hill Road spoke to the text amendment request. She is requesting this amendment so that she can request a Conditional Use to allow her to have a Cottage Food Business in her home. This type of business is governed by the Department of Agriculture.

Kelley stated even with the text amendment their will still be subject to the rest of the requirements and restrictions that are listed there as far as 35% or 700 sq ft and the others listed in the ordinance.

Chairman Eckles asked for any questions. He asked if any of the committee had read over the existing requirements.

Kelley verified that he was speaking of the text amendment and not for the amendment.

Treadaway asked if all home baking activities governed by the department of agriculture? Is there license unique.

Cox can't do anything commercial as a home business. She is subject to inspection by the Department of Agriculture.

Treadaway asked if there were any commercial vehicles used?

Cox: No, she gets her supplies from Sam's or the grocery store.

Public Hearing close at 5:53 pm

Chairman Eckles entertained a motion

Motioned to approve made by Camp. Seconded by Parks. Motioned carried to recommend approval to the City Council.

Public Hearing Opened At 5:53 pm

The Fourth Item of Business is for petition # RZ-000067-2020 for a Conditional Use at 919 Holly Hill Road for a Cottage Food Business for home bakery. The applicant is Jamie Cox owner.

Chairman Eckles entertained a motion to table this item as the Text Amendment will need to be approved and in place before this can go forward.

Public Hearing closed at 5:54 pm

Motioned to table until December 15, 2020
Meeting made by Parks. Seconded by Sisk.
Motioned carried unanimously.

Old Business: None

New Business: Kelley gave update on Monroe Pavilion and the Walmart Medical Clinic.

Chairman Eckles entertained a motion to adjourn.

Motion to adjourn Parks. Seconded Camp
Meeting adjourned 5:56 pm

Historic Preservation Commission
Meeting Minutes
September 22, 2020

Present: Crista Carrell, Susan Brown, Fay Brassie, Elizabeth Jones

Absent: Mitch Alligood

Staff: Pat Kelley, Director of Planning & Code
Debbie Adkinson, Code Department Assistant
John Howard, Mayor

Visitors: Chris Collin

Meeting called to order at 6:00 P.M.

Chairman Carrell asked if there were any changes or corrections to the August 25, 2020 minutes. Brassie made a motion to accept minutes as presented. Brown seconded. Minutes approved.

The first item of business is an application for a COA for petition # HP-000068-2020 at 106 E Highland Avenue. The applicant is 2nd Floor LLC. The request is to remove the awning from the front of the building.

Chris Collin, Co-Owner of the building spoke to the request. They are renovating the building to house a salon and spa. They would like to remove the awning and sign above for the new tenant to use the space. The name of the new tenant is Revive Salon and Spa. Tenant would like to paint their logo and name on the building above where the awning is.

Chairman Carrell asked if there were any other questions.

Brassie asked about the rendering of the sign that was in the application. She stated they would need to come back before them for approval at a later date. If the sign meets the code they will not need to come back before HPC for approval.

Chairman Carrell entertained a motion.

Brassie made a motion to approve. Jones second.
Motion carried. COA granted.

Old Business: None

New Business: Chairman Carrell spoke to the Commission about the Historic Resource Survey that is needed in the City. Last survey was done in 2001. They also discussed the grant to help pay for this survey and how they might be able to accomplish receiving it. With more discussion they determined they would have a work session to accomplish this task at hand. The timeline is to get together in a couple of weeks.

They also discussed what could be done to get the ability to set fines for owners that neglect historic properties. The Mayor stated he would speak with the team to see what could be done. They also discussed how they could help the owners understand what a benefit the property is to the community.

Chairman Carroll entertained a motion to adjourn.

Brown made a motion to adjourn. Brassie second.
Meeting adjourned at 6:31 pm



Downtown Development Authority

MINUTES

Thursday, August 13, 2020

8:00 AM

City Hall

CALL TO ORDER

Meeting was called to order at 8:02 am.

ROLL CALL

PRESENT

- Chairman Lisa Anderson
- Vice Chairman Meredith Malcom
- Secretary Andrea Gray
- Board Member Whit Holder
- Board Member Charles Sanders
- Board Member Wesley Sisk
- Board Member Chris Collin

ABSENT

- City Council Representative Ross Bradley

CITY STAFF

- Sadie Krawczyk
- Leigh Ann Walker
- Les Russell
- Aida Roberts - intern

APPROVAL OF PREVIOUS MEETING MINUTES

DDA July Minutes

Approved - Motion made by Board Member Holder, Seconded by Secretary Gray.
Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder,

Board Member Sisk, Board Member Sanders, Board Member Collin

APPROVAL OF FINANCIAL STATEMENTS

DDA June Financials

Approved - Motion made by Board Member Sisk, Seconded by Vice Chair Malcom.
Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder,
Board Member Sisk, Board Member Sanders, Board Member Collin

PUBLIC FORUM

None.

CITY UPDATE

Council Retreat discussions - transportation, P&Z, parks, airport, utilities, downtown

Pilot Park renovation is underway, updates to the alcohol ordinance have added and alcohol caterers license and extended the entertainment district boundaries.

COUNTY UPDATE - none.

COMMUNITY WORK PLAN &REPORTS

2020-2021 Workplan

Existing Environment -

The board discussed and updated the work plan document to reflect changes.

Strategy 1

Infill Development -

The board discussed and updated the work plan document to reflect changes.

Strategy 2

Entertainment Draws -

The board discussed and updated the work plan document to reflect changes.

Strategy 3

PROGRAMS

Events

The concert went well; next concerts will be conducted with same social distancing guidelines on 9/4 and 9/25; Fall Fest is starting to be planned - we're not sure what this event will look like

at this time, some ideas discussed were a large field goal game, petting zoo, drive-in movie, or a reverse parade for future events.

Downtown Maintenance

No update

Farmers Market

We are evaluating the possibility of a Farm to Table date in October.

FUNDING

SPONSORSHIP

No update.

FACADE GRANTS - None

COMMUNITY EVENT GRANTS - None

NEW BUSINESS

Lot at 227 S. Broad Street

The possibility of leasing the lot was discussed.

ANNOUNCEMENTS:

Next meeting scheduled, September 10th, at 8:00 am at Monroe City Hall

ADJOURN

Motion made by Vice Chair Malcom, Seconded by Board Member Sanders.
Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder,
Board Member Sisk, Board Member Sanders, Board Member Collin



Downtown Development Authority

MINUTES

Thursday, September 10, 2020

8:00 AM

City Hall

CALL TO ORDER

Meeting was called to order at 8:02 am.

ROLL CALL

PRESENT

- Chairman Lisa Anderson
- Vice Chair Meredith Malcom
- Secretary Andrea Gray
- Board Member Whit Holder
- Board Member Wesley Sisk
- Board Member Charles Sanders
- City Council Representative Ross Bradley
- Board Member Chris Collin

CITY STAFF

- Les Russell
- Sadie Krawczyk
- Logan Propes

APPROVAL OF PREVIOUS MEETING MINUTES

DDA August Minutes

Approved - Motion made by Secretary Gray, Seconded by Board Member Sisk.
 Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder,
 Board Member Sisk, Board Member Sanders, Board Member Collin

APPROVAL OF FINANCIAL STATEMENTS

DDA July Financials

Approved - Motion made by Board Member Sisk, Seconded by Vice Chair Malcom.
Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder, Board Member Sisk, Board Member Sanders, Board Member Collin

PUBLIC FORUM

None

CITY UPDATE

Pilot Park renovation almost complete; Mathews Park will be next for minor renovations; Town Green design is in the final stages and the city will be applying for a LWCF grant for it this fall; city will be increasing cable TV rates as part of a plan to phase out the service over the next few years; Sparrow Hill Inn is under contract with Pyramid Healthcare, but the city has denied the use in B2, which they are appealing; Incremental Development Alliance lectures started yesterday (9/9), the next one will be on 9/23 leading up to the full-day workshop on 10/29.

COUNTY UPDATE

None.

COMMUNITY WORK PLAN &REPORTS

2020 Property Inventory

Sadie mentioned that the totals from this year's update to the inventory are as follows: 29 improvements in property condition; 169 businesses with 811.5 employees; property condition ratings are 26-poor, 50-fair, 95-good, and 115-excellent.

Existing Environment -

Still no word from the Stalvey's on the pocket park idea on W. Washington; Chris Collin had a good starting conversation with Mr. Stephens about partnering with the city to make his lot public parking; new spot for a mural has been identified, but there are issues with water that need to be worked out first

Infill Development -

Wesley spoke with James Hester regarding the wooded lot on the Wayne Street lot, Mr. Hester wants \$150,000 for it; Arnold Properties is willing to discuss a sale of their building on the same lot as well.

Sadie spoke with Chad Cheely, and he would be interested in being a tenant if the DDA developed a new space downtown.

No progress on other potential properties.

The board discussed trying to contact the Ramesh family about their property at Midland and Church Street.

Diversify/Unique Experiences -

AARP grant paperwork has been executed, funding will follow later this month for the VC pocket park and the new swings around the hammock park; Levi Dilley will be reaching out to USDA to find out requirements for his container concept, he is also working on renderings for our review.

Sadie will send the board the most recent downtown green design draft from Keck & Wood.

PROGRAMS

Events

9/4 concert went well; 9/25 will be the final concert and use the same social distancing measures as previous concerts; Fall Fest is being planned with modifications due to COVID-19; Holiday lights in Childers are still planned as in past years; Christmas parade logistics are being thought through as well.

Downtown Design

Lisa Anderson expressed her thanks to the city for hand watering the planters downtown noting that this intentional care is the reason why they look so good this season.

Farmers Market

The decision has been made to cancel the 2020 Farm to Table event due to the additional strain on local businesses and restaurants to make this even possible. Ticket holders have been emailed and asked to consider donating their ticket cost to the Farmers Market.

The online FM has been discontinued due to low order numbers.

FUNDING

SPONSORSHIP

Coming in as pledged.

FACADE GRANTS - None

COMMUNITY EVENT GRANTS - None

NEW BUSINESS

Blue Rooster to open in 4-5 weeks; new salon opening in the former Monroe Loan & Finance building, will focus on wedding parties; Peachy Pet Parlor now open; Mainstreet Walton Mill is

now leasing with plans to move residents in by year-end; the Factory event space will open at Walton Mill in a couple of weeks; Jagged Edge will be moving to Walton Mill; Kaity's restaurant has closed but the kitchen will remain in operation for catering contracts; Elite Manufacturing will be relocating from their 2nd street building and the new tenant will have much less truck traffic associated with its use.

ANNOUNCEMENTS:

Next meeting scheduled, October 8th, at 8:00 am at Monroe City Hall

The next Incremental Development Alliance lecture will be on 9/23 at 6:30 pm; Q & A Session will be on 10/6 at 12 pm; and the full-day workshop will be held on October 29th from 8 am to 5 pm.

ADJOURN

Motion made by Vice Chair Malcom, Seconded by City Council Representative Bradley.
Voting Yea: Chairman Anderson, Vice Chair Malcom, Secretary Gray, Board Member Holder, Board Member Sisk, Board Member Sanders, City Council Representative Bradley, Board Member Collin



Convention and Visitors Bureau

MINUTES

Thursday, August 13, 2020

9:00 AM

City Hall (Council Chambers)

CALL TO ORDER

Meeting was called to order at 9:15 am.

ROLL CALL

PRESENT

- Chairman Lisa Anderson
- Vice Chairman Meredith Malcom
- Secretary Andrea Gray
- Board Member Whit Holder
- Board Member Charles Sanders
- Board Member Wesley Sisk
- Board Member Chris Collin

ABSENT

- City Council Representative Ross Bradley

CITY STAFF

- Sadie Krawczyk
- Leigh Ann Walker
- Les Russell
- Aida Roberts - intern

APPROVAL OF EXCUSED ABSENCES

APPROVAL OF MINUTES FROM PREVIOUS MEETING

CVB July Minutes

Approved - Motion made by Secretary Gray, Seconded by Board Member Collin. Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, Board Member Collin

APPROVAL OF CURRENT FINANCIAL STATEMENTS

CVB June Financials

Approved - Motion made by Vice Chairman Malcom, Seconded by Board Member Sanders. Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, Board Member Collin

Chairman's Report

None.

Director's Report

The Monroe Turtles scavenger hunt has been installed and promotion will begin soon.

OLD BUSINESS

Three TV commercials are in production at this time.

NEW BUSINESS

None.

ANNOUNCEMENTS

Next meeting will be Sept. 10, 2020 at Monroe City Hall

ADJOURN

Motion made by Board Member Holder, Seconded by Board Member Sisk. Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, Board Member Collin



Convention and Visitors Bureau

MINUTES

Thursday, September 10, 2020

9:00 AM

City Hall (Council Chambers)

CALL TO ORDER

Meeting called to order at 9:09 am.

ROLL CALL

PRESENT

- Chairman Lisa Anderson
- Vice Chairman Meredith Malcom
- Secretary Andrea Gray
- Board Member Whit Holder
- Board Member Charles Sanders
- Board Member Wesley Sisk
- City Council Representative Ross Bradley
- Board Member Chris Collin

CITY STAFF

- Les Russell
- Sadie Krawczyk
- Logan Propes

APPROVAL OF EXCUSED ABSENCES

APPROVAL OF MINUTES FROM PREVIOUS MEETING

CVB August Minutes

Approved - Motion made by Vice Chairman Malcom, Seconded by Secretary Gray.
Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, City Council Representative Bradley,

Board Member Collin

APPROVAL OF CURRENT FINANCIAL STATEMENTS

CVB July Financials

Approved - Motion made by Board Member Sanders, Seconded by City Council Representative Bradley.

Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, City Council Representative Bradley, Board Member Collin

Chairman's Report

None.

Director's Report

Sadie reported that she had a meeting yesterday with a commercial real estate broker scouting sites in Monroe for a flag hotel brand.

OLD BUSINESS

TV Commercials are receiving final edits. The antique commercial is complete and a link to view will be emailed to the board. The shopping commercial is undergoing some minor adjustments at this time.

We should have the airing schedule/costs to review at our next meeting.

NEW BUSINESS

None.

ANNOUNCEMENTS

Next meeting will be October 8, 2020 at Monroe City Hall.

ADJOURN

Motion made by Board Member Sanders, Seconded by Board Member Holder.

Voting Yea: Chairman Anderson, Vice Chairman Malcom, Secretary Gray, Board Member Holder, Board Member Sanders, Board Member Sisk, City Council Representative Bradley, Board Member Collin



To: City Council, Committee, City Administrator
From: Rodney Middlebrooks, Director of Water & Gas
Department: Wastewater Treatment Plant
Date: 10/6/2020
Description: Approval to purchase 30-ton Dump Trailer

Budget Account/Project Name:

Funding Source: CIP

Budget Allocation: \$90,755.00
Budget Available: \$90,755.00
Requested Expense: \$61,653.00

Company of Purchase: Gainesville Truck Center

Recommendation: Staff recommends the purchase of a 30-ton dump trailer from Gainesville Truck center for the purpose of hauling plant sludge to landfill and/or land application

Background: The WWTP is currently using a contractor to haul our sludge from the belt press because the City can only haul/apply wet sludge. With the purchase of our belt press and an anticipated delivery date of October, the purchase of the trailer would allow Public Works time to prepare the truck to pull new trailer.

Attachment(s):

- Gainesville Truck Center
- Star Trailer Sales
- Matheny Motors
- Rowland Truck & Equipment



Gainesville Truck Center

P O Drawer J · Gainesville, GA 30503

Telephone: 770-532-8463 · Fax: 770-535-7877



SALES ORDER

Date: 5/21/2020

I hereby purchase from GAINESVILLE TRUCK CENTER, INC. subject to all the terms and conditions of this SALES ORDER and Agreement contained herein, and any ADDITIONAL CONDITIONS of all Documents pertaining to this purchase of the following described MOTOR VEHICLE.

Customer Information

DL #	<u>Need Copy</u>	State	<u>GA</u>
SS#		Phone #	<u>678-478-9403</u>
Full Name	<u>CHRIS CROY</u>		
Company	<u>WALTON COUNTY</u>		
Address	<u>213 CHERRY HILL</u>		
City	<u>MONROE</u>	State & Zip	<u>GA 30655</u>
County	<u>WALTON COUNTY</u>	Terms	
Sales Tax Exemption #			
PO Number			

Lien Holder

Code	
Company	
Address	
City	
State & Zip	
Insurance Company	
Contact & Phone Number	

Specifications

Make	<u>EAST</u>	Model	<u>T TRI AXLE GEN</u>
Year	<u>2020</u>	Odometer	<u>1</u>
VIN #	<u>1E1D2N386LR068297</u>		
Cylinder	<u>0</u>	Color	<u>ALUMINUM</u>
Engine	<u>0</u>		
Trans.	<u>0</u>		
F. Axle		F. Spring	
R. Axle		R. Spring	
F. Tire		Fuel	
Body Make		Body Model	
Body S/N			

Purchase

Selling Price	\$61,585.00
Trade Allowance	\$0.00
Net Difference After Trade	\$61,585.00
Document / Title Transfer Fee	\$18.00
Georgia TAVT	0.0%
Federal Excise Tax (as calculated)	\$0.00
Document Fees	\$50.00
Plus Pay-Off On Trade	\$0.00
Sales Tax	0%
GRAND TOTAL SALES PRICE	\$61,653.00

Trade

Make	<u>0</u>	Model	<u>\$0.00</u>
Year	<u>0</u>	Type	
VIN #	<u>0</u>		
Trade Allowance	<u>\$0.00</u>		
Company			
Finance Company Pay-Off	<u>\$0.00</u>		
Trade Equity	<u>0.00</u>		

Total Amount To Be Financed

Sales Price	\$61,653.00
Extended Warranty	\$0.00
Minus Cash Down Payment	\$0.00
Unpaid Balance	\$61,653.00
Credit Life Insurance	\$0.00
Accident & Health Insurance	\$0.00
Physical Damage Insurance	\$0.00
Amount Financed	\$61,653.00

MIKE STEVENSON

Salesman

THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY BOTH PARTIES

Again, I hereby affirm that I have read and understand each item of this SALES ORDER, and do AGREE to Purchase the Vehicle as described. Also it is further understood that NO CREDIT TERMS have been extended and / or guaranteed in connection with this purchase

NO USED TRUCK WARRANTY IS EXPRESSED, OR IMPLIED UNLESS STATED OTHERWISE. LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED HEREIN.
 I DECLINE THE EXTENDED WARRANTY
 I ACCEPT THE EXTENDED WARRANTY

Customer Signature _____ Date _____





Management's Acceptance _____ Date _____





7/28/2020

2021 MAC TRAILER MFG FRAME TYPE MVP SS For Sale In MANKATO, Minnesota | TruckPaper.com

2021 MAC TRAILER MFG FRAME TYPE MVP SS For Sale In MANKATO, Minnesota

For Sale Price: \$70,600



Contact Information

Star Trailer Sales Inc.

9 MANKATO, Minnesota 56003

Phone: (888) 832-7842

Messenger: [Message](#)

WhatsApp: [Message](#)

Contact: Sales Star Trailer



Description

2021 Mac Aluminum Frame type end dump
 35' frame 102" wide, 34' body, 66" side height
 v style c/m on 15" centers, outset smoothside panels, Std panels, custom hoist 8-5-265
 front fenders with flaps 12", flush with frame, 5 lights per side , 0000 000 0000 rear
 two way gate, os swing gate d.s. with ground control, with 24" coal door, safety winders
 Tri axle Hend intraxx AA-250 TP 60" axle spacing's, General RA 11R 22.5 16Ply tires on tandem
 alum wheels, Third Axle Lift Hend composilite 13 K lift, with 4" brakes and cast drums
 tallgate, suspension dump and lift axle air to front and ball valve on frame
 jost Alum AX 150 landing gear,, alum air tanks,
 air gauge and ball valves in stainless enclosure , full rubber flaps rear, one tow hook,

Specifications

Quantity	1	Stock Number	X2609
Year	2021	Manufacturer	MAC TRAILER MFG
Model	FRAME TYPE MVP SS	Condition	New
Suspension	Air Ride	Wheels	All Aluminum
Number of Rear Axles	Tri	Length	35 ft

7/28/2020

2021 MAC TRAILER MFG TNAR34NF600 For Sale In Kenova, West Virginia | TruckPaper.com

2021 MAC TRAILER MFG TNAR34NF600 For Sale In Kenova, West Virginia

For Sale Price: \$66,500



Contact Information

MATHENY MOTORS

9 Kenova, West Virginia 25530

Phone: (888) 864-5558

Contact: Sales Staff



Description

34' MAC Frameless Dump, 96" Wide, 60" Sides" 12" Crossmember Spacing, 3/8 Quick Silver Liner, Bulkhead Door, 52" Axle Spacing, 49" 5th Wheel Plate Height, 16" Pin Setting, Approximate Empty Weight 11,717 lbs.

Specifications

Quantity	1	Stock Number	C052384
Year	2021	Manufacturer	MAC TRAILER MFG
Model	TNAR34NF600	Condition	New
Suspension	Air Ride	Tires	11R 22.5
Wheels	Aluminum	Number of Rear Axles	Tandem
Length	34 ft	Width	96 in
Internal Height	60 in	Frame Type	Frameless
Axle Type	Fixed	Composition	Aluminum
Floor Type	Aluminum Floor	Type of Neck	Fixed
Gross Vehicle Weight	80000	VIN	5MADN3429MC052384
Half Round	No		

7/28/2020

2021 EAST GENESIS For Sale In Greenville, Ohio | TruckPaper.com

2021 EAST GENESIS For Sale In Greenville, Ohio

For Sale Price: \$65,750



Contact Information

Rowland Truck & Equipment

Greenville, Ohio 45331

Phone: (937) 358-7028

WhatsApp: [Message](#)

Contact: Cody Rowland



Description

2021 EAST DUMP TRAILER, In Stock Now! 2021 East Genesis, 34' Aluminum Frame, 33' x 102" x 64" Genesis Box, Air Ride Suspension, (8) Alcoa Aluminum Wheels on 11R22.5 Bridgestone R196 Tires, Mandoor, 20" Grain Door with 2.5" Lip, 40" Spreader Chains, (2) Pair of Tailgate Winders, Overslung Hinges, Load Level Indicator (DS), Aluminum Air Tanks, Quiet Ride Pads, (2) Rows of 5 LED Lights Each Side, Rear Top Post Stop/Turn Lights, 1/4" Full Length Floor, (2) Rear Tow Hooks, 2 Speed Jost Alumilight Landing Gear, Suspension Dump Valve, Tailgate Controls and Air Gauge Mounted in Poly Box (DS), Cab Controls For Tailgate Plumbed to

7/28/2020

2021 EAST GENESIS For Sale In Greenville, Ohio | TruckPaper.com

Front Cross Member, Front and Rear Ladder, 3/8" x 10' Durapro Liner, Shur-Lok Manual Roll Tarp With (2) Heavy Duty Bows And Ridge Pole(Black), Galvanized Suspension Hangers

Specifications

Quantity	1	Stock Number	TP-2483
Year	2021	Manufacturer	EAST
Model	GENESIS	Condition	New
Suspension	Air Ride	Tires	11R22.5
Wheels	All Aluminum	Number of Rear Axles	Tandem
Length	33 ft	Width	102 in
Internal Height	84 in	Frame Type	Frame
Axle Type	Fixed	Composition	Aluminum
Floor Type	Aluminum Floor	Type of Neck	Fixed



To: City Council, Committee, City Administrator
From: Rodney Middlebrooks, Director of Water & Gas
Department: Water Treatment
Date: 10/6/2020
Description: Approval for completion of a Yield Analysis for the City's Water Supply

Budget Account/Project Name: 520-4430-521300

Funding Source: Operating Budget

Budget Allocation: \$15,000.00

Budget Available: \$15,000.00

Requested Expense: \$15,000.00

Company of Purchase: Wiedeman & Singleton, Inc

Recommendation: Approval of engineering services related to yield analysis for the Alcovy River and John T. Briscoe Reservoir

Background: During the City's renewal of its withdrawal permits for the Alcovy River & John T. Briscoe Reservoir, the Georgia EPD has requested an updated yield analysis for the years of 2020-2030. This condition has been placed on our withdrawal permit until completion. Georgia EPD has requested it be completed within the next 6 months.

Attachment(s):

Quote from Wiedeman & Singleton, Inc.

WIEDEMAN AND SINGLETON, INC.
CIVIL AND ENVIRONMENTAL ENGINEERS

TROY BEGAN
PETER JOHNS

3091 GOVERNORS LAKE DRIVE
SUITE 430
NORCROSS, GEORGIA 30071

PETER SNYDER
HAROLD WIEDEMAN

131 EAST MAIN STREET
SUITE 300
ROCK HILL, SOUTH CAROLINA 29730
WWW.WIEDEMAN.COM

September 9, 2020

Sent Via Email

Mr. Rodney Middlebrooks
Water & Gas Director
City of Monroe Utility Department
215 N. Broad Street
Monroe, Georgia 30655

Re: Proposal for Engineering Services –
Raw Water Yield Analysis Update

Dear Mr. Middlebrooks:

As you are aware, our firm completed a *Yield Analysis for the Alcovy River and John T. Briscoe Reservoir Supplies* in May 2000, which demonstrated that the reliable yield of the City’s raw water supplies at that time under drought conditions was at least 10 million gallons per day (MGD). As part of the City’s raw water withdrawal permit renewal process, Georgia EPD has requested that an updated yield analysis be completed to reflect projected water demands through 2030 and to consider any significant periods of drought since May 2000. In our previous analysis, the period between May 1986 through February 1989 was the controlling drought of record for the City’s raw water supplies.

Based on estimated man-hours required to complete the work, our lump sum fee to complete the revised yield analysis is \$15,000.00. After receiving authorization to proceed, it will take approximately 3 months to complete the analysis and to produce a draft report for the City’s review. After the City’s approval, a final report will be submitted to Georgia EPD for their review and approval.

If you have any questions or need any additional information, please let me know.

Sincerely,

WIEDEMAN & SINGLETON, INC.



Peter J. Johns, P.E.
Chairman



To: Planning and Zoning / City Council
From: Patrick Kelley
Department: Planning, Zoning, Code and Development
Date: 08-21-2020
Description: 319 S. Madison Ave. Request for conditional use – Townhouses on a B2 zoned property.

Budget Account/Project Name: NA

Funding Source: 2020 NA

Budget Allocation: NA

Budget Available: NA

Requested Expense: \$NA

Company of Purchase: NA

Recommendation: *Approval with conditions as determined by P&Z, City Council and HPC.*

Background: This property has for years been occupied with dilapidated residential structures which have been demolished over time for the most part. The future land use plan indicates a commercial use. Historical use has been residential. This property is in an historic district and would be subject to approval by the HPC regarding design aesthetics and materials. Residential intown living is a stated desire of the City at large to encourage walkability. This property is adjacent to a newly developing residential area so, although indicated to be commercial on the Future Land Use Plan, the current trend is towards residential as it has been used in the past. Additionally, single family residential homes may already be built in B2 zoning at the R1A parameters. This product does allow for increased density above R1A limits but as a conditional use This has been anticipated and accounted for in the remainder of the zoning requirements.

Attachment(s): Application & supporting documents



City of Monroe
215 N. Broad Street
Monroe, GA 30655
(770)207-4674

Plan Report

Plan NO.: LDU-000064-20

Plan Type: Land Use
Work Classification: Conditional Use
Plan Status: In Review

Apply Date: 08/18/2020

Expiration:

Location Address

Parcel Number

319 S MADISON AVE, MONROE, GA 30655

M0160125

Contacts

NEW LEAF GEORGIA
1649 GENTRY LANE, STATHAM, GA 30666
(706)424-0999

Owner

Lori Volk
300 Edwards St, Monroe, GA 30655
(404)630-2834

Applicant

lorivolk1@gmail.com

Description: REQUEST FOR A CONDITIONAL USE TO BUILD TOWNHOUSES - P&Z MTG
9/15/20 @ 5:30 PM - COUNCIL MTG 10/13/20 @ 6:00 PM 215 N BROAD ST

Valuation: \$0.00
Total Sq Feet: 0.00

Fees	Amount
Multifamily Rezone or Variance Fee	\$300.00
Total:	\$300.00

Payments	Amt Paid
Total Fees	\$300.00
Check # 3523	\$300.00
Amount Due:	\$0.00

Condition Name

Description

Comments

Issued By:

August 18, 2020

Date

Plan_Signature_1

Date

Plan_Signature_2

Date

Variance/Conditional Use Application

Application must be submitted to the Code Department 30 days prior to the Planning & Zoning

Meeting of: Sept. 15, 2020

Your representative must be present at the meeting

Street address 319 S. Madison Ave. Council District 4 / _____ Map and Parcel # M0160-125
 Zoning B2 Acreage .647 Proposed Use Townhome Community Road Frontage 162.7 ft. / on
Madison Ave. (street or streets) and 103.43 ft. on Milledge Ave.

Applicant
 Name Lori Volk
 Address 300 Edwards St., Monroe, GA 30655
 Phone # (404) 630-2834

Owner
 Name New Leaf Georgia
 Address 1649 Gentry Lane, Statham, GA 30666
 Phone # (706) 424-0999

Request Type: (check one) Variance Conditional Use

Nature of proposed use, including without limitation the type of activity proposed, manner of operation, number of occupants and/or employees, hours of operation, number of vehicle trips, water and sewer use, and similar matters:
The proposed use is the construction of residential, upscale townhouse villas.
Four of the structures will be detached and facing Madison Ave. Three of the structures will be attached and facing Milledge Ave.

State relationship of structure and/or use to existing structures and uses on adjacent lots:
The townhomes will be designed and built to fit into the historic downtown vision within an area of existing residential structures. Quality materials will be used, such as brick and hard-plank, and balconies will be part of the design in order to enjoy green space events.

State reason for request and how it complies with the Zoning Ordinance section 1425.5(1)-(10) & 1430.6(1)-(8):
This request is for approval to build upscale townhome villas, which are a permitted land use under section 620.3 Table 7-Commercial Zoning District Land Use Regulations, under the RESIDENTIAL sub-category.

State area, dimensions and details of the proposed structure(s) or use(s), including without limitation, existing and proposed parking, landscaped areas, height and setbacks of any proposed buildings, and location and number of proposed parking/loading spaces and access ways:
Each structure will be 24 ft. X 45 ft. with two stories at a height of 30 ft. There will be enclosed garages with an additional 21 ft. of parking space for additional vehicles. A shared back-alley drive will connect each residence's garage entrance. There is a 5 ft. Building setback line on the sides and 20 ft. on the fronts.

State the particular hardship that would result from strict application of this Ordinance:
N/A for Conditional Use application

Check all that apply: Public Water: Well: Public Sewer: Septic: Electrical: Gas:

For any application for an overlay district, a Certificate of Appropriateness or a letter of support from the Historic Preservation Commission or the Corridor Design Commission for the district is required.

Documents to be submitted with request:

- Recorded deed
- Survey plat
- Site plan to scale
- Proof of current tax status

Application Fees:

- \$100 Single Family
- \$300 Multi Family
- \$200 Commercial

Each applicant has the duty of filing a disclosure report with the City if a contribution or gift totaling two hundred and fifty dollars (\$250.00) or more has been given to an official of the City of Monroe within the last two (2) years.

The above statements and accompanying materials are complete and accurate. Applicant hereby authorizes Code department personnel to enter upon and inspect the property for all purposes allowed and required by the zoning ordinance and the development regulations.

Signature Lori Volk Date: 8/14/2020

**PUBLIC NOTICE WILL BE PLACED AND REMOVED BY THE CODE DEPARTMENT
SIGN WILL NOT BE REMOVED UNTIL AFTER THE COUNCIL MEETING.**

***Property owners signature if not the applicant**

Signature Brian Henally

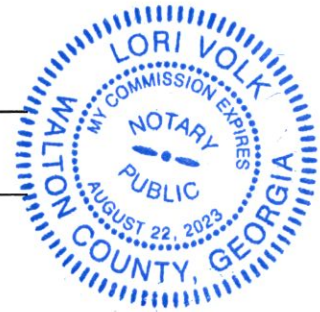
Date: 8/14/20

Lori Volk

Date: 8/14/2020

Notary Public

Commission Expires: 8/22/2023



I hereby withdraw the above application: Signature _____ Date _____

2-1
LOW

BK: 4644 PG: 428-429
Filed and Recorded
Aug-03-2020 02:15:05PM
DOC#: D2020-010520
Real Estate Transfer Tax Paid \$152.00
1472020002723

★ After Recording Return To:
Beau Kaye & Associates, LLC
258 North Broad Street,
Winder, Georgia 30680
FILE NO. 20W0682K

Karen P. David
CLERK OF SUPERIOR COURT Walton County GA.

STATE OF GEORGIA
COUNTY OF BARROW

LIMITED
WARRANTY DEED

This Indenture made this 30th day of July, in the year Two Thousand Twenty, between Howard Brothers Construction and Development, Inc. n/k/a Howard Brothers Branding, Inc. and Ian Henderson, Individually, as party or parties of the first part, hereinafter called Grantor, and New Leaf Georgia, LLC, as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH

That Grantor, for and in consideration of the sum of TEN AND 00/100'S (\$10.00) Dollars and other good and valuable considerations in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee,

All that tract or parcel of land lying and being in Land Lot 65 of the 3rd District of Walton County, Georgia, containing 0.647 acres, more or less, as shown on that plat entitled "Retracement Survey for Howard Brothers Construction & Development", prepared by Alvov Surveying and Engineering, Inc., certified by Ronald Calvin Smith, Georgia Registered Land Surveyor Number 2921, dated March 26, 2018, recorded in Plat Book 118, Page 122, Walton County, Georgia records; which plat is incorporated herein by reference thereto for a more complete description of the property conveyed.

THIS CONVEYANCE is subject to all restrictions and easements of record.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee forever in FEE SIMPLE.

AND THE SAID Grantor will warrant and forever defend the right and title to the above described property unto the said Grantee against the claims of all persons by, through and under the above named grantor.

IN WITNESS WHEREOF, the Grantor has signed and sealed this deed, the day and year above written.

Howard Brothers Construction and Development, Inc., n/k/a Howard Brothers Branding, Inc.



[Handwritten Signature] (Seal)
John S. Howard CEO

[Handwritten Signature] (Seal)
Robert L. Howard, CFO

[Handwritten Signature] (Seal)
Ian Henderson, Individually

Signed, sealed and delivered this 30th day of July, 2020 in the presence of:

[Handwritten Signature]

Unofficial Witness

[Handwritten Signature]
Notary Public



4-4
LAW

env. X

Probate Court Return Mailing Address:
303 S. Hammond Dr., #118
Monroe, Georgia 30655

BK: 4644 FG: 430-433
Filed and Recorded
Aug-03-2020 02:16:11PM
DOC#: D2020-010521
Real Estate Transfer Tax \$0.00
1472020002166

Karen P. David
CLERK OF SUPERIOR COURT Walton County GA.

(Above space to be used for filing in Superior Court Clerk's Office of Deeds and Records)

2019 Property Tax Statement

Tax Commissioner
 303 South Hammond Drive STE 100
 Walton County Government Building
 Monroe, Georgia 30655

Ph: 770-266-1736, Fax: 770-267-1416

HOWARD BROTHERS CONSTRUC
 AND DEVELOPMENT INC &
 HENDERSON IAN KEITH
 MONROE, GA 30655

RETURN THIS PORTION WITH PAYMENT
 (Interest will be added per month if not paid by due date)

Bill No.	Due Date	Current Due	Prior Payment	Back Taxes	*Total Due
2019-17685	11/15/2019	\$0.00	\$705.21	\$0.00	Paid 12/10/2019

Map: M0160-00000-125-000
 Location: 319 MADISON AVE S
 Account No: 353700 010

The Tax Commissioner is the tax collector and is not responsible for values nor for rates. If you feel the assessed fair market value of your property is incorrect, please contact the Tax Assessors office at 770-267-1352.

Payments made after the due date are subject to interest and penalties governed by Georgia Code. State law requires all tax bills to be mailed to owner of record on January 1st. If property has been sold, please contact our office.

Tax Commissioner
 303 South Hammond Drive STE 100
 Walton County Government Building
 Monroe, Georgia 30655
 Ph: 770-266-1736, Fax: 770-267-1416



Tax Payer: HOWARD BROTHERS CONSTRUC
Map Code: M0160-00000-125-000 Real
Description: .63AC
Location: 319 MADISON AVE S
Bill No: 2019-17685

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good through	Exemptions
0.00	0.00	0.0000	\$44,200.00	11/15/2019	08/14/2019		

Entity	Adjusted FMV	Net Assessment	Exemptions	Taxable Value	Millage Rate	Gross Tax	Credit	Net Tax
CITY BOND	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.001981	\$35.02	\$0.00	\$35.02
CITY TAX	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.005821	\$181.49	-\$78.57	\$102.92
COUNTY	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.010905	\$237.97	-\$45.17	\$192.80
SCH BOND	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.002300	\$40.66	\$0.00	\$40.66
SCHOOL	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.018600	\$328.85	\$0.00	\$328.85
TOTALS					0.039607	\$823.99	-\$123.74	\$700.25

State law requires all tax bills to be mailed to the owner of record on January 1st. If property has been sold, please contact our office.

This bill is not sent to your mortgage company. If you have an escrow account, please forward a copy of this bill to your mortgage company. We encourage you to pay by mail or on our website at www.waltoncountypay.com

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition, certain elderly persons are entitled to additional homestead exemptions. Applications must be filed by April 1st.

For eligibility requirements regarding exemptions or questions about your value, contact the Tax Assessors office at 770-267-1352.

Current Due	\$700.25
Discount	\$0.00
Penalty	\$0.00
Interest	\$0.00
Other Fees	\$4.96
Previous Payments	\$705.21
Back Taxes	\$0.00
Total Due	\$0.00
Paid Date	12/10/2019

BK:118 PG:122-122
 Filed and Recorded
 Jul-07-2020 09:05 AM
 DOC# 2020 - 000187
 KAREN P. DAVID
 CLERK OF SUPERIOR COURT
 WALTON COUNTY, GA
 Participant ID: 6458806574

SURVEYOR CERTIFICATION

This plat is a retracement of an existing parcel of land and does not subdivide or create a new parcel or make changes to any real property boundaries. The recording information of the documents, maps, plats or other instruments which created the parcel or parcels are stated herein. RECORDATION OF THIS PLAT DOES NOT IMPLY APPROVAL OF ANY LOCAL JURISDICTION, AVAILABILITY OF PERMITS, COMPLIANCE WITH LOCAL REGULATIONS OR REQUIREMENTS, OR SUITABILITY FOR ANY USE OR PURPOSE OF THE LAND. Furthermore, the undersigned land surveyor certifies that this plat complies with the minimum technical standards for property surveys in Georgia as set forth in the rules and regulations of the Georgia Board of Registration for Professional Engineers and Land Surveyors and as set forth in D.C.G.A. Section 15-6-67.

[Signature]
 Ronald Calvin Smith, Ga. R.L.S. No. 2921

IF FILING GOVERNMENTAL BODIES HAVE APPROVED THIS PLAT, MAP OR PLAN FOR FILING:

[Signature]
 CITY OF MONROE CODE OFFICE

07-07-2020

DATE:

NOTE: BEARINGS & ELEVATIONS SHOWN HEREON ARE BASED UPON GPS SURVEY USING CHAMPION TKO EQUIPMENT AND eGPS SOLUTIONS REAL TIME NETWORK ADJUSTMENT AS OF THE FIELD WORK DATE SHOWN.

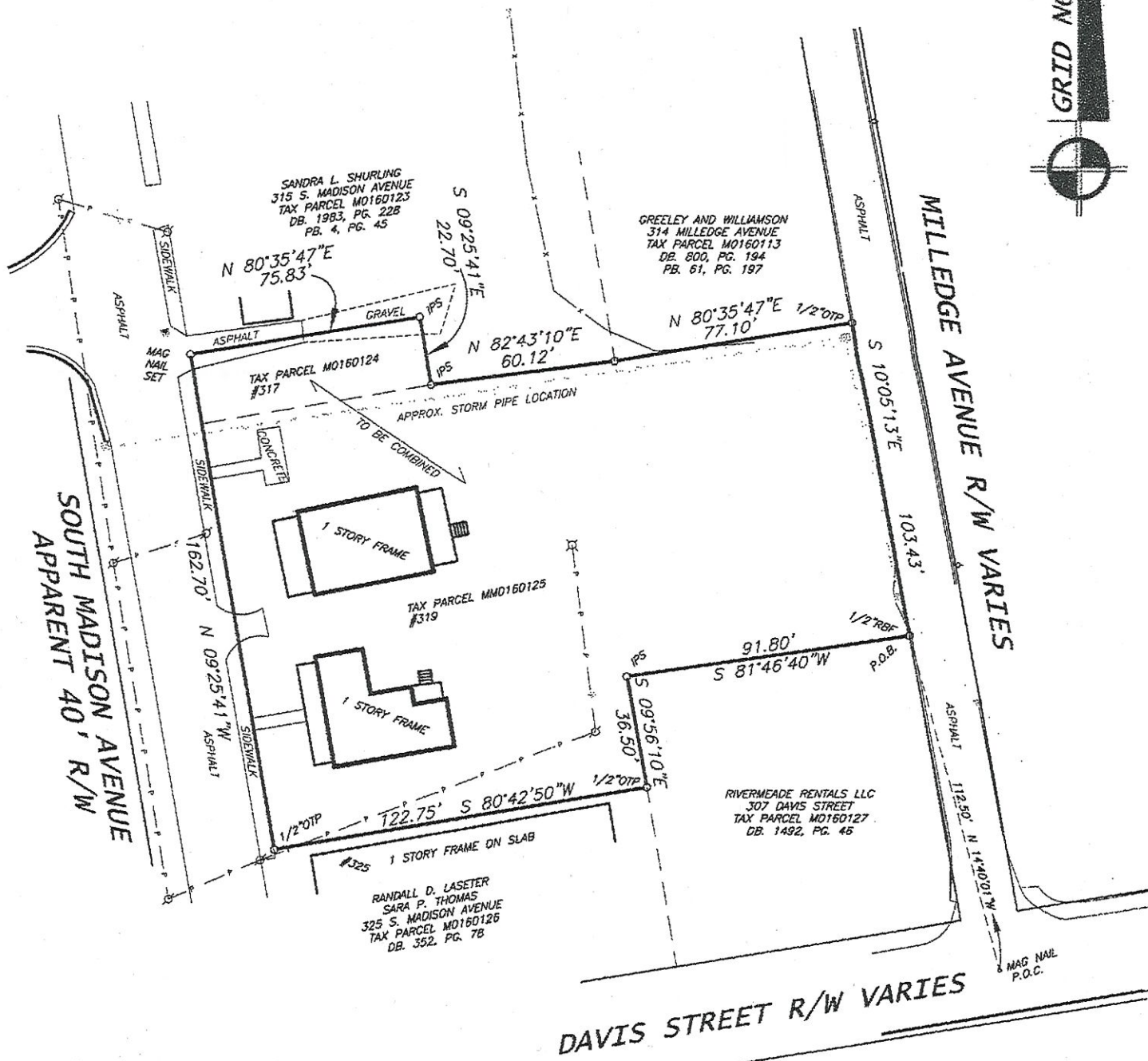
NOTE: THE INITIAL CONTROL POINTS FOR THIS SURVEY WERE LOCATED UTILIZING GPS. THE EQUIPMENT USED WAS A CHAMPION TKO DUAL FREQUENCY RECEIVER WITH A SCEPTER TWO DATA COLLECTOR RUNNING CARLSON SURVEY SOFTWARE. NETWORK RTK CORRECTIONS WERE RECEIVED VIA A CELLULAR MODEM. THE TYPE OF SURVEY WAS NETWORK RTK UTILIZING TRIMBLE VRS REAL TIME NETWORK OPERATED BY eGPS SOLUTIONS, INC. THE RELATIVE POSITIONAL ACCURACY, AS CALCULATED ACCORDING TO THE FEDERAL GEOGRAPHIC DATA COMMITTEE PART 3: NATIONAL STANDARD FOR SPATIAL DATA ACCURACY IS 0.04 FT. HORIZONTAL AND 0.07 FT. VERTICAL AT A 95% CONFIDENCE LEVEL.

THIS BLOCK RESERVED FOR THE CLERK SUPERIOR COURT

NOTE: THIS SURVEY HAS BEEN PREPARED FOR THE EXCLUSIVE USE OF THE PERSON(S) OR ENTITIES NAMED HEREON. NO EXPRESSED OR IMPLIED WARRANTIES WITH RESPECT TO THE INFORMATION SHOWN HEREON IS TO BE EXTENDED TO ANY PERSON(S) OR ENTITIES OTHER THAN THOSE SHOWN HEREON.

THIS SURVEY WAS PREPARED WITH OUT THE BENEFIT OF A CURRENT TITLE INSPECTION REPORT. EASEMENTS OR OTHER ENCUMBRANCES MAY EXIST ON PUBLIC RECORD BUT ARE NOT SHOWN HEREON.

ANY UNDERGROUND UTILITY SHOWN HEREON IS BASED ON UTILITY MARKINGS BY THE UTILITY OWNER, A PRIVATE UTILITY MARKING COMPANY, CONSTRUCTION AND ASBUILT DRAWINGS PROVIDED BY THE UTILITY PROVIDER OR PROPERTY OWNER. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA. UNDERGROUND UTILITIES NOT OBSERVED DURING THE FIELD SURVEY PROCEDURE MAY EXIST BUT ARE NOT SHOWN ON THIS SURVEY. FURTHERMORE THE SURVEYOR DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN HEREON ARE IN THE EXACT LOCATION INDICATED, ALTHOUGH THE SURVEYOR DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM THE INFORMATION AVAILABLE.



GRID NORTH GA. WEST ZONE



LEGEND

- R.B.F. = REBAR FOUND
- I.P.S. = IRON PIN SET WITH CAP STAMPED "ALCOVY"
- C.M.F. = CONCRETE MONUMENT FOUND
- O.T.P. = OPEN TOP PIPE
- C.T.P. = CRIMPED TOP PIPE
- R/W = RIGHT OF WAY
- P.L. = PROPERTY LINE
- C.L. = CENTER LINE
- B.S.L. = BUILDING SETBACK LINE
- L.L. = LAND LOT
- L.L.L. = LAND LOT LINE
- G.M.D. = GEORGIA MILITIA DISTRICT
- T.B.M. = TEMPORARY BENCH MARK
- R. = RADIUS
- CH. = CHORD
- TAN. = TANGENT
- N/F. = NOW OR FORMERLY
- D.B. = DEED BOOK
- P.B. = PLAT BOOK
- PG. = PAGE
- D.E. = DRAINAGE EASEMENT
- S.S.E. = SANITARY SEWER EASEMENT
- F.F.E. = FINISHED FLOOR ELEVATION
- MH. = MANHOLE
- DI. = DRAIN INLET
- FH. = FIRE HYDRANT
- LP. = LIGHT POLE
- PP. = POWER POLE
- PL. = POWER LINE
- FL. = FENCE LINE
- WL. = WATER LINE
- GL. = GAS LINE
- V. = VALVE
- W. = WELL
- (DISTANCE) = DEED OR PLAT CALL
- P.O.C. = POINT OF COMMENCEMENT
- P.O.B. = POINT OF BEGINNING

NOTE: NO PORTION OF THE PROPERTY SHOWN HEREON IS IN A DESIGNATED FLOOD HAZARD AREA ACCORDING TO THE F.I.R.M. NO. 13297C0137E DATED 12/08/2016

A GEOMAX ROBOTOTAL STATION WAS USED TO OBTAIN THE LINEAR AND ANGULAR MEASUREMENTS USED IN THE PREPARATION OF THIS PLAT.

THE FIELD DATA UPON WHICH THIS MAP OR PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 490,526 FEET AND AN ANGULAR ERROR OF 02" PER ANGLE POINT, AND WAS ADJUSTED USING LEAST SQUARES METHOD.

THIS MAP OR PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 80,839 FEET.

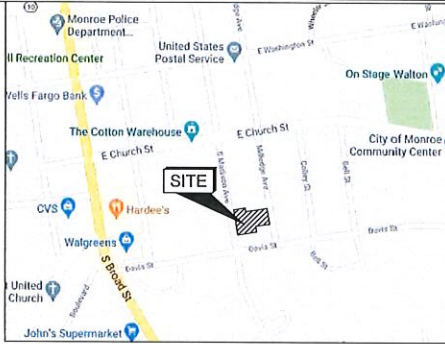
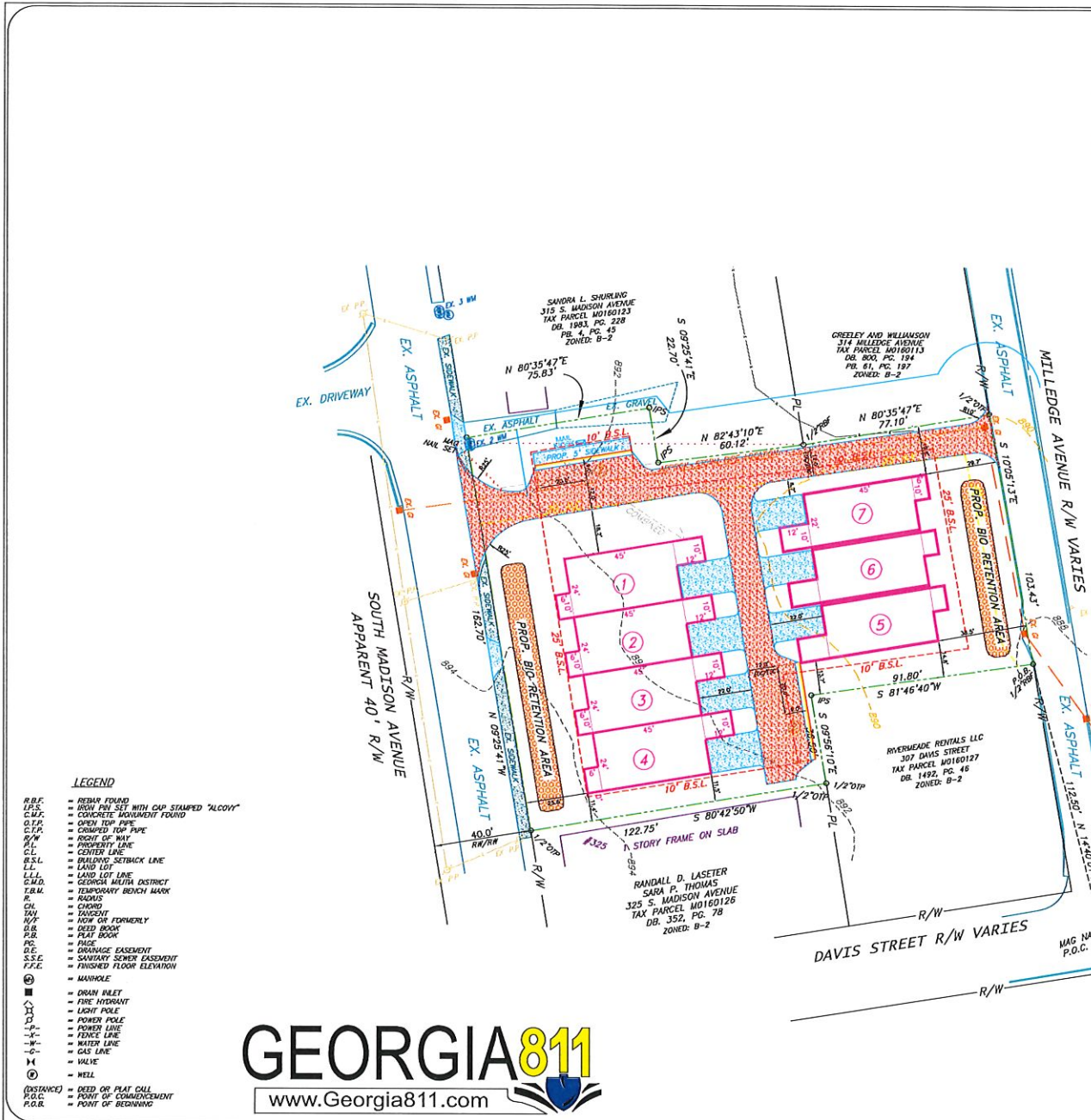
PER CURRENT TAX INFORMATION OWNER:
 HOWARD BROTHERS CONSTRUCTION & DEVELOPMENT
 IAN KATH HENDERSON
 903 HARVEST LANE
 MONROE, GA. 30655



0.647 ACRES

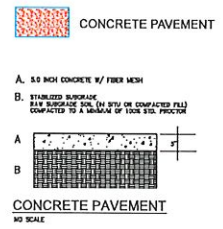


RETRACEMENT SURVEY FOR:	
HOWARD BROTHERS CONSTRUCTION & DEVELOPMENT	
IN THE CITY OF MONROE, TAX PARCEL M0160125 & M0160124	
FIELD WORK DATE: 3/20/18	DATE OF PLAT PREPARATION: 3/26/18
LAND LOT(S) 65	3rd DISTRICT WALTON COUNTY, GEORGIA
ALCOVY SURVEYING AND ENGINEERING, INC.	
2205 HWY. 81 S., LOGANVILLE, GA. 30052	
Phone 770-466-4002 - LSF #000759	
SCALE: 1" = 30'	
JOB NO. 18-033	



VICINITY MAP
N.T.S.

PAVEMENT LEGEND



- LEGEND**
- R.B.F. = REBAR FOUND
 - I.P.S. = IRON PSL SET WITH CAP STAMPED "ALCOVY"
 - C.M.P. = CONCRETE MONUMENT FOUND
 - C.T.P. = CROWN TOP PIPE
 - C.P. = CRUMPED TOP PIPE
 - R.O.W. = RIGHT OF WAY
 - P.L. = PROPERTY LINE
 - C.L. = CENTER LINE
 - B.S.L. = BUILDING SETBACK LINE
 - L.L. = LAND LOT
 - L.L.L. = LAND LOT LINE
 - C.M.D. = GEORGIA MULTI DISTRICT
 - T.B.U. = TEMPORARY BENCH MARK
 - R. = RADUS
 - C.K. = CROWN
 - T.V. = TAPER
 - N.O.P. = NOW OR FORMERLY
 - D.B. = DEED BOOK
 - P.B. = PLAT BOOK
 - P.G. = PAGE
 - D.E. = DRAINAGE EASEMENT
 - S.E.E. = SANITARY SEWER EASEMENT
 - F.F.E. = FINISHED FLOOR ELEVATION
 - M. = MANHOLE
 - D.M. = DRAIN INLET
 - F.H. = FIRE HYDRANT
 - L.P. = LIGHT POLE
 - P.P. = POWER POLE
 - P.L. = POWER LINE
 - F.L. = FENCE LINE
 - W.L. = WATER LINE
 - G.L. = GAS LINE
 - V. = VALVE
 - N. = NAIL
 - (DISTANCE) = DEED OR PLAT CALL
 - P.O.C. = POINT OF COMMENCEMENT
 - P.O.B. = POINT OF BEGINNING

GEORGIA811
www.Georgia811.com

ALCOVY
SURVEYING & ENGINEERING, INC.
300 C. TYP HUNTER, P.E.
2205 Highway 81 South
Loganville, Georgia 30052
Phone: 770-466-4002
Fax: 770-466-4296
sp@alcovyse.com

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SITE PLAN

PROPOSED

PARCEL: M0160124 & M0160125
LAND LOT: 65
DISTRICT: 3RD
317 S MADISON AVE.
CITY OF COVINGTON, GA

DATE: 7/30/2020
SCALE: 1" = 30'

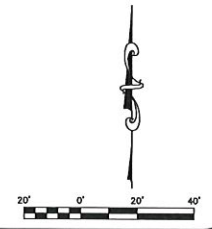
OWNER
NEW LEAF GEORGIA, LLC.

24 HOUR - EMERGENCY CONTACT
BRUCE HENDLEY
770-424-0999
bruce@hendleyhome.sga.com

REVISIONS

NO.	DATE	DESCRIPTION

JOB No. 18-033
C-1



**NOTICE TO THE PUBLIC
CITY OF MONROE**

**A petition has been filed with the
City of Monroe requesting
the property at 319 S Madison Avenue
to be considered for a Conditional Use
to allow Townhouses in a B2 Zoning.
A public hearing will be held before
the Monroe Planning and Zoning
Commission at City Hall Auditorium at
215 N. Broad Street on September 15, 2020
at 5:30 P.M. All those having an
interest should be present to voice
their interest.**

**A petition has been filed with the
City of Monroe requesting the
property at 319 S Madison Avenue
to be considered for a Conditional Use
to allow for Townhouses in a B2 Zoning.
A public hearing will be held before
The Mayor and City Council
at the City Hall Auditorium at
215 N. Broad Street on October 13, 2020
at 6:00 P.M. All those having an
interest should be present to voice
their interest.**

**PLEASE RUN ON THE
FOLLOWING DATE:**

August 23, 2020



To: Planning and Zoning / City Council
From: Patrick Kelley
Department: Planning, Zoning, Code and Development
Date: 08-26-2020
Description: City of Monroe
 215 N. Broad St
 Zoning text amendment #8
 Art. X, Section 1000.3.2 to add Item (iv) cottage food business
 Requested by Jamie Cox of 919 Holly Hill Rd.

Budget Account/Project Name: NA

Funding Source: 2020 NA

Budget Allocation: NA

Budget Available: NA

Requested Expense: \$NA **Company of Purchase:** NA



Recommendation:

Background: The applicant wishes to establish a cottage food business within their home at 919 Holly Hill Rd. pursuant to the restrictions related to a home business. They have recently relocated to the City and had operated this business in the jurisdiction from which they moved. Additionally, they have another business in the City already on Hubbard St.

Attachment(s): Application receipt, application, adopting ordinance (if approved). Notice to the public.



City of Monroe
215 N. Broad Street
Monroe, GA 30655
(770)207-4674

Plan Report

Plan NO.: ZONE-000066-2020

Plan Type: Rezone

Work Classification: Text Amendment

Plan Status: In Review

Apply Date: 08/19/2020

Expiration:

Location Address	Parcel Number
215 N BROAD ST, MONROE, GA 30655	M0140026

Contacts	
City Of Monroe P.O. BOX 1249, Monroe, GA 30655 (770)267-7536	Owner JAMIE COX 919 HOLLY HILL RD, MONROE, GA 30655 (678)758-0203
	Applicant dougandbatterllc@gmail.com


Description: Zoning Code Text Amendment for Article X, Sect 1000.3.2 - P&Z Mtg 9/15/20 @ 5:30 pm -Council Mtg 10/13/20 @ 6:00 pm 215 N Broad St

Valuation:	\$0.00
Total Sq Feet:	0.00

Fees	Amount
Single Family Rezone or Variance Fee	\$100.00
Total:	\$100.00

Payments	Amt Paid
Total Fees	\$100.00
Check # 1031	\$100.00
Amount Due:	\$0.00

<u>Condition Name</u>	<u>Description</u>	<u>Comments</u>
-----------------------	--------------------	-----------------



 Issued By:

Plan_Signature_1

Plan_Signature_2

August 19, 2020

 Date

Date

Date



Zoning Code Text Amendment Application

Application must be submitted to the Code Department 45 days prior to the Planning & Zoning

Meeting of: _____

Your representative must be present at the meeting

Text to be amended Section 1000.3.2 of Article X

Applicant
Name Jamie Cox
Address 919 Holly Hill Rd
Phone # 678-758-0203

Statement of intent (explain in detail the requested change):

To obtain a Cottage license through the department of agriculture. Which will allow me to my in home bakery that was established in Jackson County. This will allow me to make wedding cakes & be able to participate in festivals & venues. Be able to sell as a vender at events.

Statement explaining why any subject property is not suitable for development under the existing text:

Explanation of the hardship which will result if the amendment is not granted:

I would not be able to sell wedding cakes, be a vender at events, or sell in any capacity. I would have to close my business that is already established.

Other information required by the Code Enforcement Officer:

Each applicant has the duty of filing a disclosure report with the City if a contribution or gift totaling two hundred and fifty dollars (\$250.00) or more has been given to an official of the City of Monroe within the last two (2) years.

The above statements and accompanying materials are complete and accurate. Applicant hereby authorizes Code department personnel to enter upon and inspect the property for all purposes allowed and required by the zoning ordinance and the development regulations.

**PUBLIC NOTICE WILL BE PLACED AND REMOVED BY THE CODE DEPARTMENT
SIGN WILL NOT BE REMOVED UNTIL AFTER THE COUNCIL MEETING.**

Signature Jamie Cox

Date: 8/19/2020

Notary Public Deborah M Adkinson

Date: 8/19/2020

Commission Expires: Sept 8, 2020



I hereby withdraw the above application: Signature _____ Date _____

**AN ORDINANCE TO AMEND THE ZONING
ORDINANCE OF THE CITY OF MONROE, GEORGIA**

The Mayor and Council of the city of Monroe, Georgia, hereby ordain as follows:

The Zoning Ordinance of the City of Monroe, officially adopted June 10, 2014, and Effective July 1, 2014, as thereafter amended, is hereby amended by implementing text amendments and changes outlined and identified in particular detail on Exhibit A, which such exhibit is incorporated herein by reference.

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

These text amendments of the City of Monroe Zoning Ordinance shall take effect upon their adoption by the Mayor and Council.

FIRST READING. This 13th, day of October, 2020.

SECOND READING AND ADOPTED on this 10th day of November, 2020.

CITY OF MONROE, GEORGIA

**By: _____ (SEAL)
John Howard, Mayor**

**Attest: _____ (SEAL)
Debbie Kirk, City Clerk**

EXHIBIT A

City of Monroe Zoning Ordinance Text Amendment

Amendment # 8

1. Section 1000.3.2 (a) Additional Minimum Requirements – Residential Business. A residential Business: limited to – add item (iv) cottage food business.

**NOTICE TO THE PUBLIC
CITY OF MONROE**

The City of Monroe Planning & Zoning commission will be holding a hearing for a zoning action/zoning code text amendment of Article X Sect 100.3.2. A public hearing will be held on September 15, 2020 at 5:30 P. M. in the City Hall Building at 215 N Broad Street.

The City of Monroe Council will be holding a hearing for a zoning action/zoning code text amendment of Article X, Sect. 1000.3.2. A public hearing will be held on October 13, 2020 at 6:00 P.M. in the City Hall Building at 215 N Broad Street

All those having an interest should be present.

Please run on the following date:

August 23, 2020



To: Planning and Zoning / City Council
From: Patrick Kelley
Department: Planning, Zoning, Code and Development
Date: 08-21-2020
Description: 319 S. Madison Ave. Request for conditional use – Townhouses on a B2 zoned property.

Budget Account/Project Name: NA

Funding Source: 2020 NA

Budget Allocation: NA

Budget Available: NA

Requested Expense: \$NA

Company of Purchase: NA

Recommendation: *Approval with conditions as determined by P&Z, City Council and HPC.*

Background: This property has for years been occupied with dilapidated residential structures which have been demolished over time for the most part. The future land use plan indicates a commercial use. Historical use has been residential. This property is in an historic district and would be subject to approval by the HPC regarding design aesthetics and materials. Residential intown living is a stated desire of the City at large to encourage walkability. This property is adjacent to a newly developing residential area so, although indicated to be commercial on the Future Land Use Plan, the current trend is towards residential as it has been used in the past. Additionally, single family residential homes may already be built in B2 zoning at the R1A parameters. This product does allow for increased density above R1A limits but as a conditional use This has been anticipated and accounted for in the remainder of the zoning requirements.

Attachment(s): Application & supporting documents



City of Monroe
215 N. Broad Street
Monroe, GA 30655
(770)207-4674

Plan Report

Plan NO.: LDU-000064-20

Plan Type: Land Use
Work Classification: Conditional Use
Plan Status: In Review

Apply Date: 08/18/2020

Expiration:

Location Address

Parcel Number

319 S MADISON AVE, MONROE, GA 30655

M0160125

Contacts

NEW LEAF GEORGIA
1649 GENTRY LANE, STATHAM, GA 30666
(706)424-0999

Owner

Lori Volk
300 Edwards St, Monroe, GA 30655
(404)630-2834

Applicant

lorivolk1@gmail.com

Description: REQUEST FOR A CONDITIONAL USE TO BUILD TOWNHOUSES - P&Z MTG
9/15/20 @ 5:30 PM - COUNCIL MTG 10/13/20 @ 6:00 PM 215 N BROAD ST

Valuation: \$0.00
Total Sq Feet: 0.00

Fees	Amount
Multifamily Rezone or Variance Fee	\$300.00
Total:	\$300.00

Payments	Amt Paid
Total Fees	\$300.00
Check # 3523	\$300.00
Amount Due:	\$0.00

Condition Name

Description

Comments

Issued By:

August 18, 2020

Date

Plan_Signature_1

Date

Plan_Signature_2

Date

Variance/Conditional Use Application

Application must be submitted to the Code Department 30 days prior to the Planning & Zoning

Meeting of: Sept. 15, 2020

Your representative must be present at the meeting

Street address 319 S. Madison Ave. Council District 4 / _____ Map and Parcel # M0160-125
 Zoning B2 Acreage .647 Proposed Use Townhome Community Road Frontage 162.7 ft. / on
Madison Ave. (street or streets) and 103.43 ft. on Milledge Ave.

Applicant
 Name Lori Volk
 Address 300 Edwards St., Monroe, GA 30655
 Phone # (404) 630-2834

Owner
 Name New Leaf Georgia
 Address 1649 Gentry Lane, Statham, GA 30666
 Phone # (706) 424-0999

Request Type: (check one) Variance Conditional Use

Nature of proposed use, including without limitation the type of activity proposed, manner of operation, number of occupants and/or employees, hours of operation, number of vehicle trips, water and sewer use, and similar matters:
The proposed use is the construction of residential, upscale townhouse villas.
Four of the structures will be detached and facing Madison Ave. Three of the structures will be attached and facing Milledge Ave.

State relationship of structure and/or use to existing structures and uses on adjacent lots:
The townhomes will be designed and built to fit into the historic downtown vision within an area of existing residential structures. Quality materials will be used, such as brick and hard-plank, and balconies will be part of the design in order to enjoy green space events.

State reason for request and how it complies with the Zoning Ordinance section 1425.5(1)-(10) & 1430.6(1)-(8):
This request is for approval to build upscale townhome villas, which are a permitted land use under section 620.3 Table 7-Commercial Zoning District Land Use Regulations, under the RESIDENTIAL sub-category.

State area, dimensions and details of the proposed structure(s) or use(s), including without limitation, existing and proposed parking, landscaped areas, height and setbacks of any proposed buildings, and location and number of proposed parking/loading spaces and access ways:
Each structure will be 24 ft. X 45 ft. with two stories at a height of 30 ft. There will be enclosed garages with an additional 21 ft. of parking space for additional vehicles. A shared back-alley drive will connect each residence's garage entrance. There is a 5 ft. Building setback line on the sides and 20 ft. on the fronts.

State the particular hardship that would result from strict application of this Ordinance:
N/A for conditional Use application

Check all that apply: Public Water: Well: Public Sewer: Septic: Electrical: Gas:

For any application for an overlay district, a Certificate of Appropriateness or a letter of support from the Historic Preservation Commission or the Corridor Design Commission for the district is required.

Documents to be submitted with request:

- Recorded deed
- Survey plat
- Site plan to scale
- Proof of current tax status

Application Fees:

- \$100 Single Family
- \$300 Multi Family
- \$200 Commercial

Each applicant has the duty of filing a disclosure report with the City if a contribution or gift totaling two hundred and fifty dollars (\$250.00) or more has been given to an official of the City of Monroe within the last two (2) years.

The above statements and accompanying materials are complete and accurate. Applicant hereby authorizes Code department personnel to enter upon and inspect the property for all purposes allowed and required by the zoning ordinance and the development regulations.

Signature Lori Volk Date: 8/14/2020

**PUBLIC NOTICE WILL BE PLACED AND REMOVED BY THE CODE DEPARTMENT
SIGN WILL NOT BE REMOVED UNTIL AFTER THE COUNCIL MEETING.**

***Property owners signature if not the applicant**

Signature Bruce Henally

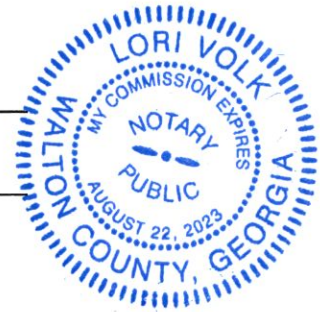
Date: 8/14/20

Lori Volk

Date: 8/14/2020

Notary Public

Commission Expires: 8/22/2023



I hereby withdraw the above application: Signature _____ Date _____

2-1
LOW

After Recording Return To:
Benji Kaye & Associates, LLC
258 North Broad Street,
Winder, Georgia 30680
FILE NO. 20W0682K



BK: 4644 PG: 428-429
Filed and Recorded
Aug-03-2020 02:15:05PM
DOC#: D2020-010520
Real Estate Transfer Tax Paid \$152.00
1472020002723

Karen P. David
CLERK OF SUPERIOR COURT Walton County GA.

STATE OF GEORGIA

COUNTY OF BARROW

LIMITED
WARRANTY DEED

This Indenture made this 30th day of July, in the year Two Thousand Twenty, between Howard Brothers Construction and Development, Inc. n/k/a Howard Brothers Branding, Inc. and Ian Henderson, Individually, as party or parties of the first part, hereinafter called Grantor, and New Leaf Georgia, LLC, as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH

That Grantor, for and in consideration of the sum of TEN AND 00/100'S (\$10.00) Dollars and other good and valuable considerations in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee,

All that tract or parcel of land lying and being in Land Lot 65 of the 3rd District of Walton County, Georgia, containing 0.647 acres, more or less, as shown on that plat entitled "Retracement Survey for Howard Brothers Construction & Development", prepared by Alvoxy Surveying and Engineering, Inc., certified by Ronald Calvin Smith, Georgia Registered Land Surveyor Number 2921, dated March 26, 2018, recorded in Plat Book 118, Page 122, Walton County, Georgia records; which plat is incorporated herein by reference thereto for a more complete description of the property conveyed.

THIS CONVEYANCE is subject to all restrictions and easements of record.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee forever in FEE SIMPLE.

AND THE SAID Grantor will warrant and forever defend the right and title to the above described property unto the said Grantee against the claims of all persons by, through and under the above named grantor.

IN WITNESS WHEREOF, the Grantor has signed and sealed this deed, the day and year above written.

Howard Brothers Construction and Development, Inc., n/k/a Howard Brothers Branding, Inc.



[Handwritten Signature] (Seal)
John S. Howard CEO

[Handwritten Signature] (Seal)
Robert L. Howard, CFO

[Handwritten Signature] (Seal)
Ian Henderson, Individually

Signed, sealed and delivered this 30th day of July, 2020 in the presence of:

[Handwritten Signature]

Unofficial Witness

[Handwritten Signature]
Notary Public



4-4
LAW

env. X

Probate Court Return Mailing Address:
303 S. Hammond Dr., #118
Monroe, Georgia 30655

BK: 4644 FG: 430-433
Filed and Recorded
Aug-03-2020 02:16:11PM
DOC#: D2020-010521
Real Estate Transfer Tax \$0.00
1472020002166

Karen P. David
CLERK OF SUPERIOR COURT Walton County GA.

(Above space to be used for filing in Superior Court Clerk's Office of Deeds and Records)

2019 Property Tax Statement

Tax Commissioner
 303 South Hammond Drive STE 100
 Walton County Government Building
 Monroe, Georgia 30655

Ph: 770-266-1736, Fax: 770-267-1416

HOWARD BROTHERS CONSTRUC
 AND DEVELOPMENT INC &
 HENDERSON IAN KEITH
 MONROE, GA 30655

RETURN THIS PORTION WITH PAYMENT
 (Interest will be added per month if not paid by due date)

Bill No.	Due Date	Current Due	Prior Payment	Back Taxes	*Total Due
2019-17685	11/15/2019	\$0.00	\$705.21	\$0.00	Paid 12/10/2019

Map: M0160-00000-125-000
 Location: 319 MADISON AVE S
 Account No: 353700 010

The Tax Commissioner is the tax collector and is not responsible for values nor for rates. If you feel the assessed fair market value of your property is incorrect, please contact the Tax Assessors office at 770-267-1352.

Payments made after the due date are subject to interest and penalties governed by Georgia Code. State law requires all tax bills to be mailed to owner of record on January 1st. If property has been sold, please contact our office.

Tax Commissioner
 303 South Hammond Drive STE 100
 Walton County Government Building
 Monroe, Georgia 30655
 Ph: 770-266-1736, Fax: 770-267-1416



Tax Payer: HOWARD BROTHERS CONSTRUC
Map Code: M0160-00000-125-000 Real
Description: .63AC
Location: 319 MADISON AVE S
Bill No: 2019-17685

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good through	Exemptions
0.00	0.00	0.0000	\$44,200.00	11/15/2019	08/14/2019		

Entity	Adjusted FMV	Net Assessment	Exemptions	Taxable Value	Millage Rate	Gross Tax	Credit	Net Tax
CITY BOND	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.001981	\$35.02	\$0.00	\$35.02
CITY TAX	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.005821	\$181.49	-\$78.57	\$102.92
COUNTY	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.010905	\$237.97	-\$45.17	\$192.80
SCH BOND	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.002300	\$40.66	\$0.00	\$40.66
SCHOOL	\$0.00	\$17,680.00	\$0.00	\$17,680.00	0.018600	\$328.85	\$0.00	\$328.85
TOTALS					0.039607	\$823.99	-\$123.74	\$700.25

State law requires all tax bills to be mailed to the owner of record on January 1st. If property has been sold, please contact our office.

This bill is not sent to your mortgage company. If you have an escrow account, please forward a copy of this bill to your mortgage company. We encourage you to pay by mail or on our website at www.waltoncountypay.com

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition, certain elderly persons are entitled to additional homestead exemptions. Applications must be filed by April 1st.

For eligibility requirements regarding exemptions or questions about your value, contact the Tax Assessors office at 770-267-1352.

Current Due	\$700.25
Discount	\$0.00
Penalty	\$0.00
Interest	\$0.00
Other Fees	\$4.96
Previous Payments	\$705.21
Back Taxes	\$0.00
Total Due	\$0.00
Paid Date	12/10/2019

BK:118 PG:122-122
 Filed and Recorded
 Jul-07-2020 09:05 AM
 DOC# 2020 - 000187
 KAREN P. DAVID
 CLERK OF SUPERIOR COURT
 WALTON COUNTY, GA
 Participant ID: 6458806574

SURVEYOR CERTIFICATION
 This plat is a retracement of an existing parcel of land and does not subdivide or create a new parcel or make changes to any real property boundaries. The recording information of the documents, maps, plats or other instruments which created the parcel or parcels are stated herein. RECORDATION OF THIS PLAT DOES NOT IMPLY APPROVAL OF ANY LOCAL JURISDICTION, AVAILABILITY OF PERMITS, COMPLIANCE WITH LOCAL REGULATIONS OR REQUIREMENTS, OR SUITABILITY FOR ANY USE OR PURPOSE OF THE LAND.
 Furthermore, the undersigned land surveyor certifies that this plat complies with the minimum technical standards for property surveys in Georgia as set forth in the rules and regulations of the Georgia Board of Registration for Professional Engineers and Land Surveyors and as set forth in D.C.G.A. Section 15-6-67.

[Signature]
 Royal Calvin Smith, Ga. R.L.S. No. 2921
 I-F-ED BY GOVERNMENTAL BODIES HAVE APPROVED THIS PLAT, MAP OR PLAN FOR FILING:
[Signature]
 07-07-2020
 CITY OF MONROE CODE OFFICE DATE:

NOTE: BEARINGS & ELEVATIONS SHOWN HEREON ARE BASED UPON GPS SURVEY USING CHAMPION TKO EQUIPMENT AND eGPS SOLUTIONS REAL TIME NETWORK ADJUSTMENT AS OF THE FIELD WORK DATE SHOWN.

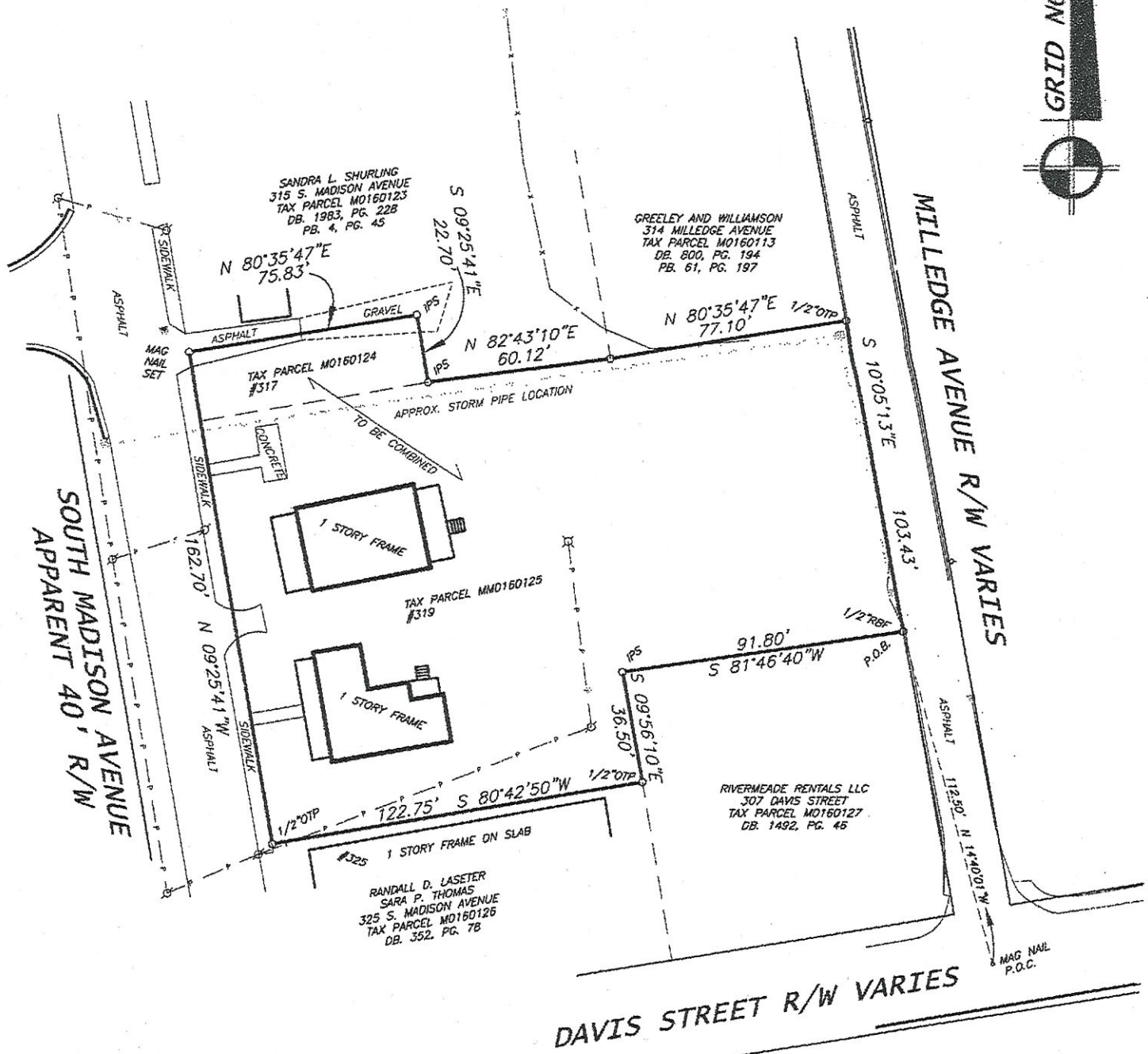
NOTE: THE INITIAL CONTROL POINTS FOR THIS SURVEY WERE LOCATED UTILIZING GPS. THE EQUIPMENT USED WAS A CHAMPION TKO DUAL FREQUENCY RECEIVER WITH A SCEPTER TWO DATA COLLECTOR RUNNING CARLSON SURVEY SOFTWARE. NETWORK RTK CORRECTIONS WERE RECEIVED VIA A CELLULAR MODEM. THE TYPE OF SURVEY WAS NETWORK RTK UTILIZING TRIMBLE VRS REAL TIME NETWORK OPERATED BY eGPS SOLUTIONS, INC. THE RELATIVE POSITIONAL ACCURACY, AS CALCULATED ACCORDING TO THE FEDERAL GEOGRAPHIC DATA COMMITTEE PART 3: NATIONAL STANDARD FOR SPATIAL DATA ACCURACY IS 0.04 FT. HORIZONTAL AND 0.07 FT. VERTICAL AT A 95% CONFIDENCE LEVEL.

THIS BLOCK RESERVED FOR THE CLERK SUPERIOR COURT

NOTE: THIS SURVEY HAS BEEN PREPARED FOR THE EXCLUSIVE USE OF THE PERSON(S) OR ENTITIES NAMED HEREON. NO EXPRESSED OR IMPLIED WARRANTIES WITH RESPECT TO THE INFORMATION SHOWN HEREON IS TO BE EXTENDED TO ANY PERSON(S) OR ENTITIES OTHER THAN THOSE SHOWN HEREON.

THIS SURVEY WAS PREPARED WITH OUT THE BENEFIT OF A CURRENT TITLE INSPECTION REPORT. EASEMENTS OR OTHER ENCUMBRANCES MAY EXIST ON PUBLIC RECORD BUT ARE NOT SHOWN HEREON.

ANY UNDERGROUND UTILITY SHOWN HEREON IS BASED ON UTILITY MARKINGS BY THE UTILITY OWNER, A PRIVATE UTILITY MARKING COMPANY, CONSTRUCTION AND ASBUILT DRAWINGS PROVIDED BY THE UTILITY PROVIDER OR PROPERTY OWNER. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA. UNDERGROUND UTILITIES NOT OBSERVED DURING THE FIELD SURVEY PROCEDURE MAY EXIST BUT ARE NOT SHOWN ON THIS SURVEY. FURTHERMORE THE SURVEYOR DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN HEREON ARE IN THE EXACT LOCATION INDICATED, ALTHOUGH THE SURVEYOR DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM THE INFORMATION AVAILABLE.



GRID NORTH GA. WEST ZONE

- LEGEND**
- R.B.F. = REBAR FOUND
 - I.P.S. = IRON PIN SET WITH CAP STAMPED "ALCOVY"
 - C.M.F. = CONCRETE MONUMENT FOUND
 - O.T.P. = OPEN TOP PIPE
 - C.T.P. = CRIMPED TOP PIPE
 - R/W = RIGHT OF WAY
 - P.L. = PROPERTY LINE
 - C.L. = CENTER LINE
 - B.S.L. = BUILDING SETBACK LINE
 - L.L. = LAND LOT
 - L.L.L. = LAND LOT LINE
 - G.M.D. = GEORGIA MILITIA DISTRICT
 - T.B.M. = TEMPORARY BENCH MARK
 - R. = RADIUS
 - CH. = CHORD
 - TAN. = TANGENT
 - N/F. = NOW OR FORMERLY
 - D.B. = DEED BOOK
 - P.B. = PLAT BOOK
 - PG. = PAGE
 - D.E. = DRAINAGE EASEMENT
 - S.S.E. = SANITARY SEWER EASEMENT
 - F.F.E. = FINISHED FLOOR ELEVATION
 - M.H. = MANHOLE
 - D.I. = DRAIN INLET
 - F.H. = FIRE HYDRANT
 - L.P. = LIGHT POLE
 - P.P. = POWER POLE
 - P.L. = POWER LINE
 - F.L. = FENCE LINE
 - W.L. = WATER LINE
 - G.L. = GAS LINE
 - V. = VALVE
 - W. = WELL
 - (DISTANCE) = DEED OR PLAT CALL
 - P.O.C. = POINT OF COMMENCEMENT
 - P.O.B. = POINT OF BEGINNING

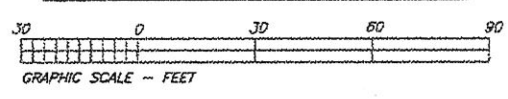
NOTE: NO PORTION OF THE PROPERTY SHOWN HEREON IS IN A DESIGNATED FLOOD HAZARD AREA ACCORDING TO THE F.I.R.M. NO. 13297C0137E DATED 12/08/2016

A GEOMAX ROBOTOTAL STATION WAS USED TO OBTAIN THE LINEAR AND ANGULAR MEASUREMENTS USED IN THE PREPARATION OF THIS PLAT.

THE FIELD DATA UPON WHICH THIS MAP OR PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 490,526 FEET AND AN ANGULAR ERROR OF 02" PER ANGLE POINT, AND WAS ADJUSTED USING LEAST SQUARES METHOD.

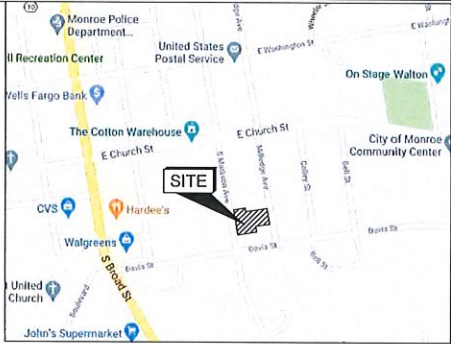
THIS MAP OR PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 80,839 FEET.

PER CURRENT TAX INFORMATION OWNER:
 HOWARD BROTHERS CONSTRUCTION & DEVELOPMENT
 IAN KATH HENDERSON
 903 HARVEST LANE
 MONROE, GA. 30655



0.647 ACRES

	RETRACEMENT SURVEY FOR:	
	HOWARD BROTHERS CONSTRUCTION & DEVELOPMENT	
	IN THE CITY OF MONROE, TAX PARCEL M0160125 & M0160124	
	FIELD WORK DATE: 3/20/18	DATE OF PLAT PREPARATION: 3/26/18
LAND LOT(S) 65	3rd DISTRICT	WALTON COUNTY, GEORGIA
ALCOVY SURVEYING AND ENGINEERING, INC.		SCALE: 1" = 30'
2205 HWY. 81 S., LOGANVILLE, GA. 30052		JOB NO. 18-033
Phone 770-466-4002 - LSF #000759		



VICINITY MAP
N.T.S.

ALCOVY
SURVEYING & ENGINEERING, INC.
300 C. TYP HUNTER, P.E.
2205 Highway 81 South
Loganville, Georgia 30052
Phone: 770-466-4002
Fax: 770-466-4296
sp@alcovyse.com

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SITE PLAN

PROPOSED

PARCEL: M0160124 & M0160125
LAND LOT: 65
DISTRICT: 3RD
317 S MADISON AVE.
CITY OF COVINGTON, GA

DATE: 7/30/2020
SCALE: 1" = 30'

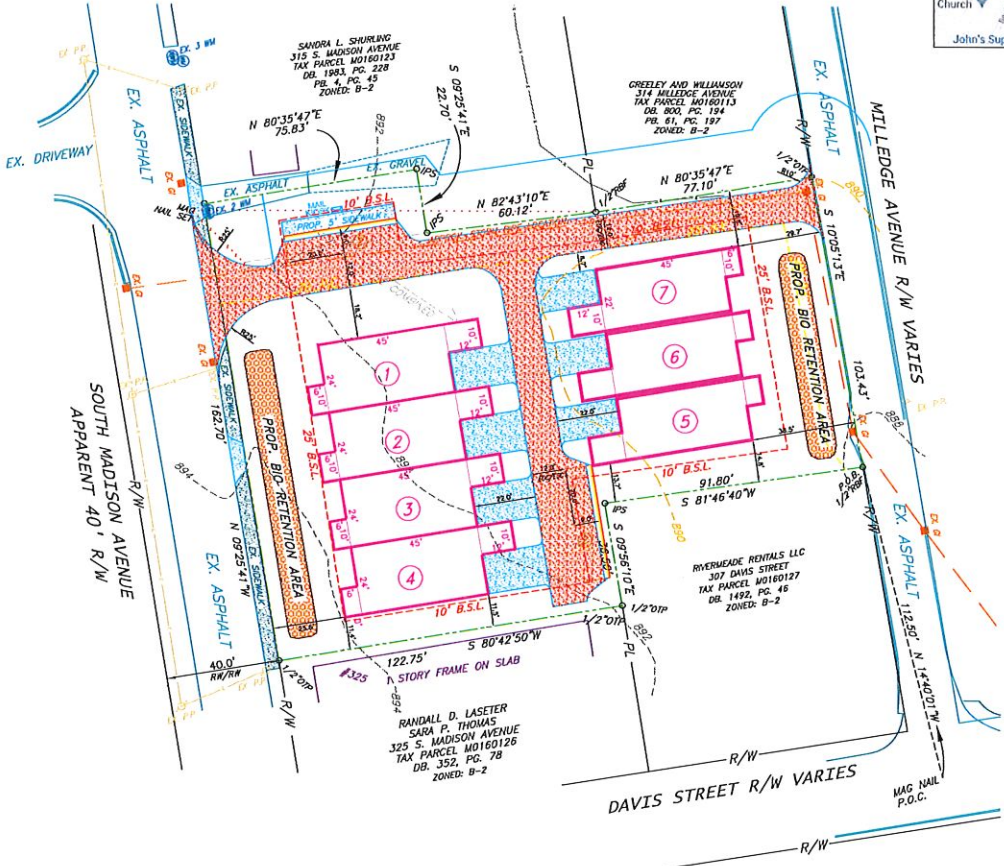
OWNER
NEW LEAF GEORGIA, LLC.

24 HOUR - EMERGENCY CONTACT
BRUCE HENDLEY
770-424-0999
bruce@hendleyhome.sga.com

REVISIONS

NO.	DATE	DESCRIPTION

JOB No. 18-033
C-1



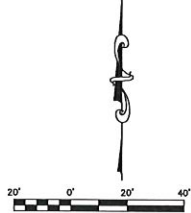
PAVEMENT LEGEND

CONCRETE PAVEMENT

A. 5.0 INCH CONCRETE W/ FIBER MESH
B. STABILIZED SUBGRADE
C. 2\"/>

- LEGEND**
- R.B.F. = REBAR FOUND
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 - P.O.B. = POINT OF BEGINNING

GEORGIA811
www.Georgia811.com



**NOTICE TO THE PUBLIC
CITY OF MONROE**

**A petition has been filed with the
City of Monroe requesting
the property at 319 S Madison Avenue
to be considered for a Conditional Use
to allow Townhouses in a B2 Zoning.
A public hearing will be held before
the Monroe Planning and Zoning
Commission at City Hall Auditorium at
215 N. Broad Street on September 15, 2020
at 5:30 P.M. All those having an
interest should be present to voice
their interest.**

**A petition has been filed with the
City of Monroe requesting the
property at 319 S Madison Avenue
to be considered for a Conditional Use
to allow for Townhouses in a B2 Zoning.
A public hearing will be held before
The Mayor and City Council
at the City Hall Auditorium at
215 N. Broad Street on October 13, 2020
at 6:00 P.M. All those having an
interest should be present to voice
their interest.**

**PLEASE RUN ON THE
FOLLOWING DATE:**

August 23, 2020

**AN ORDINANCE TO AMEND THE ZONING
ORDINANCE OF THE CITY OF MONROE, GEORGIA**

The Mayor and Council of the city of Monroe, Georgia, hereby ordain as follows:

The Zoning Ordinance of the City of Monroe, officially adopted June 10, 2014, and Effective July 1, 2014, as thereafter amended, is hereby amended by implementing text amendments and changes outlined and identified in particular detail on Exhibit A, which such exhibit is incorporated herein by reference.

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

These text amendments of the City of Monroe Zoning Ordinance shall take effect upon their adoption by the Mayor and Council.

FIRST READING. This 13th, day of October, 2020.

SECOND READING AND ADOPTED on this 10th day of November, 2020.

CITY OF MONROE, GEORGIA

**By:_____ (SEAL)
John Howard, Mayor**

**Attest:_____ (SEAL)
Debbie Kirk, City Clerk**

EXHIBIT A

City of Monroe Zoning Ordinance Text Amendment

Amendment # 8

1. Section 1000.3.2 (a) Additional Minimum Requirements – Residential Business. A residential Business: limited to – add item (iv) cottage food business.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROE, GEORGIA TO
SUPPORT DEVELOPMENT OF THE PROPOSED DOWNTOWN GREEN

WHEREAS, the City of Monroe, Georgia seeks to enhance the development of the City and provide more outdoor recreation areas for its citizenry; and,

WHEREAS, said development in large part centers around the increase in use and enjoyment of the outdoors and open spaces available in the City of Monroe; and,

WHEREAS, the City aims to increase the walkability and public park presence in the City of Monroe; and,

WHEREAS, the creation, development and installation of a downtown green containing approximately 1.67 acres located adjacent to E. Church Street and S. Madison Avenue in the city limits (the “Town Green”) for use and enjoyment by the citizens of and visitors to the City of Monroe, Georgia assists in fulfilling this goal; and,

WHEREAS, the City is engaged in the development of the Downtown Green, and is taking full advantage of all available grants and funds to accomplish such; and,

WHEREAS, the City is engaged in the pre-application process of seeking a grant from the Georgia Department of Natural Resources (the “DNR”) Land and Water Conservation Fund Program (the “LWCF”); and,

WHEREAS, said grant will be used for the development of the Downtown Green area; and,

WHEREAS, the City intends to develop the Downtown Green area for public use by the citizens of and visitors to Monroe to engage in a multitude of activities, including walking, running, biking, walking pets, etc., and allow for said activities to occur in and around the Downtown Green corridor; and,

WHEREAS, the City agrees that in the event the pre-application is recommended for funding by the Board of Trustees of the LWCF and DNR, the City certifies and assures it has the ability and intention to finance the project elements that will be submitted for reimbursement, as well as the Fifty percent (50%) total project match to be submitted, and will move forward with due diligence to prepare appropriate documentation required for a formal LWCF application;

NOW, THEREFORE, be it RESOLVED by the Mayor and Council that the City of Monroe, Georgia fully supports the undertaking of procuring the above-referenced grant and to continue the City’s goal of development of the Town Green for public use and enjoyment through the LWCF and all other available means.

SO RESOLVED on this ____ day of _____, 2020.

CITY OF MONROE, GEORGIA

By: _____ **(SEAL)**

John S. Howard, Mayor

Attest: _____ **(SEAL)**

Debbie Kirk, City Clerk



To: City Council
From: Logan Propes, City Administrator
Department: Administration
Date: 10/06/2020
Subject: Capital Campaign Commitment

Budget Account/Project Name: 100-5500-572040 & 520-4115-572040

Funding Source:

Budget Allocation:

Budget Available: \$14,436.00

Requested Expense: \$8,662.00

Company of Purchase: Walton County Chamber of Commerce & Walton Forward Foundation

Description:

Staff recommends that the Council approve the Walton County Chamber of Commerce, Inc., and Walton Forward, Inc., Capital Campaign three-year commitment for the total amount of \$25,986.00, which will be paid in three annual payments of \$8,662.00 each, and to authorize the City Administrator to execute the subsequent contract.

Background:

The Walton County Chamber of Commerce, Inc., and Walton Forward, Inc., ("Chamber") are having to relocate due to voters approving, in the last SPLOST, to level the building they are currently using that is owned by the Walton County Board of Commissioners, in order for Walton County to build a new two-story building to house their HR and Finance Departments. The Chamber is asking the Cities and County for help securing the funds to purchase a professional building to house their operations. The Walton Foundation has agreed to purchase the building at 207 North Wayne Street, and lease purchase it back to the Chamber giving the Chamber five years to raise the funds to purchase the building back. Through this Capital Campaign, they can have a professional building, state of the art technology, an upgraded member information center and enhance their business and community programs. City's share will be \$0.60 per capita based on the City of Monroe's population of 14,437, which totals \$25,986.00 to be paid in three annual payments of \$8,662.00 each.

Attachment:

Exhibit "A"

CITY AND COUNTY CONTRACTS Per Capita Basis

(Based on 2019 Population numbers posted by Georgia Power)
Capital Campaign 3-4 Year Contract Increase

Total
Annual
Amount

Walton County	County less city populations	63,302 x .40/person = \$25,320.08	\$63,241.28
		.60/person = \$37,921.20	
		<i>.60 increased amount for 3 years = \$113,763.60 and for 4 years = \$151,684.80</i>	

Loganville	12,789 (Less Gwinnett -2,700)	10,089 x .40/person = \$ 4035.60	\$10,089.00
		.60/person = \$6,053.40	
		<i>.60 increased amount for 3 years = \$18,160.20 and for 4 years = \$24,213.60</i>	

Monroe		14,437 x .40/person = \$ 5,774.80	\$14,437.00
		.60/person = \$8,662.20	
		<i>.60 increased amount for 3 years = \$25,986.60 and for 4 years = \$34,648.80</i>	

Social Circle		4,775 x .40/person = \$ 1,910.00	\$ 4,775.00
		.60/person = \$2,865.00	
		<i>.60 increased amount for 3 years = \$8,595 and for 4 years = \$11,460</i>	

Smaller City Population Counts: Good Hope 298, Walnut Grove 1,401, Between 371, Jersey 147

Exhibit "A"



To: Finance Committee, City Council

From: Beth Thompson, Finance Director

Department: Finance

Date: 10/6/2020

Subject: Financial Policies update

Budget Account/Project Name: n/a

Funding Source: n/a

Budget Allocation: n/a

Budget Available: n/a

Requested Expense: n/a

Description:

Asking for approval of the City of Monroe Financial Policies update.

Background:

The City of Monroe Financial Policies were last updated in 2006. Several policies were omitted from the 2006 update and have been added; Capital Asset Management Policy & Internal Control Policy. Other than the addition of the two policies, the language of the document as well as dates within the Budget Process were the primary changes.

Attachment(s):

- Proposed City of Monroe Financial Policies updated September 2020
- Prior Financial Policies and Budget Preparation updated 2006

The City Council has adopted policies in all areas of financial management, which guide the preparation, adoption, amendment, and administration of the Operating Budget, the Capital Budget, and the Capital Improvements Plan. Below is a listing of those policies in the areas of:

- Operating Budget Policies
- Capital Budget Policies
- Revenue Policies
- Reserve Policies
- Cash Management and Investment Policies
- Risk Management Policies
- Debt Policies
- Accounting, Auditing, and Financial Reporting Policies

Operating Budget Policies

The City Council shall hold an annual Planning Session each spring in order to establish priorities for funding in the next fiscal year; and discuss long-range planning of major capital improvements.

The City shall adopt a balanced budget annually; and any subsequent amendment must identify the revenues or other financing sources necessary to maintain said balance.

The City will not appropriate fund balance or retained earnings in any fund that would hinder meeting the reserve targets established herein. Once those targets are met in a particular fund, any amount over the target may be appropriated either for capital improvements or unexpected operating expenses.

The City will pay competitive wages and fringe benefits in order to attract and retain quality personnel.

All Enterprise Funds and Internal Service Funds shall be self-supporting from their fees and charges, without any subsidy from the General Fund. Transfers to the General Fund from the Enterprise Funds shall be made only after sufficient net income is retained to cover debt service and capital improvements essential to properly maintain and expand these utility services.

The Solid Waste Fund should reflect the true costs to provide residential and commercial garbage collection, disposal and recycling; brush collection and disposal; bulk (white goods) collection and disposal; and leaf collection and disposal. The City Council shall evaluate annually the extent to which each service is supported by service charges rather than a subsidy from the General Fund.

The City shall aggressively pursue improvements in technology and work methods that will improve service levels and/or reduce operating costs.

The City shall use one-time revenues only for capital items, unexpected operating expenses or to build reserves, instead of operating expenditures/expenses.

The City shall raise property taxes only when absolutely necessary to balance the Budget and maintain adequate reserves. Any property tax increase should be used only for the purchase of additional capital improvements or to increase needed personnel.

All appropriations and expenditures shall be made in full compliance with applicable State laws and the City's Purchasing Policy.

The City will follow the Budget Preparation Calendar prepared by the Finance Department each year.

The Budget shall be prepared in full compliance with the State’s Uniform Chart of Accounts, and with Generally Accepted Accounting Principles (GAAP) for Governments as promulgated by the Government Accounting Standards Board. This means the General Fund, Capital Projects Fund, Debt Service Fund, and Special Revenue Funds will be budgeted on the modified accrual accounting basis. Enterprise Funds and Internal Service Funds will be budgeted on the full accrual accounting basis.

All Budgets shall be adopted at the legal level of budgetary control, which is the fund/department level (ie., expenditures/expenses may not exceed the total appropriation for any department within a fund without the City Council’s approval).

The City Manager shall prepare an annual Budget that meets the requirements to receive the Distinguished Budget Presentation Award from the Government Finance Officers Association.

Capital Budget Policies

The City shall adopt a Capital Improvements Plan (CIP) annually which will include the next fiscal year’s Capital Budget, plus planned improvements for the following five years.

The City shall make every effort not to add additional programs and services until both the Operating Budget and the CIP are adequately funded.

The City shall provide resources from current revenues to fund an adequate maintenance and replacement schedule for infrastructure, and the vehicle and equipment fleet.

The City will aggressively pursue state and federal funding, as well as other sources of funding for capital improvements.

All operating budget appropriations shall lapse at the end of a fiscal year. Appropriations for Capital Projects which have not been completed by fiscal year-end must be re-appropriated for the balance due on the project in the next fiscal year.

Revenue Policies

The City will budget revenues conservatively so that the chance of a revenue shortage during the year is remote. This also will help finance contingencies and Budget amendments that were unforeseen when the Budget was first adopted.

The City will review annually all fees and charges to assure that they maintain their inflation-adjusted purchasing power.

Since different revenue sources impact classes of taxpayers differently, the City Council recognizes that the only way to minimize these different impacts is to have a diversified revenue system. These impacts will be considered in making any needed adjustments to the various sources of revenue.

The City will make every effort not to become too dependent on one source of revenue in order to minimize serious fluctuations in any year.

The City will consider market rates and rates of comparable cities in the region when changing tax rates, fees, and charges. The City will make every effort to maintain its favorable comparative position with other Georgia cities in this regard, which has contributed to our economic development success.

All cash donations to any department or agency of the City must be deposited with the Finance Director’s Office. All purchases using such donations must be budgeted and will comply fully with the City’s purchasing policies. The City cannot accept donations on behalf of an outside agency or group. Donations of

equipment or supplies may be made directly to a department or agency of the City. Donated equipment meeting the definition of a fixed asset must be reported to the Purchasing Director, for tagging and listing in the General Fixed Asset Account Group.

Reserve Policies

The City Council recognizes the need to set reserve targets for every operating fund of the City. The targets for those funds using the modified accrual basis of accounting are set as the percentage that the undesignated fund balance is to the combined budgeted expenditures and transfers to other funds.

The targets for those funds using the accrual basis of accounting are set as the percentage that the working capital is to the budgeted operating expenses and transfers to other funds. The targets are as follows:

<i>Fund Title</i>	<i>Undesignated Fund Balance (or Working Capital) as a % of Expenditures (or Operating Expenses) and Transfers Out</i>
General Fund	25% Fund Balance
Water/Wastewater Fund	17% Working Capital
Natural Gas Fund	17% Working Capital and a \$350,000 Reserve Fund
Solid Waste Collection Fund	17% Working Capital

Solid Waste Disposal Fund 17% Working Capital Medical Insurance Fund 9% Working Capital and a \$250,000 Reserve Fund Fleet Management Fund 17% Working Capital

These reserve targets shall be reviewed annually by the City Manager who shall report to the City Council on their continued adequacy.

Cash Management and Investments Policies

The City will make all deposits of cash within the time period required by State law. All deposits must be fully collateralized as required by State law.

The City will aggressively pursue all revenues due, including past due utility bills, court tickets and fines, and property taxes, using whatever legal means are available.

The City will pay all obligations on or before the due date.

The City will continue the current cash management and investment policies, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third. Those policies are outlined below:

The City will operate with the least number of bank accounts required by federal and state statutes and regulations and GAAP for governments. Consolidation of bank accounts makes investment decisions easier, and reduces staff time needed to reconcile monthly bank statements.

The Director of Finance will make a twelve-month cash flow projection, and from that develop a schedule of long-term investments. These investments could be any type authorized by State law. However, the City Council has limited it to Certificates of Deposit with local banks. All investments shall be made using competitive bidding and must fully comply with State collateralization of deposits. Such investments shall be pooled from among the various funds, and bid out no more frequently than once a month. This keeps the investment process manageable with limited staff. Large amounts of cash not in time deposits shall be kept in the sweep investment account to improve overall interest earnings. Should the sweep investment account interest rate be higher than that of a certificate of deposit, then the funds shall be kept in the sweep

Risk Management Policies

The City will minimize potential losses through employee safety training, inspections of the workplace, risk analysis, and OSHA compliance. The Personnel Director shall be responsible for these programs.

A drug-testing program shall continue for all potential employees, as well as random testing of all federally-required employees.

The City will continue to participate in the Georgia Municipal Association's Risk Management Pool for virtually all necessary coverages, including General Liability, Automobile Liability, Errors and Omissions, Property, Boiler and Machinery, Inland Marine, Special Events and Worker's Compensation.

Annual inspections of premises and work practices shall be performed by the risk management staff of the GMA Pool, and the City will correct any deficiencies noted.

Debt Policies

The City will issue bonds and capital outlay notes only for capital improvements and moral obligations. The City will attempt to fund capital improvements through net income of the utility systems, general revenues, and its portion of any SPLOST (Special Purpose Local Option Sales Tax) funds before resorting to long-term debt issuance. This will reduce the overall indebtedness and strengthen the City's creditworthiness.

The City will not issue notes or bonds to finance operating deficits. Adequate reserves will be maintained to assure this doesn't become necessary. No bond or note will be issued to purchase a fixed asset that has a shorter useful life than the term of the debt instrument.

The City will issue general obligation bonds or capital outlay notes for necessary general government projects and either general obligation or revenue bonds for enterprise fund projects. The City may also use pooled capital lease funds from GMA and loans from the Georgia Environmental Facilities Authority (GEFA).

No debt will be issued which would increase the outstanding amount of debt above ten (10%) percent of the total assessed value of property within the City. The outstanding amount of debt in this calculation shall not include debt issued for improvements in the utility systems, because that debt will be repaid from charges for services, not from property taxes. These limitations are found in Article IX., Section V, Paragraph 1 and Article IX., Section VI, Paragraph 1 of the Georgia Constitution.

A firm source of revenue sufficient to make the anticipated debt service payments must be identified by the City Council before any capital outlay note, GEFA loan, GMA capital equipment lease, general obligation bond, or revenue bond is issued.

Accounting, Auditing, and Financial Reporting Policies

The City Council will receive a monthly finance report showing Income Statements, Cash Flow Statements where appropriate, and all Investments.

The City shall have a qualified certified public accounting firm conduct an independent audit annually, as required by OCGA 36-81-7 (a)(1).

The City will maintain its accounting records in full accord with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board. The Finance Director is expected to obtain clean (unqualified) Audit Opinions each year.

The Annual Audit shall be submitted to the State Auditor before December 15th of each year, so that the City complies with OCGA 36-81-7 (d)(1). Any deficiencies noted by the Auditors shall be corrected immediately by the Director of Finance.

The Budget Process

The City’s Budget process begins in early January when department heads are given electronic format forms upon which to submit their operating and capital budget requests. The City Council is also notified to give the City Manager any requests they might have, so that costs may be researched. Departmental requests for the Capital Improvements Program are turned in to the City Manager by February 2nd, and all Operating Budget requests are turned in to the City Manager by March 3rd.

The Finance Director and City Manager decide upon the revenue estimates for the Operating Budget, and the amount to be transferred to the CIP and the amount of any proposed bond issues. At that point, the Finance Director begins her review of the operating expenditures, and the City Manager prepares the CIP. After the Finance Director and City Accountant have prepared a preliminary Budget, the Finance Director and the City Manager review it to determine whether further cuts are possible, or if additional revenues are necessary. Those decisions are made prior to the first week in April, when a Budget Planning Retreat is held by the City Council.

At that meeting, the Finance Director and City Manager present projections of the current fiscal year’s Budget, and the preliminary Operating Budget for Council review. In addition, the City Manager presents the Council with his recommendations for a six-year Capital Improvements Program. The City Council then debates any changes in suggested priorities in both the preliminary Operating Budget and the Capital Improvements Program. Once those priorities are established, the City Manager finalizes the CIP, and the Finance Director finalizes the Operating Budget. Both work on the narrative portions of the documents. The City Manager prepares the Budget Message and CIP Letter of Transmittal detailing the major issues, initiatives, and goals and objectives contained in both documents. The City Accountant prepares the spreadsheets detailing the line item budgets proposed for each fund.

The two documents are sent to the printers in mid-May, for distribution to the Mayor, City Council, and public by June 1st. Copies are available to the public at both the City Clerk’s Office and the Monroe Regional Library. A public hearing is scheduled for the first regular meeting in June, after which the Budget is voted upon, and the Budget becomes effective July 1st. In the event the Council cannot agree on a Budget before July 1st, an Interim Budget is adopted, which is simply a continuation Budget from the previous year. Once a Budget is adopted, the Finance Director authorizes the City Accountant to enter the adopted Budget into the accounting system.

Budget amendments may be made at any time throughout the fiscal year. Any amendment request is reviewed by the City Manager, who makes a recommendation on whether the expenditure should be made, and what revenue source will be used to finance it. All amendments require a Budget amendment resolution, since the original Budget is adopted by resolution. After passage, the Finance Director authorizes the City Accountant to enter the amended amounts in the budgetary accounting system.

City of Monroe, Georgia Calendar for FY 2007 Budget and CIP Preparation

- 11-Jan-2006 City Manager notifies all Department Heads to begin preparation of CIP Requests.
- 18-Jan-2006 City Council Sets the Dates for the Planning Session.
- 18-Jan-2006 City Council asked to submit any CIP requests to the City Manager. (Staff will prepare cost estimates.)
- 19-Jan-2006 City Manager notifies all Department Heads of the Planning Session, and the Deadline for Budget Requests. City Manager reviews the Budget Calendar with all Department Heads.
- 19-Jan-2006 City Clerk schedules the location for the Planning Session.
- 10-Feb-2006 Departmental CIP Requests must be turned in to the City Manager's Office.
- 10-Feb-2006 Finance Department gives Personnel costs to all departments.
- 24-Feb-2006 All CIP forms completed by City Manager's Office.
- 3-Mar-2006 All Revenue projections are due in Finance Director's Office.
- 3-Mar-2006 All Budget Requests must be turned in to the Finance Director's Office.
- 3-Mar-2006 City Manager and Finance Director complete all Revenue projections for the current and next fiscal year.
- Mar 13 - 17,
2006 City Manager and Finance Director review each departmental budget with the Department Heads. Also, discuss the presentation of the proposal by each Department Head.
- 31-Mar-2006 All Performance Measures must be turned in to the City Manager's Office
- 31-Mar-2006 Finance Director finalized Expenditure/Expense estimates for each department and outside agency for current and next fiscal years, and sends to City Manager for review.
- 31-Mar-2006 City manager prepares detailed agenda for Planning Session, including time slots for presentations.
- 31-Mar-2006 City Clerk's Office prepares Agenda packets, including Budget requests, and distributes to the City Council.
- 31-Mar-2006 City manager prepares comments on current year's financial projections, and an update on the proposed program of work for the current year. Then, prepares comment on the projected fiscal year.
- 31-Mar-2006 City Manager completes drafts of CIP priorities for Planning Session.

- 21-Apr-2006 City Council Planning Session.
- 28-Apr-2006 City Manager finishes the Budget and CIP preparation, writes Budget Message, Budget Resolution, CIP Transmittal Letter and has the Budget and CIP printed.
- 2-May-2006 City Council schedules a Public Hearing on the Budget for June 20, 20056
- 16-May-2006 City Council Meeting.
- 26-May-2006 Budget and Capital Improvement Program are distributed to the Mayor and City Council, Department Heads, news Media, and Monroe Regional Library.
- 30-May-2006 Budget Ad to run in Monroe Herald
- 13-Jun-2006 Mayor and City Council conduct a Public Hearing on the Proposed Budget.
- 20-Jun-2006 City Council adopts the Budget Resolution.
- September-06 City Council holds required Public Hearings and Adopts the Tax Rate Resolution, after receiving the Tax Digest form the County Tax Assessor's Office.



FINANCIAL POLICIES

Updated September 2020

Budget Policy

Operating Budget

The City of Monroe must maintain a fiscally sound & balanced budget annually. The City shall adopt a balanced budget annually; and any subsequent amendment must identify the revenues or other financing sources necessary to maintain said balance.

The City will not appropriate fund balance or retained earnings in any fund that would hinder meeting the reserve targets established herein. Once those targets are met in a particular fund, any amount over the target may be appropriated either for capital improvements or unexpected operating expenses.

All Enterprise Funds and Internal Service Funds shall be self-supporting from their fees and charges, without any subsidy from the General Fund. Transfers to the General Fund from the Enterprise Funds shall be made only after sufficient net income is retained to cover debt service and capital improvements essential to properly maintain and expand utility services.

The Solid Waste Fund should reflect the true costs to provide residential and commercial garbage collection, disposal and recycling; brush collection and disposal; bulk (white goods) collection and disposal; and leaf collection and disposal. The City Council shall evaluate annually the extent to which each service is supported by service charges rather than a subsidy from the General Fund.

The City shall aggressively pursue improvements in technology and work methods that will improve service levels and/or reduce operating costs.

The City shall raise property taxes only when absolutely necessary to balance the Budget and maintain adequate reserves.

The City will follow the Budget Preparation Calendar prepared by the Finance Director each year.

The Budget shall be prepared in full compliance with the State's Uniform Chart of Accounts, and with Generally Accepted Accounting Principles (GAAP) for Governments as promulgated by the Government Accounting Standards Board. This means the General Fund, Capital Projects Fund, Debt Service Fund, and Special Revenue Funds will be budgeted on the modified accrual accounting basis. Enterprise Funds and Internal Service Funds will be budgeted on the full accrual accounting basis.

All Budgets shall be adopted at the legal level of budgetary control, which is the fund/department level (ie., expenditures/expenses may not exceed the total appropriation for any department within a fund without the City Council's approval).

The City Administrator and Finance Director shall prepare an annual Budget that meets the requirements to receive the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

Capital Budget

The City shall adopt a Capital Improvements Plan (CIP) annually which will include the next fiscal year’s Capital Budget, plus planned improvements for the following four years. The City shall make every effort not to add additional programs and services until both the Operating Budget and the CIP are adequately funded.

The City shall provide resources from current revenues to fund an adequate maintenance and replacement schedule for infrastructure, and the vehicle and equipment fleet. The City will aggressively pursue state and federal funding, as well as other sources of funding for capital improvements.

All operating budget appropriations shall lapse at the end of a fiscal year. Appropriations for Capital Projects which have not been completed by fiscal year-end must be re-appropriated for the balance due on the project in the next fiscal year.

Budget Process

The City’s Budget process begins in or around August each year when department heads are given electronic format forms upon which to submit their operating and capital budget requests. Departmental requests for the Capital Improvements Program & Operating Budget requests are turned in to the City Administrator & Finance Director by mid-September.

The Finance Director and City Administrator calculate the revenue estimates for the Operating Budget, amount to be transferred to the CIP and the amount of any proposed bond issues. At that point, the Finance Director begins the review of the operating expenditures & Capital Improvement Budget. After the Finance Director has prepared a preliminary Budget, the Finance Director and the City Administrator review it to determine whether further cuts are possible, or if additional revenues are necessary. Those decisions are made prior to a Budget Planning Retreat held by the City Council.

At that meeting, the Finance Director and City Administrator present projections of the current fiscal year’s Budget, and the preliminary Operating Budget for Council review. In addition, the City Administrator presents the Council with his recommendations for a five-year Capital Improvements Program. The City Council then debates any changes in suggested priorities in both the preliminary Operating Budget and the Capital Improvements Program. Once those priorities are established, the City Administrator and the Finance Director finalizes the CIP & Operating Budget. Both work on the narrative portions of the documents. The City Administrator prepares the Budget Message and CIP Letter of Transmittal detailing the major issues, initiatives, and goals and objectives contained in both documents. The Finance Director prepares the spreadsheets detailing the line item budgets proposed for each fund.

The two documents are finalized & printed for distribution to the Mayor, City Council, and public no later than December 1st. Copies are available to the public at City Hall. A public hearing is scheduled for the regular meeting of Mayor and Council no later than December of the current fiscal year, after which the Budget is voted upon, and the Budget becomes effective January 1st. In the event the Council cannot agree on a Budget before January 1st, an Interim Budget is adopted, which is simply a continuation Budget from the previous year. Once a Budget is adopted, the Finance Director enters the adopted Budget into the accounting system.

Inter-department budget amendments may be made at any time throughout the fiscal year without approval of the City Council. Budget amendments between departments within the same fund or to increase or decrease the overall budget requires approval of Mayor & City Council. All amendment requests are reviewed by the City Administrator, who makes a recommendation on whether the expenditure should be made, and what revenue source will be used to finance it. All amendments between departments or to increase or decrease the overall budget require a Budget amendment resolution, since the original Budget is adopted by resolution. After passage, the Finance Department enters the amended amounts in the budgetary accounting system.

Revenue Policy

The City’s major source of revenues consist of various taxes, charges for services, fines & forfeitures, grants & contributions and miscellaneous income.

The City will budget revenues conservatively so that the chance of a revenue shortage during the year is remote. This also will help finance contingencies and Budget amendments that were unforeseen when the Budget was first adopted. The City will review annually all fees and charges to assure that they maintain their inflation-adjusted purchasing power.

Since different revenue sources impact classes of taxpayers differently, the City Council recognizes that the only way to minimize these different impacts is to have a diversified revenue system. These impacts will be considered in making any needed adjustments to the various sources of revenue. The City will make every effort not to become too dependent on one source of revenue in order to minimize serious fluctuations in any year.

The City will consider market rates and rates of comparable cities in the region when changing tax rates, fees, and charges. The City will make every effort to maintain its favorable comparative position with other Georgia cities in this regard, which has contributed to our economic development success.

All cash donations to any department or agency of the City must be deposited with the Finance Director’s Office. All purchases using such donations must be budgeted and will comply fully with the City’s purchasing policies. Donations of equipment or supplies may be made directly to a department or agency of the City. Donated equipment meeting the definition of a fixed asset must be reported to the Finance Director and Purchasing Director, for tagging and listing in the Fixed Asset account group.

Accounting, Auditing & Financial Reporting Policy

The City Council will receive a monthly finance report showing monthly budget reports, status of revenues, expenditures/expenses, investment and cash balances.

The City shall have a qualified certified public accounting firm conduct an independent audit annually, as required by OCGA 36-81-7 (a)(1). The City will maintain its accounting records in full accord with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board. The Finance Director is expected to obtain clean (unqualified) audit opinions each year and will produce a Comprehensive Annual Financial Report (CAFR) upon final audit.

The Annual Audit shall be submitted to the State Auditor prior to June 30th of each year, so that the City complies with OCGA 36-81-7 (d)(1). Any deficiencies noted by the Auditors shall be corrected immediately by the Director of Finance.

As an additional, independent confirmation of the quality of the City’s financial reporting, the Finance Director will annually seek to obtain the Government Finance Officers Association (GFOA) Certificate of Achievement in Excellence for Financial Reporting for the City’s CAFR. The CAFR will be presented in a manner designed to clearly communicate to citizens about the financial affairs of the City.

Capital Asset Management Policy

This accounting policy establishes the capitalization requirements and minimum cost (capitalized amount) that shall be used to determine the capital assets that are to be recorded in the City of Monroe’s annual financial statements.

Capital Assets must be capitalized and depreciated for financial statement purposes. A capital asset is defined as an asset that has a useful life that extends beyond two years and was acquired or purchased for a cost of \$5,000 or more. Such assets are recorded at purchased or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life is not capitalized. Any item with a useful life of less than one year or with a cost less than the threshold amount of \$5,000 is required to be expensed.

The City utilizes the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	15-50 years
Buildings & Improvements	20-50 years
Vehicles	5 years
Furniture & Fixtures	10 years
Machinery & Equipment	5-15 years

Cash Management and Investments Policy

The City will make all deposits of cash within the time-period required by State law. All deposits must be fully collateralized as required by State law.

The City will aggressively pursue all revenues due, including past due utility bills, court tickets and fines, and property taxes, using whatever legal means are available.

The City will pay all obligations on or before the due date.

The City will continue the current cash management and investment policies, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third. Those policies are outlined below:

The City will operate with the least number of bank accounts required by federal and state statutes and regulations and GAAP for governments. Consolidation of bank accounts makes investment decisions easier and reduces staff time needed to reconcile monthly bank statements.

The Director of Finance will make annual projections, and from that develop a schedule of long-term investments. These investments could be any type authorized by State law. All investments shall be made using competitive bidding and must fully comply with State collateralization of deposits. Such investments shall be pooled from among the various funds and bid out no more frequently than once a month. This keeps the investment process manageable with limited staff. Large amounts of cash not in time deposits shall be kept in the sweep investment account to improve overall interest earnings. Should the sweep investment account interest rate be higher than that of a certificate of deposit, then the funds shall be kept in the sweep investment account.

Fund Balance & Reserve Policy

The purpose of this policy is to establish financial stability of the City of Monroe by setting guidelines for fund balance. Unassigned fund balance in the General Fund is an important measure of economic stability. It is essential the City maintain adequate levels of unassigned fund balance in the General Fund to mitigate financial risk from unforeseen revenue fluctuations, unanticipated expenditures and similar circumstances. It is also essential the City maintain adequate levels of assigned fund balances in the City's Capital Improvement, Utilities & Solid Waste Funds for operations and future capital improvements.

The City recognizes the need to set reserve funds for the major operating funds of the City. The reserve funds shall be reviewed periodically by the City Administrator who shall report to the City Council on their continued adequacy.

The unassigned fund balance in the General Fund should be at or above 25% of budgeted operating expenditures. If the unassigned fund balance falls below 25%, the City will plan to adjust the budget in the subsequent fiscal years to restore the balance.

The assigned fund balance in the Utilities and Solid Waste Funds (capital reserves), should be at or above 17% of the budgeted operating expenditures. If the assigned fund balance in the CIP falls below 17%, the City will plan to adjust the budget in the subsequent fiscal years to restore the balance.

Debt Policy

The City will issue bonds and capital outlay notes only for capital improvements and moral obligations. The City will attempt to fund capital improvements through net income of the utility systems, general revenues, and its portion of any SPLOST (Special Purpose Local Option Sales Tax) funds before resorting to long-term debt issuance. This will reduce the overall indebtedness and strengthen the City's creditworthiness.

The City will not issue notes or bonds to finance operating deficits. Adequate reserves will be maintained to assure this does not become necessary. No bond or note will be issued to purchase a fixed asset that has a shorter useful life than the term of the debt instrument.

The City will issue general obligation bonds or capital outlay notes for necessary general government projects and either general obligation or revenue bonds for enterprise fund projects. The City may also use pooled capital lease funds from GMA and loans from the Georgia Environmental Facilities Authority (GEFA).

No debt will be issued which would increase the outstanding amount of debt above ten (10%) percent of the total assessed value of property within the City. The outstanding amount of debt in this calculation shall not include debt issued for improvements in the utility systems, because that debt will be repaid from charges for services, not from property taxes. These limitations are found in Article IX., Section V, Paragraph 1 and Article IX., Section VI, Paragraph 1 of the Georgia Constitution.

A firm source of revenue sufficient to make the anticipated debt service payments must be identified by the City Council before any capital outlay note, GEFA loan, GMA capital equipment lease, general obligation bond, or revenue bond is issued.

Internal Control Policy

The City will maintain a system of internal controls to safeguard its assets against loss, fraud, check the accuracy of its accounting data and to promote operational efficiency. Internal controls consist of separation of duties, access controls, physical audits, standardized documentation, periodic reconciliations and approval levels.

The City will separate functional responsibilities among employees, in order to separate duties. The segregation of duties among employees ensures the integrity and reliability of information. Access to resources and records is limited among employees to reduce the risk of errors, misuse or unauthorized alteration. Assets and inventory are physically audited annually by the Purchasing Department as part of the external audit. All transactions within the Accounting and Finance office is clearly documented in the electronic accounting software. Monthly and annual reconciliations are conducted to reduce the risk of errors or fraud. Approval levels are set forth in the Purchasing Policy for the City to ensure oversight of expenditures.

Risk Management Policy

The City will minimize potential losses through employee safety training, inspections of the workplace, risk analysis, and OSHA compliance. The Personnel Director shall be responsible for these programs.

A drug-testing program shall continue for all potential employees, as well as random testing of all federally required employees.

The City will continue to ensure for proper insurance and risk management coverages with a licensed agency, for but not limited to, General Liability, Automobile Liability, Errors and Omissions, Property, Boiler and Machinery, Inland Marine, Special Events, Cyber Protection and Worker’s Compensation.

Annual inspections of premises and work practices shall be performed by the risk management staff and the City will correct any deficiencies noted.



To: Utility Committee, City Council
From: Logan Propes
Department: Administration
Date: 10-6-2020
Subject: Authorization of a Parity Bond Ordinance

Budget Account/Project Name: UTILITY BOND

Funding Source: Combined Utilities

Budget Allocation: N/A

Budget Available: N/A

Requested Expense: N/A

Company of Purchase: Stifel

Description:

Staff recommends the Council approve a Parity Bond Ordinance to authorize the issuance of City of Monroe Combined Utility Revenue Bonds, Series 2020 to pay the costs of certain improvements to the Combined Utility System, the premium for the bond insurance policy and the premium for the debt service reserve surety bond, and to authorize the execution, delivery and performance of related documents.

Background:

After over a year of project discussion, which initiated with a special called Utility Committee meeting back in September, 2019, a full project list was put together concerning several of the most critical short and long-term utility projects. Since then after Council planning retreats a full and final list of eligible projects has been created, many of these from what would have been the general 5-year CIP project list. These projects are in wastewater treatment, water treatment, water transmission and distribution, gas distribution, and telecommunications. The life expectancy of the project list items are all over 30 years in infrastructure service to the city. The bonds will be amortized over a 30-year period. The historically low interest rate environment makes this bond package extremely attractive to the city's long-term fiscal health and utility sustainability. The total amount to be bonded is \$50 million in a parity bond format.

Note: Final numbers for the parity bonds will be included on handout at the meeting. Pricing is carried as late into the process as possible to ensure best rate returns. Principal numbers only are included.

Attachment(s):

Engineering Report and Project List.
DRAFT Parity Bond Ordinance

ENGINEERING REPORT

2020 BOND ISSUE

CITY OF MONROE, GEORGIA

for

COMBINED UTILITY SYSTEMS

SEPTEMBER 2020



Prepared By

GMC

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GMC PROJECT NUMBER: CATL200013

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1 INTRODUCTION

1.1 Purpose and Scope of Report

It is the purpose of the report to address the needs and capital improvements necessary to provide adequate drinking water, safe sanitary sewer collections, consistent natural gas service, reliable electrical service and low-cost telecommunications services to all customers within the City of Monroe, Georgia's service area. The afore-mentioned utilities need replacement, updated and expanded in order for the City of Monroe to continue to serve its citizens. This report will review the need for each of the proposed improvements while considering both present and projected population to serve both present and future customers. Additionally, the report will address the current and anticipated financial impact and feasibility of the proposed improvements.

1.2 Description of City of Monroe

A. General Description

City of Monroe is located approximately 40 miles east of Atlanta in the northern-central portion of the State of Georgia. The City of Monroe is the Walton County seat and encompasses approximately 15 square miles. However, the water, sewer, electric and gas service areas extend beyond the City limits out into the County. The City lies within several special regional groups such as the Metro Atlanta Chamber, Northeast Georgia Regional Commission and the Walton County Soil and Water Conservation District.

B. Population

The population of City of Monroe has increased moderately over the past 30 years from 8,854 in 1980 to 13,234 in 2010 and the current 2019 estimated resident population is 13,673 (Per the U.S. Census Bureau, QuickFacts). The rate of growth for the City over 30-year time period increases as does the County and State as shown in Table 1-1. This growth most likely can be attributed to City of Monroe's closeness

to Atlanta, low land prices, the attractiveness of the City’s “small town” atmosphere, and innovative and progressive thinking of its community leaders.

Table 1-1. City and State Population and Growth

YEAR	CITY	PERCENT INCREASE	COUNTY	PERCENT INCREASE	STATE	PERCENT INCREASE
1980	8,854	-	31,211	-	5,463,105	-
1990	9,759	10.2%	38,763	23.6%	6,478,216	18.6%
2000	11,407	16.9%	61,491	57.2%	8,186,453	26.4%
2010	13,234	16.0%	83,940	38.0%	9,687,653	18.3%

Census of Population and Housing, Census.gov (City of Monroe)
U.S. Decennial Census, United States Census Bureau, (Walton County)

C. Population Projection

We are currently in the midst of the 2020 Census thus we have to begin with the 2010 census. A logical solution to predicting the population growth for the City of Monroe is to take the 2010 Census population for the City and increase the population at the same rate as the projected County population. Using this method, the population growth projections for the City and County are presented in Table 1-2. Note, the population projection percentages shown below were derived using the “standard cohort component demographic methodology” and are not being used as the financial projections in the Proforma as seen in Appendix A.

Table 1-2. City of Monroe Population Projections (Based on Walton County’s Projections)

YEAR	CITY	PERCENT INCREASE	COUNTY
2010	13,234	-	-
2020	13,671	3.3%	95,814
2030	15,571	13.9%	109,179
2040	17,766	14.1%	124,621
2050	20,236	13.9%	141,993
2060	23,170	14.5%	162,652

Governor’s Office of Planning and Budget,
(Walton County Residential Population Projections)

D. Economy

City of Monroe's economy is integrally tied to its history and its location. Located just 40 miles east of Atlanta, City of Monroe draws visitors from all over the north Georgia area. Many of the historic structures from the late 1800's and early 1900's still stands and have been preserved as a symbol of community pride and character. This sense of history, coupled with rolling countryside and innovative and progressive thinking, creates a quality of life which is attractive to new industries and economic development. The City has a variety of industries such as a Wal-Mart Distribution Center, Hitachi Automotive Systems manufacturing center and Elite Storage Systems manufacturing facility. The City utilizes multiple financial incentives to attract a variety of business such as being a qualified Federal Opportunity Zone, Port Tax Credit Bonus, New Quality Jobs Tax Credit and Downtown Development Programs. With the City being located 53 miles from Atlanta's Hartsfield International Airport on Interstate 85, this location provides valuable access for transportation of goods manufactured in City of Monroe and distributed throughout the region. City of Monroe's close proximity to the Atlanta area and quality of life factors make it an appealing place for both residential and commercial development.

Overall, City of Monroe's economic base is sufficient to meet the needs of the community. In the long-term future, it will be important to continue to diversify the economy when possible. The City has already made significant efforts to develop appropriate commercial and industrial uses. The promotion of growth in the community is essential to the long-term economic health of the City. Recent actions by the local government emphasize the commitment to these long-term goals.

1.3 Overview of Existing Utility Systems

A. Water System

i. Distribution and Service Area

The City of Monroe's Water System currently distributes water to approximately 9,947 customers through approximately 220 miles of pipe ranging from ¾ inch to 16 inches. 2019 total customers were 9,305.

ii. Treatment and Supply

Raw water treatment comes from a micro-filtration plant that was initially built in 2002, in 2005 the filter membranes were added and was upgraded in 2012, which was the first of its kind built in the southeastern United States. The plant is located at the northeast side of the intersection of North Broad Street and Marable Street. The plant currently operates with at permitted 10.0 million gallons per day (MGD). Currently the city draws water from the Alcovy River at the U.S. Hwy 78 bridge intersection and pulls water from the John T. Briscoe Reservoir and for emergencies Jacks Creek can be utilized. The City is contracted to supply water to the City of Loganville and supplemental water to Walton County.

iii. Storage and Pumping

System storage is currently provided by three elevated storage tanks, Marable Street tank 750,000-gallon, Norris Street tank 500,000-gallon, Wayne Street tank 300,000 gallon & one 40,000-gallon tank at the Water Treatment Plant which is solely used for backwashing. The Marable Street tank is located just north of the center of town near the intersection of North Broad Street and Marable Street and date of construction was indistinguishable. The second Norris Street tank, located south from the center of town near the intersection of South Broad Street and Norris Street and was constructed in 1974. The third Wayne Street tank, located in the center of town at the intersection of North Wayne Street and East Washington Street and date of construction was indistinguishable. Each of the three storage tanks work off of elevation to maintain system pressures.

There is currently one booster pump station within the City's service area, which is located on Walton Road 0.2 miles south of the intersection with John Deere

Road. This pump station is utilized to create a higher-pressure zone in the northwest service area.

B. Sewer System

i. Collection and Service Area

The City of Monroe's Sewer System currently serves approximately 7,323 customers in its service area. Currently there is approximately 154 miles of gravity sewer pipe ranging from 6 inch to 24 inch in diameter. As part of the collection system the City operates 8 lift stations. 2019 total customers were 7,207.

ii. Treatment

The City of Monroe built its first activated sludge trickling filter Water Pollution Control Plant (WPCP) in 1988 and by 1992 it was in full operation. It is known as the Jacks Creek WPCP and to this date the WPCP currently operates at permitted 3.4 MGD and the headworks and aeration basins were added around 2001. Jacks Creek WPCP takes in flow from two major drainage basins, the Apalachee River basin on the east side of the city and the Alcovy River basin on the west side of the city.

C. Electrical System

i. Distribution and Service Area

The first electrical system was put into operation in the 1920's and to this day the system is maintained by the City and distributed to all areas within the 1972 City limits and a small portion of the unincorporated County. Currently the City has approximately 6,527 customers in its service area. 2019 total customers were 6,474.

D. Gas System

i. Distribution and Service Area

The first natural gas system was put into operation in the 1950's and to this day is maintained by the City distributed to most areas within the corporate limits and portions of the County. Currently the City has approximately 3,942 customers in its service area. 2019 total customers were 3,900.

E. Cable and Telecommunications System

i. Distribution and Service Area

Cable television service was put into operation in the 1970's, cable internet service was added in the 1990's and more recently voice over internet protocol (VOIP) telephone service and fiber optic service was added to round out the telecom services. The City provides services to all areas within the corporate limits and small portions in the County. Currently the City has approximately 3,150 cable customers, 4,146 internet customers and 1,125 telephone customers in its telecommunications service areas. 2019 total cable television customers were 3,529 and telecommunication system customers were 5,082. The City voted in September to increase Cable television rates, effective January 2021, to an estimated programming cost plus 15%, which will be adjusted twice annually. Additionally, upon completion of the city-wide fiber optic project and when cable television subscribership falls below 1,000 customers, the City will begin a sunset of traditional cable television service.

1.4 Existing Utility Contractual Obligations

The City of Monroe currently supplies water to the City of Loganville and Walton County as a wholesale provider. The City is under contractual obligations to purchase nearly all of its power from Municipal Electric Authority of Georgia (MEAG). The City is under contractual obligations to purchase all its natural gas from Municipal Gas Authority of Georgia (MGAG).

2 PROPOSED CAPITAL IMPROVEMENTS

The City of Monroe Utility Department is responsible for overseeing all existing and proposed utilities within its service areas. The City will ensure that all system improvements be designed and constructed according to City and State regulations. The City staff will work closely with the engineers and utility contractors during the planning and development phase, design phase, permitting phase and during the construction and final acceptance phase. The intent of the capital improvement projects is to improve the long-term resources available to these customers. Outlined below is a detailed description of each proposed project and related data for each. See Table 2-1 for a summary of project descriptions and cost estimates on page 9, which includes a contingency estimate.

2.1 Water System Improvement Projects

The City is planning to construct multiple water system improvement projects as listed below. The City may add, delete or modify the water system project listing as it sees fit.

- A. Loganville Water Supply and Connection; This project is currently under construction and includes installing approximately 6.8 miles of interconnecting water main along U.S. HWY. 78 from City of Monroe to City of Loganville and a water booster pump station with all required accessories. There is an Inter-governmental Agreement in place and a Reimbursement Resolution (RR), where the cost of the project is split 50-50 by the City of Monroe and the City of Loganville. Cost for this project is approximately \$5,580,000.00.
- B. Water Tank for Industrial Park and Line Extension; Monroe submitted for grant funding for this project. Carter & Slope prepared estimate and route selection. This project is for industrial park growth. This project includes constructing 1 – elevated water storage tanks (1.0 MG.) and approximately 18,400’ of 12” & 16” watermain and related accessories. The cost for these improvements totals approximately \$3,000,000.00.
- C. Water Tank – Northside of System; This is ground storage tank for the Walton Road Booster Pump Station project. Tank size is 1.0 MG. Preliminary design is complete. Cost for this project is approximately \$1,750,000.00
- D. Social Circle or Other Water Transmission Line; The County plan is for Social Circle to receive supplemental water from the City of Monroe. Social Circle’s water treatment plant is outdated and in need of upgrades. The capital cost to purchase water from the City of Monroe is lower than upgrading the water treatment plant. Pipe size is estimated to be 10-inch and 22,000 feet long. It is currently in concept phase. The cost for this project is approximately \$1,700,000.00.
- E. Raw Water Service; This project includes installing approximately 16,000’ of new 30” ductile iron raw water main from the City’s intake on the Alcovy River to the existing water treatment plant. This will allow the water treatment plant to treat 12 MGD. The

project is in the final design phase and cost for this project is approximately \$3,520,000.00.

- F. Water Plant Upgrades; This project includes the expansion capacity of 10 MGD to 12 MGD and the construction of two (2) new aerobic granular sludge reactors and a new tertiary filtration system and a 1 MG clear well. Cost for this project is approximately \$3,000,000.00. This project is scheduled for 2023 - 2024.

2.2 Sewer System Improvement Projects

- A. The City is planning to construct several sewer system projects including the Alcovy River Gravity Sewer Service line from GA. S.R. 138 to Reliant Pump Station. This project will be bid out into two (2) phases. Phase one (1) is from existing pump station to Hwy 138 to serve the new commercial area and is ready to bid by October 2020. Phase two (2) will be the gravity sewer line up to HWY 138, which will take three (3) pump stations out of service (Tractor Supply, Great Oaks Nursing Home, Piedmont Hospital). This complete project cost comes to approximately \$4,000,000.00.
- B. Jack's Creek WWTP Rehabilitation project includes upgrades to the headworks, waste activated sludge pump station and digester rehabilitation. Plan is for WWTP to go to 5.0 MGD. Project has been designed and the City is planning on bidding process equipment separate from general contract work. This will allow manufacturing of equipment to start to before the actual construction starting. This complete project cost comes to approximately \$7,500,000.00. The general construction work is planned to start in 2022.

2.3 Natural Gas System Improvement Projects

- A. The City is planning to construct a new low-pressure gas line on the eastside of Walton County to supply the proposed chicken houses and the neighboring customers. Public Service Commission has approved the City's certificate to serve the northern area of Morgan County as well. Also included as general system expansion. The City will complete this work with its own forces. Project cost is approximately \$1,000,000.00.

2.4 Telecommunication System Improvement Projects

- A. The City is planning to construct a state-of-the-art fiber optic broad band network to serve its electric service area, which constitutes approximately 6,400 customers. This project will include all necessary electronic cabinets, aerial cable length, buried cable lengths, OSP cabinets, FTTP electronics, engineering and installation costs. This complete project cost comes to approximately \$12,703,00.00. (Based on the FTTP OPS Cost Estimate Summary, prepared by VantagePoint, dated November 2019). The City plans on bidding this entire project in 2021.

TABLE 2-1 – PROPOSED CAPITAL IMPROVEMENTS PROJECT COSTS

<u>Water System Improvements</u>	<u>Project Costs*</u>
A. Loganville Water Supply and Connection	\$5,580,000.00
B. Water Tank for Industrial Park and Line Extensions	\$3,000,000.00
C. Water Tank - Northside of System	\$1,750,000.00
D. Social Circle or Other Water Transmission Line	\$1,700,000.00
E. Raw Water Service	\$3,520,000.00
F. Water Plant Upgrades	<u>\$3,000,000.00</u>
	\$18,550,000.00
 <u>Sewer System Improvements</u>	
A. Alcovy River Gravity Sewer	\$4,000,000.00
B. Jack's Creek WWTP Rehabilitation	<u>\$7,500,000.00</u>
	\$11,500,000.00
 <u>Natural Gas System Improvements</u>	
A. Walton County Eastside Lines	\$1,000,000.00
 <u>Telecommunication System Improvements</u>	
A. High Speed Fiber Optic Broad Band Network	\$12,700,000.00
 <u>Electrical System Improvements</u>	
No System Improvements Scheduled	
 <u>Contingency</u>	 <u>\$6,250.00.00</u>
TOTAL PROJECT COSTS	\$50,000,000.00

* Preliminary; Subject to Change

3 FINANCIAL DATA

3.1 Revenue and Expense Projections

This section provides an overview of the City's Utility Systems projections through FY 2021 through FY 2028. The financial analysis includes an evaluation of the future operations of the City's Utility Systems. See the following Appendix A for complete revenue projections together with projected debt service coverage.

Fiscal Year 2020 is represented by the City's approved budget which is based on anticipated customer growth from subdivision and commercial development, and revised operating expenditures.

Projected revenues are based on historical percentage increase from the previous five-year period through 2019. Natural gas projected revenues and expenses are based on Municipal Gas Authority of Georgia's forecast (MGAG). Electric power cost projections are provided to us by Municipal Electric Authority of Georgia (MEAG). Telecom revenue projections are based on the Fiber project expansion from this bond and on a conservative 30% increase of current internet customers. Future Telecom expense projections are based on the additional cost of sales for the increase in customer base due to the fiber project expansion. It is reasonable and conservative to predict a 3-4% growth in overall system revenue and expenses over the next 8 years. See Appendix A for the Proforma.

3.2 Future Rates

City of Monroe states that adjustments to City utility rates will not be necessary to meet debt service and operation and maintenance costs.

APPENDIX - A

Proforma

City of Monroe Combined Utility
 Projected Revenues, Expenses and Debt Service Coverage

	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
REVENUE								
Water	6,011,360	6,343,002	6,692,939	7,062,183	7,451,797	7,862,906	8,296,696	8,754,417
Sewer	5,339,829	5,587,255	5,846,146	6,117,033	6,400,471	6,697,043	7,007,357	7,332,050
Natural Gas	4,133,182	4,235,643	4,340,716	4,448,468	4,558,968	4,672,284	4,788,490	4,907,659
Electric	20,906,027	21,586,087	22,289,857	23,018,162	23,771,860	24,551,835	25,359,002	26,194,311
Cable	3,516,451	3,313,737	3,153,973	3,028,653	2,903,976	2,839,962	2,798,723	2,777,049
Telecom	3,428,140	3,698,092	3,989,302	4,303,443	4,642,322	5,007,886	5,402,236	5,827,640
Combined Utility Revenue	\$ 43,334,990	\$ 44,763,816	\$ 46,312,933	\$ 47,977,943	\$ 49,729,394	\$ 51,631,917	\$ 53,652,505	\$ 55,793,127
Loganville Water Projections	1,357,800	1,357,800	1,357,800	1,357,800	1,371,378	1,374,806	1,378,243	1,381,689
Telecom Projections	1,156,918	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280
Cable Rate Increase		1,124,395	1,080,526	925,978	862,651	819,715	775,786	732,430
Combined Utility Projected Revenue	\$ 45,849,707	\$ 49,117,291	\$ 50,622,539	\$ 52,133,000	\$ 53,834,703	\$ 55,697,718	\$ 57,677,814	\$ 59,778,526

EXPENSE								
Water	3,333,235	3,662,168	4,032,596	4,450,173	4,921,341	5,453,439	6,041,441	6,721,646
Sewer	4,063,806	4,255,992	4,463,943	4,689,543	4,934,936	5,202,567	5,481,807	5,802,668
Natural Gas	3,396,691	3,497,658	3,601,693	3,708,890	3,819,345	3,933,159	4,046,117	4,166,964
Electric	15,749,014	16,498,387	16,920,231	16,855,030	17,088,026	17,233,963	17,290,451	17,801,804
Cable	4,553,394	4,336,559	4,140,525	3,954,947	3,753,661	3,620,802	3,504,195	3,402,951
Telecom	1,438,186	1,466,949	1,496,288	1,526,214	1,556,738	1,587,873	1,619,631	1,652,023
Combined Utility Expense	\$ 32,534,325	\$ 33,717,713	\$ 34,655,277	\$ 35,184,797	\$ 36,074,047	\$ 37,031,794	\$ 37,983,642	\$ 39,548,055
Loganville Water Projections	715,400	715,400	715,400	715,400	715,400	715,400	715,400	715,400
Telecom Projections	68,544	68,544	68,544	68,544	68,544	68,544	68,544	68,544
Combined Utility Projected Expense	\$ 33,249,725	\$ 34,501,657	\$ 35,439,221	\$ 35,968,741	\$ 36,857,991	\$ 37,815,738	\$ 38,767,586	\$ 40,331,999

Net Revenue Available for Debt	\$12,599,982	\$14,615,633	\$15,183,318	\$16,164,260	\$16,976,712	\$17,881,980	\$18,910,229	\$19,446,526
Debt Service on Bonds	\$3,576,188	\$3,576,641	\$3,576,272	\$3,580,137	\$3,578,126	\$3,580,349	\$2,876,550	\$2,877,550
Debt Service Coverage on Bonds	3.523	4.086	4.246	4.515	4.745	4.994	6.574	6.768
Debt Service on All Debt	\$3,690,550	\$3,691,003	\$3,690,635	\$3,694,499	\$3,692,489	\$3,694,711	\$2,990,912	\$2,991,913
Debt Service Coverage on All Debt	3.414	3.960	4.114	4.375	4.598	4.840	6.323	6.500

* Per the City of Monroe Charter, 5% is the required minimum
 Projected Revenues are based on historical % increase for previous five year period through 2019. This is a conservative projection & doesn't take into account for future growth.
 Loganville water sales projections are based on minimum amount in the contract
 Loganville water expenses are based on minimum amount in the contract per cost per gallon
 Natural Gas 2021 projected revenue & expense based on Municipal Gas Authority of Georgia's forecast (MGAG)
 Electric power cost projections are provided to us by Municipal Electric Authority of Georgia (MEAG)
 Future Telecom revenue projections are based on the Fiber project expansion from this bond. On a conservative 30% increase of current internet customers.
 Future Telecom expense projections are based on the additional cost of sales for the increase in customer base due to the fiber project expansion.
 Cable service rate increase effective 1/1/2021



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A PARITY BOND ORDINANCE TO PROVIDE FOR THE ISSUANCE BY THE CITY OF MONROE, GEORGIA OF ITS COMBINED UTILITY REVENUE BONDS, SERIES 2020; TO RATIFY THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZE THE EXECUTION, USE AND DISTRIBUTION OF AN OFFICIAL STATEMENT; TO RATIFY THE EXECUTION OF A DEBT SERVICE RESERVE SURETY BOND COMMITMENT AND A BOND INSURANCE POLICY COMMITMENT; TO AUTHORIZE THE EXECUTION, DELIVERY AND PERFORMANCE OF A BOND PURCHASE AGREEMENT; TO RATIFY, REAFFIRM AND ADOPT ALL APPLICABLE TERMS, PROVISIONS, COVENANTS AND CONDITIONS OF THE BOND ORDINANCE ADOPTED NOVEMBER 8, 2016; AND FOR OTHER PURPOSES

Adopted on
October 13, 2020

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A PARITY BOND ORDINANCE TO PROVIDE FOR THE ISSUANCE BY THE CITY OF MONROE, GEORGIA OF ITS COMBINED UTILITY REVENUE BONDS, SERIES 2020; TO RATIFY THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZE THE EXECUTION, USE AND DISTRIBUTION OF AN OFFICIAL STATEMENT; TO RATIFY THE EXECUTION OF A DEBT SERVICE RESERVE SURETY BOND COMMITMENT AND A BOND INSURANCE POLICY COMMITMENT; TO AUTHORIZE THE EXECUTION, DELIVERY AND PERFORMANCE OF A BOND PURCHASE AGREEMENT; TO RATIFY, REAFFIRM AND ADOPT ALL APPLICABLE TERMS, PROVISIONS, COVENANTS AND CONDITIONS OF THE BOND ORDINANCE ADOPTED NOVEMBER 8, 2016; AND FOR OTHER PURPOSES

WHEREAS, the City of Monroe, Georgia (the “City”) owns and operates a combined water and sewerage system, gas distribution system, electric distribution system and cable television system and certain other systems, equipment and facilities operated in connection therewith (the “System”); and

WHEREAS, the City desires to clarify that the telecommunications and internet system and stormwater system are part of the System and that the City may from time to time add additional systems as part of the System; and

WHEREAS, the City has previously issued its Combined Utility Revenue Refunding Bond, Series 2016 (the “Series 2016 Bond”) pursuant to a Bond Ordinance adopted November 8, 2016 (the “Original Ordinance”); and

WHEREAS, the Series 2016 Bond is secured by a first lien on the Net Revenues (as defined in the Original Ordinance); and

WHEREAS, Article V, Section 3 of the Original Ordinance permits the City to provide for the issuance, from time to time, of Additional Bonds (as defined in the Original Ordinance) ranking as to lien on the Net Revenues on a parity with the lien thereon securing the Series 2016 Bond; and

WHEREAS, the City proposes issuing its Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”) in an aggregate principal amount of \$43,700,000 for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the System (the “Series 2020 Project”) described in the engineering report prepared by Goodwyn, Mills and Cawood, Inc., (b) paying the premium for a municipal bond debt service reserve surety bond (the “Series 2020 Debt Service Reserve Surety Bond”) to be issued by Assured Guaranty Municipal Corp. (the “Insurer”) and the premium for a municipal bond insurance policy to be issued by the Insurer with respect to the Series 2020 Bonds and (c) paying the costs of issuing the Series 2020 Bonds; and

WHEREAS, all of the conditions or requirements of Article V, Section 3 of the Original Ordinance necessary to issue the Series 2020 Bonds pursuant to and secured under the Original Ordinance have been or will be met prior to the issuance and delivery of the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds will be secured by a first lien on the Net Revenues on a parity with the lien thereon securing the 2016 Bond; and

WHEREAS, the City proposes to establish a debt service reserve subaccount of the Reserve Account (the “Series 2020 Reserve Subaccount”) and to establish a debt service reserve requirement with respect to the Series 2020 Bonds, which will be fully funded with the Series 2020 Debt Service Reserve Surety Bond;

WHEREAS, the City proposes to ratify the execution of a debt service reserve surety bond commitment (the “Debt Service Reserve Surety Bond Commitment”) and a municipal bond insurance commitment (the “Insurance Policy Commitment”) relating to the Series 2020 Bonds, each dated as of October 13, 2020, between the City and the Insurer; and

WHEREAS, the City proposes to ratify the use and distribution of a Preliminary Official Statement relating to the Series 2020 Bonds and to authorize the execution, use and distribution of an Official Statement relating to the Series 2020 Bonds in connection with the sale of the Series 2020 Bonds; and

WHEREAS, the City proposes to authorize the execution, delivery and performance of a Bond Purchase Agreement, dated the date hereof (the “Bond Purchase Agreement”), between the City and the Underwriter; and

WHEREAS, the City proposes to authorize the execution, delivery and performance of a Continuing Disclosure Certificate, dated the date hereof (the “Series 2020 Disclosure Agreement”), related to the Series 2020 Bonds; and

WHEREAS, the City desires to designate (a) a Paying Agent and Bond Registrar to act on its behalf with respect to the Series 2020 Bonds, and (b) a Construction Fund Custodian to maintain a construction fund subaccount with respect to the Series 2020 Project; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Monroe, Georgia, and it is hereby ordained by authority of the same, as follows:

ARTICLE I

DEFINITIONS

Section 1. Ratification and Incorporation.

Except as provided in Section 2 below, all terms and provisions of Article I of the Original Ordinance are hereby ratified and incorporated herein.

Section 2. Definitions.

In addition to the terms hereinabove defined, whenever the following terms are used in this Parity Bond Ordinance, the same, unless the context shall clearly indicate another or different meaning or intent, shall be construed or used and are intended to have the following meaning:

“Authorized Denominations” means with respect to the Series 2020 Bonds, \$5,000 and any integral multiple thereof.

“Beneficial Owner” means the owner of a beneficial interest in the Series 2020 Bonds registered in Book-Entry Form.

“Book-Entry Bonds” shall mean bonds issued in full Book-Entry Form through the facilities of the Securities Depository.

“Book-Entry Form” or **“Book-Entry System”** shall mean a form or system, as applicable, under which (a) ownership of beneficial interests in the Series 2020 Bonds and bond service charges may be transferred only through book-entry and (b) physical Series 2020 Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Series 2020 Bonds in the custody of a Securities Depository.

“Debt Service Requirement” as defined in the Original Ordinance is hereby amended and replaced to mean, with respect to any measurement period, the principal and interest payable on the Bonds in such measurement period; provided however, interest shall be excluded from the determination of the Debt Service Requirement to the extent the same is provided from the original proceeds of Bonds.

“Debt Service Reserve Requirement” as defined in the Original Ordinance is hereby amended and replaced to mean, as of any date of calculation, (a) with respect to the Series 2020 Bonds, an amount equal to the least of (i) 10% of the stated principal amount of the Series 2020 Bonds, (ii) the maximum annual debt service on the Series 2020 Bonds payable in any specified measurement period or (iii) 125% of average annual debt service on the Series 2020 Bonds payable in any specified measurement period, and (b) with respect to Additional Bonds, the amount, if any set forth in the supplemental ordinance authorizing the issuance of such Additional Bonds. Notwithstanding the foregoing, (x) with respect to Additional Bonds that are Variable Rate Bonds, it shall be assumed that such Additional Bonds bear interest through maturity at that rate which the original purchaser of such Additional Bonds certifies as of the

date of issuance thereof would have borne had such Additional Bonds borne a fixed, constant rate of interest and (y) interest shall be excluded from the determination of the Debt Service Reserve Requirement to the extent the same is provided from the original proceeds of such Additional Bonds and (z) if an issue has more than a de minimis amount of original issue discount or premium, the issue price shall be used to measure the 10% limitation in lieu of the stated principal amount.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal and interest on the Series 2020 Bonds when due.

“Insurer” means with respect to the Series 2020 Bonds, Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Payment Date” means with respect to the Series 2020 Bonds, each June 1 and December 1, commencing December 1, 2020.

“Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing exists at the time of such reference.

“Record Date” means, with respect to the Series 2020 Bonds, the fifteenth day of the calendar month preceding each Interest Payment Date.

“Securities Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, DTC.

“Series 2020 Bonds” means the City of Monroe Combined Utility Revenue Bonds, Series 2020, authorized to be issued pursuant to Article II of this Parity Bond Ordinance.

“Series 2020 Capital Improvement Account” means the subaccount of the Construction Fund created pursuant to Article IV, Section 3 of this Parity Bond Ordinance.

“Series 2020 Engineering Report” means the Engineering Report 2020 Bond Issue of Goodwyn, Mills and Cawood, Inc. related to projects to be acquired, constructed, installed or equipped with a portion of the proceeds of the Series 2020 Bonds, a copy of which is attached hereto as Exhibit A.

“Series 2020 Project” means the acquisition, construction, and equipping of certain additions, extensions and improvements to the System described in the Series 2020 Engineering Report.

“Series 2020 Reserve Subaccount” means the subaccount of the Reserve Account created with respect to the Series 2020 Bonds.

“Series 2020 Debt Service Reserve Surety Bond” means the debt service reserve surety bond issued by the Insurer funding the Debt Service Reserve Requirement for the Series 2020 Bonds. The Series 2020 Debt Service Reserve Surety Bond shall constitute a Debt Service Reserve Surety Bond for all purposes of the Original Bond Ordinance and this Parity Bond Ordinance.

“System” means the City’s combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated as part of its combined utility system.

“Underwriter” means with respect to the Series 2020 Bonds, Stifel Nicolaus and Company, Inc. and its successors and assigns.

Section 3. Interpretation.

Whenever used in this Ordinance, the singular shall include the plural and the plural shall include the singular, unless the context otherwise indicates. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

ARTICLE II

AUTHORIZATION, FORM AND REGISTRATION OF SERIES 2020 BONDS

Section 1. Authorization.

Under the authority of the Revenue Bond Law, there is hereby authorized to be issued revenue bonds to be designated as the “CITY OF MONROE COMBINED UTILITY REVENUE BONDS, SERIES 2020” in an aggregate principal amount of \$43,700,000. The proceeds of the Series 2020 Bonds will be used for the purpose of (a) acquiring, constructing, and equipping the Series 2020 Project, (b) paying the premium for the Series 2020 Debt Service Reserve Surety Bond and the premium for the Insurance Policy and (c) paying the costs of issuing the Series 2020 Bonds. The issuance of the Series 2020 Bonds for the foregoing purpose is hereby found and declared to be within the public purposes intended to be served by the City. All of the terms and conditions of the Original Ordinance necessary for the issuance of Additional Bonds on a parity with the Series 2016 Bond have been or will be met prior to the issuance of the Series 2020 Bonds. The Series 2020 Bonds shall be payable solely from the Net Revenues and will be secured by a first lien on the Net Revenues, equally and ratably secured with the Series 2016 Bond and any Additional Bonds that may hereafter be issued pursuant to the Ordinance.

Section 2. Terms of Series 2020 Bonds.

The Series 2020 Bonds shall be dated their date of original issuance, shall be in the form of fully registered bonds without coupons, shall be in Authorized Denominations, shall be transferable to subsequent owners as hereinafter provided, shall be numbered R-1 upward, shall bear interest (based on a 360 day year comprised of twelve thirty day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless its date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless its date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless its date of authentication is before the first Interest Payment Date, in which case from its date of original issuance) at the rates per annum set forth below. The interest shall be payable on each Interest Payment Date, and the principal shall mature on December 1 in the years and amounts set forth below:

<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
2027	\$580,000	3.000%
2027	510,000	5.000
2028	1,130,000	5.000
2029	1,190,000	5.000
2030	1,250,000	5.000
2031	1,310,000	4.000
2032	1,365,000	4.000
2033	1,420,000	4.000
2034	1,475,000	4.000
2035	1,535,000	4.000
2036	1,595,000	4.000
2037	1,660,000	4.000
2038	1,725,000	4.000
2039	1,795,000	4.000
2040	1,865,000	4.000
2045	10,515,000	4.000
2050	12,780,000	4.000

As long as the Series 2020 Bonds are held in Book-Entry Form, the principal of and interest on the Series 2020 Bonds shall be payable as provided in Section 9 of this Article II. If the Series 2020 Bonds are no longer held in Book-Entry Form, the principal amount of the Series 2020 Bonds shall be payable at maturity (unless prepaid prior thereto as hereinafter provided) upon presentation and surrender thereof at the principal office of the Paying Agent. If the Series 2020 Bonds are no longer held in Book-Entry Form, payments of interest on the Series 2020 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on the Record Date, and such payments of interest shall be mailed by first class mail to the registered owner at the address shown on the bond registration book. Both the principal of and interest on the Series 2020 Bonds shall be payable in lawful money of the United States of America.

Section 3. Execution; Form of Series 2020 Bonds.

The Series 2020 Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor or Mayor Pro-Tem and attested by the manual or facsimile signature of the Clerk or the Assistant Clerk. The official seal of the City shall be impressed or imprinted thereon. The Series 2020 Bonds shall be authenticated by the manual signature of the Bond Registrar. The validation certificate to be attached to the Series 2020 Bonds shall be executed by the manual or facsimile signature of the Clerk of the Superior Court of Walton County, and the official seal of such Court shall be impressed or imprinted thereon. In case any official whose signature shall appear on the Series 2020 Bonds shall cease to be such officer before delivery of the Series 2020 Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Series 2020 Bonds, the certificate of authentication and registration, form of assignment and the certificate of validation to be endorsed upon the Series 2020 Bonds, shall be in substantially the form set forth

in Exhibit B hereto, with such variations, omissions and insertions as are required or permitted by this Parity Bond Ordinance.

Section 4. Required Authentication; Proof of Ownership.

The Series 2020 Bonds shall have endorsed thereon a certificate of authentication duly executed by the manual signature of the Bond Registrar. The Series 2020 Bonds shall not be entitled to any benefit or security under this Parity Bond Ordinance unless such certificate shall be properly executed. The execution of the certificate of authentication shall be conclusive evidence that such Series 2020 Bond has been duly authenticated, registered and delivered. The person in whose name any Series 2020 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the payment of the principal of or interest on the Series 2020 Bonds shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2020 Bonds to the extent of the sums so paid.

Section 5. Bond Registrar; Transfer and Exchange.

The Bond Registrar shall keep the bond registration book of the City for the registration of the Series 2020 Bonds and for the registration of transfers of the Series 2020 Bonds as herein provided. As long as the Series 2020 Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the rules and procedures established by the Securities Depository. If the Series 2020 Bonds are no longer held in Book-Entry Form, the transfer of any Series 2020 Bonds shall be registered upon the registration book upon the surrender and presentation of such Series 2020 Bonds to the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for the Series 2020 Bond so surrendered, a new Series 2020 Bond registered in the name of the transferee, in Authorized Denominations. If the Series 2020 Bonds are no longer held in Book-Entry Form, any Series 2020 Bond, upon presentation and surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or duly authorized attorney, in such form as may be satisfactory to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Series 2020 Bonds of the same type and maturity equal to the principal amount of the Series 2020 Bond so surrendered and of any Authorized Denominations. The Bond Registrar may make a charge for every registration of transfer of the Series 2020 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the owner for the privilege of exchanging or registering the transfer of Series 2020 Bonds under this Parity Bond Ordinance.

Section 6. Lost, Destroyed, Mutilated Series 2020 Bonds.

If any of the Series 2020 Bonds shall become mutilated, the Bond Registrar, at the expense of the owner of such Series 2020 Bond, shall authenticate and deliver a new Series 2020 Bond registered in the name of the owner in exchange and substitution for such mutilated Series 2020 Bond. If any of the Series 2020 Bonds shall become lost, destroyed or wrongfully taken,

evidence of such loss, destruction or wrongful taking within a reasonable time thereafter may be submitted to the Bond Registrar and if such evidence shall be satisfactory and indemnity of a character and in an amount satisfactory to the City and the Bond Registrar shall be given, then the Bond Registrar, at the expense of the owner, shall authenticate and deliver a new Series 2020 Bond registered in the name of the owner.

Section 7. Blank Series 2020 Bonds.

The City shall make all necessary and proper provisions for the exchange and registration of transfers of the Series 2020 Bonds by the Bond Registrar, and the City shall deliver or cause to be delivered to the Bond Registrar a sufficient quantity of blank Series 2020 Bonds duly executed on behalf of the City, together with the certificate of validation pertaining thereto duly executed by the Clerk of the Superior Court of Walton County, as herein provided in order that the Bond Registrar shall at all times be able to register and authenticate the Series 2020 Bonds at the earliest practicable time in accordance with the provisions of this Ordinance.

Section 8. Cancellation of Series 2020 Bonds.

If any of the Series 2020 Bond is surrendered in any registration of transfer or exchange or if any of the Series 2020 Bonds is paid, purchased or redeemed before maturity, it shall be canceled by the Bond Registrar, and a record thereof duly shall be entered in the permanent records pertaining to the Series 2020 Bonds maintained by the Bond Registrar.

Section 9. Book-Entry Bonds.

The Series 2020 Bonds shall be issued initially in Book-Entry Form in accordance with the book-entry procedures of the Securities Depository. The Series 2020 Bonds shall be initially issued in the form of a single, fully-registered bond in the amount of each separate stated maturity of the Series 2020 Bonds. As long as the Series 2020 Bonds are held in Book-Entry Form, the registered owner of all Series 2020 Bonds shall be, and each of the Series 2020 Bonds shall be registered in the name of, the Securities Depository or its nominee. As long as the Series 2020 Bonds are held in Book-Entry Form, all payments with respect to the principal of and interest on such Series 2020 Bond, and all notices with respect to such Series 2020 Bond, shall be made or given, as the case may be, to the Securities Depository.

Transfers of principal of and interest payments on the Series 2020 Bonds by the Securities Depository to Participants will be the responsibility of the Securities Depository. Transfers of such payments by the Participants to Beneficial Owners will be the responsibility of such Participants. Transfers of ownership shall be affected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The City and the Paying Agent will recognize the Securities Depository as the owner of such Series 2020 Bonds for all purposes, including (a) payments of principal of and interest on such Series 2020 Bonds (b) notices and (c) voting.

Upon the discontinuance of the services of the Securities Depository, the City may within 90 days thereafter appoint a substitute Securities Depository which, in the opinion of the City, is willing and able to undertake the functions of Securities Depository under this Parity Bond

Ordinance upon reasonable and customary terms. If no such successor can be found within such period, the Series 2020 Bonds shall no longer be Book-Entry Bonds.

In the event that the Series 2020 Bonds shall no longer be Book-Entry Bonds, the City shall execute and the Bond Registrar shall authenticate and deliver, upon presentation and surrender of the Series 2020 Bonds, bond certificates as requested by the Securities Depository of like aggregate principal amount, maturity and interest rate, in Authorized Denominations, to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial ownership interests in the Series 2020 Bonds.

ARTICLE III

REDEMPTION OF SERIES 2020 BONDS BEFORE MATURITY

Section 1. Optional Redemption.

The Series 2020 Bonds maturing on or after December 1, 2031 are subject to optional redemption prior to their maturity, in whole or in part and in any order of maturities, on any date on or after December 1, 2030, at a redemption price of the of par, plus accrued interest.

Section 2. Mandatory Sinking Fund Redemption.

The Series 2020 Bonds maturing December 1, 2045 are subject to mandatory redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2045 amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
2041	\$1,940,000
2042	2,020,000
2043	2,100,000
2044	2,185,000
2045	2,270,000

The Series 2020 Bonds maturing December 1, 2050 are subject to mandatory redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2050 amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
2046	\$2,360,000
2047	2,455,000
2048	2,555,000
2049	2,655,000
2050	2,755,000

Section 3. Partial Redemption.

If less than all of the Series 2020 Bonds of a maturity are going to be called for redemption, then the actual Series 2020 Bonds so called for redemption shall be determined by (a) the procedures of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) lot or in such other manner as may be designated by the Bond Registrar if the Series 2020 Bonds are no longer held in Book-Entry Form.

Section 4. Notice of Redemption.

Notice of redemption shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2020 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice if the Series 2020 Bonds are no longer held in Book-Entry Form. Any defect in such notice will not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2020 Bonds so designated for redemption after the redemption date. Notice given in the manner describe above will be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent or an escrow agent moneys sufficient to redeem all the Series 2020 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent or the escrow agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

Section 5. Effect of Additional Bonds.

In the event Additional Bonds are hereafter issued by the City, the City covenants and agrees that it will not optionally prepay or redeem the Series 2020 Bonds, or any such Additional Bonds, from moneys in the Sinking Fund unless and until the Sinking Fund is at its proper balance. The City shall have the right to prepay or redeem Additional Bonds before it prepays the Series 2020 Bonds, or it may redeem the Series 2020 Bonds before it redeems or prepays Additional Bonds, or it may partially prepay or redeem the Series 2020 Bonds and some of the Additional Bonds at the same time.

Section 6. Purchase in Open Market.

Nothing herein contained shall be construed to limit the right of the City to purchase with any excess moneys the Series 2020 Bonds in the open market at a price not exceeding the callable price. Any such Series 2020 Bonds so purchased cannot be reissued and shall be canceled.

Section 7. Effect of Call for Redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the portion of the Series 2020 Bonds so designated for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price, and from and after the date of redemption so designated, unless default shall be made in the payment of the portion of the Series 2020 Bonds so designated for redemption, interest on the portion of the Series 2020 Bonds so designated for redemption shall cease to accrue.

ARTICLE IV

**CUSTODY AND APPLICATION OF PROCEEDS;
CONSTRUCTION FUND**

Section 1. Ratification and Incorporation.

Except as provided in Sections 2 and 3 below, all terms and provisions of Article IV of the Original Ordinance are hereby ratified and incorporated herein.

Section 2. Application of Series 2020 Bonds Proceeds.

The Underwriter shall retain its underwriting discount and shall wire (a) \$220,174.64 to the Insurer as the premiums for the Series 2020 Debt Service Reserve Surety Bond and the Insurance Policy and (b) the remainder of the purchase price of the Series 2020 Bonds to the Construction Fund Custodian for deposit in the Series 2020 Capital Improvement Account.

Notwithstanding the foregoing, if the Mayor shall determine that a different application of funds is required to carry out the intent of this Parity Bond Ordinance, the different application of funds may be provided for in the authentication order to be delivered at the time of issuance of the Series 2020 Bonds.

Section 3. Construction Fund.

The Construction Fund Custodian shall establish a separate special account within the Construction Fund designated as the “Series 2020 Capital Improvement Account.” Subject to Subsection (b) of Section 2 of Article IV of the Original Ordinance, the moneys credited to the Series 2020 Capital Improvement Account shall be used and applied for the purpose of paying the cost of the Series 2020 Project in accordance with the Engineering Report and paying the costs of issuing the Series 2020 Bonds.

ARTICLE V

**REVENUES AND FUNDS;
PLEDGE OF SECURITY; ADDITIONAL BONDS; DEFEASANCE**

Section 1. Ratification and Incorporation.

Except as set forth in Section 2, 3 and 4 below, all terms and provisions of Article V of the Original Ordinance are hereby ratified and incorporated herein.

Section 2. Flow of Funds/Policy Costs.

Subsections (a), (d), (e) and (f) of Section 1 of Article V of the Original Ordinance are replaced in their entirety and replaced with the following subsections (a), (d), (e), (f), (g), (h) and (i):

“(a) **Revenue Fund.** All Gross Revenues arising from the ownership or operation of the System and properties in connection therewith as then existent and as thereafter added to, extended and improved shall be collected by the City or by its agents or employees and deposited promptly with the Revenue Fund Depository to the credit of a special trust fund which is hereby created and designated as “City of Monroe, Georgia Combined Utility Revenue Fund” (the “Revenue Fund”); and the City shall continue to maintain the Revenue Fund as a special trust fund separate and apart from its other funds so long as any Bonds are outstanding and unpaid or until provision shall have been duly made for the payment thereof. Said revenues shall be disbursed from the Revenue Fund to the extent and in the following manner and order:

There shall first be paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, including, but not limited to payments to the Municipal Electric Authority of Georgia and the Municipal Gas Authority of Georgia, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization.

The Net Revenues remaining in the Revenue Fund after the payment of the sums required or permitted to be paid under the provisions of the preceding paragraph are hereby pledged to the payment of the principal of and the interest on the Bonds and to the provider of any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth herein. Said Net Revenues so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against it, and against all parties having claims of any kind against it, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice thereof.”

(d) **Policy Costs.** After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of (a), (b) and (c) above and so long as a bond insurance policy (including, but not limited to, the Insurance Policy) is in effect, and the issuer of the bond insurance policy is honoring its obligations thereunder and an insurer default has not occurred and is not continuing, there shall next be paid from the Revenue Fund such payments to the issuer of the bond insurance policy as may be required to repay any amounts owed to the insurer that have not been paid to the insurer as a subrogee to the owners of the insured obligations.

(e) **Subordinate Debt.** After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of (a), (b), (c) and (d) above, there shall next be paid from the Revenue Fund monthly such payments as may be required to repay Subordinate Debt.

(f) **Franchise Payments.** After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of (a), (b), (c), (d) and (e) above, there shall next be paid from the Revenue Fund monthly into the City’s general fund five percent of the Modified Gross Revenues (the “Franchise Payments”) in compliance with Section 6.06 of the City’s Charter. The Franchise Payments shall cease to be made if they are no longer required by the City’s Charter.

(g) **Expansion Fund Payments.** After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of (a), (b), (c), (d), (e) and (f) above, there shall next be paid from the Revenue Fund monthly into the Expansion Fund five percent of the Gross Revenues until such time as the amount on deposit in the Expansion Fund exceeds 20 percent of the Gross Revenues for the previous year (the “Expansion Fund Payments”) in compliance with Section 6.04 of the City’s Charter. The Expansion Fund Payments shall cease to be made if they are no longer required by the City’s Charter.

(h) **Renewal and Extension Fund.** A special trust fund is hereby created and designated as the “City of Monroe, Georgia Combined Utility Renewal and Extension Fund.” All moneys deposited into the Renewal and Extension Fund shall be held in trust by the Renewal and Extension Fund Depository separate and apart from other funds of the City.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of (a), (b), (c), (d), (e), (f) and (g) above, all money remaining in the Revenue Fund shall be transferred monthly into the Renewal and Extension Fund, except to the extent that the City shall deem it necessary to establish and maintain a reasonable working capital reserve in the Revenue Fund.

Expenditures shall be made from the Renewal and Extension Fund for the purpose of:

- (i) Paying operating expenses relating to the System;
- (ii) Making debt service payments on the Bonds;

(iii) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;

(iv) Making replacements, additions, extensions and improvements to the System and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System;

(v) Transfers to the Sinking Fund for the purpose of acquiring the Bonds by redemption or by purchase in the open market, and when so used for such purposes the moneys shall be withdrawn from the Renewal and Extension Fund and deposited into the appropriate fund for the Bonds to be so redeemed or purchased; or

(vi) Paying any issuer of any Debt Service Reserve Surety Bond interest on amounts drawn under such surety bond and payment to the issuer of any Credit or Liquidity Facility the costs for any such facility.

(i) **General Fund.** The City may transfer funds from the Renewal and Extension Fund to the general fund and may use such moneys for any lawful purpose.”

Section 3. Rate Covenant.

The second paragraph of Section 2 of Article V of the Original Ordinance is replaced in its entirety with the following paragraph:

“Without limiting the foregoing, the City shall set the schedule of rates, fees and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.15 times the Debt Service Requirement in the current Fiscal Year.”

Section 4. Additional Bonds.

Subsection 3(c)(i) of Article V of the Original Ordinance is replaced in its entirety with the following language:

“(c) (i) The City Manager, the Finance Director, or other officer of the City of similar responsibilities shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited fiscal year, the Maximum Annual Debt Service Coverage Ratio (excluding for calculation of the Debt Service Requirement (1) any Bonds which are to be refunded and defeased by such proposed Additional Bonds and (2) any of the proposed Additional Bonds the debt service on which is to be funded with the proceeds of such Additional Bonds and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued), shall not be less than 1.20; or”

Section 5. Reserve Subaccount.

There is hereby created a separate special subaccount within the Reserve Account with respect to the Series 2020 Bonds, which shall be designated as the “Series 2020 Reserve Subaccount.” There shall be deposited into the Series 2020 Reserve Subaccount an amount equal to the Debt Service Reserve Requirement with respect to the Series 2020 Bonds. The Series 2020 Reserve Subaccount shall be fully funded upon the issuance of the Series 2020 Bonds with the Series 2020 Debt Service Reserve Surety Bond.

ARTICLE VI

DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSITS

Section 1. Ratification and Incorporation.

Except as provided in Section 2 below, all terms and provisions of Article VI of the Original Ordinance are hereby ratified and incorporated herein.

Section 2. Security for Deposits.

Subsection (b) of Section 1 of Article VI is hereby replaced with the following:

(b) All moneys on deposit in the Funds shall be secured by (a) the State of Georgia Secure Deposits Program, or any successor thereto or (b)(i) the Federal Deposit Insurance Corporation, or any successor thereto or (ii) a pledge of obligations (A) authorized by O.C.G.A Section 50-17-59 or (B) issued or guaranteed by the United States of America in an amount of such deposit not insured by the Federal Deposit Insurance Corporation, or any successor thereto.

ARTICLE VII

PARTICULAR COVENANTS; NON-ARBITRAGE COVENANT

Section 1. Ratification and Incorporation.

All terms and provisions of Article VII of the Original Ordinance are hereby ratified and incorporated herein.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 1. Ratification and Incorporation.

All terms and provisions of Article VIII of the Original Ordinance are hereby ratified and incorporated herein.

ARTICLE IX

SUPPLEMENTAL PROCEEDINGS

Section 1. Ratification and Incorporation.

All terms and provisions of Article IX of the Original Ordinance are hereby ratified and incorporated herein.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 1. Severability.

In case any one or more of the provisions of this Parity Bond Ordinance shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provision of this Parity Bond Ordinance, but this Parity Bond Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 2. General Ratification.

(a) The provisions of the Original Ordinance and every appropriate sentence thereof shall be construed as including and as being applicable to the Series 2020 Bonds issued by the City as well as to the Series 2016 Bond, and the Series 2020 Bonds shall be treated for all intents and purposes, unless otherwise specifically stated, just as if they had been issued together with the Series 2016 Bond and pursuant to the terms of the Original Ordinance.

(b) The City hereby reaffirms all of the applicable covenants, agreements and provisions of the Original Ordinance for the equal protection and benefit of all bondholders.

Section 3. Validation.

The Series 2020 Bonds herein authorized shall be validated in the manner provided by law, and to that end notice of the adoption of this Parity Bond Ordinance and a copy thereof shall be served upon the District Attorney in order that proceedings for the above purpose be instituted in the Superior Court of Walton County.

Section 4. Repealer.

Any and all resolutions, ordinances or parts thereof in conflict with this Parity Bond Ordinance this day adopted be and the same are hereby repealed, and this Parity Bond Ordinance shall be in full force and effect from and after its adoption.

Section 5. Authorization of Bond Purchase Agreement.

The execution, delivery and performance of the Bond Purchase Agreement are hereby authorized. The Bond Purchase Agreement shall be executed by the Mayor or Mayor Pro-Tem. The Clerk or Assistant Clerk may, but shall not be required to, attest to the execution of the Bond Purchase Agreement, and the seal may, but shall not be required to, be impressed on the Bond Purchase Agreement. The Bond Purchase Agreement shall be in substantially the form presented at this meeting, with such changes, insertions or omissions as may be approved by the person executing the same. The execution of the Bond Purchase Agreement shall be conclusive evidence of the approval of any such changes.

Section 6. Authorization of Offering Documents and Series 2020 Disclosure Agreement.

The use and distribution of the Preliminary Official Statement and the execution of a “deemed final certificate” by the Mayor or Mayor Pro-Tem with respect to the Preliminary Official Statement are hereby ratified. The execution, use and distribution of the Official Statement are hereby authorized. The Official Statement shall be executed by the Mayor or the Mayor Pro-Tem. The Official Statement shall be in substantially the same form as the Preliminary Official Statement, with such changes, insertions or omissions as may be approved by the person executing the same. The execution of the Official Statement shall be conclusive evidence of the approval of any such changes. The execution, delivery and performance of the Series 2020 Disclosure Agreement are hereby authorized. The Series 2020 Disclosure Agreement shall be executed by the Mayor or the Mayor Pro-Tem. The Clerk or Assistant Clerk may, but shall not be required to, attest to the execution of the Series 2020 Disclosure Agreement, and the seal may, but shall not be required to, be impressed on the Series 2020 Disclosure Agreement. The Series 2020 Disclosure Agreement shall be in substantially the form attached to the Preliminary Official Statement, with such changes, insertions or omissions as may be approved by the person executing the same. The execution of the Series 2020 Disclosure Agreement Statement shall be conclusive evidence of the approval of any such changes.

Section 7. Authorization of 8038-G and Tax and Non-Arbitrage Certificate.

The Mayor, Mayor Pro-Tem, Clerk and Assistant Clerk are hereby authorized to execute and deliver the IRS Form 8038-G and the Tax and Non-Arbitrage Certificate with respect to the Series 2020 Bonds.

Section 8. Ratification of Debt Service Reserve Surety Bond Commitment and Insurance Policy Commitment.

The execution, delivery and performance of the Series 2020 Debt Service Reserve Surety Bond Commitment and the Insurance Policy Commitment are hereby ratified. The execution, delivery and performance of any additional documents that may be required by the Insurer with respect to the Series 2020 Bonds are hereby authorized, and such additional documents shall be executed by the Mayor or Mayor Pro-Tem. The Clerk or Assistant Clerk may, but shall not be required to, attest to the execution of any such additional documents, and the seal may, but shall not be required to, be impressed on any such additional documents.

Section 9. Appointment of Paying Agent, Bond Registrar, Custodians and Depositories.

Regions Bank is hereby designated as the Paying Agent and Bond Registrar for the Series 2020 Bonds. Regions Bank is also hereby designated as the Construction Fund Custodian and the Sinking Fund Custodian. Synovus Bank is hereby designated as the Revenue Fund Depository and the Renewal and Extension Fund Depository.

Section 10. Authorization of Paying Agent Agreement.

The execution, delivery and performance of the Paying Agent Agreement, dated as of November 1, 2020 (the “Paying Agent Agreement”), between the City and the Paying Agent are hereby authorized. The Paying Agent Agreement shall be executed by the Mayor or Mayor Pro-Tem. The Clerk or Assistant Clerk may, but shall not be required to, attest to the execution of the Paying Agent Agreement, and the seal may, but shall not be required to, be impressed on the Paying Agent Agreement. The Paying Agent Agreement shall be in substantially the form presented at this meeting, with such minor changes, insertions or omissions as may be approved by the person executing the same. The execution of the Paying Agent Agreement shall be conclusive evidence of the approval of any such changes.

Section 11. Approval of Custodial Agreement.

The execution, delivery and performance of the Custodial Agreement, dated as of November 1, 2020 (the “Custodial Agreement”), between the City and the Construction Fund Custodian and the Sinking Fund Custodian are hereby authorized. The Custodial Agreement shall be executed by the Mayor or Mayor Pro-Tem. The Clerk or Assistant Clerk may, but shall not be required to, attest to the execution of the Custodial Agreement, and the seal may, but shall not be required to, be impressed on the Custodial Agreement. The Custodial Agreement shall be in substantially the form presented at this meeting, with such minor changes, insertions or omissions as may be approved by the person executing the same. The execution of the Custodial Agreement shall be conclusive evidence of the approval of any such changes.

Section 12. General Authority; Ratification.

Any officer of the City is hereby authorized to execute and deliver all other documents and certificates necessary to carry out the transactions contemplated by this Parity Bond Ordinance and to make covenants on behalf of the City. All actions heretofore taken and all documents heretofore executed in connection with the transactions contemplated by this Parity Bond Ordinance are hereby ratified and approved. If the Mayor or the Clerk is unable or unwilling to carry out the transactions contemplated by the terms of this Parity Bond Ordinance or to execute any documents authorized herein, including but not limited to the Series 2020 Bonds, the Mayor Pro-Tem or Assistant Clerk are hereby authorized to act/sign on behalf of the Mayor and Clerk, respectively.

Section 13. Waiver of Bond Audit.

The City elects not to conduct the audit referred to in O.C.G.A. Section 36-82-100.

Section 14. Insurer Provisions.

(a) The provisions contained in this Section 14 shall prevail notwithstanding any conflict with the other provisions of this Ordinance.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument (other than the Series 2020 Debt Service Reserve Surety Bond)

provided in lieu of a cash deposit into the Series 2020 Reserve Subaccount. Notwithstanding anything to the contrary set forth in this Ordinance, amounts on deposit in the Series 2020 Reserve Subaccount shall be applied solely to the payment of debt service due on the Series 2020 Bonds.

(c) The Insurer shall be deemed to be the sole holder of Series 2020 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2020 Bonds are entitled to take pursuant to this Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Ordinance and each Series 2020 Bond, the Paying Agent and each holder of the Series 2020 Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Series 2020 Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each holder of the Series 2020 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each holder of the Series 2020 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the holders shall expressly include mandamus.

(d) The maturity of the Series 2020 Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Series 2020 Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the City) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer’s obligations under the Insurance Policy with respect to such Series 2020 Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer is a third party beneficiary of this Ordinance.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption of the Series 2020 Bonds in part, the selection of Series 2020 Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of this Ordinance which permits the purchase of Series 2020 Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Series 2020 Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, this Ordinance or any other transaction document, including any underlying security agreement (each a “Related Document”), that requires the consent of the holders of the Series 2020 Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2020 Bonds.

(j) The rights granted to the Insurer under this Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Series 2020 Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the holders of the Series 2020 Bonds or any other person is required in addition to the consent of the Insurer.

(k) Only (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Series 2020 Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Series 2020 Bonds, the City shall cause to be delivered to Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2020 Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2020 Bonds are no longer “Outstanding” under this Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2020 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above referenced documentation not less than five business days prior to the funding of the escrow.

Series 2020 Bonds shall be deemed “Outstanding” under this Ordinance unless and until they are in fact paid and retired or the above criteria are met.

(l) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Ordinance and the Series 2020 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the City in accordance with this Ordinance. This Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(m) The City covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Net Revenues of the System under applicable law.

(n) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Paying Agent, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Series 2020 Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2020 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2020 Bonds and the amount required to pay principal of the Series 2020 Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Series 2020 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2020 Bonds registered to the then current holder of the Series 2020 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2020 Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent’s failure to so designate any payment or issue any replacement Series 2020 Bond shall have no effect on the amount of principal or interest payable by the City on any Series 2020 Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2020 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of holders of the Series 2020 Bonds referred to herein as the “Policy Payments Account” and over which the Paying Agent shall have

exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of holders of the Series 2020 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to holders of the Series 2020 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2020 Bonds under the sections hereof regarding payment of the Series 2020 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3% and (ii) the then applicable highest rate of interest on the Series 2020 Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. The City hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Series 2020 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

(o) The Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2020 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the City to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(p) The City shall pay or reimburse the Insurer, solely from Net Revenues of the System, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under

the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Ordinance or any other Related Document.

(q) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the City or rebate only after the payment of past due and current debt service on the Series 2020 Bonds and amounts required to restore the Series 2020 Reserve Subaccount to the Debt Service Reserve Requirement.

(r) The Insurer shall be entitled to pay principal or interest on the Series 2020 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2020 Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(s) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. _____, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel – Public Finance and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(t) The Insurer shall be provided with the following information by the City or Paying Agent, as the case may be:

(i) Annual audited financial statements within 270 days after the end of the City’s fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under this Ordinance), which obligation will be deemed satisfied if such information is filed with the MSRB on EMMA, and, upon request, the City’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Series 2020 Reserve Subaccount within two Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (B) withdrawals in connection with a refunding of Series 2020 Bonds;

(iii) Notice of any default known to the Paying Agent or City within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 2020 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

- (vi) Notice of the commencement of any Insolvency Proceeding;
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2020 Bonds;
- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
- (ix) All reports, notices and correspondence to be delivered to holders of the Series 2020 Bonds under the terms of the Related Documents; and
- (x) All information furnished pursuant to any continuing disclosure agreement, covenant or undertaking with respect to the Series 2020 Bonds, shall also be provided to the Insurer, simultaneously with the furnishing of such information.
- (u) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (v) The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Series 2020 Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.
- (w) The Paying Agent shall notify the Insurer of any failure of the City to provide notices, certificates and other information under this Ordinance.
- (x) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Ordinance, no such issuance may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Series 2019 Reserve Subaccount is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (y) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Ordinance would adversely affect the security for the Series 2020 Bonds or the rights of the holders of the Series 2020 Bonds, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.
- (z) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2020 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(aa) So long as any Series 2020 Bonds remain outstanding or any amounts are owed to the Insurer by the City, the City shall not issue or incur indebtedness payable from or secured in whole or in part by the Net Revenues of the System that (i) bears interest at other than fixed rates or (ii) permits the holder to tender such indebtedness for purchase prior to the stated maturity thereof, in either case without the prior written consent of the Insurer.

(bb) So long as any Series 2020 Bonds remain outstanding or any amounts are owed to the Insurer by the City, the City shall not enter into any interest rate exchange agreement, cap, collar, floor, ceiling, or other agreement or instrument involving reciprocal payment obligations between the City and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Insurer.

(cc) In addition to the provisions above relating to the Insurance Policy, the following provisions shall apply in respect of the Series 2020 Debt Service Reserve Surety Bond:

(i) The City shall repay any draws under the Series 2020 Debt Service Reserve Surety Bond and pay all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Surety Bond Late Payment Rate. “Surety Bond Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5% and (ii) the then applicable highest rate of interest on the Series 2020 Bonds and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Surety Bond Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph (cc)(i) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Surety Bond Late Payment Rate (collectively, the “Policy Costs”) shall commence in the

first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Series 2020 Debt Service Reserve Surety Bond will be increased by a like amount, subject to the terms of the Series 2020 Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2020 Bonds (subject only to the priority of payment provisions set forth under this Ordinance).

All cash and investments in the Series 2020 Reserve Subaccount established for the Series 2020 Bonds shall be transferred to the Debt Service Account for payment of debt service on the Series 2020 Bonds before any drawing may be made on the Series 2020 Debt Service Reserve Surety Bond or any other Debt Service Reserve Surety Bond in lieu of cash. Payments of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Debt Service Reserve Surety Bond (including the Series 2020 Debt Service Reserve Surety Bond) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2020 Reserve Subaccount. Payment of Policy Costs and reimbursement of amounts with respect to other Debt Service Reserve Surety Bond shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2020 Reserve Subaccount. Repayment of all Policy Costs and the replenishment of the Series 2020 Reserve Subaccount shall be made on a pari passu basis with payments and replenishments required to be made under the Ordinance with respect to reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(ii) If the City shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (cc)(i) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Ordinance other than (i) acceleration of the maturity of the Series 2020 Bonds or (ii) remedies which would adversely affect owners of the Series 2020 Bonds.

(iii) The Ordinance shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City’s obligation to pay such amounts shall expressly survive payment in full of the Series 2020 Bonds.

(iv) The City shall include any Policy Costs then due and owing the Insurer in the calculation of the additional bonds test and the rate covenant in the Ordinance.

(v) The Paying Agent shall ascertain the necessity for a claim upon the Series 2020 Debt Service Reserve Surety Bond in accordance with the provisions of subparagraph (cc)(i) hereof and to provide notice to the Insurer in accordance with the terms of the Series 2020 Debt Service Reserve Surety Bond at least five business days prior to each date upon which interest or principal is due on the Series 2020 Bonds. Where deposits are required to be made by the City with the Paying Agent to the Debt Service Account for the Series 2020 Bonds more often than semi-annually, the Paying Agent shall give notice to the Insurer of any failure of the City to make timely payment in full of such deposits within two business days of the date due.

Adopted and approved on October 13, 2020.

**CITY COUNCIL OF THE CITY OF MONROE,
GEORGIA**

By: _____
Mayor

(SEAL)

Attest:

By: _____
Clerk

EXHIBIT A

Series 2020 Engineering Report

EXHIBIT B

[FORM OF SERIES 2020 BOND]

No. R-__ \$_____

UNITED STATES OF AMERICA
STATE OF GEORGIA
CITY OF MONROE
COMBINED UTILITY REVENUE BONDS,
SERIES 2020

BOND DATE: MATURITY DATE: INTEREST RATE: CUSIP:
[Closing Date] December 1, 20__ % _____

FOR VALUE RECEIVED, the City of Monroe, Georgia (the “City”) hereby promises to pay solely from the special fund provided therefor, as hereinafter set forth, to Cede & Co., as nominee of The Depository Trust Company (“DTC”), or registered assigns, the principal amount set forth above on the maturity date set forth above and interest on the principal amount at the rate per annum set forth above (based upon a 360-day year comprised of twelve 30-day months) from the Interest Payment Date (hereinafter defined) next preceding the date of authentication to which interest has been paid (unless the date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless the date of authentication is after a Record Date (hereinafter defined) but before an Interest Payment date, in which case from the next Interest Payment Date, or unless the date of authentication is before the first Interest Payment Date, in which case from its date of original issuance), until the payment of the principal amount hereof. The interest shall be paid on each June 1 and December 1, commencing December 1, 2020 (each an “Interest Payment Date”) to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (each such date a “Record Date”). Both principal and interest shall be paid in lawful money of the United States.

This bond is being issued in book-entry form (the “Book-Entry Form”). As long as this bond is held in Book-Entry Form, the principal of and interest on this bond shall be paid in accordance with the rules of DTC or a successor securities depository (the “Securities Depository”). In the event that this bond is no longer held in Book-Entry Form, the principal of and interest on this bond shall be paid in the manner described in the Ordinance (hereinafter defined).

This bond is one of a duly authorized issue of the City’s Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the System, (b) paying the premium for a debt service reserve surety bond with

respect to the Series 2020 Bonds to be issued by Assured Guaranty Municipal Corp. (the “Insurer”) and the premium for a municipal bond insurance policy with respect to the Series 2020 Bonds to be issued by the Insurer and (c) paying the costs of issuing the Series 2020 Bonds. The Series 2020 Bonds are being issued under the authority of the Constitution of the State of Georgia and laws of the State of Georgia, including the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended), and were duly authorized by an ordinance adopted by the City Council on November 8, 2016, as supplemented on October 13, 2020 (the “Ordinance”). All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Ordinance.

The Series 2020 Bonds are secured by a first lien on the Net Revenues, on a parity as to lien on the Net Revenues with the lien thereon securing the City’s Combined Utility Revenue Refunding Bond, Series 2016 (the “Series 2016 Bond”). The City may issue, under certain terms and conditions as provided in the Ordinance, additional revenue bonds, and if issued such additional revenue bonds will rank on parity as to lien on the Net Revenues with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds. Reference to the Ordinance is hereby made for a complete description of the fund charged with, and pledged to, the payment of the principal of and the interest on the Series 2020 Bonds, the nature and extent of the security therefor, a statement of rights, duties and obligations of the City, the rights of the owners of the Series 2020 Bonds, and the terms and provisions under which additional revenue bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this bond, assents.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until this bond shall has been authenticated and registered upon the bond registration book of the City kept for that purpose by the Bond Registrar, which authentication and registration shall be evidenced by the execution by the manual signature of the Bond Registrar of the certificate hereon.

The Series 2020 Bonds are being issued in Book-Entry Form. Actual Series 2020 Bonds are not available for distribution to the owners thereof (the “Beneficial Owners”), except under the limited circumstances set forth in the Ordinance. The principal of and interest on the Series 2020 Bonds are payable by the Paying Agent to the Securities Depository or its nominee in accordance with the rules of the Securities Depository. Transfer of principal and interest payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfers of principal and interest to Beneficial Owners by participants of the Securities Depository will be the responsibility of such participants. The City and the Paying Agent will recognize the Securities Depository as the owner of the Series 2020 Bonds for all purposes, including (a) payments of principal of and interest on the Series 2020 Bonds, (b) notices and (c) voting. The City and the Paying Agent are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants.

The Bond Registrar shall keep the bond registration book for the registration of the Series 2020 Bonds and for the registration of transfers of the Series 2020 Bonds. As long as the Series 2020 Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. If the Series 2020 Bonds are no longer

held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the terms of the Ordinance.

The Series 2020 Bonds are limited obligations of the City and secured by and payable solely from the Net Revenues. The Series 2020 Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the City. No holder of any of the Series 2020 Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or the interest thereon nor to enforce payment thereof against any property of the City other than the Net Revenues.

The Series 2020 Bonds maturing on or after December 1, 2031 are subject to optional redemption prior to their maturity, in whole or in part and in any order of maturities, on any date on or after December 1, 2030, at a redemption price of the of par, plus accrued interest.

The Series 2020 Bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2045 amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
2041	\$1,940,000
2042	2,020,000
2043	2,100,000
2044	2,185,000
2045	2,270,000

The Series 2020 Bonds maturing on December 1, 2050 are subject to mandatory sinking fund redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2050 amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
2046	\$2,360,000
2047	2,455,000
2048	2,555,000
2049	2,655,000
2050	2,755,000

If less than all of the Series 2020 Bonds of a maturity are going to be called for redemption, then the actual Series 2020 Bonds so called for redemption shall be determined by (a) the procedures of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) lot or in such other manner designated by the Bond Registrar if the Series 2020 Bonds are no longer held in Book-Entry Form.

Notice of redemption will be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2020 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice if the Series 2020 Bonds are no longer held in Book-Entry Form. Any defect in such notice will not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2020 Bonds so designated for redemption after the redemption date. Notice given in the manner describe above will be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent or an escrow agent moneys sufficient to redeem all the Series 2020 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent or the escrow agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

To the extent and in the manner permitted by the Ordinance, modifications, alterations, amendments, additions and revisions of the provisions of the Ordinance and the Series 2020 Bonds may be made by the City without the consent of the owners of the Bonds in certain circumstances and with the consent of the owners of a majority of the principal amount of the Bonds outstanding in other circumstances.

This bond is issued with the intent that the laws of the State of Georgia shall govern its construction. In case of default, the owner of this bond shall be entitled to the remedies provided by the Ordinance and the Revenue Bond Law and any amendments thereto.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed in due and legal form as required by law, and that provision has been made for the allocation from the anticipated revenues of the System, of amounts sufficient to pay the principal of and the interest on all of this bond as same mature, or are acquired by mandatory redemption, such revenues are irrevocably allocated and pledged to the payment thereof and the interest thereon.

IN WITNESS WHEREOF, the City has caused this bond to be executed by the manual signature of its Mayor and its official seal to be impressed hereon and attested by the manual signature of its Clerk, as the _____ day of _____, 2020.

CITY OF MONROE, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This bond is the Combined Utility Revenue Bonds, Series 2020 authorized by the Ordinance adopted by the City Council on November 8, 2016, as supplemented on October 13, 2020.

Date of authentication and registration: November 10, 2020.

REGIONS BANK, as Bond Registrar

By: _____
Authorized Representative

VALIDATION CERTIFICATE

STATE OF GEORGIA)
)
COUNTY OF WALTON)

The undersigned Clerk of the Superior Court of Walton County, HEREBY CERTIFIES that this bond was validated and confirmed by judgment of the Superior Court of Walton County on _____, 2020, and that no intervention or objection was filed in the proceedings validating same and that no appeal from said judgment of validation has been taken.

WITNESS my hand and seal of the Superior Court of Walton County.

Clerk, Superior Court of Walton County

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (please print or typewrite name and address including postal zip code of assignee) the within bond and all rights thereunder, hereby constituting and appointing _____ attorney to transfer this bond on the bond registration books kept for such purpose by the Bond Registrar, with full power of substitution in the premises.

DATED: _____

Notice: the signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature:

Signature must be guaranteed by an institution which is a Participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

DTC FAST RIDER

Each such certificate shall remain in the Paying Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and DTC - FAST Agreement.

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Insurance Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to **Regions Bank, Atlanta, Georgia**, or its successor, as paying agent for the Series 2020 Bonds (the “Paying Agent”). Said Insurance Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Insurance Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Insurance Policy.

(END OF SERIES 2020 BOND FORM)

CLERK’S CERTIFICATE

GEORGIA, WALTON COUNTY.

The undersigned Clerk of the City of Monroe, Georgia (the “City”) DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of the ordinance authorizing the issuance of the City’s Combined Utility Revenue Bonds, Series 2020 and adopted by the City Council on _____, 2020 at a meeting that was open to the public and at which a quorum was present and acting throughout and that the original of said ordinance appears in the Minute Book of the City, which Minute Book is in my custody and control.

WITNESS my hand and the official seal of the City, this _____, 2020.

Clerk

(SEAL)

STIFEL

BOND PURCHASE AGREEMENT

\$43,700,000
CITY OF MONROE, GEORGIA
COMBINED UTILITY REVENUE BONDS
SERIES 2020

October 13, 2020

City of Monroe, Georgia
215 N Broad Street
Monroe, Georgia 30655

To the Addressee:

The undersigned, Stifel, Nicolaus & Company, Inc. (“Underwriter”), hereby offers to enter into this Bond Purchase Agreement (“Purchase Agreement”) with the City of Monroe, Georgia (“Issuer”) for the purchase by the Underwriter of the Issuer’s Bonds referred to in Section 1 hereof. This offer is made subject to acceptance by the Issuer of this Purchase Agreement, which acceptance shall be evidenced by the execution of this Purchase Agreement by a duly authorized officer of the Issuer prior to 11:59 p.m., local Atlanta, Georgia time, on October 13, 2020. Upon such acceptance and execution, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Ordinance referred to in Section 2 hereof.

1. Agreement to Purchase and Sell. Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, all and not less than all, of the Issuer’s \$43,700,000.00 in aggregate principal amount of the City of Monroe, Georgia, Combined Utility Revenue Bonds, Series 2020 (“Bonds”), at a purchase price of \$50,692,917.25 (which is equal to par, plus original issue premium of \$7,296,632.25 and less Underwriter’s discount of \$303,715.00).

The Issuer will deliver, or cause to be delivered, to the Underwriter by means of a book-entry system administered by The Depository Trust Company (“DTC”) in New York, New York, the Bonds in definitive form, duly executed and authenticated, in such authorized denominations and registered in the name of Cede & Co., as nominee of DTC, together with the other documents herein required; and the Underwriter will accept such delivery and pay the purchase price of the Bonds to the Issuer in immediately available funds at the offices of Murray Barnes Finister LLP, Atlanta, Georgia, at 10 a.m., local time on November 10, 2020, or at such other time or place as the Issuer and the Underwriter mutually agreed upon, such time being hereinafter referred to as the “Closing” or the “Closing Date.” The Bonds will be made available for inspection at least 24 hours prior to the Closing.

Pursuant to this Purchase Agreement, it shall be a condition of the Issuer’s obligation to sell simultaneously all of the Bonds to the Underwriter and the Underwriter’s obligation to purchase all of the

Bonds, that the entire principal amount of the Bonds shall be delivered by the Issuer and accepted and paid for by the Underwriter at the Closing.

2. Description of Bonds. The Bonds shall be as described in, shall be authorized by and secured pursuant to a Bond Ordinance of the Issuer, adopted on November 8, 2016 (“Original Ordinance”), as supplemented by a Parity Bond Ordinance adopted by the Issuer on Ordinance 13, 2020 (“Parity Ordinance” together with Original Ordinance, “Ordinance”), Article IX, Section V, Paragraph III of the Georgia Constitution, and Revenue Bond Law (O.C.G.A. § 36-82-60 et seq.), as amended (“Revenue Bond Law”). The Bonds are limited obligations of the Issuer. The principal and interest on the Bonds are secured by and payable solely from the Net Revenues (as defined in the Original Ordinance) of the System (defined herein). No holder of the Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or interest thereon, nor to enforce payment thereof against any other property of the City. The Bonds shall bear interest at the rates and shall mature in the amounts set forth in Schedule I attached hereto. All other terms of the Bonds are described in the hereinafter-defined Official Statement.

The Issuer will undertake, pursuant to a Continuing Disclosure Agreement of the Issuer (“Disclosure Certificate”), to provide annual reports and notices of certain events. The form of this undertaking is set forth in the hereinafter-defined Preliminary Official Statement and will also be set forth in the Official Statement.

3. Use of Proceeds. The proceeds from the sale of the Bonds will be used for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the City’s combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system (“System”) described in the engineering report prepared by Goodwyn, Mills and Cawood, Inc., (b) paying the premium for a municipal bond debt service reserve surety bond (“Series 2020 Debt Service Reserve Surety Bond”) to be issued by Assured Guaranty Corp. (“Insurer”) and the premium for a municipal bond insurance policy (“Insurance Policy”) to be issued by the Insurer and (c) paying the costs of issuing the Series 2020 Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an Insurance Policy to be issued by the Insurer concurrently with the delivery of the Bonds.

4. Public Offering. The Underwriter intends to make a bona fide initial public offering of the Bonds at the prices or yields set forth on Schedule I attached hereto. The Underwriter, however, reserves the right to change such offering prices (or yields) as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market, and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

5. Preliminary Official Statement; Official Statement. The Issuer has caused to be prepared and circulated by the Underwriter a Preliminary Official Statement relating to the Bonds, dated October 8, 2020 (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Issuer for use with respect to the Bonds being herein called “Preliminary Official Statement”), and the Issuer does hereby consent to and ratify the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Bonds. The Issuer hereby certifies to the Underwriter that the Preliminary Official Statement, as of its date, was designated as a “deemed final” Preliminary Official Statement as of its date as required by Rule 15c2-12 (“Rule”) of the Securities Exchange Act of 1934, as amended, “1934 Act”). As such, the Preliminary Official Statement, as of its date, was final except for information concerning the offering prices, aggregate principal amount, principal amount per maturity, interest rates, ratings, selling compensation, delivery date and other matters related to the offering prices. The Issuer hereby agrees to furnish the Underwriter with a final Official

Statement (“Official Statement”), dated the date hereof and substantially in the form of the Preliminary Official Statement, with only such changes therein or modifications thereof (including, without limitation, any changes in or modifications of any of the appendices thereto) as shall have been accepted and approved by the Underwriter in its discretion, within seven business days of the date hereof (but no later than the Closing Date) and in time to accompany any confirmation that requests payment from any customer, and in sufficient quantity to comply with the Rule and the rules of the Municipal Securities Rulemaking Board (“MSRB”). The preparation, use, and distribution of the Preliminary Official Statement and the Official Statement are hereby authorized and approved by the Issuer. The Issuer hereby authorizes the use of copies of the Official Statement and other pertinent documents in connection with the offering and sale of the Bonds. The Underwriter hereby agrees not to distribute or make any use of any official statement relating to the Bonds other than the Official Statement.

6. Representations and Warranties of the Issuer. In order to induce the Underwriter to enter into this Purchase Agreement, the Issuer represents and warrants to the Underwriter as follows:

(a) The Issuer is, and at the Closing Date will be, a municipal corporation of the State of Georgia duly created, organized and validly existing under the Constitution and laws of the State of Georgia.

(b) The Issuer is authorized under the Constitution and the laws of the State of Georgia, (i) to adopt the Ordinance, (ii) to own and operate the System, (iii) to issue, execute, deliver and perform its obligations under the Bonds for the purposes described in Section 3 hereof, (iv) to execute, deliver and perform its obligations under this Purchase Agreement, the Ordinance, the Disclosure Certificate, the Paying Agency Agreement and the Custodial Agreement (collectively, “Issuer Documents”), (v) to execute and deliver the Official Statement, and (vi) to carry out and consummate all of the transactions contemplated on its part hereby and by the aforementioned documents.

(c) The information in the Preliminary Official Statement was, and such information in the Official Statement will be, correct and complete in all material respects and does not, and will not, contain any untrue statement of a material fact or omit to state any material fact which should be included therein for the purpose for which the document was, and is to be, used, or which was, or is, necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The Issuer has reviewed the Preliminary Official Statement and consents to the use of it by the Underwriter to offer and sell the Bonds.

(d) On or before the date of the Closing referred to in Section 1 hereof, the Issuer will have (a) duly adopted the Ordinance, and (b) duly authorized all actions required to be taken by it for (i) the issuance, execution, delivery and performance of the Bonds, (ii) the execution, delivery and due performance the Issuer Documents, (iii) the execution and delivery of the Official Statement, and (iv) the execution, delivery and due performance of any and all other agreements and documents as may be required to be executed, delivered or performed by the Issuer in order to carry out, give effect to and consummate the transactions contemplated on its part hereby and by each of the aforementioned documents.

(e) The Issuer Documents, when executed and delivered, will constitute valid and legally binding obligations of the Issuer, enforceable in accordance with their respective terms (subject to usual principles of equity and to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors’ rights generally from time to time in effect, and subject to provisions of law which may restrict the Issuer’s ability to enter into contracts to indemnify). The Bonds, when issued, delivered and paid for as herein provided, will constitute valid and legally binding general obligations of the Issuer, enforceable in accordance with their terms

(subject in each case to usual principles of equity and to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect). The Bonds are limited obligations of the Issuer and are payable solely from the Net Revenues (as defined in the Original Ordinance) of the System. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City.

(f) The Issuer will apply the proceeds from the sale of the Bonds as specified in Section 3 hereof.

(g) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer (or, to the knowledge of the Issuer, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Issuer from functioning or contesting or questioning the existence of the Issuer or the titles of the present officers of the Issuer to their offices or (ii) wherein an unfavorable decision, ruling or finding would adversely affect (A) the financial position of the Issuer or the security for the Bonds, (B) the powers of the Issuer or the validity or enforceability of the Ordinance, the Bonds, the Issuer Documents or any agreement or instrument to which the Issuer is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or by the aforementioned documents, (C) the transactions contemplated hereby or by the aforementioned documents, or (D) the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(h) The adoption and performance of the Ordinance, the issuance, execution and delivery of the Bonds, the execution and delivery by the Issuer of the Issuer Documents, the Official Statement and the other documents contemplated hereby and by the aforementioned documents, and the compliance with the provisions thereof, will not conflict with or constitute on the part of the Issuer a violation of, breach of or default under (i) any governing instruments, (ii) any ordinance, mortgage, lease, resolution, note agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, that are required to be obtained by the Issuer in connection with the acquisition, construction or operation of the Projects, the execution and delivery of the Issuer Documents and the Official Statement, and the consummation of the transactions contemplated on its part hereby and by the aforementioned documents, have been duly obtained and remain in full force and effect, except for those items which are not required as of the date hereof, and except that no representation is made as to compliance with any applicable state securities or "Blue Sky" laws.

(i) Neither the Issuer nor anyone acting on its behalf has, directly or indirectly, offered the Bonds or any similar securities of the Issuer for sale to, or solicited any offer to buy the same from, anyone.

(j) Any certificate signed by an authorized officer of the Issuer delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(k) To the best of the Issuer's knowledge, the Issuer has not defaulted in the payment of principal or interest on any of its bonds, notes or other securities.

(l) The Issuer has not received any notice, directly or indirectly, from the Department

of the Treasury, the Internal Revenue Service or any other entity or person contesting or questioning in any way the exemption from federal income taxation of the interest due on any of its bonds, nor to the knowledge of the Issuer has any holder of any of its bonds received any such notice.

(m) The Issuer represents that, except as disclosed in the Official Statement, the Issuer has been in material compliance during the previous five years with its continuing disclosure obligations in accordance with the Rule.

(n) The Issuer acknowledges and agrees that these representations and warranties are made to induce the Underwriter to purchase the Bonds, and that such representations and warranties and any other representations and warranties made by the Issuer to the Underwriter are made for the benefit of the ultimate purchasers of the Bonds and may be relied upon by such purchasers.

7. Conditions to Closing. The Underwriter's obligation to purchase and pay for the Bonds is subject to the accuracy of the representations and warranties of the Issuer herein as of the date hereof and as of the Closing Date, to the accuracy of statements to be made on behalf of the Issuer hereunder, to the performance by the Issuer of its obligations hereunder and to the following additional conditions:

(a) The Official Statement, the Issuer Documents and the Ordinance shall have been duly authorized, executed and delivered by the parties thereto and shall be in full force and effect, shall conform to the descriptions thereof in the Official Statement and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; the proceeds of the Bonds shall be deposited and applied as described in the Ordinance; and the Issuer shall have duly adopted and there shall be in full force and effect such additional resolutions as shall, in the opinion of Murray Barnes Finister LLP, as Bond Counsel, be necessary or appropriate in connection with the transactions contemplated hereby.

(b) The decree of the Superior Court of Walton County validating the Bonds shall be in full force and effect, and there shall be no appeals pending with respect to such decree.

(c) The Issuer shall have duly authorized, executed and delivered the Bonds, and they shall be in full force and effect and shall conform to the descriptions thereof in the Official Statement.

(d) The Issuer shall have received the unqualified approving opinion of Bond Counsel, dated the Closing Date and in substantially the form set forth in the Preliminary Official Statement.

(e) The Underwriter shall have received the favorable opinion of Preston & Malcom, P.C., dated the Closing Date and addressed to the Underwriter and to Bond Counsel, in customary and satisfactory form.

(f) The Underwriter shall have received a certificate of the Issuer, dated the Closing Date, signed by the Chair of the Issuer, to the effect that:

(i) The Issuer has duly performed and satisfied or complied with all of its obligations and conditions to be performed and satisfied hereunder at or prior to the Closing, and each of its representations and warranties contained herein has not been amended, modified, or rescinded and is in full force and effect and is true and correct in all material respects as of the Closing; and

(ii) Since the date hereof, there has not been any material adverse change in the business, properties, financial position or results of operations of the Issuer, whether or not arising from transactions in the ordinary course of business, other than as previously

disclosed in writing to the Underwriter and as disclosed in the Official Statement, and, except in the ordinary course of business, the Issuer has not suffered or incurred any material liability, other than as previously disclosed in writing to the Underwriter and as disclosed in the Official Statement.

(g) The Underwriter shall have received written evidence that Moody’s Investors Service, Inc. (“Moody’s”) has issued its underlying rating of “A2” with respect to the Bonds, and such rating shall be in effect on the Closing Date.

(h) The Underwriter shall have received a certificate of the Issuer, dated the date of Closing (“Arbitrage Certificate”), setting forth certain information upon which it can be concluded that the Bonds are not expected to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(i) The Underwriter shall have received an executed counterpart of the Issuer Documents.

(j) The Underwriter shall have received the opinion of Kozlerek Law LLC, as Underwriter’s Counsel, dated the date of the Closing and addressed to the Underwriter in customary and satisfactory form.

(k) The Issuer shall deliver a final official statement within the time period and in adequate format to comply with the Rule and the rules of the MSRB, and the Issuer shall deliver the Disclosure Certificate, which must comply with the requirements set forth in the Rule.

(l) The Underwriter shall have received such additional certificates, opinions and other evidences as the Underwriter may deem necessary or advisable in connection with the Underwriter’s purchase of the Bonds and the public offering and sale thereof. The opinions and certificates and other evidences referred to in this Purchase Agreement shall be in form and substance satisfactory to the Underwriter.

(m) a copy of the Insurance Policy from the Insurer;

(n) the opinion of Counsel to the Insurer, dated the date of Closing, addressed to the Underwriter, together with other certificates of the Insurer acceptable to the Underwriter;

(o) a certificate of the Insurer addressed to the Underwriter, dated the Closing, signed by an authorized officer of said insurer that (i) the information contained under the caption “BOND INSURANCE” in the Official Statement does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) the specimen of the Policy contained in Appendix E to the Official Statement is a true and correct specimen of the policy being issued by the Insurer.

(p) The rating letter from S&P, assigning the Bonds the insured rating of “AA.”

(q) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of the Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer, at or prior to the Closing, of all agreements then required to be performed and all conditions then required to be satisfied by the Issuer.

8. Underwriter's Right to Cancel. The Underwriter shall have the right to cancel its obligations to purchase and accept delivery of the Bonds hereunder by notifying the Issuer or its designated representatives, in writing, of its election to do so between the date hereof and the Closing if, on or after the date hereof and prior to the Closing any of the following events shall occur in the sole and reasonable judgment of the Underwriter:

(a) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made not misleading in any material respect and, in either such event, (i) the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriter or (ii) the effect of the Official Statement as so supplemented is, in the judgment of the Underwriter, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(b) legislation shall be introduced in, adopted by, reported out of committee by or recommended for passage by the State of Georgia, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code of 1986, as amended (which, if adopted, would be effective as of a date prior to the Closing), shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or state taxation of interest received on obligations of the general character of the Bonds which, in the judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(c) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended ("Securities Act"), the 1934 Act, the Trust Indenture Act of 1939, as amended;

(d) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other

requirements of the Securities Act, or that the Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(e) there shall have occurred (i) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency (except as disclosed in the Preliminary Official Statement or the Official Statement) or war; (ii) any other calamity or crisis in the financial markets of the United States or elsewhere; (iii) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (iv) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000, which, in the judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(f) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission, or any other governmental agency having jurisdiction or any national securities exchange shall have (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations, or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(g) a general banking moratorium shall have been declared by federal or New York or Georgia authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred, which, in the judgment of the Underwriter, materially adversely affects the market price or the marketability for the Bonds or the ability of the Underwriter to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(h) a downgrading or suspension of any rating (without regard to credit enhancement, if any) by Moody's, S&P, or Fitch Ratings of any debt securities issued by the Issuer or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P, or Fitch Ratings of any debt securities issued by the Issuer, including the Bonds;

(i) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way protesting or affecting any authority for or the validity of the Bonds or the existence or powers of the Issuer or the territorial limits of the Issuer;

(j) there shall have occurred any material adverse change in the affairs of the Issuer;
or

(k) there shall have occurred any other event other than those listed above the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse to make it

impracticable or inadvisable to proceed with the offering of the Bonds on the terms and in the manner contemplated by the Official Statement.

9. Notification by Issuer; Amendment to Official Statement. If, between the date of this Purchase Agreement and the date which is 90 days following the end of the underwriting period, an event occurs which (i) has a material adverse impact on the operations, properties or financial condition of the Issuer, or (ii) could cause the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact which should be included therein for the purposes for which the Official Statement is to be used or which is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, then the Issuer shall promptly notify the Underwriter of such event, and, if in the opinion of the Issuer or the Underwriter, an event covered by either (i) or (ii) above requires an amendment or supplement to the Official Statement, then the Issuer will, at its expense, amend or supplement the Official Statement in a form and in a manner approved by the Underwriter. For purposes of this paragraph, the term “end of the underwriting period” means the later of the Closing Date or the date the Underwriter no longer retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. In the event that the end of the underwriting period is a date other than the Closing Date, the Underwriter shall on the Closing Date so notify the Issuer in writing of such fact, and thereafter shall notify the Issuer on the date that the underwriting period ends that such period has ended.

10. Failure to Satisfy Conditions; Waiver of Conditions. If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligation of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate, and neither the Underwriter nor the Issuer shall be under further obligation hereunder, except that the respective obligations to pay expenses, as provided in Sections 11 and 12 hereof, shall continue in full force and effect. The Underwriter may waive, in its discretion, any one or more of the conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

11. Indemnification.

(a) To the extent permitted by applicable law, the Issuer will indemnify and hold harmless the Underwriter, and each member, officer, director, official or employee of the Underwriter, and any person who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the 1934 Act, as amended (collectively, “Indemnified Parties”), against any and all losses, claims, damages, expenses, actions or liabilities, joint or several, to which any of the Indemnified Parties may become subject under any statute or regulation or at common law or otherwise and, except as hereinafter provided, will reimburse the Indemnified Parties for any legal or other expense reasonably incurred by them or any of them in connection with investigating or defending any such losses, claims, damages, expenses or actions asserting liability, whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, actions or liabilities arise out of or are based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement, or arise out of or are based upon any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by an untrue statement or omission or alleged untrue statement or alleged omission based upon information furnished in writing to the Issuer by or on behalf of the Underwriter expressly for use therein.

(b) The Issuer will, to the extent permitted by applicable law, reimburse the

Indemnified Parties for any legal or other expense reasonably incurred by them or any of them in connection with investigating or defending any losses, claims, damages, expenses or actions asserting liability, whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, actions or liabilities arise out of or are based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or arise out of or are based upon any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by an untrue statement or omission or alleged untrue statement or alleged omission based upon information furnished in writing to the Issuer by or on behalf of the Underwriter expressly for use therein.

(c) Promptly after receipt by a Indemnified Party of notice of any claim or the commencement of any action in respect of which indemnification or reimbursement of expenses may be sought against the Issuer under this Section, such Indemnified Party shall promptly notify the Issuer in writing; but, except to the extent it has materially prejudiced the Issuer’s right to defend, the failure to promptly so notify the Issuer will not relieve the Issuer from any liability which it may have to any Indemnified Party otherwise than under paragraph (a) or (b) of this Section 11 nor affect any rights it may have otherwise than under this Section to participate in and/or assume the defense of any action brought against any Indemnified Party. In case any claim is asserted or any action is brought against any Indemnified Party, the Issuer will be entitled to participate in, and, to the extent that it chooses so to do, to assume the defense thereof (including the employment of counsel reasonably satisfactory to such Indemnified Party), and shall assume the payment of all fees and expenses relating to such defense and shall have the right to negotiate settlement thereof. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in connection with any such claim or action and to participate in the defense thereof, but after notice from the Issuer to such Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized in writing by the Issuer. The Issuer shall not be liable for any settlement of any such claim or action effected without its consent, but if settled with the consent of the Issuer or if there be a final judgment for the plaintiff in any such action as to which the Issuer has received notice in writing as hereinabove required, the Issuer agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraphs (a) and (c) of this Section 11 is for any reason held to be unavailable from the Issuer with respect to matters covered by such paragraphs (a) and (c), the Issuer, to the extent permitted by applicable law, on one hand, and the Underwriter on the other hand, with respect to such matters shall contribute to the aggregate losses, damages, expenses, liabilities or claims to which the Issuer on the one hand, and the Underwriter on the other hand, may be subject in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriter hereunder (*i.e.*, the excess of the aggregate principal amount of the Bonds purchased by the Underwriter over the price to be paid by the Underwriter to the Issuer upon delivery of the Bonds as specified in Section 1 hereof) bears to the aggregate principal amount of the Bonds purchased by the Underwriter, and the Issuer is responsible for the balance. The contribution provided by this paragraph shall also extend, without limitation, to any and all expenses whatsoever reasonably incurred in connection with investigating, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any such loss, damage, expense, liability or claim (or action in respect thereof),

whether or not resulting in any liability, and shall include any loss to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein if such settlement is effected with the written consent of the Issuer. For purposes of this paragraph (d), each officer, director, employee, agent or attorney of the Underwriter and any person who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the 1934 Act, or any amendment of said Acts, shall, under the same circumstances, have the same rights to contribution as does the Underwriter hereunder. Within a reasonable time after a party entitled to contribution under this paragraph (d) of this Section 11 shall have been served with the summons or other first legal process or shall have received written notice of the threat of a claim in respect of which contribution may be sought hereunder, such person shall, if a claim for contribution is to be made against the Issuer under this paragraph (d), notify the Issuer, in writing, of the commencement hereof, and the Issuer shall have the same rights with respect to assumption of the defense of the action as are set forth in paragraph (c). Except to the extent it has materially prejudiced the Issuer's right to defend, the omission to promptly so notify the Issuer shall not relieve the Issuer from any liability that it may have other than pursuant to this paragraph (d), provided, however, that any notice given by the Underwriter for purposes of, and as provided in, paragraph (c) of this Section 11 shall constitute notice for purposes of this paragraph (d).

(e) The indemnity provided by this Section 11 hereof shall be in addition to any other liability that the Issuer may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Indemnified Parties and their respective successors, assigns and legal representatives, and no other person shall acquire or have any right under or by virtue of such provisions of this Purchase Agreement.

(f) In the event and to the extent an Indemnified Party is entitled to indemnification from the Issuer pursuant to Section 11(a) above, then the Issuer, to the extent permitted by applicable law, agrees to reimburse such Indemnified Party for any expense (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by any Indemnified Party at its then current time charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to the offer, issuance or sale of the Bonds.

12. Payment of Expenses. The Issuer shall pay out of the proceeds of the Bonds any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing and recording, as the case may be, of this Purchase Agreement, the Disclosure Certificate, the Ordinance, the Preliminary Official Statement, the Official Statement and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby; (ii) the cost of the preparation, printing, execution and delivery of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel, Counsel for the Issuer, Underwriter's Counsel and any other experts or consultants retained by the Issuer; (iv) any fees charged by investment rating agencies for the rating of the Bonds; (v) expenses incurred on behalf of the Underwriter's employees which are directly related to the offering of the Bonds including, but not limited to, meals, transportation and lodging (but not entertainment) of those employees; and (vi) the cost of the preparation and publishing of any advertisements prior to the public offering of the Bonds. To the extent proceeds of the Bonds are not sufficient to pay the foregoing expenses, the Issuer shall pay such expenses.

The Issuer shall also pay any expenses incident to the performance of its obligations hereunder, and, if the Bonds are not sold by the Issuer to the Underwriter, the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder as provided above.

The Underwriter may initially pay (i) the cost of preparing and publishing all advertisements relating to the Bonds upon commencement of the offering of the Bonds; (ii) the cost of the meals, transportation, and lodging (but not entertainment) for officials and representatives of the Underwriter to attend meetings and the Closing; (iii) all other expenses incurred by it in connection with its public offering and the distribution of the Bonds; (iv) any fees of the MSRB in connection with the issuance of the Bonds; and (v) the cost of obtaining a CUSIP number assignment for the Bonds. The Underwriter shall submit an invoice at or subsequent to closing to the Issuer for reimbursement from proceeds of the Bonds of the amounts set forth in the previous sentence other than any fees of the MSRB in connection with the issuance of the Bonds.

13. No Fiduciary Relationship. The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriter, and the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

14. Successors and Assigns. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements of the Issuer shall remain operative and in full force and effect and shall survive delivery of and payment for the Bonds hereunder and regardless of any investigation made by the Underwriter or on its behalf.

15. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to:

Stifel, Nicolaus & Company, Incorporated
3630 Peachtree Road, N.E.
Suite 400
Atlanta, Georgia 30326
Attn: Andrew Tritt, Managing Director

16. Governing Law. This Purchase Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.

17. Counterparts. This Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

18. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A with such modifications as may be appropriate or necessary, in the

reasonable judgment of the Underwriter, the Issuer, and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The Issuer will treat the first price at which 10% of each maturity of the Bonds (“10% Test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bond to the public on or before the date of this Purchase Agreement at the offering price or prices (“initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bond for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bond, the Underwriter will neither offer nor sell unsold Bond of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bond to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bond to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bond to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A) (i) to report the prices at which it sells to the public the unsold Bond of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bond of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bond of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and
- (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bond that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bond to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bond to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bond to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bond of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bond of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bond of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bond to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bond, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bond, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bond to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bond, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bond, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bond, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bond.

(6) The Underwriter acknowledges that sales of any Bond to any person that is a related party to an underwriter participating in the initial sale of the Bond to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bond to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bond to the public (including a

member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bond to the public),

- (iii) a purchaser of any of the Bond is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

19. Effective Date. This Purchase Agreement shall become effective immediately upon your acceptance hereof.

[ONE SIGNATURE PAGE, ONE SCHEDULE, AND ONE EXHIBIT FOLLOW]
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Very truly yours,

**STIFEL, NICOLAUS &
COMPANY, INCORPORATED**

By: _____
Andrew Tritt, Managing Director

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST ABOVE WRITTEN:

CITY OF MONROE, GEORGIA

By: _____
Mayor

SCHEDULE I

MATURITIES, AMOUNTS, RATES, YIELDS, PRICES, AND CUSIPS

<u>Maturity (December 1)</u>	<u>Principal Amount (\$)</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>Price (%)</u>	<u>CUSIP⁽¹⁾</u>
2027	\$580,000	3.00%	1.070%	113.086%	610884 EH7
2027	510,000	5.00	1.070	126.648	610884 DR6
2028	1,130,000	5.00	1.230	128.837	610884 DS4
2029	1,190,000	5.00	1.390	130.625	610884 DT2
2030	1,250,000	5.00	1.490	132.672	610884 DU9
2031	1,310,000	4.00	1.630	121.903 ^C	610884 DV7
2032	1,365,000	4.00	1.780	120.361 ^C	610884 DW5
2033	1,420,000	4.00	1.910	119.042 ^C	610884 DX3
2034	1,475,000	4.00	1.970	118.439 ^C	610884 DY1
2035	1,535,000	4.00	2.040	117.740 ^C	610884 DZ8
2036	1,595,000	4.00	2.070	117.442 ^C	610884 EA2
2037	1,660,000	4.00	2.110	117.046 ^C	610884 EB0
2038	1,725,000	4.00	2.150	116.652 ^C	610884 EC8
2039	1,795,000	4.00	2.190	116.259 ^C	610884 ED6
2040	1,865,000	4.00	2.230	115.867 ^C	610884 EE4

\$10,515,000, 4.00% Term Bond, Due December 1, 2045, Price 114.029^C, Yield 2.420%, CUSIP⁽¹⁾ No. 610884 EF1

\$12,780,000, 4.00% Term Bond, Due December 1, 2050, Price 113.265^C, Yield 2.500%, CUSIP⁽¹⁾ No. 610884 EG9

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein have been provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2020 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the City nor the Underwriter nor their respective agents take responsibility for the accuracy of such data.

^(C) Priced to the call date of December 1, 2030.

Redemption Provisions

Optional Redemption. The Bonds maturing on or after December 1, 2031 are subject to optional redemption prior to their maturity, in whole or in part and in any order of maturities, on any date on or after December 1, 2030, at a redemption price of par, plus accrued interest.

Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 2045, and 2050, are subject to mandatory sinking fund redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2045, and 2050, amounts to be paid rather than redeemed):

<u>Date (December 1)</u>	<u>Principal Amount (\$)</u>
2041	\$1,940,000
2042	2,020,000
2043	2,100,000
2044	2,185,000
2045 [†]	2,270,000

[†]Final Maturity

<u>Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount (\$)</u>
2046	\$2,360,000
2047	2,455,000
2048	2,555,000
2049	2,655,000
2050†	2,755,000

†Final Maturity

Partial Redemption. If less than all of the Bonds of a maturity are going to be called for redemption, then the actual Bonds so called for redemption shall be determined by (a) the procedures of the Securities Depository as long as the Bonds are held in Book-Entry Form and (b) lot or in such other manner designated by the Bond Registrar if the Bonds are no longer held in Book-Entry Form.

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EXHIBIT A

**FORM OF
ISSUE PRICE CERTIFICATE**

**\$43,700,000
CITY OF MONROE, GEORGIA
COMBINED UTILITY REVENUE BONDS
SERIES 2020**

ISSUE PRICE, WEIGHTED AVERAGE MATURITY AND YIELD CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“*Stifel*”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “*Bonds*”).

A. Issue Price.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means the City of Monroe, Georgia.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate for the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Murray Barnes & Finister LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Dated: November 10, 2020

**SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS**

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	12/01/2027	580,000.00	3.000%	113.086	655,898.80	580,000.00
	12/01/2027	510,000.00	5.000%	126.648	645,904.80	510,000.00
	12/01/2028	1,130,000.00	5.000%	128.837	1,455,858.10	1,130,000.00
	12/01/2029	1,190,000.00	5.000%	130.625	1,554,437.50	1,190,000.00
	12/01/2030	1,250,000.00	5.000%	132.672	1,658,400.00	1,250,000.00
	12/01/2031	1,310,000.00	4.000%	121.903	1,596,929.30	1,310,000.00
	12/01/2032	1,365,000.00	4.000%	120.361	1,642,927.65	1,365,000.00
	12/01/2033	1,420,000.00	4.000%	119.042	1,690,396.40	1,420,000.00
	12/01/2034	1,475,000.00	4.000%	118.439	1,746,975.25	1,475,000.00
	12/01/2035	1,535,000.00	4.000%	117.740	1,807,309.00	1,535,000.00
	12/01/2036	1,595,000.00	4.000%	117.442	1,873,199.90	1,595,000.00
	12/01/2037	1,660,000.00	4.000%	117.046	1,942,963.60	1,660,000.00
	12/01/2038	1,725,000.00	4.000%	116.652	2,012,247.00	1,725,000.00
	12/01/2039	1,795,000.00	4.000%	116.259	2,086,849.05	1,795,000.00
	12/01/2040	1,865,000.00	4.000%	115.867	2,160,919.55	1,865,000.00
2045 Term Bond:						
	12/01/2041	1,940,000.00	4.000%	114.029	2,212,162.60	1,940,000.00
	12/01/2042	2,020,000.00	4.000%	114.029	2,303,385.80	2,020,000.00
	12/01/2043	2,100,000.00	4.000%	114.029	2,394,609.00	2,100,000.00
	12/01/2044	2,185,000.00	4.000%	114.029	2,491,533.65	2,185,000.00
	12/01/2045	2,270,000.00	4.000%	114.029	2,588,458.30	2,270,000.00
2050 Term Bond:						
	12/01/2046	2,360,000.00	4.000%	113.265	2,673,054.00	2,360,000.00
	12/01/2047	2,455,000.00	4.000%	113.265	2,780,655.75	2,455,000.00
	12/01/2048	2,555,000.00	4.000%	113.265	2,893,920.75	2,555,000.00
	12/01/2049	2,655,000.00	4.000%	113.265	3,007,185.75	2,655,000.00
	12/01/2050	2,755,000.00	4.000%	113.265	3,120,450.75	2,755,000.00
		43,700,000.00			50,996,632.25	43,700,000.00

SCHEDULE I

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	12/01/2027	580,000.00	3.000%	113.086	655,898.80	580,000.00
	12/01/2027	510,000.00	5.000%	126.648	645,904.80	510,000.00
	12/01/2028	1,130,000.00	5.000%	128.837	1,455,858.10	1,130,000.00
	12/01/2029	1,190,000.00	5.000%	130.625	1,554,437.50	1,190,000.00
	12/01/2030	1,250,000.00	5.000%	132.672	1,658,400.00	1,250,000.00
	12/01/2031	1,310,000.00	4.000%	121.903	1,596,929.30	1,310,000.00
	12/01/2032	1,365,000.00	4.000%	120.361	1,642,927.65	1,365,000.00
	12/01/2033	1,420,000.00	4.000%	119.042	1,690,396.40	1,420,000.00
	12/01/2034	1,475,000.00	4.000%	118.439	1,746,975.25	1,475,000.00
	12/01/2035	1,535,000.00	4.000%	117.740	1,807,309.00	1,535,000.00
	12/01/2036	1,595,000.00	4.000%	117.442	1,873,199.90	1,595,000.00
	12/01/2037	1,660,000.00	4.000%	117.046	1,942,963.60	1,660,000.00
	12/01/2038	1,725,000.00	4.000%	116.652	2,012,247.00	1,725,000.00
	12/01/2039	1,795,000.00	4.000%	116.259	2,086,849.05	1,795,000.00
	12/01/2040	1,865,000.00	4.000%	115.867	2,160,919.55	1,865,000.00
2045 Term Bond:						
	12/01/2041	1,940,000.00	4.000%	114.029	2,212,162.60	1,940,000.00
	12/01/2042	2,020,000.00	4.000%	114.029	2,303,385.80	2,020,000.00
	12/01/2043	2,100,000.00	4.000%	114.029	2,394,609.00	2,100,000.00
	12/01/2044	2,185,000.00	4.000%	114.029	2,491,533.65	2,185,000.00
	12/01/2045	2,270,000.00	4.000%	114.029	2,588,458.30	2,270,000.00
2050 Term Bond:						
	12/01/2046	2,360,000.00	4.000%	113.265	2,673,054.00	2,360,000.00
	12/01/2047	2,455,000.00	4.000%	113.265	2,780,655.75	2,455,000.00
	12/01/2048	2,555,000.00	4.000%	113.265	2,893,920.75	2,555,000.00
	12/01/2049	2,655,000.00	4.000%	113.265	3,007,185.75	2,655,000.00
	12/01/2050	2,755,000.00	4.000%	113.265	3,120,450.75	2,755,000.00
		43,700,000.00			50,996,632.25	43,700,000.00

PAYING AGENT AND REGISTRAR AGREEMENT

THIS PAYING AGENT AND REGISTRAR AGREEMENT is dated as of November 1, 2020 (this “Agreement”) and is entered into by and between the City of Monroe, Georgia (the “City”) and Regions Bank (the “Bank”), as Paying Agent and Bond Registrar.

WITNESSETH:

WHEREAS, the City has duly authorized and provided for the issuance of its Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”) pursuant to a Bond Ordinance adopted on November 8, 2016, as supplemented and amended by a Parity Bond Ordinance adopted on October 13, 2020 (collectively, the “Ordinance”); and the Series 2020 Bonds are fully registered bonds without coupons;

WHEREAS, the City will ensure all things necessary to make the Series 2020 Bonds the valid obligation of the City, in accordance with its terms, will be done upon the issuance and delivery thereof;

WHEREAS, the parties wish to provide the terms under which Bank will act as Paying Agent and Registrar (as described below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Appointment and Acceptance. The City hereby appoints the Bank as the Paying Agent and Bond Registrar and the Bank hereby accepts such appointment.

Section 2. Documents to be Filed with the Bank. The City shall provide to the Bank in connection with its appointment hereunder (a) a copy of the Ordinance, (b) a certificate listing the officers of the City authorized to act on behalf of the City under this Agreement and (c) such other instruments, opinions and certificates as the Bank may reasonably request.

Section 3. Duties of the Bank. The Bank shall perform the duties of the Paying Agent and Bond Registrar specified in this Agreement and in the Ordinance.

Section 4. Paying Debt Service. The Bank shall accept funds from the City for the payment of the principal of and interest on the Series 2020 Bonds and shall distribute such funds to the registered owners of the Series 2020 Bonds in accordance with the Ordinance. Funds received by the Bank shall be held separate and apart from all other funds of the Bank.

Section 5. Authentication; Transfers and Exchanges. The Bank shall authenticate each Series 2020 Bond originally issued and each Series 2020 Bond issued in connection with a registration of transfer or exchange. The Bank shall maintain books for the registration of transfers and exchanges, and the Bank shall register the Series 2020 Bonds as transferred and shall exchange Series 2020 Bonds in accordance with the Ordinance. The City shall provide, at

its expense, an adequate inventory of certificates to facilitate registrations of transfers and exchanges. The Bank covenants that it will maintain such certificates in safekeeping and will use reasonable care in maintaining such certificates in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as Paying Agent.

Section 6. Cancellation and Destruction of Series 2020 Bonds by Bank. All Series 2020 Bonds paid or surrendered for registration of transfer or exchange shall be promptly destroyed and cancelled by the Bank and shall not be reissued, and a certificate evidencing such destruction and cancellation shall be furnished by the Bank to the City.

Section 7. Destroyed or Stolen Bonds. In the event that any Series 2020 Bond is destroyed or stolen, the City agrees that the Bank may require as a condition to replacing each destroyed or stolen Series 2020 Bond indemnity satisfactory to it and that the costs of such indemnity shall be borne by the owner of the destroyed or stolen Series 2020 Bond.

Section 8. DTC. The Series 2020 Bonds are being originally issued in Book-Entry Form (as defined in the Ordinance). Each Series 2020 Bond will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as a securities depository for the Series 2020 Bonds. The Bank shall hold each Series 2020 Bond for the benefit of DTC.

Section 9. Compensation; Indemnification. The City agrees to pay the Bank \$1,000 annually in advance, and, if applicable, to reimburse the Bank for its reasonable out-of-pocket expenses (including, without limitation, legal and accounting fees, costs and expenses) directly attributable to the performance of its obligations hereunder and under the Ordinance. Notwithstanding the foregoing, the Bank shall not be entitled to be reimbursed for any general operating expenses allocated to this Agreement.

To the fullest extent permitted by applicable law, the City hereby agrees to indemnify, defend and hold the Bank harmless from and against any loss, liability, cost or expense (including reasonable attorneys’ fees, costs and disbursements) arising hereunder or in connection herewith, except to the extent any such loss, liability, cost or expense is the result of the gross negligence or willful misconduct of the Bank. Such indemnification shall survive the termination of this Agreement or the sooner resignation or removal of the Bank and shall inure to the benefit of the Bank’s successors and assigns.

Section 10. Concerning the Paying Agent and Bond Registrar.

(a) The Bank may conclusively rely and be fully protected in acting upon any Ordinance, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Bank may consult with counsel (who may, but not need be, counsel to the City) and the opinion of such counsel shall be full and complete authorization and protection in

respect of any action taken or suffered by the Bank hereunder in good faith in accordance with the opinion of such counsel.

(c) The Bank may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care.

(d) Any payment obligation of the Bank hereunder shall be paid from, and is limited to funds available, established and maintained under this Agreement and the Ordinance, and the Bank shall not be required to expend its own funds for the performance of its duties hereunder.

(e) The Bank shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Bank be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

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

(g) The Bank shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) The Bank may accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the City elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 11. Successors. Any banking association or corporation into which the Bank may be merged, converted or with which the Bank may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the

Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Bank shall be transferred, shall succeed to all the Bank’s rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 12. Notices. Until changed by notice in writing, communications between the parties shall be delivered to:

If to the City:

City of Monroe, Georgia
215 N. Broad Street
Monroe, GA 30655
Attn: Finance Director
(770) 267-7536

If to the Bank:

Regions Bank
1180 West Peachtree Street
Suite 1200
Atlanta, GA 30309
Attn: Richard M. Jaegle, Jr.
(404) 581-3739
Email: rick.jaegle@regions.com

Section 13. Destruction of Records, Instruments and Papers. The Bank may retain in its files records, instruments, and papers maintained by it in relation to its agency as long as the Bank shall consider that such retention is necessary; provided, however, the Bank shall in all cases maintain such records until the Series 2020 Bonds are paid in full.

Section 14. Resignation or Removal of Bank. The Bank may resign or may be removed at any time by giving at least thirty (30) days’ prior written notice. No such resignation or removal shall become effective unless and until a successor has been appointed and has accepted is duties hereunder.

Section 15. Effectiveness and Term. This Agreement shall be effective upon its execution and delivery and shall remain in effect and the agency established by this Agreement shall continue until (a) terminated by mutual agreement of the City and Bank, (b) the resignation or removal of the Bank pursuant to Section 14 hereof or (c) all the Series 2020 Bonds are paid in full.

Section 16. Conflict with Ordinance. In the event of a conflict between the provisions of this Agreement and those of the Ordinance, the terms of the Ordinance shall govern.

Section 17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of law principles.

Section 18. Severability. If any term, covenant, condition or provision of this Agreement shall ever be held to be invalid or unenforceable, then in each such event the remainder of this Agreement shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

CITY OF MONROE, GEORGIA

By: _____
Mayor

REGIONS BANK, as paying agent and bond registrar

By: _____
Vice President

CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”) is dated as of November 1, 2020 (this “Agreement”) and is entered into by and between the City of Monroe, Georgia (the “City”) and Regions Bank (the “Bank”).

WITNESSETH:

WHEREAS, the City adopted a Bond Ordinance on November 8, 2016, as supplemented and amended by a Parity Bond Ordinance adopted on October 13, 2020 (collectively, the “Ordinance”) authorizing the issuance of the City’s Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”), creating a Construction Fund (as defined in the Ordinance) and a Series 2020 Capital Improvement Account within the Construction Fund (as defined in the Ordinance) and creating a Sinking Fund (as defined in the Ordinance); and

WHEREAS, pursuant to the Ordinance, the City appointed the Bank as the Construction Fund Custodian and the Sinking Fund Custodian with respect to the Series 2020 Bonds (the “Custodian”); and

WHEREAS, the City and the Bank desire to enter into this Agreement in order to more clearly define the duties of the Bank as Custodian.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Appointment and Acceptance. The City hereby appoints the Bank as the Custodian, and the Bank accepts such appointment.

Section 2. Documents to be Filed with the Bank. The City shall provide to the Bank in connection with its appointment hereunder (a) a copy of the Ordinance, (b) a certificate listing the officers of the City authorized to act on behalf of the City under this Agreement and (c) such other instruments, opinions and certificates as the Bank may reasonably request.

Section 3. Duties of the Bank. The Bank shall perform the duties of the Custodian specified in this Agreement and in the Ordinance.

Section 4. Establishment of Construction Fund and Sinking Fund. The City hereby directs the Bank to establish and maintain a Construction Fund and a separate account within the Construction Fund known as the “Series 2020 Capital Improvement Account” (generally referred to herein as the “Construction Fund”). The Construction Fund established hereby shall remain the property of the City. Subaccounts may be established within the Construction Fund when deemed necessary or convenient by the City or the Bank. The Bank shall have custody of the Construction Fund, which shall be held on behalf of the City and kept separate from the other assets of the Bank, and the money on deposit in the Construction Fund shall be held, invested and disbursed as directed by the City pursuant to this Agreement and the Ordinance.

The City hereby directs the Bank to establish and maintain a separate account known as the “City of Monroe, Georgia Combined Utility Sinking Fund” (the “Sinking Fund”), and within the Sinking Fund, a “Debt Service Account” and a “Reserve Account.” The City further directs the Bank to establish within the Reserve Account a “Series 2020 Reserve Subaccount.” The Sinking Fund shall remain the property of the Authority. Subaccounts may be established within the Sinking Fund when deemed necessary or convenient by the City or the Bank. The Bank shall have custody of the Sinking Fund, which shall be held on behalf of the City and kept separate from the other assets of the Bank, and the money on deposit in the Sinking Fund shall be held, invested and disbursed as directed by the City pursuant to this Agreement and the Resolution.

Section 5. Investments. The moneys on deposit in the Construction Fund may be held uninvested or invested by the Bank at the direction of the City as set forth in the Ordinance. The moneys on deposit in the Sinking Fund may be held uninvested or invested by the Bank at the direction of the City in Sinking Fund Investments (as defined in the Ordinance).

Section 6. Disbursement of Money. The Bank shall disburse moneys in the Construction Fund in accordance with this Agreement and the Ordinance. Prior to the disbursement of funds from the Construction Fund, the Bank shall receive a written requisition for such payment in form attached to the Ordinance as Exhibit A.

The Bank shall disburse moneys on deposit in the Sinking Fund in accordance with this Agreement and the Ordinance. No further act is required of the City for the disbursement of funds from the Sinking Fund to the Paying Agent for the payment of the principal of, redemption premium (if any) or interest on the Series 2020 Bonds.

Section 7. Compensation; Indemnification. The City agrees to pay the Bank \$2,000 annually in advance for acting as the Custodian and, if applicable, to reimburse the Bank for its reasonable out-of-pocket expenses (including, without limitation, legal and accounting fees, costs and expenses) directly attributable to the performance of its obligations hereunder and under the Ordinance. Notwithstanding the foregoing, the Bank shall not be entitled to be reimbursed for any general operating expenses allocated to this Agreement.

To the fullest extent permitted by applicable law, the City hereby agrees to indemnify, defend and hold the Bank harmless from and against any loss, liability, cost or expense (including reasonable attorneys’ fees, costs and disbursements) arising hereunder or in connection herewith, except to the extent any such loss, liability, cost or expense is the result of the gross negligence or willful misconduct of the Bank. Such indemnification shall survive the termination of this Agreement or the sooner resignation or removal of the Bank and shall inure to the benefit of the Bank’s successors and assigns.

Section 8. Concerning the Custodian.

(a) The Bank may conclusively rely on and be fully protected in acting upon any Ordinance, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Bank may consult with counsel (who may, but does not need to be, counsel to the City) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Bank hereunder in good faith in accordance with the opinion of such counsel.

(c) The Bank may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care.

(d) Any payment obligation of the Bank hereunder shall be paid from, and is limited to funds available, established and maintained under this Agreement and the Bank shall not be required to expend its own funds for the performance of its duties hereunder.

(e) The Bank shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Bank be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

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

(g) The Bank shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) The Bank may accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the City elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Section 9. Successors. Any banking association or corporation into which the Bank may be merged, converted or with which the Bank may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Bank shall be transferred, shall succeed to all the Bank’s rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Notices. Until changed by notice in writing, communications between the parties shall be delivered to:

If to the City:

City of Monroe, Georgia
215 N. Broad Street
Monroe, GA 30655
Attn: Finance Director
(770) 267-7536

If to the Bank:

Regions Bank
1180 West Peachtree Street
Suite 1200
Atlanta, GA 30309
Attn: Richard M. Jaegle, Jr.
(404) 581-3739
Email: rick.jaegle@regions.com

Section 11. Destruction of Records, Instruments and Papers. The Bank may retain in its files records, instruments, and papers maintained by it in relation to its agency as long as the Bank shall consider that such retention is necessary; provided, however, the Bank shall in all cases maintain such records until the fifth anniversary of the issuance of the Series 2020 Bonds.

Section 12. Resignation or Removal of Bank. The Bank may resign or may be removed at any time by giving at least thirty (30) days’ prior written notice. No such resignation or removal shall become effective unless and until a successor has been appointed and has accepted its duties hereunder.

Section 13. Effectiveness and Term. This Agreement shall be effective upon its execution and delivery and shall remain in effect and the agency established by this Agreement shall continue until (a) terminated by mutual agreement of the City and Bank, (b) the resignation or removal of the Bank pursuant to Section 12 hereof or (c) after all moneys in the Construction Fund have been spent.

Section 14. Conflict with Ordinance. In the event of a conflict between the provisions of this Agreement and those of the Ordinance, the terms of the Ordinance shall govern.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of law principles.

Section 16. Severability. If any term, covenant, condition or provision of this Agreement shall ever be held to be invalid or unenforceable, then in each such event the remainder of this Agreement shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

CITY OF MONROE, GEORGIA

Mayor

REGIONS BANK, as Custodian

By: _____
Vice President

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Monroe, Georgia (the “City”), a municipal corporation of the State of Georgia, in connection with the issuance by the City of its Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant to a Bond Ordinance adopted by the City on November 8, 2016, as supplemented by a Parity Bond Ordinance adopted by the City on October 13, 2020 (as supplemented, the “Ordinance”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Series 2020 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owners” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2020 Bonds for federal income tax purposes.

“City” shall mean the City of Monroe, Georgia, a municipal corporation of the State of Georgia, its successors and assigns.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation, and initially shall mean the City.

“EMMA” shall mean MSRB’s Electronic Municipal Market Access system, as described in 1934 Act Release No. 59062 and maintained by the MSRB for the purposes of the Rule as further described herein.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) of this definition. The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on January 1 of each calendar year and ending December 31 of the same calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement of the City relating to the Series 2020 Bonds.

“Participating Underwriter” shall mean Stifel Nicolaus and Company, Inc.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

“System” shall mean the City’s combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system, as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated in connection therewith.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent (if any) to, not later than 270 days after the end of the City’s Fiscal Year (the “Reporting Date”), beginning for the Fiscal Year ending December 31, 2020 provide to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the City has appointed a Dissemination Agent, the City shall provide the Annual Report to such Dissemination Agent not later than 10 business days prior to the Reporting Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report (i.e., in the event that the audited financial statements have not been completed by the Reporting Date). In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not available at the time of the Reporting Date and will be submitted at a later date, the City shall include unaudited financial statements of the City in the information provided to the MSRB in its Annual Report and the City shall indicate in the Annual Report the

date on which the audited financial statements of the City will be submitted. The audited financial statements of the City, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof, is EMMA).

(b) The City or the Dissemination Agent (if any) shall:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report is not distributed/filed (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a notice, in a timely manner, to the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as Exhibit A; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The City's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The City's basic financial statements for the preceding Fiscal Year, which shall include the basic financial statements of the System to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) Notwithstanding the foregoing provisions of subsection (a), if at any point in time the City elects to prepare the basic financial statements of the System separately from those of the City, the Annual Report shall include the independent basic financial statements of the System, prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards, and the City's basic financial statements may, but need not, be included.

(c) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the City, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the City.

(d) If the City’s Fiscal Year has changed, a statement indicating the new Fiscal Year.

(e) To the extent not included in items provided pursuant to subsections (a) or (b) above, information for the preceding Fiscal Year regarding the following categories of financial information and operating data contained in the Official Statement: (1) the average and peak demand of the electric system, water system, wastewater system and natural gas system, (2) the total number of electric, water, wastewater, gas, cable, telephone, internet and wireless internet customers of the System; (3) the ten largest electric, ten largest water, ten largest wastewater and ten largest gas customers of the System; and (4) information of the type set forth under the heading “SYSTEM FINANCIAL INFORMATION – Historical Debt Service Coverage Ratios.”

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA). The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events with respect to the Series 2020 Bonds, the City or the Dissemination Agent (if any) shall file with the MSRB a notice of such occurrence in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA).

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds.

- (vii) Modification to rights of Beneficial Owners, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2020 Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or a similar proceeding by the City, including any of the following: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(xiii) Consummation of a merger, consolidation, or acquisition involving an obligated person, or sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the City and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Bonds. If the City's obligations are assumed in full by

some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City and the City shall have no further responsibility hereunder. The City will provide notice of such termination to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA).

Section 7. Dissemination Agent. The City may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule or official interpretations of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (pdf) files configured to permit documents to be saved, viewed, printed and retransmitted

by electronic means. In addition, such pdf files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Certificate shall not be deemed a “default” or an “event of default” under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

Section 14. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 17. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

[Remainder of Page Intentionally Left Blank]

Date: October 13, 2020

CITY OF MONROE, GEORGIA

By: _____
Mayor

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Monroe, Georgia

Name of Bond Issue: City of Monroe, Georgia Combined Utility Revenue Bonds, Series 2020

CUSIP Number(s)¹ _____

Date of Issuance: November ____, 2020

NOTICE IS HEREBY GIVEN that the City of Monroe, Georgia (the "City") has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate, dated October 13, 2020. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

CITY OF MONROE, GEORGIA

Name: _____
Title: _____

¹No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO MSRB OF [INSERT THE LISTED EVENT]

Relating to

CITY OF MONROE, GEORGIA
COMBINED UTILITY REVENUE BONDS,
SERIES 2020

CUSIP NUMBERS²

Notice is hereby given that [insert the Listed Event] has occurred with respect to the above-captioned bonds (the “Bonds”). [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The City of Monroe, Georgia (the “City”) has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

The City has covenanted not to exercise any optional redemption provisions under the Ordinance; however, the sinking fund provision will survive the defeasance.

AND

²No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no Bonds should be delivered to the City or to the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

CITY OF MONROE, GEORGIA

Name: _____

Title: _____

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:
Moody's: "A2" (Underlying)
S&P "AA" (Insured)
 (See "MISCELLANEOUS – Ratings")

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Series 2020 Bonds (including any original issue discount properly allocable to the holders thereof) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein.

\$43,750,000*
City of Monroe, Georgia
Combined Utility Revenue Bonds,
Series 2020

Dated: Date of Issuance

Due: December 1, as shown on inside cover

The City of Monroe, Georgia (the "City") is issuing its Combined Utility Revenue Bonds, Series 2020 (the "Series 2020 Bonds") for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the City's combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system (the "System"), (b) paying the premium for a debt service reserve surety bond (the "Series 2020 Debt Service Reserve Surety Bond") to be issued by the Insurer (as defined herein) and the premium for a municipal bond insurance policy to be issued by the Insurer and (c) paying the costs of issuing the Series 2020 Bonds. See "PLAN OF FINANCING" herein and Appendix B hereto.

The Series 2020 Bonds are limited obligations of the City and are secured by and payable solely from the Net Revenues (as defined herein) of the System. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein.

The scheduled payment of principal of and interest on the Series 2020 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2020 Bonds by Assured Guaranty Municipal Corp. (the "Insurer").



See "BOND INSURANCE" herein and Appendix F hereto.

Interest on the Series 2020 Bonds is payable semiannually on June 1 and December 1 of each year (each such date, an "Interest Payment Date") commencing on December 1, 2020 by Regions Bank, Atlanta, Georgia, as Paying Agent and Bond Registrar. The Series 2020 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "DESCRIPTION OF THE SERIES 2020 BONDS – Terms" herein.

The Series 2020 Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC" or the "Securities Depository"). The Securities Depository will act as securities depository for the Series 2020 Bonds. Purchases will be made only through the Participants (as defined herein) in the Securities Depository, and no physical delivery of the Series 2020 Bonds will be made to Beneficial Owners (as defined herein). Payment of the principal of and interest on the Series 2020 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. Registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry System of Registration" herein.

The Series 2020 Bonds are subject to redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2020 BONDS – Redemption" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2020 Bonds are offered, subject to prior sale, when, as and if issued by the City and accepted by the Underwriter and subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by its counsel, Preston & Malcom, P.C., and certain matters will be passed upon for the Underwriter by its counsel, Kozlarek Law LLC. The Series 2020 Bonds will be available for delivery through DTC on or about _____, 2020.

Date: _____, 2020



*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2020 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Maturity (December 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number⁽¹⁾</u>
2027	\$1,080,000			
2028	1,135,000			
2029	1,190,000			
2030	1,250,000			
2031	1,315,000			
2032	1,365,000			
2033	1,420,000			
2034	1,475,000			
2035	1,535,000			
2036	1,595,000			
2037	1,660,000			
2038	1,730,000			
2039	1,795,000			
2040	1,870,000			
2041	1,945,000			
2042	2,020,000			
2043	2,100,000			
2044	2,185,000			
2045	2,275,000			
2046	2,365,000			
2047	2,460,000			

\$7,985,000* _____% Term Bond, Due December 1, 2050, Priced to Yield _____%, CUSIP No. _____⁽¹⁾

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein have been provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2020 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the City nor the Underwriter nor their respective agents take responsibility for the accuracy of such data.

^(c) Yield calculated to par call date of _____.

CITY OF MONROE, GEORGIA

Mayor and City Council

John Howard, Mayor
Lee Malcom
Myoshia Crawford
Ross Bradley
Larry Bradley
Norman Garrett
Nathan Little
David Dickinson

City Administrative Staff

Logan Propes, City Administrator
Beth Thompson, Finance Director
Brian K. Thompson, Electric & Telecommunications Director
Rodney W. Middlebrooks, Water, Wastewater & Gas Director

CITY ATTORNEY

Preston & Malcom, P.C.
Monroe, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Murray Barnes Finister LLP
Atlanta, Georgia

UNDERWRITER

Stifel Nicolaus and Company, Inc.
Atlanta, Georgia

UNDERWRITER'S COUNSEL

Kozlarek Law LLC
Greenville, South Carolina

CONSULTING ENGINEERS

Goodwyn, Mills and Cawood
Atlanta, Georgia

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the City, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2020 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE SERIES 2020 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY, THE SYSTEM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Any projections or forecasts contained herein are based on current expectations but are not intended as representations of fact or guarantees of results. The projections or forecasts are intended to be forward-looking statements as defined in the Securities Act of 1933, as amended (the “1933 Act”), and such projections and forecasts inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such projections. These projections and forecasts speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any projections or forecasts contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such projections or forecasts are based.

The Series 2020 Bonds have not been registered under the 1933 Act, and the Ordinance has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

The Insurer makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Insurer, supplied by Insurer and presented under the heading “BOND INSURANCE” and Appendix F.

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⁽¹⁾ The Series 2020 Bonds are secured solely by the Net Revenues and not by any other moneys of the City, including but not limited to General Fund moneys. The audited financial statements of the City are included in their entirety only because the financial statements for the System’s operations are not prepared separately.

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\$43,750,000*
City of Monroe, Georgia
Combined Utility Revenue Bonds,
Series 2020

INTRODUCTION

General

This Official Statement sets forth certain information concerning the City of Monroe, Georgia (the “City”), its existing combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system (the “System”) and its proposed Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in Appendix A.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2020 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto.

City

The City was incorporated in 1821 and is located approximately 40 miles east of Atlanta. The City encompasses approximately 15 square miles. The City’s estimated population in 2018 was 13,370. See “THE CITY.” The City owns and operates the System. See “THE SYSTEM” and “SYSTEM FINANCIAL INFORMATION.”

Purpose of the Series 2020 Bonds

The City is issuing the Series 2020 Bonds for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements (the “Series 2020 Project”) to the System, (b) paying the premium for a debt service reserve insurance policy (the “Series 2020 Debt Service Reserve Surety Bond”) to be issued by Assured Guaranty Municipal Corp. (the “Insurer”) and the premium for a municipal bond insurance policy (the “Insurance Policy”) to be issued by the Insurer and (c) paying the costs of issuing the Series 2020 Bonds. See “PLAN OF FINANCING” and Appendix B.

Security and Sources of Payment for the Series 2020 Bonds

The Series 2020 Bonds are limited obligations of the City and are secured by and payable solely from the Net Revenues. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City.

The City’s Combined Utility Revenue Refunding Bond, Series 2016 (the “Series 2016 Bond”) currently outstanding in the principal amount of \$11,505,000 is also secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2020 Bonds. The City has reserved the right to issue Additional Bonds under the Ordinance, and if such Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds.

*Throughout this Preliminary Official Statement, an asterisk indicates that the information is preliminary and subject to change.

The Series 2020 Bonds will also be secured by a debt service reserve subaccount (the “Series 2020 Reserve Subaccount”. The Series 2020 Reserve Subaccount will be fully funded upon the issuance of the Series 2020 Bonds with the Series 2020 Debt Service Reserve Surety Bond to be issued by the Insurer. The Series 2020 Reserve Subaccount will secure only the Series 2020 Bonds and will not secure the payment of principal of and interest on any Additional Bonds hereafter issued. The City is permitted, but not required, to establish a separate reserve subaccount for each such series of Additional Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS.”

Concurrently with the issuance of the Series 2020 Bonds, Insurer will issue the Insurance Policy for the Series 2020 Bonds. The Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds when due as set forth in the form of the Insurance Policy included as Appendix F to this Official Statement. See “BOND INSURANCE” and Appendix F.

Paying Agent and Bond Registrar, Custodian and Depositories

Regions Bank, Atlanta, Georgia, has been designated as paying agent (the “Paying Agent”) and bond registrar (the “Bond Registrar”) for the Series 2020 Bonds. The designated corporate trust office of the Paying Agent and Bond Registrar in Atlanta is 1180 West Peachtree Street, Suite 1200, Atlanta, Georgia 30309, Attention: Corporate Trust Department. Regions Bank, Atlanta, Georgia, has been designated as the custodian of the Construction Fund and the Sinking Fund. Synovus Bank, Monroe, Georgia, has been designated as the depository of the Revenue Fund and the Renewal and Extension Fund.

Description of the Series 2020 Bonds

*Redemption**. The Series 2020 Bonds are subject to redemption prior to maturity. See “DESCRIPTION OF THE SERIES 2020 BONDS – Redemption.”

Authorized Denominations. The Series 2020 Bonds are issuable in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof.

Book-Entry. The Series 2020 Bonds will be issued in book-entry form (“Book-Entry Form”) and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC” or the “Securities Depository”). The Securities Depository will act as securities depository for the Series 2020 Bonds. Purchases will be made only through the Participants (hereinafter defined) in the Securities Depository, and no physical delivery of the Series 2020 Bonds will be made to Beneficial Owners (hereinafter defined). See “DESCRIPTION OF THE SERIES 2020 BONDS – Terms” and “– Book-Entry System of Registration.”

Registration, Transfers and Exchanges. The Series 2020 Bonds will be issued in fully registered form. As long as the Series 2020 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. If the Series 2020 Bonds are no longer held in Book-Entry Form, the Series 2020 Bonds may be registered as transferred and exchanged in accordance with the terms of the Ordinance. See “DESCRIPTION OF THE SERIES 2020 BONDS – Terms” and “– Book-Entry System of Registration.”

Payments. Interest on the Series 2020 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2020 (each an “Interest Payment Date”). Principal of the Series 2020 Bonds will be payable at the times and in the amounts shown on the inside cover of this Official Statement. As long as the Series 2020 Bonds are held in Book-Entry form, payment of the principal of and interest on the Series 2020 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. If the Series 2020 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2020 Bonds will be paid in accordance with the terms of the Ordinance. See “DESCRIPTION OF THE SERIES 2020 BONDS – Terms” and “– Book-Entry System of Registration.”

For a more complete description of the Series 2020 Bonds and the basic documentation pursuant to which they were issued, see “DESCRIPTION OF THE SERIES 2020 BONDS” and Appendix A.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions hereinafter described, interest on the Series 2020 Bonds (including any original issue discount properly allocable to a holder thereof) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. See “TAX MATTERS.” See also Appendix E for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2020 Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the City and its authorization and issuance of the Series 2020 Bonds are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by its counsel, Preston & Malcom, P.C., and certain legal matters will be passed upon for the Underwriter by its counsel, Kozlarek Law LLC.

The engineering report attached hereto as Appendix B (the “Series 2020 Engineering Report”) has been prepared by Goodwyn, Mills and Cawood (the “Engineers”). See “MISCELLANEOUS – Engineers.”

The financial statements of the City for the fiscal year ended December 31, 2019 attached hereto as Appendix C have been audited by Mauldin & Jenkins, LLC. See “MISCELLANEOUS – Independent Auditors.”

Legal Authority for Issuance

The Series 2020 Bonds are being issued pursuant to the Constitution and laws of the State, including the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*), as amended (the “Revenue Bond Law”) and pursuant to the terms and conditions of a Bond Ordinance adopted by the City on November 8, 2016, as supplemented by a Parity Bond Ordinance adopted by the City on _____, 2020 (as supplemented, the “Ordinance”).

Offering and Delivery of the Series 2020 Bonds

The Series 2020 Bonds are offered, subject to prior sale, when, as and if issued by the City and accepted by the Underwriter. The Series 2020 Bonds will be available for delivery through DTC on or about _____, 2020.

Continuing Disclosure

The City has covenanted for the benefit of the owners of the Series 2020 Bonds in a continuing disclosure agreement (the “Series 2020 Disclosure Agreement”) to provide (a) certain financial information and operating data relating to the System (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events within 10 business days of their occurrence (the “Event Notices”) to EMMA. The City’s undertaking to provide Operating and Financial Data and Event Notices is described in the Series 2020 Disclosure Agreement, a form of which is attached as Appendix D. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The City previously executed separate continuing disclosure agreements in connection with the issuance of its Combined Utility Revenue Refunding Bonds, Series 2003 (the “Series 2003 Bonds”) and in connection with the issuance of its Combined Utility Revenue Refunding Bonds, Series 2006 (the “Series 2006 Bonds”). The Series 2003 Bonds and the Series 2006 Bonds were refunded by the Series 2016 Bond and the related continuing disclosure agreements ceased to be effective upon such refunding. The City did not execute a continuing disclosure agreement in connection with the issuance of the Series 2016 Bond. Additionally, the City executed a continuing

disclosure agreement in connection with the issuance of its General Obligation Refunding Bonds, Series 2006 (the “City Bonds”). The City Bonds were fully redeemed on January 7, 2017 and the related continuing disclosure agreement ceased to be effective upon such redemption. The continuing disclosure agreements related to the Series 2003 Bonds, the Series 2006 Bonds, and the City Bonds are collectively referred to as the “Prior Undertakings.”

In the past five years, there have been instances in which filings required under the Prior Undertakings were not in full compliance with the Prior Undertakings, as follows:

- The Prior Undertakings with respect to the Series 2003 Bonds and the Series 2006 Bonds required the City to file certain financial and operating information about the System. Although the City included most of the required information in its CAFR for fiscal years 2015 and 2014, the City did not include certain required items: the number of electric, natural gas, water and sewerage customers; non-residential electric, natural gas, water and sewerage rates, the average annual flow through the City sewerage system, the cable television system rates by programming and by digital cable service, the internet service rates, and the dollar amount of capital improvements to the System by use.
- The Prior Undertaking with respect to the City Bonds required the City to file certain financial information about the City within 180 days of the end of each fiscal year. Although the City included other required information in its CAFR for fiscal years 2015 and 2014, the City did not include its budget summary for the following fiscal year and tax supported debt ratios. Additionally, the City filed its CAFR for fiscal year 2015 62 days later than required by the Prior Undertaking with respect to the City Bonds.

As the Prior Undertakings are no longer effective, no remediation of the foregoing failures has been made. The City has implemented procedures to include all Operating and Financial Data in its CAFRs so as to be in full compliance with the Series 2020 Disclosure Agreement.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the City, the Series 2020 Bonds and the security and sources of payment for the Series 2020 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Ordinance, the Series 2020 Disclosure Agreement and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2020 Bonds are qualified in their entirety to the form thereof included in the Ordinance. Copies of the Ordinance, the Series 2020 Disclosure Agreement and other documents and information are available, upon request and upon payment to the City of a charge for copying, mailing, and handling, from the Finance Director, City of Monroe, P.O. Box 1249, Monroe, Georgia 30655, telephone (770) 267-7536. During the period of the offering of the Series 2020 Bonds, copies of such documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing and handling, from Stifel Nicolaus and Company, Inc., 3630 Peachtree Road NE, Suite 400, Atlanta, Georgia 30326, telephone (404) 504-2783.

PLAN OF FINANCING

Estimated Sources and Applications of Funds*

The estimated sources and applications of funds are estimated below:

Estimated Sources of Funds:
Par Amount of Bonds
Plus: Net Original Issue Premium
Total Sources of Funds
Estimated Application of Funds:
Series 2020 Project
Series 2020 Surety Bond and Insurance
Policy Premiums
Costs of Issuance ⁽¹⁾
Total Application of Funds

⁽¹⁾ Includes the Underwriter’s discount, legal and accounting fees, rating agency fees, initial fees of the Paying Agent and Bond Registrar and the Construction Fund Custodian, rating agency fees, printing costs, validation court costs and other costs of issuance.

Series 2020 Project

A portion of the proceeds of the Series 2020 Bonds will be used to pay all or a portion of the costs of the Series 2020 Project and the costs of issuing the Series 2020 Bonds. Approximately \$4,452,138 of costs of the Series 2020 Project were paid by the City prior to the issuance of the Series 2020 Bonds, and the City will use a portion of the proceeds of the Series 2020 Bonds to reimburse itself for such expenditures. See Appendix B, “Series 2020 Engineering Report” for more information about the Series 2020 Project. The proceeds of the Series 2020 Bonds needed to pay the costs of the Series 2020 Project and the costs of issuing the Series 2020 Bonds will be deposited into the Series 2020 Capital Improvement Account of the Construction Fund. The money on deposit in the Construction Fund will be invested in Permitted Investments pending their disbursement and will be requisitioned from the Series 2020 Capital Improvement Account of the Construction Fund by the City as needed.

The City anticipates following the public bidding requirements contained in State law. The City anticipates requiring each contractor to execute performance and payment bonds for each major component of the Series 2020 Project. Some components of the Series 2020 Project are expected to add additional revenues, so delays in construction could impact the System’s financial position.

DESCRIPTION OF THE SERIES 2020 BONDS

Terms

The Series 2020 Bonds will be dated their date of issuance and delivery. The Series 2020 Bonds will bear interest at the rates as shown on the inside cover page of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest will be paid on each Interest Payment Date. The Series 2020 Bonds will mature on the dates and in the amounts set forth on the inside cover page hereof. Both the principal of and interest on the Series 2020 Bonds shall be payable in lawful money of the United States of America.

The Series 2020 Bonds shall initially be issued in Book-Entry Form. As long as the Series 2020 Bonds are held in Book-Entry Form, payment of the principal of and interest on the Series 2020 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. See “– Book-Entry System of Registration.” If the Series 2020 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2020 Bonds will be paid in accordance with the terms of the Ordinance.

The Series 2020 Bonds will be issued in fully registered form. As long as the Series 2020 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. See “– Book-Entry System of Registration.” If the Series 2020 Bonds are no longer held in Book-Entry Form, the Series 2020 Bonds may be registered as transferred and exchanged in accordance with the terms of the Ordinance.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered Series 2020 Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Bond certificate will be issued for each maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the “Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC’s records. The ownership interest of each actual purchaser of Series 2020 Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2020 Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020 Bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the City or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2020 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2020 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE PAYING AGENT AND BOND REGISTRAR HAS ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; (D)

THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS REGISTERED BONDHOLDER.

Redemption*

Optional Redemption. The Series 2020 Bonds maturing on or after December 1, 20__ are subject to optional redemption prior to their maturity, in whole or in part and in any order of maturities, on any date on or after December 1, 20__, at a redemption price of par, plus accrued interest.

Mandatory Sinking Fund Redemption. The Series 2020 Bonds maturing on December 1, 2050 are subject to mandatory sinking fund redemption prior to their maturity on December 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the December 1, 2050 amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
2048	\$2,555,000
2049	2,655,000
2050	2,760,000

Partial Redemption. If less than all of the Series 2020 Bonds of a maturity are going to be called for redemption, then the actual Series 2020 Bonds so called for redemption shall be determined by (a) the procedures of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) lot or in such other manner designated by the Bond Registrar if the Series 2020 Bonds are no longer held in Book-Entry Form.

Notice of Redemption. Notice of redemption will be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2020 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2020 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice if the Series 2020 Bonds are no longer held in Book-Entry Form. Any defect in such notice will not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2020 Bonds so designated for redemption after the redemption date. Notice given in the manner described above will be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent or an escrow agent moneys sufficient to redeem all the Series 2020 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent or the escrow agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS

General

The Series 2020 Bonds are limited obligations of the City and are secured by and payable solely from the Net Revenues. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City.

The Series 2016 Bond is also secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2020 Bonds. The City has reserved the right to issue Additional Bonds under the Ordinance, and

if such Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds.

Funds and Accounts

Funds and Accounts. The following funds and accounts have been created in the Ordinance: the Construction Fund, the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund. The Sinking Fund consists of two accounts: the “Debt Service Account” and the “Reserve Account.”

Flow of Funds. All Gross Revenues arising from the ownership or operation of the System and properties in connection therewith will be collected by the City or by its agents or employees and deposited promptly into the Revenue Fund. The Gross Revenues will be disbursed from the Revenue Fund as follows:

There will first be paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, including payments to the Municipal Electric Authority of Georgia and the Municipal Gas Authority of Georgia, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization.

The Net Revenues remaining in the Revenue Fund after payment of the operating expenses described above have been pledged to the payment of the principal of and the interest on the Bonds and to a provider of any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth in the Ordinance.

There will next be paid from the Revenue Fund into the Debt Service Account of the Sinking Fund (a) on or before the 20th day of each month, and from month to month thereafter, substantially equal monthly installments sufficient to pay the interest on the Bonds coming due on the next Interest Payment Date and (b) on or before the 20th day of each month, and from month to month thereafter, substantially equal monthly installments sufficient to pay the principal of the Bonds coming due on the next December 1, such aggregate monthly payments to continue from month to month until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

The Series 2020 Reserve Subaccount will be fully funded upon the issuance of the Series 2020 Bonds with the Series 2020 Debt Service Reserve Surety Bond. If the City determines that it is necessary or desirable to establish a Reserve Subaccount in connection with the issuance of any Additional Bonds, there will be deposited in the Reserve Subaccount as necessary cash or a Debt Service Reserve Surety Bond in lieu of cash equal to the Debt Service Reserve Requirement for such Additional Bonds. If moneys are withdrawn from a Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments in a Reserve Subaccount declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, there will next be paid from the Revenue Fund into the Reserve Subaccount substantially equal monthly payments sufficient to (a) restore the amount withdrawn from the Reserve Subaccount, (b) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (c) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits will also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms.

So long as a bond insurance policy (including, but not limited to, the Insurance Policy) is in effect, and the issuer of the bond insurance policy is honoring its obligations thereunder and an insurer default has not occurred and is not continuing, there will next be paid from the Revenue Fund such payments to the issuer of the bond insurance policy as may be required to repay any amounts owed to the insurer that have not been paid to the insurer as a subrogee to the owners of the insured obligations.

There will next be paid from the Revenue Fund monthly such amounts as are needed to pay any Subordinate Debt.

There will next be paid from the Revenue Fund monthly into the City’s general fund five percent of the Modified Gross Revenues (the “Franchise Payments”) in compliance with Section 6.06 of the City’s Charter. The Franchise Payments shall cease to be made if they are no longer required by the City’s Charter. The Franchise Payments may be used by the City for any lawful purpose and are collected in lieu of taxes or contributions.

There will next be paid from the Revenue Fund monthly into the Expansion Fund five percent of the Gross Revenues until such time as the amount on deposit in the Expansion Fund exceeds 20 percent of the Gross Revenues for the previous year (the “Expansion Fund Payments”) in compliance with Section 6.04 of the City’s Charter. The Expansion Fund Payments shall cease to be made if they are no longer required by the City’s Charter. As of June 30, 2020, the Expansion Fund had \$7,447,036 on deposit (reflecting \$4,444,548 used to pay for costs of the Series 2020 Project that will be reimbursed with Series 2020 Bond proceeds; if adjusted for such reimbursement, the City would have had \$11,891,684 on deposit as of June 30, 2020). The Expansion Fund Payments may be used for expansion or major maintenance and repair of any of the City’s utility systems, including, but not limited to, the System. When the amounts on deposit in the Expansion Fund exceeds 20 percent of the Gross Revenues for the previous year, excess moneys in the Expansion Fund may be used for any lawful purpose.

All remaining amounts in the Revenue Fund will be transferred monthly into the Renewal and Extension Fund, except to the extent the City shall deem it necessary to establish and maintain a reasonable working capital reserve in the Revenue Fund.

The City may transfer funds from the Renewal and Extension Fund to the general fund and may use such moneys for any lawful purpose.

See Appendix A for more information on the funds and accounts created in the Ordinance.

Additional Bonds

The City has reserved the right to issue Additional Bonds. If such Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds. See Appendix A for a description of the terms and conditions under which Additional Bonds may be issued.

Subordinate Debt

The City has also reserved the right to issue Subordinate Debt. If such Subordinate Debt is issued, it will be secured by a subordinate lien on the Net Revenues. See Appendix A for a description of the terms and conditions under which Subordinate Debt may be issued.

Reserve Account

The City has established a Series 2020 Reserve Subaccount in the Reserve Account of the Sinking Fund in connection with the issuance of the Series 2020 Bonds. The Series 2020 Reserve Subaccount will be fully funded upon the issuance of the Series 2020 Debt Service Reserve Surety Bond to be issued by the Insurer. The Series 2020 Reserve Subaccount will secure only the Series 2020 Bonds and will not secure the payment of principal of and interest on any Additional Bonds. The City may, but is not required, to establish a separate Reserve Subaccount as security for Additional Bonds. If created, such Reserve Subaccount will not secure the Series 2020 Bonds. See Appendix A for more information regarding the Reserve Account and any subaccounts that may be created therein.

Rate Covenant

Pursuant to the Ordinance, the City has covenanted that it will set its schedule of rates, fees and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.15x the Debt Service Requirement in the current Fiscal Year. See Appendix A for more information regarding the rate covenant.

Bond Insurance

Concurrently with the issuance of the Series 2020 Bonds, Insurer will issue the Insurance Policy for the Series 2020 Bonds. The Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds when due as set forth in the form of the Insurance Policy included as Appendix F to this Official Statement. See “BOND INSURANCE” and Appendix F.

Remedies and Enforceability of Remedies

Generally. The Revenue Bond Law and the Ordinance provide for certain remedies for the owners of the Bonds upon an event of default. See Appendix A for a description of the remedies available to owners of the Bonds under the terms of the Ordinance.

The Revenue Bond Law provides that the duties of the City and the members and officers of the City under the Revenue Bond Law and the Ordinance are enforceable by any owner of the Bonds by mandamus or other appropriate action or proceeding at law or in equity. The Revenue Bond Law also provides that in the event the City defaults in the payment of the principal or interest on any of the Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the City or the officers, agents, or employees of the City fail or refuse to comply with the essential provisions of the Revenue Bond Law or default in any material respect in any agreement made with the holders of the Bonds, any holders of the Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Walton County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with the Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of the Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law has the power to hold, use, operate, manage and control the System. The receiver does not have the power to sell, assign, mortgage or otherwise dispose of the System.

Enforceability of Remedies. The realization of value from the pledge of the Net Revenues will depend upon the exercise of various remedies specified by State law (including the Revenue Bond Law) and the Ordinance. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2020 Bonds may be limited by State and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or the laws of the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, city council, board of trustees, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or

otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2020 Bonds, Insurer will issue the Insurance Policy for the Series 2020 Bonds. The Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds when due as set forth in the form of the Insurance Policy included as Appendix F to this Official Statement.

The Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Insurer

Insurer is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than Insurer, is obligated to pay any debts of Insurer or any claims under any insurance policy issued by Insurer.

Insurer’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of Insurer in its sole discretion. In addition, the rating agencies may at any time change Insurer’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by Insurer. Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by Insurer on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On July 16, 2020, S&P announced it had affirmed Insurer’s financial strength rating of “AA” (stable outlook). Insurer can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, KBRA announced it had affirmed Insurer’s insurance financial strength rating of “AA+” (stable outlook). Insurer can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody’s announced it had affirmed Insurer’s insurance financial strength rating of “A2” (stable outlook). Insurer can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding Insurer’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of Insurer. At June 30, 2020:

- The policyholders' surplus of Insurer was approximately \$2,667 million.
- The contingency reserves of Insurer and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,018 million. Such amount includes 100% of Insurer's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of Insurer and its subsidiaries (as described below) were approximately \$2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of Insurer, (ii) the net unearned premium reserves and net deferred ceding commissions of Insurer's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of Insurer and the contingency reserves, net unearned premium reserves and deferred ceding commission income of Insurer and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to Insurer included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2020 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding Insurer included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "Insurer Information") shall be modified or superseded to the extent that any subsequently included Insurer Information (either directly or through incorporation by reference) modifies or supersedes such previously included Insurer Information. Any Insurer Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. Insurer makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Insurer supplied by Insurer and presented under the heading "BOND INSURANCE".

THE SYSTEM

General

The City operates a combined utility system that provides water, wastewater, natural gas, electric, cable television, telecommunications and internet and stormwater services primarily to residential and commercial customers in and around the City. The exact service areas and the competitors within those service areas are more fully described below. In the fiscal year ended December 31, 2019, the electric system accounted for approximately 51% of System revenues and approximately 45% of System profits; the water system accounted for approximately 14% of System revenues and approximately 21% of System profits; the wastewater system accounted for approximately 10% of System revenues and approximately 6% of System profits; the natural gas system accounted for approximately 9% of System revenues and 4% of System profits; the cable television system accounted for approximately 8% of System revenues and resulted in a loss; and the telecommunications and internet system accounted for approximately 7% of System revenues and approximately 24% of System profits. The other 1% of System revenues were produced from miscellaneous sources. Overhead is allocated evenly for purposes of determining profitability. The City does not bill separately for stormwater services.

Management

The overall affairs of the System are managed by the City Administrator with input from the System’s directors. See “THE CITY – Staff” for a biography of the City Administrator.

The electric and telecommunications services are managed by Brian Thompson. Brian has been with the City since March 1989. He acquired a degree in Electronic Telecommunications in 1988. Brian served on the Board for Electric Cities of Georgia (ECG) from 2007-2009. He has been a Lineman Retention Committee member for ECG since 2018. He is a founding member of Fiber Network Owners Alliance, and he served as FNA Opportunities Committee member since 2018 and is currently Chairman of the Committee.

The water, wastewater, stormwater and natural gas services are managed by Rodney Middlebrooks. Mr. Middlebrooks began his career with the City in February of 2000 in the Engineering & Operations Department where he was responsible for utility mapping, utility inspections as well as plan reviews. Rodney served as Wastewater Collection Foreman from 2003 until 2006. In that capacity, he set the path for the updated collection system of today. In 2006, he was promoted to Director of Water, Sewer & Gas. Mr. Middlebrooks holds a number of operating licenses related to the water and wastewater systems and has earned a Certificate of Public Works Management and an Advanced Certificate of Public Works Management from the Carl Vinson Institute. Rodney served on the Board of Directors for the Georgia Utility Coordinating Council from 2010-2013 and the Georgia 811 Board of Directors from 2011-2013.

Electric System

Service Area and Competition. The Georgia Territorial Electric Services Act of 1973 (the “Services Act”) assigns electric service areas to suppliers in Georgia, except as described below. The service area assigned to the City includes the 1972 city limits and a small portion of the unincorporated County. However, customers with initially connected loads of 900 kw or larger may choose their supplier. The City has one large customer outside its service area, and Walton EMC serves several large industries within the City’s service area.

Electric Supply. The City purchases approximately 94.1% of its electricity from the Municipal Electric Authority of Georgia (“MEAG”). MEAG was created by the State of Georgia for the purpose of owning and operating electric generation and transmission facilities and supplying bulk electric power to its members. MEAG currently provides bulk electric power to 49 members pursuant to separate power sales contracts with each entity. The City also purchases power from the U.S. Department of Energy, acting by and through the Southeastern Power Administration (“SEPA”). West Georgia Peaking Plant, and The Energy Authority (TEA) for off systems purchases/sales. These energy sources are dispatched by MEAG, Oglethorpe Power, and Georgia Power through the Integrated Transmission System (“ITS”). The City has sufficient power supply to meet its current demand and anticipated growth through 2073.

Under the terms of its Power Sales Contracts with MEAG, MEAG is obligated to provide to the City, and the City is obligated to purchase from MEAG, all electric power required by the City in excess of the amount received by the City as an allotment from federally-owned projects through SEPA. As an owner of MEAG, the City is also required to pay for its portion of the repair and maintenance of the plants and transmission system.

The price paid by the City to MEAG under its Power Sales Contracts is intended to cover the City’s share of all the costs of MEAG, including scheduled debt service on MEAG’s long-term debt. The amounts required to be paid to MEAG under the Power Sales Contracts are payable first from revenues of the City’s electric system. To the extent the required payments are not made from revenues of the City’s electric system or other funds, the City is required to include in its general revenue or appropriation measure or annual tax levy amounts sufficient to make such payments. Such payments are required to be made by the City whether or not MEAG’s facilities or any part thereof are operating or operable or the output therefrom is interrupted, interfered with, curtailed or terminated in whole or in part, and such payments may not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by MEAG of any agreement or for any cause whatever. In addition, the City may have certain support obligations in the event other MEAG participants default, subject to certain contractual limitations and the City’s participant share (approximately 1.4 – 2.1% depending on the project). As of May 31, 2020, the total outstanding debt of MEAG was approximately \$8,142,610,002. The share of the principal for which the City is responsible was approximately \$123,517,820.

The City entered into a contract with SEPA on September 30, 1996, as supplemented on October 9, 2018, that entitles the City to purchase 8,408 kilowatts. The contract is in an evergreen state with a required 24 month wind down if either party requests to terminate the contract.

Distribution. The City owns a distribution system that delivers power to the City’s customers. The distribution system consists of 193 miles of lines operating at 7,200 volts. The distribution system is in good shape with the entire system being inspected by a third party in a rolling 5-year cycle since 2006. After each inspection any issue is corrected by either replacing individual components or a wholesale rebuilding of the line.

Electric Demand. Set forth below are the average and peak demands of the electric system for the past five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Consumption (kilowatt hours/day)	430,414	441,155	427,419	445,953	434,260
Peak Demand (kilowatts)	36,658	34,288	33,231	36,256	35,441

Source: System records.

Electric Rates. The City sets electric rates without any regulatory oversight. Electric customers are not charged a fee to connect to the system. Electric customers are charged a base monthly fee plus a volume charge based on kilowatt-hours (“KWH”) of electricity used. Electric customers are also charged a power cost adjustment (a “PCA”) each month. The electric PCA is a variable rate that fluctuates each month as the City’s purchased power costs increase or decrease. The electric PCA ensures that the City will meet expenses related to purchased power and creates stability in the overall rate structure. The electric PCA is set by the Electric Cities of Georgia. Set forth below are the base and volume charges.

Base Charges

<u>Customer</u>	<u>Charge</u>
Residential	\$ 10.00
Commercial Non-Demand ⁽¹⁾	16.00
Commercial Demand ⁽²⁾	35.00
Industrial	100.00
Church	10.00

⁽¹⁾ Non-residential service where monthly energy consumption is less than 3,000 KWH.

⁽²⁾ Commercial or industrial service where monthly energy consumption is equal to or more than 3,000 KWH and the maximum monthly demand is less than 1,000 kw.

Source: System records.

Volume Charges Residential

<u>Energy Used</u>	<u>Cost Per KWH (Summer)</u>	<u>Cost Per KWH (Winter)</u>
First 700 KWH	\$0.09	\$0.09
Over 700 KWH	0.128	0.078

Source: System records.

Volume Charges Commercial Non-Demand

<u>Energy Used</u>	<u>Cost Per KWH (Summer)</u>	<u>Cost Per KWH (Winter)</u>
All KWH	\$0.155	\$0.125

Source: System records.

Volume Charges Commercial Demand

<u>Demand/Energy Used</u>	<u>Charge</u>
Demand Charge	\$2.50 per KW
First 200 KWH per KW of Billing Demand:	
First 3,000 KWH	0.125
Next 7,000 KWH	0.117
Next 90,000 KWH	0.109
Next 100,000 KWH	0.101
Next 200 KWH per KW of Billing Demand	0.053
Over 400 KWH per KW of Billing Demand	0.047

Source: System records.

Volume Charges Industrial

<u>Demand/Energy Used</u>	<u>Charge</u>
Demand Charge	\$8.00 per KW
All consumption KWH not greater than 200 hours times the billing demand:	
First 200,000 KWH	0.07
Over 200,000 KWH	0.06
All consumption KWH in excess of 200 hours and not greater than 400 hours times the billing demand	0.048
All consumption KWH in excess of 400 hours times the billing demand	0.042

Source: System records.

Volume Charges Churches

<u>Energy Used</u>	<u>Cost Per KWH</u>
All KWH	\$0.088

Source: System records.

Electric customers are also charged a fixed monthly fee for security lights. The amount of the fee depends on the type and wattage of the light. Set forth below are the charges for security lights.

<u>Type</u>	<u>Charge</u>
100 Watt HPS	\$10.00
150 Watt HPS	10.00
150 Watt HPS (ornamental)	12.00
175 Watt MV	10.00
250 Watt HPS	16.00
400 Watt HPS	20.00
400 Watt MH	32.00
1,000 Watt MH	45.00

Source: System records.

The City charges itself \$0.08 per KWH.

Electric Customers. Set forth below are the number of electric customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	5,318	5,378	5,336	5,380	5,560
Commercial	872	873	893	909	913
Industrial	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>6,191</u>	<u>6,252</u>	<u>6,230</u>	<u>6,290</u>	<u>6,474</u>

Source: System records.

Largest Electric Customers. Set forth below are the ten largest electric customers for the fiscal year ended December 31, 2019.

<u>Customer</u>	<u>Electricity Used (MWH)</u>	<u>Annual Billing (in thousands)</u>	<u>Percent of Total Revenues⁽¹⁾</u>
1. Leggett & Platt	8,539	\$ 961	4.95%
2. Walton Co. Board of Comm.	6,310	803	4.13
3. Walton Press Inc.	4,580	541	2.79
4. Piedmont Walton Hospital	4,528	512	2.64
5. Walton Co. Board of Ed.	4,487	600	3.09
6. Base Manufacturing	2,634	332	1.71
7. Vest Monroe Realty LLC	2,028	239	1.23
8. George Walton Academy	1,817	246	1.27
9. Home Depot	1,654	202	1.04
10. Quality Foods	<u>1,509</u>	<u>171</u>	<u>0.88</u>
Total	<u>38,086</u>	<u>\$4,607</u>	<u>23.72%</u>

⁽¹⁾ Based on total electrical billing of \$19,420,000.
Source: System records.

Water System

Service Area and Competition. The City provides water service to all areas within the corporate limits of the City and certain portions of the unincorporated County. The water system serves residential and commercial customers in the service area and has one wholesale customer, Walton County (the “County”). A portion of the 2020 Project consists of the construction of a water line to the City of Loganville. Once completed, Loganville will also be a wholesale customer, as more fully described below. There are no private water companies in the service area.

The City is currently selling the County water on a month-to-month basis. The County is currently paying the industrial rate for customers located inside the City. Set forth below are the amount of water purchased by the County and the amount paid by the County for the water purchased during the last five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Amount Purchased (in thousand gallons)	52,418	64,642	51,250	54,309	56,887
Amount Paid	\$89,111	\$115,315	\$87,875	\$245,875	\$231,848

Source: System records.

If a new contract is executed with the County, the City anticipates that the rate will be reduced from the current industrial rate.

Under the terms of a Water Services Agreement, dated April 9, 2018, between the City and Loganville, the City is required to provide Loganville not less than 1 million gallons per day (“MGD”) and not more than 2 MGD at an initial price of \$3.72 per 1,000 gallons for the first 1,000,000 gallons and \$3.37 per 1,000 gallons for the next 1,000,000 gallons. Modest price inflators have been built into the Water Services Agreement. Loganville is required to take or pay for 1 MGD each month. The contract expires ten years from the date that Loganville first receives water. Construction of an interconnecting water main from the City to Loganville and a water booster pump station has commenced, with the costs of the project to be split 50-50 by the City and Loganville. This project is expected to be completed by December 31, 2020. See Appendix B, “Series 2020 Engineering Report – Water System Improvement Projects.”

Water Supply. The City has two sources of water: a raw water intake on the Alcovy River and the John T. Briscoe, Jr. Raw Water Reservoir (the “Reservoir”), a 795 million-gallon reservoir located on Beaverdam Creek. The City is currently allowed to withdraw a maximum and a monthly average of 10 MGD from the Alcovy River and a maximum of 16 MGD, a monthly average of 12 MGD and an annual average of 10 MGD from the Reservoir pursuant to water withdrawal permits (the “Water Withdrawal Permits”) issued by the Georgia Environmental Protection Division (the “EPD”). The Water Withdrawal Permits contain a special condition that the total amount of water pumped to the Water Treatment Plant (defined below) from all sources may not exceed 12 MGD or a monthly average and a maximum of 16 MGD. The Water Withdrawal Permits expired on September 1, 2020. The City has filed for renewal and does not anticipate any problems renewing the Water Withdrawal Permits.

Water Treatment. Raw water withdrawn from the Alcovy River and the Reservoir is pumped to the City’s water treatment plant (the “Water Treatment Plant”). The Water Treatment Plant was constructed in 2002 and upgraded in 2012. The City is not required to have a separate operating permit for the Water Treatment Plant. It is only required to have the Water Withdrawal Permits and a permit to operate the water system. See “Governmental Permits.” The Water Treatment Plant has a total treatment capacity of 10 MGD and is generally in good condition. A portion of the 2020 Project consists of the expansion of the Water Treatment Plant to 12 MGD.

Certain filter backwash is produced at the Water Treatment Plant during the process of treating water. The City is allowed to discharge that backwash into the waters of the State pursuant to a permit issued by the EPD (the “Water Discharge Permit”). The Water Discharge Permit expires on December 31, 2020. The City does not anticipate any problems renewing the Water Discharge Permit.

Water Storage. The City has three storage tanks and three clear wells. The storage tanks are 750,000, 250,000 and 325,000 gallons. The storage tanks are generally in good condition. A portion of the 2020 Project consists of the addition of two new storage tanks.

Water Distribution. The City has approximately 220 miles of water distribution lines ranging in size from 2 to 16 inches (exclusive of service lines). The lines are made of iron and pvc. The lines are generally in good condition.

Approximately 26% of the water is lost due to leaks in the lines, theft and flushing the fire hydrants. The City implemented a meter inspection and line inspection program last year. The City believes that a large portion of the water loss is due to leaks in the service lines. The City has started replacing those lines and expects to replace all service lines in the next five years. The City is also going to put locks on the City hydrant meters located in the County.

Water Demand. Set forth below are the average and peak demands (in millions of gallons per day (“MGD”)) of the water system for the last five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Daily Demand	2.40	2.50	2.42	2.36	2.54
Maximum Daily Demand	3.37	4.00	3.86	3.11	4.20

Source: System records.

Water Rates. The City sets water rates without any regulatory oversight. Water customers are charged tap and connection fees to connect to the system. Water customers are also charged a base monthly fee plus a volume charge based on water used. Set forth below are the tap and connection fees, the base charges and the volume charges.

Tap and Connection Fees

<u>Meter Size</u>	<u>Tap</u>	<u>Connection⁽²⁾ Residential (Inside City)</u>	<u>Connection⁽²⁾ Residential (Outside City)</u>	<u>Connection⁽²⁾ Commercial (Inside City)</u>	<u>Connection⁽²⁾ Commercial (Outside City)</u>
5/8"	\$ 813	\$ 937	\$1,812	\$ 1,437	\$ 2,562
1	1,019	981	1,981	1,481	2,731
1 1/2	2,188	312	1,562	812	2,312
2	2,588	412	1,912	912	2,662
3	— ⁽¹⁾	N/A	N/A	12,500	18,750
4	— ⁽¹⁾	N/A	N/A	13,000	19,500
6	— ⁽¹⁾	N/A	N/A	17,500	26,250

⁽¹⁾ Tap fees for larger taps are contracted out, and the customer pays the actual cost of the tap.

⁽²⁾ For multi-family residential or multi-unit commercial, the connection fee is the greater of (a) the scheduled water connection fee based upon the water meter size or (b) the number of units/rooms in the development multiplied by \$1,000.

Source: System records.

Water Main Line and Fire Line Tap Fees

<u>Size</u>	<u>Fee</u>
Up to 6" x 6"	\$3,500
8" x 6"	3,550
8" x 8"	3,850
10" x 6"	4,100
10" x 8"	4,400
10" x 10"	4,850

Source: System records.

Base Charges

<u>Meter Size</u>	<u>Regular Meter Inside City</u>	<u>Regular Meter Outside City</u>	<u>Irrigation Meter Inside City</u>	<u>Irrigation Meter Outside City</u>
5/8"	\$ 11.25	\$ 15.00	\$ 15.00	\$ 20.00
3/4	11.25	15.00	15.00	20.00
1	11.25	15.00	15.00	20.00
1 1/2	45.00	56.25	60.00	75.00
2	45.00	56.25	60.00	75.00
3	56.25	67.50	75.00	90.00
4	56.25	67.50	75.00	90.00
6	112.50	168.75	150.00	225.00

Source: System records.

Volume Charges Residential

<u>Water Used</u>	<u>Cost Per 1,000 Gallons (Inside City)</u>	<u>Cost Per 1,000 Gallons Outside City</u>
1 – 2,000 gallons	\$2.69	\$4.04
2,001 – 6,000 gallons	5.38	8.07
6,001 – 10,000 gallons	6.73	10.10
Over 10,000 gallons	8.07	12.12

Source: System records.

Volume Charges Commercial

<u>Water Used</u>	<u>Cost Per 1,000 Gallons (Inside City)</u>	<u>Cost Per 1,000 Gallons Outside City</u>
All amounts	\$5.38	\$8.07

Source: System records.

Volume Charges Industrial

<u>Water Used</u>	<u>Cost Per 1,000 Gallons (Inside City)</u>	<u>Cost Per 1,000 Gallons Outside City</u>
All amounts	\$2.69	\$4.04

Source: System records.

Volume Charges Irrigation

<u>Water Used</u>	<u>Cost Per 1,000 Gallons (Inside City)</u>	<u>Cost Per 1,000 Gallons Outside City</u>
All amounts	\$5.18	\$7.77

Source: System records.

Number of Water Customers. Set forth below are the number of retail water customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	7,858	7,892	7,908	8,001	8,537
Commercial	859	884	906	904	1,005
Industrial	1	1	1	1	2
Wholesale	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>8,719</u>	<u>8,778</u>	<u>8,816</u>	<u>8,907</u>	<u>9,545</u>

Source: System records.

Largest Water Customers. Set forth below are the ten largest water customers for the fiscal year ended December 31, 2019.

<u>Customer</u>	<u>Gallons Water Used (in thousands)</u>	<u>Annual Billing (in thousands)</u>	<u>Percent of Total Revenues⁽¹⁾</u>
1. Walton County ⁽²⁾	56,887	\$232	4.55%
2. Walton Co. Board of Comm. ⁽³⁾	19,534	129	2.53
3. Envirorisk Consultants, Inc.	10,005	54	1.06
4. Wal-Mart Distribution Center	9,297	52	1.02
5. Walton Co. Board of Ed.	6,125	50	0.98
6. Unisia of Ga. Corp.	5,955	37	0.73
7. Car Wash Headquarters	4,993	27	0.53
8. Piedmont Walton Hospital	4,734	29	0.57
9. Walton County Power LLC	4,431	28	0.55
10. Park Place Nursing Facility	<u>3,892</u>	<u>32</u>	<u>0.63</u>
Total	<u>125,853</u>	<u>\$670</u>	<u>13.15%</u>

⁽¹⁾ Based on total water billing of \$5,097,000.

⁽²⁾ Wholesale customer. Upon completion of the interconnecting water main from the City to Loganville, and based on the minimum water purchase requirements of the Water Services Agreement between the City and Loganville, Loganville will likely become the largest water customer.

⁽³⁾ Actual use at County buildings.

Source: System records.

Wastewater System

Service Area and Competition. The City provides wastewater service to most areas within the corporate limits of the City and certain portions of the unincorporated County. There are no private wastewater companies in the service area. A few residential customers have septic systems. All wastewater customers are also water customers.

Collection. The City has approximately 154 miles of wastewater collection lines ranging in size from 6 to 24 inches. The lines are made of terra cotta, ductile and pvc. The City also has eight lift stations. The lines and the lift stations are generally in good condition.

Wastewater Treatment. Wastewater collected by the wastewater system is pumped to and treated at the City’s wastewater treatment plant (the “Wastewater Treatment Plant”). The Wastewater Treatment Plant was constructed in 1988 and upgraded in 2000. The City is not required to have a separate operating permit for the Wastewater Treatment Plant. It is only required to have a permit to discharge treated wastewater into the waters of the State of Georgia. The City is currently allowed to discharge a monthly average of 3.4 MGD and a weekly average of 4.25 MGD into Jacks Creek pursuant to a permit (the “Wastewater Discharge Permit”) issued by the EPD. The Wastewater Discharge Permit expires on July 31, 2023. The City does not anticipate having any problem renewing the Wastewater Discharge Permit. The Wastewater Treatment Plant has a treatment capacity of 9.4 MGD and is generally in good condition. Part of the 2020 Project consists of further upgrades to the Wastewater Treatment Plant.

Wastewater Demand. Set forth below are the average and peak demands (in MGD's) of the wastewater system for the last five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Daily Demand	1.78	1.88	1.74	1.85	1.75
Maximum Daily Demand	9.77	10.07	5.48	6.89	6.47

Source: System records.

The City did not violate the terms of the Wastewater Discharge Permit as a result of the maximum daily demand because the monthly averages were still within the allowable limits.

Wastewater Rates. The City sets wastewater rates without any regulatory oversight. Wastewater customers are charged a fee to connect to the system. Wastewater customers are also charged a base monthly fee plus a volume charge based on water used. Residential wastewater customers outside the City that are served by a wastewater pumping station are charged an additional fee of \$5.00 per month. Residential wastewater customers inside the City have a minimum monthly bill of \$22.16, and residential wastewater customers outside the City have a minimum monthly bill of \$30.66 (exclusive of the \$5.00 pumping fee). Residents of the City with septic systems are charged \$0.25 per gallon of wastewater discharged from that septic system. Set forth below are the tap and connection fees, the base charges and the volume charges.

Tap and Connection Fees

<u>Meter Size</u>	<u>Residential (Inside City)</u>	<u>Residential (Outside City)</u>	<u>Commercial (Inside City)</u>	<u>Commercial (Outside City)</u>
5/8"	\$3,000	\$6,000	\$ 5,000	\$ 10,000
1	3,000	6,000	6,000	12,000
1 1/2	N/A	N/A	7,500	15,000
2	N/A	N/A	10,000	20,000
3	N/A	N/A	20,000	40,000
4	N/A	N/A	35,000	70,000
6	N/A	N/A	50,000	100,000

Source: System records.

Base Charges

<u>Customer</u>	<u>Inside City</u>	<u>Outside City</u>
Residential	\$15.00	\$20.00
Commercial and Industrial	N/A	N/A

Source: System records.

Volume Charges

<u>Customer</u>	<u>(Inside City)</u>	<u>Outside City</u>
Residential	\$3.58 per 1,000 gallons of water	\$5.33 per 1,000 gallons of water
Commercial and Industrial	190% of current water charge	190% of current water charge

Source: System records.

Number of Wastewater Customers. Set forth below are the number of wastewater customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	6,033	6,049	6,053	6,130	6,428
Commercial	<u>771</u>	<u>785</u>	<u>810</u>	<u>807</u>	<u>779</u>
Total	<u>6,804</u>	<u>6,834</u>	<u>6,863</u>	<u>6,937</u>	<u>7,207</u>

Source: System records.

Largest Wastewater Customers. Set forth below are the ten largest wastewater customers for the fiscal year ended December 31, 2019.

<u>Customer</u>	<u>Gallons Water Used (in thousands)⁽¹⁾</u>	<u>Total Annual Billing (in thousands)</u>	<u>Percent of Total Revenues⁽²⁾</u>
1. Walton Co. Board of Comm.	7,903	\$190	4.16%
2. Unisia of Ga Corporation	2,796	69	1.51
3. Walton Co. Board of Ed.	2,654	91	1.99
4. Piedmont Walton Hospital	2,479	54	1.18
5. Park Place Nursing Home	2,230	61	1.34
6. Car Wash Headquarters	1,829	52	1.14
7. Silgan PET, Inc.	1,136	44	.96
8. Base Manufacturing	1,007	17	.37
9. Fresenius	1,001	29	.64
10. Great Oaks of Monroe	<u>861</u>	<u>20</u>	<u>.44</u>
Total	<u>23,896</u>	<u>\$627</u>	<u>13.73%</u>

⁽¹⁾ Wastewater billings are based upon water used other than water used for irrigation.

⁽²⁾ Based on total wastewater billing of \$4,564,495.

Source: System records.

Natural Gas System

Service Area and Competition. The City provides natural gas service to most areas within the corporate limits of the City and portions of the County. The Public Service Commission (the “PSC”) determined the service areas within the County based upon the County-wide safety plan. A service provider may not provide service outside its territorial limits without a certificate from the PSC. There are no other service providers in the service area.

Gas Supply. The City purchases all of its natural gas from the Municipal Gas Authority of Georgia (“MGAG”). MGAG was created by the State of Georgia for the purpose of supplying natural gas to its members.

MGAG current provides natural gas to 80 members pursuant to separate gas supply contracts with each member. The City has sufficient gas supply to meet its current demand and anticipated growth over the near term.

Under the terms of the Gas Supply Contract between MGAG and the City, MGAG has agreed to use its best efforts to provide the City, and the City has agreed to purchase from or through MGAG, the City’s gas supply requirements. The price paid by the City to MGAG under the Gas Supply Contract and related Supplemental Contracts is intended to cover the City’s share of all the costs of MGAG, including scheduled debt service of MGAG. The City’s obligation to pay MGAG is absolute and unconditional and is not subject to any defense, right of setoff or counterclaim. The Gas Supply Contract terminates on December 31, 2060.

As of June 30, 2020, the total outstanding debt of MGAG was approximately \$168.5 million. The share of the principal for which the City is responsible was approximately \$1,800,000.

Distribution. The City owns a distribution system that delivers natural gas from two delivery stations to the City’s customers. The distribution system consists of approximately 167 miles of distribution lines. The condition of the delivery stations and the distribution lines is good.

Demand. Set forth below are the average and peak demands of the natural gas system for the past five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Average Consumption (MCF/day)	840	828	778	912	823
Peak Demand (MCF)	4,299	3,359	3,306	4,020	3,152

Source: System records.

Gas Rates. The City sets natural gas rates without any regulatory oversight. Natural gas customers are charged a fee to connect to the system. Natural gas customers are also charged a base monthly fee plus a volume charge based on centum cubic feet (“CCF”) of gas used. Industrial customers with firm service have a minimum monthly bill of \$479, and industrial customers with interruptible service have a minimum monthly bill of \$384. Natural gas customers are also charged a PCA each month. The natural gas PCA is set by MGAG. Set forth below are the tap and connection fees, the base charges and the volume charges.

Tap and Connection Fees

<u>Customer</u>	<u>Fee</u>
Residential	\$400 plus installation charges
Commercial	\$800 plus installation charges

Source: System records.

Base Charges

<u>Meter Size</u>	<u>Residential</u>	<u>Commercial</u>	<u>Agricultural</u>
AC 250	\$12.00	\$20.00	\$15.00
415	12.00	20.00	15.00
AC 630	12.00	20.00	15.00
AL 800	12.00	20.00	15.00
2M	20.00	20.00	20.00
3M	30.00	30.00	20.00
5M	40.00	40.00	20.00

Source: System records.

Volume Charges

<u>Customer</u>	<u>Per CCF</u>
Residential	\$0.375
Commercial	0.375
Firm Industrial	0.225
Interruptible Industrial	0.225
City	0.375

Source: System records.

Gas Customers. Set forth below are the number of natural gas customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	3,132	3,151	3,141	3,181	3,308
Commercial	558	563	583	577	590
Industrial	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u>3,692</u>	<u>3,716</u>	<u>3,726</u>	<u>3,760</u>	<u>3,900</u>

Source: System records.

Largest Gas Customers. Set forth below are the ten largest natural gas customers for the fiscal year ended December 31, 2019.

	<u>Customer</u>	<u>Gas Used (MCF)</u>	<u>Annual Billing (in thousands)</u>	<u>Percent of Total Revenues⁽¹⁾</u>
1.	Base Manufacturing	24,727	\$228	6.52%
2.	Piedmont Walton Hospital	13,821	145	4.15
3.	Walton Co. Board of Comm.	8,774	93	2.66
4.	Unisia of Ga. Corp.	8,714	93	2.66
5.	George Walton Academy	4,681	49	1.40
6.	Walton Co. Board of Ed.	4,620	48	1.37
7.	Walton Press Inc.	3,523	36	1.03
8.	Wal-Mart Stores	3,470	38	1.09
9.	Wal-Mart Distribution	3,272	35	1.00
10.	Darden Restaurants	2,134	23	0.66
	Total	<u>77,736</u>	<u>\$788</u>	<u>22.54%</u>

⁽¹⁾ Based on total electrical billing of \$3,497,000.
Source: System records.

Cable Television System

Service Area and Competition. The City provides cable television service to all areas within the corporate limits of the City, small portions of unincorporated County, the City of Good Hope and the City of Bostwick in Morgan County. There are no other service providers in the City, Good Hope or Bostwick. Comcast provides service in parts of the unincorporated County.

Services. The City offers standard analog cable for customers without a high definition television and digital cable for customers with a high definition television. As mentioned above under the heading “THE SYSTEM – General”, the cable television system was not profitable last year. The City is considering discontinuing traditional cable and changing to streaming services.

Facilities. The facilities are generally in good condition. Monthly leak surveys and an annual cable replacement budget keep the HFC plant in good working order.

Rates. The City sets cable television rates without any regulatory oversight. Cable television customers are charged a fee to connect to the system. Cable television customers are also charged monthly fees based upon the programming selected and the number of “boxes.” On September 8, 2020, the City approved an increase in the cable television programming rates effective January 1, 2021. Set forth below are the installation fees and programming charges currently in effect and effective January 1, 2021.

<u>Service</u>	<u>Installation Fees</u>
Basic Installation	\$55.00 for one outlet, \$15.00 for each additional
Additional Outlet (after basic installation)	\$25.00 for first outlet, \$15.00 for each additional
Relocate Outlet	\$25.00 for first outlet, \$15.00 for each additional
Premium Channel Addition	\$10.00 for one channel
Upgrade to expanded	\$10.00
Trip caused by customer	\$35.00 plus materials

Source: System records.

Programming Charges

<u>Programming</u>	<u>Fee</u>	<u>Effective January 1, 2021</u>
Basic Cable	\$18.28	\$38.28
Expanded Cable	56.40	115.00
Digital Non-DVR	72.10	120.00
Digital DVR	77.10	120.00
Programming Fee	20.00 ⁽¹⁾	–
Showtime	14.65 ⁽²⁾	14.65 ⁽²⁾
Cinemax	14.65 ⁽²⁾	14.65 ⁽²⁾
HBO	14.65	14.65
STARZ	14.65	14.65
Additional HD DVR	9.95	9.95
Additional HD Non-DVR	6.95	6.95
Additional SD Non-DVR	4.95	4.95

⁽¹⁾ For each cable service.

⁽²⁾ If purchased with HBO.

Source: System records.

Customers. Set forth below are the number of cable television customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Standard	4,348	4,119	3,703	3,598	3,323
Digital	<u>49</u>	<u>0</u>	<u>188</u>	<u>202</u>	<u>206</u>
Total	<u>4,397</u>	<u>4,119</u>	<u>3,891</u>	<u>3,800</u>	<u>3,529</u>

Source: System records.

On September 8, 2020, the City further approved a decision for rates to be set twice annually and automatically increased based on programming contract increases, at cost plus 15%, and, when and if the number of customers drops below 1,000, to discontinue cable television service after the broad band network portion of the Series 2020 Project is completed. The City anticipates only a modest decline in customers due to the increases in rates, as the rates will continue to be highly competitive, and anticipates that customers will migrate to the City’s high speed internet and streaming services as the broad band network project is completed.

Telecommunications System

Services. The City offers a large number of services over its Telecom system including internet, telephone, transport, dark fiber, hosted services, data center interconnections, point to point networking, managed wide area networks, cell tower back haul, Wi-Fi, and wireless point to multipoint.

Service Area and Competition. The City’s Hybrid Fiber Coax (“HFC”) plant covers the electric territory and surrounding areas with a service corridor following Ga Hwy 83 from Monroe to Bostwick in Morgan County. Fiber operations include a HFC plant and extensions to the south to Social Circle, the west to Loganville, Walnut Grove, and Snellville, to the east to Watkinsville. The fiber system is inter-connected with Georgia Public Web, Time Warner, Comcast, Charter, Verizon, Sprint, Parker Fiber, and has points of presence at the two largest data centers in the southeast. The City competes with Windstream in Monroe and all others in the markets its covers.

Facilities. A portion of the 2020 Project consist of converting the HFC plant to Fiber to the Premise (FTTP). The facilities are generally in good condition with a mixture of HFC and FTTP.

Rates. The City sets telecommunication rates without any regulatory oversight. Telecommunications customers are charged \$55 to connect to the system. Telecommunication customers are also charged monthly fees based upon the type of service. Set forth below are the service charges.

Residential Telephone Charges

<u>Service</u>	<u>Fee</u>
Basic Phone	\$29.95
Phone w Internet	57.95
Phone w Expanded Cable	57.95 ⁽¹⁾
Phone w Digital Non-DVR Cable	72.10 ⁽¹⁾
Phone w Digital DVR Cable	77.10 ⁽¹⁾
Phone w Internet and Cable	99.95 ⁽¹⁾
FCC Fee	4.48 per line
911 Fee	1.50 per line

Source: System records.

⁽¹⁾ In late October, the City expects to recommend to City Council an upward adjustment to the bundled rate to incorporate the new cable programming charges to go into effect January 1, 2021.

Commercial Telephone Charges

<u>Service</u>	<u>Fee</u>
Basic Phone	\$39.95
Phone w Internet	79.95
Phone w Cable	79.95 ⁽¹⁾
Phone w Internet and Cable	110.95 ⁽¹⁾
FCC Fee	9.07 per line
911 Fee	1.50 per line

Source: System records.

⁽¹⁾ In late October, the City expects to recommend to City Council an upward adjustment to the bundled rate to incorporate the new cable programming charges to go into effect January 1, 2021.

Internet Charges

<u>Download/Upload Speed</u>	<u>Fee</u>
2Mbps/1Mbps	\$ 21.95
8Mbps/2Mbps	34.95
25Mbps/3Mbps	44.95
50Mbps/5Mbps	69.95
75Mbps/8Mbps	99.95
100Mbps/10Mbps	129.95

Source: System records.

Residential Wireless Internet Charges

<u>Download/Upload Speed</u>	<u>Fee</u>
10Mbps	\$49.95
15Mbps	59.95
25Mbps	79.95

Source: System records.

Commercial Wireless Internet Charges

<u>Download/Upload Speed</u>	<u>Fee</u>
10Mbps	\$59.95
15Mbps	79.95
25Mbps	109.95

Source: System records.

Fiber Internet Charges

<u>Download/Upload Speed</u>	<u>Fee</u>
10Mbps	\$ 59.99
50Mbps	109.99
100Mbps	139.99
250Mbps	159.99
500Mbps	199.95
1Gig	299.99

Source: System records.

Customers. Set forth below are the number of telecommunication customers by category for the last five fiscal years.

<u>Customers</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Internet	2,912	3,149	3,303	3,639	3,826
Fiber	41	54	40	62	102
Telephone	<u>1,405</u>	<u>1,375</u>	<u>1,365</u>	<u>1,343</u>	<u>1,256</u>
Total	<u>4,358</u>	<u>4,578</u>	<u>4,708</u>	<u>5,044</u>	<u>5,184</u>

Source: System records.

Stormwater

The City’s stormwater system serves residential, commercial and industrial properties inside the City. The system consists of 112 detention ponds, 32.6 miles of storm pipe ranging from 10” to 84” as well as 30.2 miles of storm ditch and 1,658 inlets or catch basins. The City has been proactive in assessing the stormwater system and rehabilitation of each component when necessary. The system is in good condition.

Billing

The City has 11 reading cycles. Meters are read, then uploaded into the billing software. All accounts within the cycle are reviewed by billing clerks and billed. Billing files are sent to a third-party vendor to print and mail bills. All bills are then due two weeks after the billing date (14 days). Penalties are added the next business day after the due date at a rate of 5% of the total past due bill or \$10.00, whichever is greater. If left unpaid, all services are cut off 12-14 days after the due date and a \$40 nonpayment processing fee is applied to the account. Once an account is 90 days past due, the matter is referred to a collection agency.

The City runs an Equifax credit check on all accounts when setting up new service. If warranted, a deposit is required and held for five years without interruption in service or until the account is cut off and the final bill is paid.

Employees, Employee Relations and Labor Organizations

As of June 30, 2020, the City employed 105 full-time persons in connection with the operation of the System. No employees of the System are represented by labor organizations or are covered by collective bargaining agreements, and the City is not aware of any union organizing efforts at the present time. The City believes that employee relations are good. See ‘THE CITY – Employee Benefits’ for a description of the employee benefits.

Governmental Permits

As mentioned above, the City has been issued the Water Withdrawal Permits, Water Discharge Permit and the Wastewater Discharge Permit in connection with the water and wastewater systems. The City also has been issued a permit to operate the water system (the “Water Operating Permit”) by EPD. The Water Operating Permit expires on September 15, 2025. The City does not anticipate any problems renewing the Water Operating Permit. The City was issued a Certificate of Authority to Provide Resold and Facilities-Based Competitive Local Exchange Telecommunications Services on July 22, 2008 by the Georgia Public Service Commission. The City is not required to have any other governmental permits to operate the System.

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Insurance

The City carries the types and amounts of insurance typical for governmentally-owned combined utility systems. The City does not self-insure for any risks (other than health insurance). The City requires payment and performance surety bonds and builders’ risk insurance of all contractors and subcontractors involved in construction related to the System.

See Appendix B for a description of the City’s covenants regarding insurance for the System.

Corona Virus/COVID-19

The outbreak of the 2019 novel coronavirus (“COVID-19”) has affected global, national, state and local economic activity. Within the United States, the federal government and various state and local governments as well as private entities and institutions have implemented a variety of different efforts aimed at preventing the spread of COVID-19, including but not limited to travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements and facility closures.

COVID-19 has not materially affected System revenues to date. In response to COVID-19, the City did not process utility nonpayment cutoffs between March 17 through May 1st. During 2019, the City processed a range of 150-200 cutoffs per month. In July 2020, the City had 78 cutoffs. In August 2020, the City had 93 cutoffs. The has limited public access to its facilities and shifted customers from paying their bills in person to paying bills on-line, by drive-through window or by appointment only. This has resulted in more timely payments and improved collections. System bad debt ‘write-offs’ year to date August 2020 were \$212,000 compared to \$261,000 year to date August 2019. In addition, electric, gas and water usage are down year to date because winter 2019/2020 was milder and the summer months of 2020 have been cooler. Furthermore, City COVID-19 related expenses are expected to be reimbursed by the 2020 CARES Act up to \$715,750. COVID-19 expenses have not yet outpaced reimbursable amounts. To date, the City has not terminated any staff positions due to COVID-19; instead, the City has removed positions as they become vacant. The City routinely evaluates its staffing levels for a determination of whether further reductions in force are appropriate. Although the City believes that its number of COVID-19 cases has been low compared to surrounding areas, the City cannot predict what effect the continued spread of COVID-19 or the various governmental and private actions taken in response thereto may have on the finances or operations of the System during the remainder of this year or in future years.

SYSTEM FINANCIAL INFORMATION

Accounting System and Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governments. See note 1 of the audited financial statements of the City attached as Appendix C for a detailed discussion of the City’s significant accounting policies.

Historical Statement of Revenues, Expenses and Changes in Net Position

Set forth below is a historical, comparative summary of the statement of revenues, expenses and changes in net position of the System for the last five fiscal years and for the eight-month periods ending August 31, 2019 and 2020. The information in the following table for the last five fiscal years has been extracted from the audited financial statements of the City. Although taken from the audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown presents fairly the financial results of the City for the fiscal years shown. The information in the following table for the eight-month periods ending August 31, 2019 and 2020 has been extracted from the unaudited financial statements of the City and is not necessarily indicative of the actual financial results of the System for the fiscal year ending December 31, 2020. For more complete information, reference is made to the audited financial statements of the City.

	Years Ended December 31 (Audited)					Eight-Month Period Ended August 31 (Unaudited)	
	2015	2016	2017	2018	2019	2019	2020
Operating Revenues							
Charges for sales and services	<u>\$35,898,925</u>	<u>\$37,484,700</u>	<u>\$37,997,407</u>	<u>\$42,193,778</u>	<u>\$42,580,660</u>	<u>\$29,220,830</u>	<u>\$27,137,623</u> ⁽²⁾
Total operating revenues	<u>35,898,925</u>	<u>37,484,700</u>	<u>37,997,407</u>	<u>42,193,778</u>	<u>42,580,660</u>	<u>29,220,830</u>	<u>27,137,623</u>
Operating Expenses							
Cost of sales and services	16,033,698	16,316,366	17,341,931	19,595,257	18,280,278	12,182,880	11,239,903
General operating expenses	10,509,869	10,899,993	11,925,994	13,422,978	14,147,229	9,759,560	17,749,452 ⁽³⁾⁽⁴⁾
Depreciation	<u>2,422,606</u>	<u>3,203,344</u>	<u>2,462,336</u>	<u>2,733,904</u>	<u>2,431,663</u>	<u>1,621,112</u>	<u>1,870,483</u>
Total operating expenses	<u>28,966,173</u>	<u>30,419,703</u>	<u>31,730,261</u>	<u>35,752,139</u>	<u>34,859,170</u>	<u>23,563,552</u>	<u>30,859,838</u>
Operating Income (Loss)	<u>6,932,752</u>	<u>7,064,997</u>	<u>6,267,146</u>	<u>6,441,639</u>	<u>7,721,490</u>	<u>5,657,278</u>	<u>(3,722,215)</u> ⁽⁴⁾
Non-Operating Revenues (Expenses)							
Intergovernmental	—	—	—	535,462	76,600	67,600	666,200
Interest income	76,109	175,847	265,069	388,841	669,317	542,508	306,543
Gain on sale of capital assets	—	49,625	5,831	1,607	2,618	150	—
Interest and fiscal charges	<u>(828,267)</u>	<u>(1,059,303)</u>	<u>(390,155)</u>	<u>(349,763)</u>	<u>(311,932)</u>	<u>(213,816)</u>	<u>(191,406)</u>
Total non-operating revenues (expenses)	<u>(752,158)</u>	<u>(833,831)</u>	<u>(119,255)</u>	<u>576,147</u>	<u>436,603</u>	<u>396,442</u>	<u>781,337</u>
Income (loss) before capital contributions and transfers	<u>6,180,594</u>	<u>6,231,166</u>	<u>6,147,891</u>	<u>7,017,786</u>	<u>8,158,093</u>	<u>6,053,720</u>	<u>(2,940,878)</u>
Capital contributions	512,575	43,351	41,862	109,380	207,084	—	2,319,370 ⁽⁵⁾
Transfers out ⁽¹⁾	<u>(1,689,811)</u>	<u>(1,927,288)</u>	<u>(1,872,866)</u>	<u>(2,163,649)</u>	<u>(2,474,257)</u>	<u>(1,623,289)</u>	<u>(1,470,704)</u>
Net capital contributions and transfers	<u>(1,177,236)</u>	<u>(1,883,937)</u>	<u>(1,831,004)</u>	<u>(2,054,269)</u>	<u>(2,267,173)</u>	<u>(1,623,289)</u>	<u>848,666</u>
Change in net position	5,003,358	4,347,229	4,316,887	4,963,517	5,890,920	4,430,431	(2,092,212) ⁽⁴⁾
Net position, beginning of year	<u>62,547,797</u>	<u>67,551,155</u>	<u>71,898,384</u>	<u>76,607,164</u>	<u>81,570,681</u>	<u>81,570,681</u>	<u>84,418,505</u>
Net position, end of year	<u>\$67,551,155</u>	<u>\$71,898,384</u>	<u>\$76,215,271</u>	<u>\$81,570,681</u>	<u>\$87,461,601</u>	<u>\$86,001,112</u>	<u>\$82,326,293</u> ⁽⁴⁾

- (1) Represents the Franchise Payments and other discretionary transfers to the General Fund. Expansion Fund Payments have remained in the System and are reflected in the net position as “restricted for capital projects.” However, the City has the right to use Expansion Fund moneys for utilities that are not part of the System.
- (2) Charges for services are down from 2019 due to milder winter weather and cooler summer weather in the first eight months of 2020.
- (3) During the eight-month period ended August 31, 2019, one-time capital expenditures were \$2,395,961. During the eight-month period ended August 31, 2020, one-time capital expenditures were \$8,120,957, an increase of \$5,724,996. Of this amount, approximately \$4,452,138 of System revenues were used to pay for costs of the Series 2020 Project and will be reimbursed with Series 2020 Bond proceeds. The balance will be funded from the Expansion Fund.
- (4) If adjusted for reimbursement of project costs paid from general operating expenses, the following unaudited numbers for the eight-month period ended August 31 would be as follows: General operating expenses: \$13,297,314; Operating Income (Loss): \$729,923; Change in net position: \$2,359,926; Net position, end of year: \$86,778,431.
- (5) Includes \$2,293,745 contributed by Loganville as its proportionate share of the water line interconnection project that is part of the Series 2020 Project.

Historical Statement of Net Assets

Set forth below is a historical, comparative summary of the statement of net assets of the System for the last five fiscal years and as of August 31, 2020. The information in the following table for the last five fiscal years has been extracted from the audited financial statements of the City. Although taken from financial statements, no representation is made that the information is comparable from year to year, or that the information as shown presents fairly the financial position of the System as of the end of the years shown. The information in the following table as of August 31, 2020 has been extracted from the unaudited financial statements of the City and is not necessarily indicative of the actual financial position of the System for the fiscal year ending December 31, 2020. For more complete information, reference is made to the audited financial statements of the City.

	As of December 31 (Audited)					As of August 31
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	Unaudited <u>2020</u>
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 2,679,481	\$ 4,619,208	\$ 3,919,090	\$ 5,396,670	\$ 5,648,781	\$ 6,789,828
Investments	6,491,625	8,443,670	10,333,511	13,033,087	15,177,642	16,386,776
Accounts receivable, net of allowances	3,820,418	3,962,999	4,274,734	5,102,015	4,319,786	4,074,213
Due from other governments	—	—	—	35,177	11,542	358,299
Due from other funds	764,070	1,196,809	—	—	11,500	—
Prepaid items	65,508	66,704	65,321	61,714	67,666	106,050
Inventories	<u>728,103</u>	<u>672,643</u>	<u>624,138</u>	<u>619,951</u>	<u>716,690</u>	<u>810,175</u>
	<u>14,549,205</u>	<u>18,962,033</u>	<u>19,216,794</u>	<u>24,248,614</u>	<u>25,953,607</u>	<u>28,525,341</u>
Restricted Assets						
Cash and cash equivalents	8,599,405	9,628,379	12,373,973	9,415,240	9,972,507	6,244,320
Investments	<u>1,480,117</u>	<u>1,488,003</u>	<u>1,498,132</u>	<u>1,517,115</u>	<u>1,552,622</u>	<u>1,572,933</u>
	<u>10,079,522</u>	<u>11,116,382</u>	<u>13,872,105</u>	<u>10,932,355</u>	<u>11,525,129</u>	<u>7,817,253</u>
Total current assets	<u>24,628,727</u>	<u>30,078,415</u>	<u>33,088,899</u>	<u>35,180,969</u>	<u>37,478,736</u>	<u>36,342,594</u>
Capital Assets						
Non-depreciable	5,730,155	3,254,153	3,524,179	4,644,023	4,878,431	4,878,431
Depreciable, net of accumulated depreciation	<u>63,805,697</u>	<u>64,357,253</u>	<u>62,938,674</u>	<u>63,959,118</u>	<u>65,135,072</u>	<u>63,264,590</u>
	<u>69,535,852</u>	<u>67,611,406</u>	<u>66,462,853</u>	<u>68,603,141</u>	<u>70,013,503</u>	<u>68,143,021</u>
Total assets	<u>94,164,579</u>	<u>97,689,821</u>	<u>99,551,752</u>	<u>103,784,110</u>	<u>107,492,239</u>	<u>104,485,615</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	475,433	311,219	280,097	248,975	217,853	194,512
Pension related items	<u>554,482</u>	<u>1,256,348</u>	<u>870,613</u>	<u>1,122,918</u>	<u>895,690</u>	<u>895,690</u>
Total deferred outflows of resources	<u>1,029,915</u>	<u>1,567,567</u>	<u>1,150,710</u>	<u>1,371,893</u>	<u>1,113,543</u>	<u>1,090,202</u>

LIABILITIES						
Current Liabilities						
Accounts payable	1,376,540	1,877,400	1,434,289	2,352,347	1,918,775	1,690,202
Accrued liabilities	126,807	134,605	143,667	285,754	139,594	169,825
Customer deposits	2,174,333	2,199,803	2,162,802	2,097,807	—	-
Compensated absences payable	250,077	283,492	310,726	306,217	406,951	406,951
Due to other funds	<u>599,245</u>	<u>564,943</u>	<u>598,066</u>	<u>400,210</u>	<u>559,807</u>	<u>587,255</u>
	<u>4,527,002</u>	<u>5,060,243</u>	<u>4,649,550</u>	<u>5,442,335</u>	<u>3,025,127</u>	<u>2,854,233</u>
Current Liabilities Payable from Restricted Assets						
Revenue bonds payable – current	1,715,000	1,960,000	1,800,000	1,505,000	1,540,000	770,000
Notes payable – current	89,080	106,389	106,922	107,458	107,996	36,062
Customer deposits	—	—	—	—	1,939,851	1,976,913
Accrued interest	<u>60,421</u>	<u>29,182</u>	<u>26,795</u>	<u>23,510</u>	<u>20,764</u>	<u>58,774</u>
	<u>1,864,501</u>	<u>2,095,571</u>	<u>1,933,717</u>	<u>1,635,968</u>	<u>3,608,611</u>	<u>2,814,749</u>
Total current liabilities	<u>6,391,503</u>	<u>7,155,814</u>	<u>6,583,267</u>	<u>7,078,303</u>	<u>6,633,738</u>	<u>5,695,982</u>
Noncurrent Liabilities						
Revenue bonds payable	14,148,975	14,810,000	13,010,000	11,505,000	9,965,000	9,965,000
Notes payable	3,909,243	1,537,127	1,430,205	1,322,748	1,214,752	1,214,752
Net pension liability	<u>2,966,739</u>	<u>3,760,976</u>	<u>3,307,148</u>	<u>3,242,357</u>	<u>3,299,315</u>	<u>3,299,315</u>
Total noncurrent liabilities	<u>21,024,957</u>	<u>20,108,103</u>	<u>17,747,353</u>	<u>16,070,105</u>	<u>14,479,067</u>	<u>14,479,067</u>
Total liabilities	<u>27,416,460</u>	<u>27,263,917</u>	<u>24,330,620</u>	<u>23,148,408</u>	<u>21,112,805</u>	<u>20,175,048</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related items	<u>226,879</u>	<u>95,087</u>	<u>156,571</u>	<u>436,914</u>	<u>31,376</u>	<u>31,376</u>
NET POSITION						
Net investment in capital assets	50,148,987	49,509,109	50,395,823	54,411,910	57,403,608	57,157,781
Restricted for capital projects	8,383,507	9,441,663	12,097,845	9,139,113	9,696,380	5,672,343
Restricted for debt service	215,898	186,716	249,332	252,617	255,363	571,977
Unrestricted	<u>8,802,763</u>	<u>12,760,896</u>	<u>13,472,271</u>	<u>17,767,041</u>	<u>20,106,250</u>	<u>21,967,291</u>
Total net position	<u>\$67,551,155</u>	<u>\$71,898,384</u>	<u>\$76,215,271</u>	<u>\$81,570,681</u>	<u>\$87,461,601</u>	<u>\$85,369,392</u>

Management’s Discussion and Analysis

General. For a narrative overview and analysis of the financial activities of the City for fiscal year ended December 31, 2019, see “Management’s Discussion and Analysis” included in Appendix C to this Official Statement. The Management’s Discussion and Analysis is not a required part of the basic financial statements of the City but is supplementary information required by the Governmental Accounting Standards Board (“GASB”) that has not been audited by the City’s auditor.

System Performance. The City of Monroe has well positioned its System over the past several years with substantial increases in net position in order to begin to heavily reinvest in its systems through expansion and rehabilitation. These recent improvement projects have begun to draw upon the capital expansion improvement fund as of August 31, 2020 with an increase of \$5,724,996 from 2019, however the majority of these funds, approximately \$4,452,138, is to be reimbursed from the proceeds of the Series 2020 Bonds.

Overall, fiscal year 2020 has seen less system revenue growth than in the recent past years. This change in the revenue trend is almost entirely resultant from this year’s weather; an unseasonably warm winter, followed by a moderate and wet spring, and a wet and cool summer. The largest driver of this change is found in the electric department where total 2020 energy usage is down 6.94% from 2019 (March 1-September 28). Other utilities such as water and gas followed suit with similar patterns of usage decline based on the mild, wet weather. Nevertheless, the rate of utility bill paying has never been higher, disconnections are low, and system growth and expansion to new customers is rapidly occurring.

Operating Budget

The City Administrator and the Finance Director prepare an annual operating budget for the System. The operating budget includes proposed revenues and expenses. The budget is prepared on a full accrual accounting basis. The City Council approves the operating budget of the System as part of the overall City operating budget. The City Administrator and the Finance Director are permitted to transfer appropriation within the System budget at the request of a Department Head. Other amendments to the operating budget of the System must be approved by the City Council. The City reviews the System’s operating budget on a monthly basis comparing current monthly and year-to-date revenues and expenses against the operating budget and the previous year’s results.

Set forth below is the System’s operating budget for fiscal year 2020. This budget is based upon certain assumptions and estimates regarding future events, transactions, and circumstances. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

Operating Revenues	
Charges for services	\$41,262,339
Investment income	<u>350,000</u>
Total operating revenues	<u>\$41,612,339</u>
Operating Expenses	
Electric and telecommunications	\$25,792,598
Utility administration and finance	1,063,293
Water, sewer, gas and GUTA	<u>14,756,448</u>
Total operating expenses	<u>\$41,612,339</u>

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Debt Service Requirements*

Set forth below are the debt service requirements on the Series 2016 Bond, the Series 2020 Bonds and certain other long-term debt of the City payable from the Net Revenues. The other long-term debt is either unsecured or secured by a subordinate lien on the Net Revenues.

Fiscal Year Ending December 31	Series 2020 Bonds			Series 2016	Total Bonds	Other ⁽¹⁾	Total
	Principal	Interest	Total	Bond			
2020	\$ —		\$ 339,348	\$ 1,783,528	\$ 2,122,876	\$ 114,363	\$ 2,237,239
2021	—		1,796,550	1,779,638	3,576,188	114,363	3,690,551
2022	—		1,796,550	1,780,091	3,576,641	114,363	3,691,004
2023	—		1,796,550	1,779,722	3,576,272	114,363	3,690,635
2024	—		1,796,550	1,783,587	3,580,137	114,363	3,694,500
2025	—		1,796,550	1,781,576	3,578,126	114,363	3,692,489
2026	—		1,796,550	1,783,799	3,580,349 ⁽²⁾	114,363	3,694,712 ⁽³⁾
2027	1,080,000		2,876,550	—	2,876,550	114,363	2,990,913
2028	1,135,000		2,877,550	—	2,877,550	114,363	2,991,913
2029	1,190,000		2,875,800	—	2,875,800	114,363	2,990,163
2030	1,250,000		2,876,300	—	2,876,300	114,363	2,990,663
2031	1,315,000		2,878,800	—	2,878,800	114,363	2,993,163
2032	1,365,000		2,876,200	—	2,876,200	47,646	2,923,846
2033	1,420,000		2,876,600	—	2,876,600	—	2,876,600
2034	1,475,000		2,874,800	—	2,874,800	—	2,874,800
2035	1,535,000		2,875,800	—	2,875,800	—	2,875,800
2036	1,595,000		2,874,400	—	2,874,400	—	2,874,400
2037	1,660,000		2,875,600	—	2,875,600	—	2,875,600
2038	1,730,000		2,879,200	—	2,879,200	—	2,879,200
2039	1,795,000		2,875,000	—	2,875,000	—	2,875,000
2040	1,870,000		2,878,200	—	2,878,200	—	2,878,200
2041	1,945,000		2,878,400	—	2,878,400	—	2,878,400
2042	2,020,000		2,875,600	—	2,875,600	—	2,875,600
2043	2,100,000		2,874,800	—	2,874,800	—	2,874,800
2044	2,185,000		2,875,800	—	2,875,800	—	2,875,800
2045	2,275,000		2,878,400	—	2,878,400	—	2,878,400
2046	2,365,000		2,877,400	—	2,877,400	—	2,877,400
2047	2,460,000		2,877,800	—	2,877,800	—	2,877,800
2048	2,560,000		2,879,400 ⁽²⁾	—	2,879,400	—	2,879,400
2049	2,660,000		2,877,000	—	2,877,000	—	2,877,000
2050	<u>2,765,000</u>		<u>2,875,600</u>	<u>—</u>	<u>2,875,600</u>	<u>—</u>	<u>2,875,600</u>
Total	<u>\$43,750,000</u>		<u>\$80,159,648</u>	<u>\$12,471,941</u>	<u>\$92,631,588</u>	<u>\$1,420,002</u>	<u>\$94,051,590</u>

(1) Includes a loan from GEFA.
(2) Maximum annual debt service on the Bonds.
(3) Maximum annual debt service on all long-term debt.

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Historical Debt Service Coverage Ratios

Set forth below are the historical debt service coverage ratios for the past five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating Income	\$6,932,752	\$7,064,997	\$6,267,146	\$6,441,639	\$7,721,490
Plus:					
Depreciation	\$2,422,606	\$3,203,344	\$2,462,336	\$2,733,904	\$2,431,663
Interest Income	76,109	175,847	265,069	388,841	669,317
Gain on Sale of Capital Assets	—	49,625	5,831	1,607	2,618
Net Revenues Available for Debt Service	\$9,431,467	\$10,493,813	\$9,000,382	\$9,565,991	\$10,825,088
Debt Service on Bonds ⁽¹⁾	\$2,431,763	\$2,432,763	\$2,309,391	\$2,114,484	\$1,781,652
Debt Service Coverage on Bonds	3.88x	4.31x	3.90x	4.52x	6.08
Debt Service on All Debt ⁽²⁾	\$2,446,583	\$2,451,822	\$2,421,367	\$2,225,562	\$1,893,268
Debt Service Coverage on All Debt	3.85x	4.28x	3.72x	4.30x	5.72x

⁽¹⁾ Includes debt service on the Series 2016 Bond. Excludes the other debt.

⁽²⁾ Includes debt service on the Series 2016 Bond and the other debt.

Historical Pro-Forma Debt Service Coverage Ratios

Set forth below are the historical pro-forma maximum annual debt service coverage ratios for the past five fiscal years.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Revenues Available for Debt Service	\$9,431,467	\$10,493,813	\$9,000,382	\$9,565,991	\$10,825,088
Maximum Debt Service on Bonds ^{(1)*}	\$3,580,349	\$3,580,349	\$3,580,349	\$3,580,349	\$3,580,349
Debt Service Coverage on Bonds	2.63x	2.93x	2.51x	2.67x	3.02x
Maximum Debt Service on All Debt ^{(2)*}	\$3,694,712	\$3,694,712	\$3,694,712	\$3,694,712	\$3,694,712
Debt Service Coverage on All Debt	2.55x	2.84x	2.44x	2.59x	2.93x

⁽¹⁾ Includes debt service on the Series 2016 Bond and the Series 2020 Bonds. Excludes the other debt. See "Debt Service Requirements."

⁽²⁾ Includes debt service on the Series 2016 Bond, the Series 2020 Bonds and the other debt. See "Debt Service Requirements."

Forecasted Debt Service Coverage Ratios

See the Series 2020 Engineering Report in Appendix B for the forecasted debt service coverage ratios. The Series 2020 Engineering Report is based upon certain assumptions and estimates of the Engineers regarding future events, transactions, and circumstances. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the Series 2020 Engineering Report.

Capital Improvements Program and Additional Debt

The City has a five-year Capital Improvement Program (“CIP”). The CIP is reviewed and updated annually. The CIP for the System is included in the overall CIP of the City. Set forth below is the five-year CIP for the System excluding those projects that will be funded with the proceeds of the Series 2020 Bonds.

<u>Department</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Electric	\$1,177,020	\$ 610,000	\$ 265,000	\$ 0	\$ 0
Gas	881,639	550,000	525,000	475,000	425,000
Sewer	421,715	310,000	350,000	520,000	300,000
Stormwater	386,125	498,500	150,000	150,000	60,000
Telecomm	73,456	0	0	0	0
Water	1,289,488	1,036,500	631,500	806,500	581,500
Administration	<u>208,409</u>	<u>48,261</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,437,852</u>	<u>\$3,053,261</u>	<u>\$1,921,500</u>	<u>\$1,951,500</u>	<u>\$1,366,500</u>

The City does not anticipate issuing any additional debt for the next five years in order to fund the CIP of the System.

Financial Policies

The City maintains financial management policies that guide the preparation, adoption, amendment, and administration of the operating budget, the capital budget and the capital improvements plan. These policies are developed to conform to the Government Finance Officers Association best practices, comply with the City’s code of ordinances and State statutes. Set forth below is a summary of some of the policies.

- Transfers to the General Fund from the Enterprise Funds shall be made only after sufficient net income is retained to cover debt service and capital improvements essential to properly maintain and expand utility services.
- The City shall provide resources from current revenues to fund an adequate maintenance and replacement schedule for infrastructure, and the vehicle and equipment fleet.
- The City will budget revenues conservatively so that the chance of a revenue shortage during the year is remote.
- The City will review annually all fees and charges to assure that they maintain their inflation-adjusted purchasing power.
- The City will maintain a working capital reserve in the System equal to 17% of operating expenses.
- The City will aggressively pursue all revenues due, including past due utility bills, court tickets and fines, and property taxes, using whatever legal means are available.
- Investments shall emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.
- City will attempt to fund capital improvements through net income of the utility systems, general revenues, and its portion of any SPLOST (Special Purpose Local Option Sales Tax) funds before resorting to long-term debt issuance.
- The City will not issue notes or bonds to finance operating deficits.

- The City Council will receive a monthly finance report showing budget reports, status of revenues, expenditures/expenses, investment and cash balances, Income Statements, Cash Flow Statements where appropriate, and all Investments.

There can be no assurance that the City will retain these policies or will not modify these policies.

THE CITY

The information contained in this section is included only for purposes of supplying general information regarding the City’s service area. The Series 2020 Bonds are secured by and payable solely from the Net Revenues.

General Information

The City was incorporated in 1821 and is located approximately 40 miles east of Atlanta. The City encompasses approximately 15 square miles. The City’s estimated population in 2018 was 13,370.

Form of Government and Management

The City is governed by, and generally acts through, a City Council consisting of the Mayor and eight⁽¹⁾ council members who serve four-year staggered terms. The Mayor is elected at-large, two council members are elected from super districts and six council members are elected by districts. Information concerning the current City Council is set forth below:

<u>Name</u>	<u>Principal Occupation</u>	<u>Expiration of Term</u>
John Howard, Mayor	Sales & Marketing	12/31/2021
Lee Malcom	Real Estate	12/31/2023
Myoshia Crawford	Shipping Operator	12/31/2023
Ross Bradley	Restaurant Owner	12/31/2021
Larry Bradley	Retired	12/31/2023
Norman Garrett	Unemployed	12/31/2023
Nathan Little	Accountant	12/31/2023
David Dickinson	Attorney	12/31/2021

⁽¹⁾ One seat is currently vacant due to the recent death of a council member. The unexpired term will be filled in a special election held in connection with the November, 2020 general election.

The City Administrator handles the day to day affairs of the City. Logan Propes has served as the City Administrator since May, 2017. He was previously the City’s Finance Director since 2015. Before coming to the City of Monroe, he served as Finance Director in Jackson County, Georgia where he worked for over nine years. Logan began his public service career with the Hall County Court System as a Clerk for the State and Superior Courts and also worked in Washington, D.C. for Congressman and future Georgia Governor, Nathan Deal. Logan holds a Master’s Degree in Public Administration and Bachelor of Science in Political Science from North Georgia College & State University in Dahlonega, Georgia (now University of North Georgia). Logan also holds an Associate’s Degree in Business from Gainesville State College (now also University of North Georgia) and holds full certifications as a Local Government Finance Officer through the University of Georgia’s Carl Vinson Institute of Government and is an active member in the Georgia Government Finance Officers Association and Georgia City-County Manager’s Association. Logan has also lived in Monroe for almost 15 years.

The Finance Director handles the financial affairs of the City. Beth Thompson has been employed with the City since December, 1996. She has served as the City’s Finance Director since February 2018. Previously, she was the City’s Accounting & Utility Billing Manager. She has over 20 years of governmental accounting experience. Beth graduated from Athens Technical College in June, 2000 with a degree in Accounting. She holds full certifications as a Local Government Finance Officer through the University of Georgia’s Carl Vinson Institute

of Government, has been an active member in the Government Finance Officers Association and Georgia Government Finance Officers Association for many years.

Employee Benefits

The City offers its full-time employees medical, dental and vision insurance (“Health Insurance”). The City self-insures for the Health Insurance. A portion of the premiums are paid by the City, and a portion of the premiums are paid by the employees. The City has a commercial stop-loss medical insurance policy to cover annual individual claims in excess of \$60,000 for most individuals and aggregate annual claims in excess of \$2,545,186. The City also offers a free onsite clinic with no copays and free generic maintenance prescriptions. The City pays the premiums for a \$50,000 life insurance policy for each full-time employee. Employees may purchase additional life insurance, accident insurance and cancer insurance at their expense. Full-time employees also are entitled to paid annual vacation, sick and maternity leave.

The City has also established a non-contributory defined benefit plan (the “Defined Benefit Plan”) covering all full-time employees. The Defined Benefit Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to the Defined Benefit Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week are eligible to participate in the Defined Benefit Plan after one year. Benefits vest after five years of service. For the fiscal year ended December 31, 2019, the City’s contribution rate was 15.01% of annual payroll, and contributions to the Defined Benefit Plan totaled \$1,582,909. The net pension liability as of December 31, 2019 was \$7,860,202. See Note 9 of the audited financial statements for more information about the Defined Benefit Plan.

The City does not offer any other post-retirement benefits.

City Services

The City provides a full range of municipal services including police and fire protection, maintenance of streets, solid waste, building and zoning, code enforcement and library facilities. In addition to the usual government services, the City also provides a full range of utility services including those that are part of the System and solid waste. The City owns and operates the Cy Nunnally Memorial Airport as well as the Georgia Utility Training Academy whereby classes are conducted to train municipal and private sector employees in electric, water, sewer, and gas utilities. The City has recently taken over the County’s passive recreation parks located in the City limits.

Education

The Walton County School District consists of nine elementary schools, three middle schools and four high schools. The City is also served by two private schools. The University of Georgia is located approximately 24 miles east of the City.

Healthcare

There is one inpatient hospital in the City. Piedmont Walton Hospital has 77 beds and offers a full range of medical services and procedures. There are many other hospitals near the City.

Transportation

The nearest seaport is approximately 230 miles away at Savannah with a maintained channel depth of 42 feet.

The nearest commercial air service is in Atlanta at Hartsfield-Jackson Atlanta International Airport which is served by most major domestic and international carriers.

There are two highways leading into the County from east to west: US-78 and GA-138, and there are two highways leading into the County from north to south: GA-81 and GA-11.

Recreation

The City provides services for all parks within the City, including upkeep and maintenance of all grounds. The City of Monroe’s district contains seven parks and the City is in the process of creating a Town Green where downtown events and outdoor concerts will take place.

Category of Land

Set forth below are the categories of land use by acres within the City for calendar year 2020.

<u>Land Type</u>	<u>Percentage by Acreage⁽¹⁾</u>
Residential	53.19%
Historical	.08
Agricultural	5.70
Conservation Use	6.17
Commercial	17.85
Industrial	8.77
Timber	<u>8.24</u>
	<u>100.00%</u>

⁽¹⁾ Percentages are based on the number of acres of real property set aside for each purpose. The total acreage of all real property subject to ad valorem taxation located in the City is approximately 8,692.86 acres. This figure does not include the acreage of any real property that is exempt from ad valorem property taxation. The City has approximately 1,354.15 acres of exempt property.

Source: 2020 Consolidation Sheet.

Demographic Information

Population. Set forth below is the estimated population of the City for the 1990, 2000 and 2010 Census years and as of 2018 (the most recent information available).

<u>Year</u>	<u>Population</u>
1990	9,759
2000	11,570
2010	13,234
2018	13,370

Source: United States Bureau of Census, 1990, 2000; and 2010 U.S. Census American Community Survey 2018 Population Estimates.

Population by Age. The median age of the City’s population estimated as of 2018 was 32.4 years. The following table presents the percent of population by age for the City as estimated for 2018 (the most recent information available).

<u>Median Age</u>	<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
32.4	32.1%	36.5%	19.1%	12.4%

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Population by Race. The following table presents estimated percent of population by race for the City for 2018 (the most recent information available).

<u>White</u> ⁽¹⁾	<u>Black or African American</u> ⁽¹⁾	<u>American Indian & Alaska Native Persons</u> ⁽¹⁾	<u>Asian</u> ⁽¹⁾	<u>Native Hawaiian and Other Pacific Islander</u> ⁽¹⁾	<u>Two or More Races</u>	<u>Hispanic or Latino</u> ⁽²⁾	<u>White Not Hispanic</u> ⁽²⁾
52.0%	45.3%	0.0%	0.3%	0.0%	1.8%	1.9%	50.5%

- ⁽¹⁾ Includes persons reporting only one race and therefore does not account for 100% of the population.
- ⁽²⁾ The U.S. Census Bureau adheres to the U.S. Office of Management and Budget’s (“OMB”) definition of ethnicity. OMB considers race and Hispanic origin to be two separate and distinct concepts. Under OMB’s reporting system, Hispanics and Latinos may be of any race and are therefore accounted for in the previous headings.

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Educational Attainment. The following table presents the level of education of the population 25 years and over for the City estimated for 2018 (the most recent information available).

Less than 9 th grade	5.3%
9 th to 12 th grade, no diploma	7.1
High school graduate (including equivalency)	27.1
Some college, no degree	20.6
Associate’s degree	8.4
Bachelor’s degree	19.4
Graduate or professional degree	<u>12.1</u>
	<u>100.0%</u>
Percent high school graduate or higher	87.8%
Percent bachelor’s degree or higher	31.5%

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the City. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the City or the Underwriter.

Per Capita Income. The following table reflects the estimated personal income figures (in thousands) for the City, the State of Georgia and the United States for calendar years 2014 through 2018 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>State</u>	<u>United States</u>
2014	\$15,461	\$39,795	\$47,058
2015	15,840	41,681	48,978
2016	15,936	42,693	49,870
2017	16,570	44,536	51,885
2018	16,671	46,482	54,446

Source: United States Department of Commerce, Bureau of Economic Analysis.

Mean and Median Income. The following table reflects the median and mean family incomes for the City, the State and the United States for calendar year 2018 (the most recent information available).

	<u>City</u>	<u>State</u>	<u>United States</u>
Median Family Income	\$37,730	\$67,405	\$73,965
Mean Family Income	49,580	91,173	\$99,436

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Poverty Levels. The following table reflects an estimate of the percentage of all people in the City, the State and the United States with incomes lower than the poverty level for calendar year 2018 (the most recent information available).

<u>City</u>	<u>State</u>	<u>United States</u>
30.7%	16.0%	14.1%

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Household Income Distribution. The following table reflects the estimated income distribution of all households in the City for the calendar year 2018 (the most recent information available).

<u>Income</u>	<u>Percent of Households</u>
Less than \$10,000	11.6%
\$10,000 to \$14,999	12.8
\$15,000 to \$24,999	14.4
\$25,000 to \$34,999	13.4
\$35,000 to \$49,999	16.8
\$50,000 to \$74,999	16.2
\$75,000 to \$99,999	6.6
\$100,000 to \$149,999	5.3
\$150,000 to \$199,999	1.8
\$200,000 or more	<u>0.9</u>
	<u>100.0%</u>

Source: United States Bureau of Census, American Community Survey, 5-Year Estimates Program, 2014-2018.

Median Home Values. The following table reflects the median home value of owner occupied housing for the City, the State and the United States for the 1980, 1990 and 2000 census years and an estimate for the calendar years 2010 and 2018 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>State</u>	<u>United States</u>
2018	\$123,700	\$166,800	\$204,900
2010	115,600	161,400	188,400
2000	82,900	111,200	119,600
1990	54,200	71,300	79,100
1980	28,800	36,900	47,200

Source: U.S. Census Bureau, 1980, 1990, and 2000 U.S. Census and U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2006-2010 and 2014-2018.

Labor Statistics. Set forth below are labor statistics for the County (data for the City are not available), the State and the United States for the past five years, and as of August 2020 (the most recent information available at the County level).

	<u>2020⁽¹⁾</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County Labor Force	43,358	46,011	45,479	44,646	43,313	41,501
County Unemployment Rate	4.5%	3.1%	3.6%	4.3%	4.9%	5.4%
State Unemployment Rate	5.9	3.4	3.9	4.7	5.4	6.0
United States Unemployment Rate	8.5	3.7	3.9	4.4	4.9	5.3

⁽¹⁾ As of August 2020.

Source: Georgia Department of Labor.

Commuting Data. The following table presents the estimated percentages of the City’s population employed at jobs located within the County and those employed at jobs located outside of the County for the calendar year 2018 (the most recent information available).

	<u>Inside the County</u>	<u>Outside the County</u>
Residents of the City Employed:	55.8%	44.2%

Source: United States Bureau of Census, American Community Survey 5-Year Estimates, 2014-2018.

Building Permits. Set forth below is information concerning building permits (new construction and renovation) in the City for the last five years.

<u>Year</u>	<u>Permits Issued</u>	<u>Estimated Cost</u>
2015	76	\$7,110
2016	98	43,219
2017	149	12,638
2018	174	24,577
2019	121	43,230

Source: City Records.

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Industry Mix. The following table sets forth an estimate of the industry mix and the average number of employees employed in the indicated industry within the County (data for the City are not available) for the fourth quarter of 2019 (the most current information available) based on the Quarterly Census of Wages and Employment Program conducted by the Georgia Department of Labor. The estimates include persons employed in the indicated industry within the County regardless of where they reside (and thus reflect a total labor force greater than the County's total labor force). The table does not provide information with respect to all industries and firms doing business within the County.

<u>Industry⁽¹⁾</u>	<u>Number of Firms</u>	<u>Number of Employees</u>
Goods Producing	376	5,790
Agriculture, Forestry, Fishing & Hunting	16	103
Mining, Quarrying and Oil & Gas Extraction	3	18
Construction	299	2,772
Manufacturing	58	2,898
Service Providing	1,276	13,696
Utilities	3	(2)
Wholesale Trade	99	1,530
Retail Trade	216	2,681
Transportation and Warehousing	53	1,369
Information	20	74
Finance and Insurance	88	450
Real Estate and Rental and Leasing	78	171
Professional, Scientific & Technical Services	160	548
Management of Companies & Enterprises	3	(2)
Admin, Support, Waste Mgmt. & Remediation	139	965
Education Services	17	431
Health Care and Social Assistance	158	2,420
Arts, Entertainment and Recreation	18	84
Accommodation and Food Services	117	2,268
Other Services (except Public Admin)	107	485
Unclassified Industry	<u>103</u>	<u>90</u>
Total Private Sector ⁽³⁾	<u>1,755</u>	<u>19,576</u>
Government		
Federal government	10	154
State government	16	233
Local government	<u>31</u>	<u>3,413</u>
Total Government	<u>57</u>	<u>3,800</u>
ALL INDUSTRIES ⁽³⁾	<u>1,812</u>	<u>23,377</u>

(1) These data use the North American Industrial Classification System (NAICS) categories (as opposed to Standing Industrial Classification (SIC) categories).

(2) Denotes confidential data relating to individual employees and cannot be released.

(3) Figures in other columns may not sum accurately due to rounding and confidential data.

Source: Georgia Department of Labor. The data represent jobs that are covered by unemployment insurance laws.

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Top Ten Largest Employers. Set forth below are the largest employers located in the City, their businesses, and their approximate number of employees as of June 15, 2019. There can be no assurance that any employer listed below will continue to be located in the area or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

	<u>Company</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1.	Wal-Mart Distribution Center	General Retailer	816
2.	Hitachi Automotive Systems	Automotive	696
3.	Walton County Government	Government	627
4.	Piedmont Walton Hospital	Healthcare	438
5.	Elite Storage Solutions	Storage	250
6.	City of Monroe	Government	237
7.	Walton County Board of Education	Education	184
8.	Wal-Mart SuperCenter	General Retailer	177
9.	State of Georgia	Government	127
10.	Vest Monroe Ridgeview Institute	Healthcare	125

Source: Monroe City Chamber of Commerce.

Economic Development. The City’s proximity to Atlanta, its sense of history (with many historic structures from the late 1800s and early 1900s still standing), rolling countryside and innovative and progressive thinking make it attractive to new industries and economic development. The City has a variety of industries such as a Wal-Mart Distribution Center, Hitachi Automotive Systems manufacturing center and Elite Storage Systems manufacturing facility. The City utilizes various financial incentives to attract a variety of businesses, including having one of the largest federal opportunity zones in the greater Atlanta metro area, a port tax credit bonus, a new quality jobs tax credit and downtown development programs. The City’s local option sales tax revenues has continued to climb, increasing 6.4% year-over-year as of August 31, 2020.

The City’s outlook remains bright. The City recently confirmed a multi-phase retail project anchored by a Publix grocery store that is anticipated to be a \$100 million development at full buildout with uses to include hotels, restaurants, gym and many retail shops; this project is currently under construction with phase 1 slated for initial store openings in July, 2021. The project is one of the largest retail projects currently under construction in the State. The City will be the full-service utility provider for the shopping center development. Historic Downtown Monroe is at 100% occupancy in commercial and residential spaces, and approximately 1,000 new homes are slated to be built in planned and infill developments either within the City corporate limits or the System utility service areas. Within the City limits alone as of September 21, 2020 there have been 78 new residential building permits issued, while 2019 saw 118 new residential permits.

CERTAIN RISK FACTORS

The purchase of the Series 2020 Bonds involves special risks and the Series 2020 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Series 2020 Bonds and could affect the market price of the Series 2020 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Series 2020 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Limited Obligations

The Series 2020 Bonds constitute limited obligations of the City and are secured by and payable solely from the Net Revenues of the System. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS.”

If the System, or any material portion thereof, were to become inoperable due to damage, destruction, or environmental restriction or if the City should lack raw water or lack treatable water due to contamination, drought or catastrophe, the City may be unable to generate adequate revenues of the System. The City has covenanted in the Ordinance that it will set the schedule of rates, fees, and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.15 times the Debt Service Requirement in the current Fiscal Year (the “Rate Covenant”). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS – Rate Covenant” and “THE SYSTEM.”

No Mortgage Secures the Series 2020 Bonds. The payment of principal of and interest on the Series 2020 Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the City, except for the Net Revenues pursuant to the Ordinance. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Series 2020 Bonds.

Additional Bonds

The City has reserved the right to issue Additional Bonds. If such Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds. See Appendix A for a description of the terms and conditions under which Additional Bonds may be issued.

Factors That May Cause Insufficiency of Expected Net Revenues

The generation of Net Revenues is dependent upon several factors outside the City’s control, such as the economy, collections of service charges and tap fees, continued growth (or lack thereof), and changes in law. It is impossible to predict whether current economic conditions will continue or worsen or to predict how future conditions will affect the operation of the System or the City’s finances in general. The following factors, among others, may impact the generation of Net Revenues in the future.

General. Payment of principal of and interest on the Series 2020 Bonds is dependent upon the generation of sufficient Net Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, if the City should lack raw water or lack treatable water due to contamination, lack of adequate supply to serve existing customers, drought or for any other reason, if the City has inadequate storage or transmission facilities, if the City is unable to increase rates and charges for any reason or if the City incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the City may be unable to generate adequate revenues from the System to pay debt service on the Series 2020 Bonds (subject to the requirement that the City must subsequently raise rates if necessary to satisfy the Rate Covenant).

Water Quality and Environmental Requirements. The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water systems like that of the System are regulated by the Environmental Protection Agency, and the EPD has the authority to enforce drinking water quality standards. Water quality standards imposed by the federal government or the State may affect the water available to the City and implementation of those standards or enforcement by the EPD could result in increased costs associated with water treatment operations of the City. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Revenues.

In operating the System, the City also may be subject to various environmental regulations that could subject the City to increased operating costs or capital expenditures. Such risks include the use of hazardous materials in the water treatment process and the disposal of such materials, the occurrence of upstream events that could cause contamination of the City’s water sources, or other factors. Such increased costs could reduce the amount of Net Revenues available to pay debt service on the Series 2020 Bonds.

Drought. In recent years, the State has experienced drought conditions. Continued, or more severe, watering limitations or increased conservation measures could reduce the amount of water treated and sold by the City and therefore could reduce the Net Revenues generated by the System. Further, although the City may increase rates and charges in response to lower usage, it is not possible to predict at this time whether any rate increases can or will be implemented in time to pay debt service on the Series 2020 Bonds in any given fiscal year.

Cybersecurity. Despite the implementation of network security measures by the City, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the City’s ability to collect Net Revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the City, no assurances can be given that the City’s measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the System.

COVID-19. The federal government and various state and local governments, including the City, have implemented a variety of different efforts aimed at preventing the spread of COVID-19. Such efforts include but not are not limited to travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements and facility closures. It is impossible to predict whether businesses will be financially able to reopen, will choose to reopen, or be able to remain open or whether customers will return in pre-closure numbers. Increases in new cases of COVID-19 in future months may lead to additional closures or restrictions on businesses in the future. It is not possible to predict the duration or severity of unemployment resulting from the closures or the resulting impact on City revenues. Lack of business income and increased rates of unemployment could result in an inability of System customers to pay utility bills on time. See “THE SYSTEM – Corona Virus/COVID-19” for discussion of the efforts taken by the City and the impact of COVID-19 on the System.

Although COVID-19 has not materially affected System revenues to date, it is impossible to predict whether current economic conditions will worsen or to predict how future conditions will affect the operation of the System or the City’s finances in general. Poor national and regional economic conditions may also increase the rate of nonpayment of fees and charges by the City’s customers in the future.

Secondary Market

There is no guarantee that a secondary market for the Series 2020 Bonds will be maintained. Thus, owners of Series 2020 Bonds should be prepared to hold their Series 2020 Bonds to maturity.

Changes in Law

Various federal and State laws and constitutional provisions apply to the imposition, collection, and expenditure of the Net Revenues and the operation of the System and the City. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the System, the affairs of the City and the imposition, collection, and expenditure of the Net Revenues.

No Trustee

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Ordinance on behalf of the Bondholders, and therefore the Bondholders should be prepared to enforce such provisions themselves if the need to do so ever arises.

Series 2020 Engineering Report

The Series 2020 Engineering Report included as Appendix B to this Official Statement contains certain assumptions and forecasts. Actual results are likely to differ, perhaps materially, from those forecasts. Accordingly, the forecasts contained in the Engineering Report are not necessarily indicative of future performance, and neither the Engineers nor the City assumes any responsibility for the failure to meet such forecasts. In addition, certain assumptions with respect to future business and financing decisions of the City are subject to change. If actual results are less favorable than the results forecast or if the assumptions used in preparing such forecasts prove to be incorrect, the amount of Net Revenues may be materially less than expected and consequently, the ability to make timely payments of the principal of and interest on the Series 2020 Bonds from Net Revenues may be materially adversely affected.

TAX MATTERS

Federal Taxes

Generally. In the opinion of Murray Barnes Finister LLP, Bond Counsel, under existing statutes, rulings and court decisions, and assuming compliance by the City with certain tax covenants, interest on the Series 2020 Bonds (including any original issue discount properly allocable to the holders thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Except as provided below with respect to original issue discount and original issue premium, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on, or the ownership of, the Series 2020 Bonds.

Ownership of the Series 2020 Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2020 Bonds. Purchasers of the Series 2020 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In rendering its opinion that the interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, Bond Counsel will (a) rely as to questions of fact material to its opinion upon certificates and certified proceedings of public officials, including officials of the City, and representations of the City (including representations as to the use and investment of the proceeds of the Series 2020 Bonds and the Series 2016 Bond), without undertaking to verify the same by independent investigation and (b) assume continued compliance by the City with its covenants relating to the use of the proceeds of the Series 2020 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the related Series 2020 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020 Bonds.

Original Issue Discount. In the opinion of Bond Counsel, under existing law, any original issue discount in the selling price of a Series 2020 Bond, to the extent properly allocable to a holder of such Series 2020 Bond, is excluded from gross income for federal income tax purposes with respect to such holder. The original issue discount is the excess of the stated redemption price at maturity of such Series 2020 Bond over the initial offering price to the

public, excluding underwriters and other intermediaries, at which price a substantial amount of such Series 2020 Bond was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (a) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (b) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (c) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner’s tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

Original Issue Premium. An amount equal to the excess of the purchase price of a Series 2020 Bond over its stated redemption price at maturity constitutes premium on such Series 2020 Bond. A purchaser of a Series 2020 Bond must amortize any premium over such Series 2020 Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Series 2020 Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2020 Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Series 2020 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2020 Bonds.

Disclaimer. The foregoing is a general discussion of certain federal income tax consequences of original issue discount and premium and does not purport to deal with all tax questions that may be relevant to particular investors or circumstances. Purchasers of the Series 2020 Bonds should consult their own tax advisors with respect to original issue discount and premium and with respect to the state and local tax consequences of original issue premium.

State of Georgia Taxes

In the opinion of Bond Counsel, under existing law, interest on the Series 2020 Bonds is exempt from present state income taxation within the State of Georgia. Interest on the Series 2020 Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Purchasers of the Series 2020 Bonds should consult their own tax advisor with respect to the tax-exempt status of interest on the Series 2020 Bonds in a particular state or local jurisdiction other than the State of Georgia.

LEGAL MATTERS

Pending Litigation

The City, like other similar municipal corporations, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position of the System.

There is no controversy or litigation of any nature now pending against the City restraining or enjoining the issuance or delivery of the Series 2020 Bonds or questioning or affecting the validity of the Series 2020 Bonds or the proceedings and authority under which they are issued. There is no litigation pending which in any manner questions

the power of the City to issue the Series 2020 Bonds or to secure the Series 2020 Bonds in accordance with the provisions of the Ordinance by the pledge of the Net Revenues of the System.

Validation Proceedings and Approving Opinions

In accordance with the procedures set forth in the Revenue Bond Law, the Series 2020 Bonds will be validated by order of the Superior Court of Walton County prior to the issuance of the Bonds.

Legal matters incidental to authorization and issuance of the Series 2020 Bonds by the City are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the City. It is anticipated that the approving opinion will be in substantially the form attached hereto as Appendix E. Certain legal matters will be passed upon for the City by its counsel, Preston & Malcom, P.C.

All legal opinions will state that the rights of the owners of the Series 2020 Bonds and the enforceability of the documents covered by such opinions may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Closing Certificate

The City will deliver to the Underwriter a certificate to the effect that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Ratings

Moody's Investors Service, Inc. ("Moody's") has assigned the Series 2020 Bonds the underlying rating as shown on the cover page without regard to the Insurance Policy, and S&P Global Ratings Inc. ("S&P") is expected to assign the Series 2020 Bonds the insured rating as shown on the cover page of this Official Statement. An explanation of the significance of such ratings may be obtained from Moody's or S&P, respectively.

The above-described ratings are not a recommendation to buy, sell or hold the Series 2020 Bonds. Generally, rating agencies base their rating on information and materials furnished to the agencies and on investigations, studies and assumptions by the agencies. There is no assurance that the ratings will be maintained for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in such agency's judgment, circumstances so warrant. Any such downward revision or withdrawal of either of the ratings on the Series 2020 Bonds may have an adverse effect on the market price of the Series 2020 Bonds. Neither the City nor the Underwriter has undertaken any responsibility to oppose any such revision, suspension or withdrawal.

Underwriting

Stifel Nicolaus and Company, Inc. (the "Underwriter") has agreed to purchase the Series 2020 Bonds pursuant to a Bond Purchase Agreement entered into between the City and the Underwriter. The Underwriter has agreed to purchase the Series 2020 Bonds at a purchase price of \$_____ (par, plus net original issue premium of \$_____, and less an underwriting discount of \$_____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2020 Bonds if any are purchased; however, the obligation of the Underwriter to purchase the Series 2020 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter intends to offer the Series 2020 Bonds to the public initially at the offering prices shown on the inside cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in

offering the Series 2020 Bonds to the public. The Underwriter may offer and sell the Series 2020 Bonds to certain dealers at prices lower than the public offering.

Independent Auditors

The financial statements of the City for the fiscal year ended December 31, 2019 attached hereto as Appendix C have been audited by Mauldin & Jenkins, LLC to the extent and for the period indicated in its report thereon, which appears in Appendix C. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins, LLC. Mauldin & Jenkins, LLC has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Mauldin & Jenkins, LLC also has not performed any procedures relating to this Official Statement.

Engineers

The Series 2020 Engineering Report has been prepared by the Engineers and has been included herein in reliance upon the fact that the Engineers are experts.

Additional Information

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2020 Bonds.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFERING STATEMENT

This Official Statement has been authorized by the City.

CITY OF MONROE, GEORGIA

By: _____
Mayor

APPENDIX A

Summary of the Ordinance

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SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following summarizes certain provisions of the Ordinance. The summary does not purport to be complete and is qualified in its entirety by express reference to the Ordinance, a copy of which is on file in the office of the City Administrator. Reference is made to the Ordinance for the detailed provisions thereof.

Definitions

The following is a summary of the definitions of certain words and terms used in the Ordinance that are used in this Official Statement. Reference is made to the Ordinance for the detailed provisions thereof.

“Additional Bonds” means any revenue bonds of the City ranking on parity with the Series 2016 Bond and the Series 2020 Bonds which may hereafter be issued pursuant to the Ordinance.

“Bond Registrar” means, with respect to the Series 2020 Bonds, Regions Bank, and with respect to any other series of Bonds, any commercial bank or person appointed by the City from time to time to maintain the bond register for such series of Bonds.

“Bonds” means any revenue bonds issued by the City pursuant to the Ordinance, including the Series 2016 Bond, the Series 2020 Bonds and any Additional Bonds.

“City” means the City of Monroe, Georgia, a municipal corporation of the State of Georgia and its successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended and any regulations promulgated thereunder.

“Construction Fund” means the City of Monroe, Georgia Combined Utility Construction Fund described under the heading “Funds; Flow of Funds” below.

“Construction Fund Custodian” means Regions Bank, or any other commercial bank appointed by the City from time to time to maintain the Construction Fund.

“Consulting Engineers” means an engineer or engineering firm having a national reputation for skill relating to public utility systems.

“Credit or Liquidity Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar facility established in connection with the issuance of any Additional Bonds.

“Debt Service Account” means the Debt Service Account created within the Sinking Fund.

“Debt Service Coverage Ratio” means the ratio determined by dividing the Income Available for Debt Service by the Debt Service Requirement.

“Debt Service Requirement” means, with respect to any measurement period, the principal and interest payable on the Bonds in such measurement period; provided however, interest shall be excluded from the determination of the Debt Service Requirement to the extent the same is provided from the original proceeds of Bonds.

“Debt Service Reserve Requirement” means, as of any date of calculation, (a) with respect to the Series 2020 Bonds, an amount equal to the least of (i) 10% of the stated principal amount of the Series 2020 Bonds, (ii) the maximum annual debt service on the Series 2020 Bonds payable in any specified measurement period or (c) 125% of average annual debt service on the Series 2020 Bonds payable in any specified measurement period and (b) with respect to Additional Bonds, the amount, if any, set forth in the supplemental ordinance authorizing the issuance of such Additional Bonds.

“Debt Service Reserve Surety Bond” means a surety bond or irrevocable letter of credit credited to the Reserve Account in lieu of or in partial substitution for moneys and securities on deposit therein.

“Disclosure Agreements” means any disclosure agreement, including the Series 2020 Disclosure Agreement, executed in connection with the issuance of the Series 2020 Bonds and any Additional Bonds.

“Engineering Report” means any engineering report related to projects to be acquired, constructed, installed or equipped with the proceeds of any Bonds.

“Expansion Fund” means the expansion fund created in Section 6.04 of the City’s Charter.

“Fiscal Year” means any period of twelve consecutive months adopted by the City as the fiscal year for financial reporting purposes related to the System and shall initially mean the period beginning on January 1 of each calendar year and ending on December 31 of the same calendar year.

“Funds” means the Revenue Fund, the Sinking Fund, the Renewal and Extension Fund and the Construction Fund.

“Government Obligations” means direct general obligations of the United States of America or obligations which are unconditionally guaranteed by the United States of America, in either case which are not callable except at the option of the holder thereof.

“Gross Revenues” means the gross revenues of the System, including, without limitation, all tap fees and connection fees, whether or not accounted for as revenue or contributed capital, and all earnings on amounts on deposit in the Funds.

“Income Available for Debt Service” means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof shall take into account (a)(i) a gain or loss resulting from either the extinguishment of Bonds or the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (ii) unrealized gains or losses or (iii) any other components of revenues or expenses that do not contribute to or diminish cash flow available to pay debt service, or (b) earnings on the Construction Fund.

“Insurance Policy” means the municipal bond insurance policy issued by Insurer guaranteeing the scheduled payment of principal and interest on the Series 2020 Bonds when due.

“Insurer” means with respect to the Series 2020 Bonds, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company, or any successor thereto or assignee thereof.

“Interest Payment Date” means (a) with respect to the Series 2016 Bond and the Series 2020 Bonds, each June 1 and December 1, and (b) with respect to any Additional Bonds, the interest payment date specified in the supplemental ordinance authorizing such Additional Bonds.

“Maximum Annual Debt Service Coverage Ratio” means the ratio determined by dividing Income Available for Debt Service by the Maximum Annual Debt Service Requirement.

“Maximum Annual Debt Service Requirement” means the maximum annual Debt Service Requirement.

“Modified Gross Revenues” means sales revenue of the System less bad debt expense and less utility subsidies provided to facilities of the City and all subdivisions thereof. Electric sales revenue derived from sales of electricity to customer choice loads, as defined in O.C.G.A. § 46-3-1, shall be excluded from these computations.

“Net Revenues” means the Gross Revenues less the (a) Franchise Payments, (b) Expansion Fund Payments and (c) reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, including but not limited to payments to the Municipal Electric Authority of Georgia and the Municipal Gas

Authority of Georgia, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. Net Revenues shall not include amounts drawn or otherwise available under a Credit or Liquidity Facility.

“Ordinance” means the Bond Ordinance adopted by the City on November 8, 2016, as supplemented from time to time, including by a Parity Bond Ordinance adopted by the City on _____, 2020.

“Paying Agent” means Regions Bank, or any other commercial bank or person appointed by the City from time to time to serve as paying agent for any series of Bonds.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of City funds:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(b) bonds or obligations of the City, or bonds or obligations of the State of Georgia, or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of any bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies and instrumentalities of the United States government referred to in paragraph (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) and (d) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(i) any other investments authorized by the laws of the State of Georgia from time to time.

“Person” means any natural person, firm, association, corporation, limited liability company, partnership, joint stock company, joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Projects” means any projects financed with proceeds of any Bonds, including the Series 2020 Project financed with proceeds of the Series 2020 Bonds.

“Record Date” means (a) with respect to the Series 2016 Bond and the Series 2020 Bonds, the fifteenth day of the calendar month preceding each Interest Payment Date and (b) with respect to any Additional Bonds, the record date specified in the supplemental ordinance authorizing such Additional Bonds.

“Renewal and Extension Fund” means the City of Monroe, Georgia Combined Utility Renewal and Extension Fund described below under the heading “Funds; Flow of Funds”.

“Renewal and Extension Fund Depository” means Synovus Bank, Monroe, Georgia or any other commercial bank appointed by the City to maintain the Renewal and Extension Fund.

“Reserve Account” means the Reserve Account created within the Sinking Fund.

“Revenue Bond Law” means the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*), as amended from time to time.

“Revenue Fund” means the City of Monroe, Georgia Combined Utility Revenue Fund described below under the heading “Funds; Flow of Funds”.

“Revenue Fund Depository” means Synovus Bank or any other commercial bank appointed by the City from time to time to maintain the Revenue Fund.

“Series 2016 Bond” means the City of Monroe Combined Utility Revenue Refunding Bond, Series 2016.

“Series 2020 Bonds” means the City of Monroe Combined Utility Revenue Bonds, Series 2020.

“Series 2020 Capital Improvement Account” means the subaccount of the Construction Fund created with respect to the Series 2020 Bonds.

“Series 2020 Disclosure Agreement” means the continuing disclosure undertaking of the City with respect to the Series 2020 Bonds.

“Series 2020 Engineering Report” means the Engineering Report 2020 Bond Issue of Goodwyn, Mills and Cawood, Inc. related to projects to be acquired, constructed, installed or equipped with a portion of the proceeds of the Series 2020 Bonds.

“Series 2020 Project” means the acquisition, construction, and equipping of certain additions, extensions and improvements to the System described in the Series 2020 Engineering Report.

“Series 2020 Reserve Subaccount” means the subaccount of the Reserve Account created with respect to the Series 2020 Bonds.

“Series 2020 Debt Service Reserve Surety Bond” means the debt service reserve surety bond issued by the Insurer funding the Debt Service Reserve Requirement for the Series 2020 Bonds. The Series 2020 Debt Service Reserve Surety Bond shall constitute a Debt Service Reserve Surety Bond for all purposes of the Original Bond Ordinance and this Parity Bond Ordinance.

“Sinking Fund” means the City of Monroe, Georgia Combined Utility Sinking Fund described below under the heading “Funds; Flow of Funds” in which are held the Debt Service Account and the Reserve Account.

“Sinking Fund Custodian” means Regions Bank, or any other commercial bank appointed by the City from time to time to maintain the Sinking Fund.

“Sinking Fund Investments” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“Sinking Fund Year” means the period commencing on the 2nd day of December in each year and extending through the 1st day of December in the next year.

“State” means the State of Georgia.

“Subordinate Debt” means any debt which is expressly made subordinate and junior in right of payment of principal of, redemption premium, if any, and interest on all Bonds issued pursuant to the Ordinance and all obligations related to a Debt Service Surety Bond or Credit or Liquidity Facility (collectively, “Senior Debt”). The terms of all Subordinate Debt shall require that (a) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt shall be made unless full payment of all amounts then due and payable on Senior Debt have been made or duly provided for; (b) no payment on account of principal of, redemption premium,

if any, or interest on such Subordinate Debt shall be made if, at the time of such payment or application, or immediately after giving effect thereto, (i) there shall exist a default in the payment of any Senior Debt (whether at maturity or upon mandatory redemption), or (ii) there shall have occurred an event of default with respect to any Senior Debt, and such event of default shall not have been cured or waived or shall not have ceased to exist; and (c) in the event that any Subordinate Debt is declared or otherwise becomes due and payable because of the occurrence of an event of default with respect thereto, (i) the holders of the Senior Debt shall be entitled to receive payment in full thereon before the holders of the Subordinate Debt shall be entitled to receive any payment on account of such Subordinate Debt as a result of such event of default, and (ii) no holder of Subordinate Debt, or a trustee acting on such holder’s behalf, shall be entitled to exercise any control over proceedings to enforce the terms and conditions of the Ordinance.

“System” means the City’s combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated as part of its combined utility system.

“Underwriter” means with respect to the Series 2020 Bonds, Stifel Nicolaus and Company, Inc. and its successors and assigns.

“Variable Rate” means as to any Bonds, any portion of such Bonds the interest rate on which is not established at the time of original execution or issuance at a fixed or constant rate.

Funds; Flow of Funds

Under the terms of the Ordinance, the City has established the following funds and accounts, and the moneys deposited in such funds and accounts shall be held in trust for the purposes set forth in the Ordinance:

- (a) Construction Fund;
- (b) Revenue Fund;
- (c) Sinking Fund, including a Debt Service Account and a Reserve Account;
- (d) Renewal and Extension Fund.

The Construction Fund shall be maintained by the Construction Fund Custodian, the Revenue Fund shall be maintained by the Revenue Fund Depository, the Sinking Fund shall be maintained by the Sinking Fund Custodian, and the Renewal and Extension Fund shall be maintained by the Renewal and Extension Fund Depository.

The City has established a separate special subaccount within the Reserve Account to be known as the Series 2020 Reserve Subaccount in the Reserve Account of the Sinking Fund in connection with the issuance of the Series 2020 Bonds. The Series 2020 Reserve Subaccount will be fully funded upon the issuance of the Series 2020 Debt Service Reserve Surety Bond to be issued by the Insurer. The Series 2020 Reserve Subaccount will secure only the Series 2020 Bonds and will not secure the payment of principal of and interest on any Additional Bonds. The City may, but is not required, to establish a separate Reserve Subaccount as security for Additional Bonds. If created, such Reserve Subaccount will not secure the Series 2020 Bonds.

Construction Fund. The Construction Fund Custodian has created on its books and records a special trust fund designated as the “City of Monroe, Georgia Combined Utility Construction Fund.” All moneys deposited into the Construction Fund shall be held in trust by the Construction Fund Custodian separate from other deposits of the City.

The Construction Fund Custodian has created a separate special account within the Construction designated as the “Series 2020 Capital Improvement Account.” As to any issue of Additional Bonds providing Construction Fund moneys, the Construction Fund Custodian shall establish a separate special account within the Construction Fund, each of which shall be designated as the “Series _____ Capital Improvement Account.” The Series 2020 Capital Improvement Account and each account created in connection with the issuance of Additional Bonds is

hereinafter referred to as a “Capital Improvement Account.” Subject to the following paragraph, the moneys credited to the Series 2020 Capital Improvement Account shall be used and applied for the purpose of paying the cost of the Series 2020 Project in accordance with the Series 2020 Engineering Report and paying the costs of issuing the Series 2020 Bonds.

Upon completion of the Projects and after payment of all expenses with respect thereto, all moneys credited to the related Capital Improvement Account may, at the direction of the City, be (i) credited to any other Capital Improvement Account and used to complete the Project with respect to which such Capital Improvement Account was created or (ii) credited to the Sinking Fund and used to pay debt service on the Bonds.

All payments from the Construction Fund shall be made by wire transfer or upon checks signed by the Construction Fund Custodian or officers of the City properly authorized to sign on its behalf (an “Authorized City Representative”). Before any such transfers are made or any checks are signed, shall be filed with the Construction Fund Custodian:

(1) A requisition for such payment stating each amount to be paid, and the name of the person, firm or corporation to whom payment thereof is due; and

(2) A certificate signed by such Authorized City Representative, attached to the requisition and certifying:

(i) That an obligation in the stated amount has been incurred by the City, specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed, that the same is a proper charge against the Construction Fund and has not been paid or the subject of a previous requisition, and that the bill or statement of account for such obligation is on file with the City;

(ii) That the Authorized City Representative has no notice of any vendors, mechanic’s or other liens or rights to liens, chattel mortgages, conditional sales contracts or any security interest, which should be satisfied or discharged before such payment is made;

(iii) That such requisition contains no item representing payment on account or any retained percentages which the City is, at the date of such certificate, entitled to retain;

(iv) That insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed, or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose;

(v) That insofar as such obligation was incurred in relation to the issuance of Bonds, that such work was actually performed; and

(vi) That no default exists under the Ordinance.

(d) The City will do all things, and take all reasonable and prudent measures, necessary to continue construction with due diligence and to expend the moneys credited to each Capital Improvement Account in the Construction Fund as expeditiously as possible in order to assure the completion of the Projects for which such accounts were created, on the earliest practicable date, and will indemnify itself against the usual hazards incident to the construction of such Projects.

(e) All requisitions and certificates required by this Section shall be retained either by the Construction Fund Custodian or by the City, subject at all times to inspection by any bondowner.

Any moneys held in the Construction Fund shall be invested or reinvested at the direction of the City in Permitted Investments.

Revenue Fund. All Gross Revenues arising from the ownership or operation of the System and properties in connection therewith as then existent and as thereafter added to, extended and improved shall be collected by the City or by its agents or employees and deposited promptly with the Revenue Fund Depository to the credit of a special trust fund designated as “City of Monroe, Georgia Combined Utility Revenue Fund” (the “Revenue Fund”); and the City shall continue to maintain the Revenue Fund as a special trust fund separate and apart from its other funds so long as any Bonds are outstanding and unpaid or until provision shall have been duly made for the payment thereof. Said revenues shall be disbursed from the Revenue Fund to the extent and in the following manner and order:

There shall be first paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, including, but not limited to payments to the Municipal Electric Authority of Georgia and the Municipal Gas Authority of Georgia, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization.

The Net Revenues remaining in the Revenue Fund after the payment of the sums required or permitted to be paid under the provisions of the preceding paragraph are pledged to the payment of the principal of and the interest on the Bonds and to the provider of any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth herein. Said Net Revenues so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against it, and against all parties having claims of any kind against it, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice thereof.

Sinking Fund; Transfers to Debt Service Account. The Sinking Fund Custodian created on its books and records a special trust fund designated as the “City of Monroe, Georgia Combined Utility Sinking Fund” (the “Sinking Fund”). The Sinking Fund consists of two accounts, the first of which is designated as the “Debt Service Account,” and the second of which is designated as the “Reserve Account.” The Sinking Fund shall be kept as a trust fund with the Sinking Fund Custodian separate from other deposits of the City.

As to any issue of Additional Bonds for which the City has determined that it is necessary or desirable to establish a debt service reserve for such Additional Bonds, the Sinking Fund Custodian shall establish a separate special subaccount within the Reserve Account, each of which shall be designated as the “Series ____ Reserve Subaccount.” Each subaccount created in connection with the issuance of Additional Bonds is hereinafter referred to as a “Reserve Subaccount.” Each Reserve Subaccount shall only secure the Additional Bonds for which it was established unless otherwise specified in the supplemental Ordinance authorizing such Additional Bonds.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions above, there shall be paid into the Debt Service Account for the purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys deposited in the Debt Service Account to be used to pay debt service, (A) on or before the 20th day of each month, and from month to month thereafter, substantially equal monthly installments sufficient to pay the interest on the Bonds coming due on the next Interest Payment Date, as the case may be and (B) on or before the 20th day of each month, and from month to month thereafter, substantially equal monthly installments sufficient to pay the principal of the Bonds coming due on the next December 1, such aggregate monthly payments to continue from month to month until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

The Debt Service Account shall be maintained for the purpose of paying (i) the interest on the Bonds as such interest becomes due and payable; (ii) the principal of the Bonds as same becomes due and payable, either at maturity or by proceedings for redemption or acceleration; (iii) the optional redemption price of Bonds before maturity at the price and under the conditions provided in the Ordinance; (iv) the purchase price of Bonds in the open market; (v) the charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (vi) any charges for investment services.

If, in any month, the amounts required to be paid in order to comply with the above provisions shall not be paid in full, any deficiency will be added to and shall be a part of the amount required to be paid in the next succeeding month.

Sinking Fund/Transfers to Reserve Subaccounts. After there have been paid from the Revenue Fund the sums required or permitted to be paid as set forth above, if moneys are withdrawn from a Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then there shall be paid into the applicable Reserve Subaccount substantially equal monthly payments sufficient to (i) restore the amount withdrawn from the Reserve Subaccount, (ii) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (iii) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits shall also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms. In the event of a drawdown on any Debt Service Reserve Surety Bond or any Credit or Liquidity Facility, such payments shall be made first, on a pro rata basis, to the issuers of the Debt Service Reserve Surety Bonds, then, on a pro rata basis, to the issuers of such Credit or Liquidity Facilities and then, to replenish any cash. Each Reserve Subaccount shall be funded and replenished pro rata.

Each Reserve Subaccount shall be maintained for the purpose of paying the principal of and interest on the Bonds secured thereby falling due in any year as to which there are insufficient moneys in the Debt Service Account and as to which there would otherwise be a default or for the purpose of reimbursing an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility for a drawing thereon. Prior to drawing on any Debt Service Reserve Surety Bond, all other amounts on deposit in the Reserve Subaccount, if any, shall have been expended. The Paying Agent shall deliver the demand for payment (if any) required by the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility at the time and in the manner required. In determining the amount on deposit in a Reserve Subaccount, there shall be taken into account the amount available under any Debt Service Reserve Surety Bond. In the event there is more than one Debt Service Reserve Surety Bond credited to a Reserve Subaccount and there is a drawdown, such Debt Service Reserve Surety Bonds shall be drawn upon on a pro rata basis.

It is expressly provided that if on the 2nd day of December in any year there are on deposit in a Reserve Subaccount moneys or securities (such securities to be valued at their market value plus accrued interest thereon to December 2) the aggregate amount of which, together with the amounts available under the Debt Service Reserve Surety Bond, are in excess of the Debt Service Reserve Requirement, such excess moneys and securities shall be withdrawn therefrom by the Sinking Fund Custodian and immediately deposited into the Revenue Fund provided that no default has occurred and is continuing hereunder. Such moneys shall be used by the City in accordance with the Ordinance for any purpose that does not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond.

A Reserve Subaccount may be funded by depositing a Debt Service Reserve Surety Bond (i) from a provider that has a rating at the time of issuance of such Debt Service Reserve Surety Bond equal to or higher than the rating on the Bonds secured thereby, (ii) that has a term not less than the final maturity date of the Bonds secured thereby (or may be drawn upon in full upon its expiration date if a substitute letter of credit or surety bond is not in place prior to its expiration date), and (iii) that is payable on any Interest Payment Date in an amount equal to any portion of the balance then required to be maintained within the Reserve Subaccount. Before any such Debt Service Reserve Surety Bond is substituted for cash or deposited in lieu of cash in the Reserve Subaccount, there shall be filed with the Sinking Fund Custodian (A) an opinion of nationally recognized bond counsel to the effect that such substitution or deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond; (B) a certificate evidencing that at least 30 days prior notice of the proposed substitution or deposit of such Debt Service Reserve Surety Bond was given to all rating agencies then rating any Bonds, including a description of such Debt Service Reserve Surety Bond and the proposed date of substitution or deposit; and (C) the Debt Service Reserve Surety Bond issued to fulfill the obligation to fund the Reserve Subaccount, together with an opinion of counsel to the issuer of the Debt Service Reserve Surety Bond to the effect that the Debt Service Reserve Surety Bond is valid and enforceable in accordance with its terms. Notwithstanding

anything to the contrary contained in the Ordinance, the Ordinance may be amended without notice to or the consent of the owners of the Bonds to provide for any additional provisions required by the issuer(s) of such Debt Service Reserve Surety Bond; provided, however, that there shall be first delivered an opinion of nationally recognized bond counsel to the effect that such additional provisions are not materially adverse to the rights or security of the owners of the Bonds provided by the Ordinance. Nothing in the Ordinance shall be construed as requiring the City to create or fund a Reserve Subaccount in connection with the issuance of Additional Bonds.

If, in any month, the amounts required to be paid in order to comply with the above provisions shall not be paid in full, any deficiency will be added to and shall be a part of the amount required to be paid in the next succeeding month.

A Series 2020 Reserve Subaccount has been established within the Reserve Account of the Sinking Fund with respect to the Series 2020 Bonds. The Series 2020 Reserve Subaccount will be fully funded upon the issuance of the Series 2020 Bonds with the Series 2020 Debt Service Reserve Surety Bond.

Policy Costs. After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions set forth above and so long as a bond insurance policy (including, but not limited to, the Insurance Policy) is in effect, and the issuer of the bond insurance policy is honoring its obligations thereunder and an insurer default has not occurred and is not continuing, there shall next be paid from the Revenue Fund such payments to the issuer of the bond insurance policy as may be required to repay any amounts owed to the insurer that have not been paid to the insurer as a subrogee to the owners of the insured obligations.

Subordinate Debt. After there have been paid from the Revenue Fund the sums required or permitted to be paid as set forth above, there shall next be paid from the Revenue Fund monthly such payments as may be required to repay Subordinate Debt.

Franchise Payments. There shall first be paid from the Revenue Fund monthly into the City’s general fund five percent of the Modified Gross Revenues (the “Franchise Payments”) in compliance with Section 6.06 of the City’s Charter. The Franchise Payments shall cease to be made if they are no longer required by the City’s Charter.

Expansion Fund Payments. There shall next paid from the Revenue Fund monthly into the Expansion Fund five percent of the Gross Revenues until such time as the amount on deposit in the Expansion Fund exceeds 20 percent of the Gross Revenues for the previous year (the “Expansion Fund Payments”) in compliance with Section 6.04 of the City’s Charter. The Expansion Fund Payments shall cease to be made if they are no longer required by the City’s Charter.

Renewal and Extension Fund. The Renewal and Extension Fund Depository has created on its books and records a special trust fund designated as the “City of Monroe, Georgia Combined Utility Renewal and Extension Fund.” All moneys deposited into the Renewal and Extension Fund shall be held in trust by the Renewal and Extension Fund Depository separate and apart from other funds of the City.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions set forth above, all money remaining in the Revenue Fund shall be transferred monthly into the Renewal and Extension Fund, except to the extent that the City shall deem it necessary to establish and maintain a reasonable working capital reserve in the Revenue Fund.

Expenditures shall be made from the Renewal and Extension Fund for the purpose of:

- (i) Paying operating expenses relating to the System;
- (ii) Making debt service payments on the Bonds;
- (iii) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;

(iv) Making replacements, additions, extensions and improvements to the System and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System;

(v) Transfers to the Sinking Fund for the purpose of acquiring the Bonds by redemption or by purchase in the open market, and when so used for such purposes the moneys shall be withdrawn from the Renewal and Extension Fund and deposited into the appropriate fund for the Bonds to be so redeemed or purchased; or

(vi) Paying any issuer of any Debt Service Reserve Surety Bond interest on amounts drawn under such surety bond and payment to the issuer of any Credit or Liquidity Facility the costs for any such facility.

General Fund. The City may transfer funds from the Renewal and Extension Fund to the general fund and may use such moneys for any lawful purpose.

Rate Covenant

The City has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it shall appear necessary the City shall revise and adjust such schedule of rates, fees and charges for the services and facilities or the System to the extent necessary to produce funds sufficient to:

- (a) pay the Franchise Payments and the Expansion Fund Payments;
- (b) operate, maintain and repair the System on a sound businesslike basis;
- (c) maintain the Sinking Fund in the amounts required by the Ordinance and any future parity ordinances;
- (d) maintain the Debt Service Account in the amount required to discharge the payments of the principal of and the interest on the Bonds as the same become due and payable;
- (e) maintain the applicable Debt Service Reserve Requirement in each Reserve Subaccount contained in the Reserve Account;
- (f) pay amounts owing to an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility; and
- (g) pay all other amounts owing under the Ordinance.

Without limiting the foregoing, the City shall set the schedule of rates, fees and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.15 times the Debt Service Requirement in the current Fiscal Year.

The rates, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as near as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System except for that provided to fire hydrants within the corporate limits of the City. Subject to existing agreements and subject to Georgia law, the City will undertake within its health powers or such other applicable powers now or hereafter provided by law, to require the owners of all improved property abutting any water line or sewerage line to connect with the System provided that there is sufficient capacity in the System to provide adequate service.

In the event the City fails to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges, in accordance with the provisions of the Ordinance, any bondholder

without regard to whether any “event of default,” as defined below under the heading “Events of Default and Remedies”, shall have occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the City to adopt a schedule or schedules of rates, fees and charges or to revise its schedule or schedules of rates, fees and charges in accordance with the requirements of the Ordinance.

Additional Bonds

No other obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Net Revenues prior to the lien created for the payment of the Bonds. It is expressly provided, however, that Additional Bonds may be issued by the City, from time to time, for the purpose of refunding any issue or issues of outstanding Bonds or financing, in whole or in part, additions, extensions and improvements to the System, ranking as to lien on the Net Revenues on a parity with the Series 2016 Bond and the Series 2020 Bonds, provided all of the following conditions are met:

(a) None of the Series 2016 Bond, the Series 2020 Bonds or any Additional Bonds then outstanding are in default as to principal and interest and the City is in material compliance with the Ordinance.

(b) The payments covenanted to be made into the Debt Service Account and in each Reserve Subaccount contained in the Reserve Account must be currently being made in the full amount as required and such accounts must be at their proper respective balances.

(c) (i) The City Manager, the Finance Director, or other officer of the City of similar responsibilities shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited fiscal year, the Maximum Annual Debt Service Coverage Ratio (excluding for calculation of the Debt Service Requirement (1) any Bonds which are to be refunded and defeased by such proposed Additional Bonds and (2) any of the proposed Additional Bonds the debt service on which is to be funded with the proceeds of such Additional Bonds and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued), shall not be less than 1.20; or (ii) if a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Consulting Engineer, certified public accountants or municipal finance advisors shall have certified that had the new schedule of rates and charges been adopted throughout such specified period the test specified in (i) would have been met; or (iii) the Consulting Engineer, certified public accountants or municipal finance advisors shall certify that the Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) for each of the first three full Sinking Fund Years subsequent to the acquisition or completion of the facilities to be financed with the Additional Bonds shall not be less than 1.25; or (iv) (A) the Additional Bonds are being issued to refund other Bonds, (B) the final maturity of the Additional Bonds is not extended past the maturity of the Bonds being refunded and (C) the average annual debt service of the Additional Bonds does not exceed the average annual debt service on the Bonds being refunded.

(d) The City shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to the Ordinance. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained in the Ordinance shall require the Sinking Fund to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of the Ordinance, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding

or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Ordinance.

(e) Any proposed Variable Rate Additional Bonds shall specify a maximum interest rate. If any such Variable Rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit or Liquidity Facility may be provided at or prior to the issuance of such Variable Rate Additional Bonds to support the City's obligations for any such mandatory redemption or purchase. The failure of any such Credit or Liquidity Facility to purchase any such Variable Rate Additional Bonds shall not be a default under the Ordinance, and shall not cause an acceleration of such Variable Rate Additional Bonds or Bonds issued pursuant to the Ordinance.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(g) The City shall determine if it is necessary or desirable to establish a Reserve Subaccount for such Additional Bonds.

Defeasance

When the Sinking Fund Custodian or the Paying Agent has sufficient moneys or Government Obligations, which, without any reinvestment thereof, will (based upon a verification report of an independent certified public accountant or firm thereof) provide for the payment of all outstanding Bonds of any series and the interest due or to become due thereon, and any premium required to be paid should such Bonds be called for redemption, the Bonds shall be deemed to be paid. It is contemplated that one or more series of Bonds issued and secured pursuant to the Ordinance may be paid, or deemed to be paid in full as aforesaid, and one or more other series of Bonds shall remain outstanding hereunder. Upon payment in full of any series of Bonds, the owners of such Bonds shall no longer be entitled to the benefits of the security afforded by the Ordinance and such Bonds shall, except for the purposes of registration, exchange and transfer, no longer be deemed outstanding hereunder. The Ordinance shall not terminate until all amounts owed to the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility have been paid.

Lien on Funds

Pursuant to the Ordinance, the City pledges to owners of the Bonds all the moneys and securities held in the Funds. Said moneys and securities are subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the City, and against all parties having claims of any kind against the City, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice thereof.

Sinking Fund Investments

Moneys on deposit in the Sinking Fund shall be invested in Sinking Fund Investments; provided, however, moneys on deposit in the Reserve Account derived from Bond proceeds shall be invested only in Sinking Fund Investments that are also Permitted Investments. All investments in the Sinking Fund shall have maturities or options to redeem at par not exceeding five years.

Revenue Fund and Renewal and Extension Fund Investments

Moneys in the Revenue Fund and the Renewal and Extension Fund shall be invested in any investment authorized by the laws of the State.

Transfers from the Revenue Fund

All transfers from the Revenue Fund, and all payments from the Revenue Fund into other funds, or to other sources, shall be made by checks or other instruments signed by the proper officers of the City duly authorized for such purpose or by bank wire, credit or ACH, as directed by the City.

Additional Covenants

Payment. The City covenanted under the Ordinance to promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner specified in the Ordinance and the Bonds, and any premium required for the redemption of the Bonds, according to the true intent and meaning thereof. The principal of and interest on the Bonds are payable solely out of the Net Revenues.

Operation of the System. The City has also covenanted and agreed in the Ordinance that:

- (a) it shall enforce reasonable rules and regulations governing the System and the operation thereof;
- (b) it will operate the System in an efficient and economical manner;
- (c) all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable;
- (d) no more persons will be employed by it than are necessary;
- (e) it will maintain the System in good repair and in sound operating condition;
- (f) it will at all times make all necessary repairs, renewals and replacements, and
- (g) it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertaking and enterprise.

Lien; Easements. The City has not created any other lien on the Net Revenues. The City shall not create nor suffer to be created any lien, security interest or charge upon the Net Revenues, ranking equally with or prior to the lien and charge in the Ordinance created upon the Net Revenues. The City shall not create nor suffer to be created any lien, security interest or charge upon the System. The City shall pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge within 60 days after the same shall accrue, all lawful claims and demands which, if unpaid, might by law become a lien upon the System; provided, however, that nothing shall require the City to pay, or cause to be discharged, or make provisions for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

If no event of default hereunder shall have happened and be continuing and provided there shall be no material adverse effect on the Net Revenues, the City may at any time or times cause to be granted, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the System or the City may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the System with or without consideration.

Sale of Assets. So long as any of the Bonds shall be outstanding, and except as otherwise permitted in the Ordinance, the City will not sell or otherwise dispose of the System or any integral part thereof, except that it may sell the System as a whole, or substantially as a whole if the proceeds of such sale are at least sufficient to provide for the payment of all Bonds secured by the Ordinance, and any interest accrued or to accrue thereon, and that the proceeds of any such sale are deposited in trust and applied by the City to the extent necessary to purchase or redeem the Bonds. Nothing shall preclude (a) sales in the ordinary course of business or (b) a sale of a part of the System where the sale would not, in any way, materially adversely affect the Net Revenues as certified by the Consulting Engineers. Prior to such sale, the City will receive an opinion of nationally recognized bond counsel to the effect that such application will not adversely affect the exclusion from gross income for federal income tax purposes on any Bond.

Insurance. The City will cause to be bonded its employees or agents handling funds of the System in amounts considered necessary and adequate for its protection and it shall procure and maintain insurance on the physical properties of the System of the kinds and in the amounts normally carried by private companies or other

agencies engaged in the operation of similar properties so long as Bonds are outstanding. Such insurance shall include: (a) fire and property damage; (b) public liability insurance relating to the operation of the System; and (c) vehicular public liability insurance on any vehicle owned or operated by the City and used in the operation of the System. Such insurance may provide reasonable and customary coverage and deductibles for agencies and governmental authorities operating similar systems. Such insurance shall be purchased from a responsible insurance company or companies authorized and qualified to do business in the State. If the City is unable to obtain such insurance legally or on reasonable and customary terms, the City will maintain self-insurance to the extent required above. The proceeds of such fire and property damage policies are hereby pledged as security for the Bonds, but shall be available for and shall, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property. In the event the proceeds of such policies are not used for that purpose, then same shall be deposited in the Renewal and Extension Fund; provided, however, that all such repairs or replacements shall be made in all instances whereby failure to do so would materially adversely affect the revenues of the System. Proceeds from the fidelity bonds on employees and agents shall be paid into the appropriate fund. All insurance policies and fidelity bonds shall be open to the inspection of the bondholders or their duly authorized representatives at all reasonable times.

Separate Accounts. The City will keep the Funds and accounts of the System separate from all other funds and accounts of the City, or any of its departments, and no payment will be made from the revenues derived from the System which is not properly payable from such revenues, and that the City will keep accurate records and accounts of all items of cost and all expenditures relating to the System, and of the revenues collected and the application thereof, and the City will keep said records and accounts with respect to the physical properties in such manner that it will be possible at all times to identify both the amounts and the items of all additions and retirements. Such records and accounts shall be open to the inspection of all interested persons.

Financial Statements. Following the end of each Fiscal Year of the City, when the City, in accordance with Georgia law, causes an annual audit to be made of its financial statements by a firm of independent certified public accountants of suitable experience and responsibility, to be chosen by the City, the City shall cause to be included in such audit the following:

- (i) A statement in detail of the income and expenditures of the System for such Fiscal Year.
- (ii) A balance sheet of the System as of the end of such fiscal year.

Tax Covenants. The City agrees that it will not take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the foregoing, the City agrees as follows:

- (a) It will not directly or indirectly use or permit the use of any proceeds of the Bonds or any facilities financed or refinanced thereby or take or omit to take any action that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code or hedge bonds within the meaning of Section 149(g) of the Code; and
- (b) It will not directly or indirectly use or permit the use of proceeds of the Bonds or any facilities financed or refinanced thereby or to take or omit to take any action that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the City will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds or any series thereof including making any rebate payments required from time to time by Section 148(f) of the Code.

Pursuant to the Ordinance, the City covenants for the benefit of the owners of the Bonds and the underwriter of the Bonds to comply with its obligations under any Disclosure Agreement. A breach of this covenant shall not be deemed to be an event of default hereunder, and the sole remedy under the Ordinance shall be an action to compel performance.

Events of Default and Remedies.

Events of Default. Each of the following events is hereby declared an “event of default”: (a) payment of the principal of and any redemption premium on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or (b) payment of any installment of interest shall not be made when the same becomes due and payable; or (c) the City shall, for any reason, be rendered incapable of fulfilling its obligations hereunder; or (d) the City shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Ordinance, on the part of the City to be performed, and such default shall continue for 30 days after written notice, specifying such default and requiring same to be remedied, shall have been given to the City by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default hereunder if the City shall institute corrective action and diligently pursue it until the default is cured.

Acceleration. Upon the happening and continuance of any event of default, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by a notice in writing to the City, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Bonds or in the Ordinance contained to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured hereby, except the principal of and interest on any Bonds not then due by their terms, and the interest accrued on such Bonds since the last interest payment date, shall have been paid, or shall have been provided for by deposit with the Paying Agent for such Bonds of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the Bonds, or in the Ordinance contained, shall be made good, or provisions therefor satisfactory to such bondholders shall have been made, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by written notice to the City, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to, or affect, any subsequent default or impair any right consequent thereto.

Remedies. Upon the happening and continuance of any event of default, then and in every such case any bondholder may proceed, subject to the equal benefit provisions of the Ordinance, to protect and enforce the rights of the bondholders hereunder by a suit, action or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained in the Ordinance or in aid or execution of any power in the Ordinance granted, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Surety Defaults. No failure to reimburse a provision of a Debt Service Reserve Surety Bond for any draw thereunder shall permit the issuer of such Debt Service Reserve Surety Bond to accelerate any Bonds issued pursuant to the Ordinance or to impair or effect the pledge of the Net Revenues, the priority of the application of funds held in accordance with the Ordinance or any other covenant or provision.

Supplemental Proceedings

The City may, from time to time and at any time, with the consent of a majority in aggregate principal amount of Bonds Outstanding, adopt such ordinance or ordinances supplemental to the Ordinance as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Ordinance or in any supplemental ordinance or in the Bonds; provided, however, that nothing in the Ordinance contained shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued hereunder; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental ordinance; or (d) the creation of any lien on the Net Revenues of the System prior to or superior to the lien created as the security for the payment of the Bonds without the consent of all the Bonds Outstanding. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing in the Ordinance, however, shall be construed as making necessary the approval by the bondholders of any supplemental ordinance not inconsistent with the terms and provisions of the Ordinance and any supplemental proceedings forming a part hereof (a) to cure any ambiguity or formal defect or omission in the Ordinance or in any supplemental proceedings, (b) to provide for the issuance of Additional Bonds in accordance with the terms of the Ordinance (including, without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the City), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the City, (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (e) to provide for the deposit into the Reserve Account of a Debt Service Reserve Surety Bond as more fully provided above under the heading "Funds; Flow of Funds"; (f) to modify, amend or supplement the Ordinance or any proceedings supplemental hereto in such manner as to permit the qualification of the Ordinance under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect; (g) to make any modification or amendment of the Ordinance required in order to make the Bonds eligible for a book-entry system of registration; (h) to modify any of the provisions of the Ordinance in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental ordinance shall cease to be outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in such subsequent proceedings; or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

After any supplemental ordinance requiring the consent of the bondholders shall have been adopted, the City shall cause a notice of the adoption of such supplemental ordinance to be mailed, postage prepaid, to all registered owners of Bonds appearing on the bond registration book kept by the Bond Registrar.

No supplemental ordinance requiring the consent of the bondholders shall become effective unless the requisite number of owners shall have filed with the City within three months after the date of adoption of such supplemental ordinance properly executed instruments approving the adoption of such supplemental ordinance, each such instrument to be accompanied by proof of ownership of the Bonds to which such instrument refers.

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APPENDIX B
Series 2020 Engineering Report

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ENGINEERING REPORT

2020 BOND ISSUE

CITY OF MONROE, GEORGIA

for

COMBINED UTILITY SYSTEMS

SEPTEMBER 2020



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1 INTRODUCTION

1.1 Purpose and Scope of Report

It is the purpose of the report to address the needs and capital improvements necessary to provide adequate drinking water, safe sanitary sewer collections, consistent natural gas service, reliable electrical service and low-cost telecommunications services to all customers within the City of Monroe, Georgia's service area. The afore-mentioned utilities need replacement, updated and expanded in order for the City of Monroe to continue to serve its citizens. This report will review the need for each of the proposed improvements while considering both present and projected population to serve both present and future customers. Additionally, the report will address the current and anticipated financial impact and feasibility of the proposed improvements.

1.2 Description of City of Monroe

A. General Description

City of Monroe is located approximately 40 miles east of Atlanta in the northern-central portion of the State of Georgia. The City of Monroe is the Walton County seat and encompasses approximately 15 square miles. However, the water, sewer, electric and gas service areas extend beyond the City limits out into the County. The City lies within several special regional groups such as the Metro Atlanta Chamber, Northeast Georgia Regional Commission and the Walton County Soil and Water Conservation District.

B. Population

The population of City of Monroe has increased moderately over the past 30 years from 8,854 in 1980 to 13,234 in 2010 and the current 2019 estimated resident population is 13,673 (Per the U.S. Census Bureau, QuickFacts). The rate of growth for the City over 30-year time period increases as does the County and State as shown in Table 1-1. This growth most likely can be attributed to City of Monroe's closeness

to Atlanta, low land prices, the attractiveness of the City’s “small town” atmosphere, and innovative and progressive thinking of its community leaders.

Table 1-1. City and State Population and Growth

YEAR	CITY	PERCENT INCREASE	COUNTY	PERCENT INCREASE	STATE	PERCENT INCREASE
1980	8,854	-	31,211	-	5,463,105	-
1990	9,759	10.2%	38,763	23.6%	6,478,216	18.6%
2000	11,407	16.9%	61,491	57.2%	8,186,453	26.4%
2010	13,234	16.0%	83,940	38.0%	9,687,653	18.3%

Census of Population and Housing, Census.gov (City of Monroe)
U.S. Decennial Census, United States Census Bureau, (Walton County)

C. Population Projection

We are currently in the midst of the 2020 Census thus we have to begin with the 2010 census. A logical solution to predicting the population growth for the City of Monroe is to take the 2010 Census population for the City and increase the population at the same rate as the projected County population. Using this method, the population growth projections for the City and County are presented in Table 1-2. Note, the population projection percentages shown below were derived using the “standard cohort component demographic methodology” and are not being used as the financial projections in the Proforma as seen in Appendix A.

Table 1-2. City of Monroe Population Projections (Based on Walton County’s Projections)

YEAR	CITY	PERCENT INCREASE	COUNTY
2010	13,234	-	-
2020	13,671	3.3%	95,814
2030	15,571	13.9%	109,179
2040	17,766	14.1%	124,621
2050	20,236	13.9%	141,993
2060	23,170	14.5%	162,652

Governor’s Office of Planning and Budget,
(Walton County Residential Population Projections)

D. Economy

City of Monroe's economy is integrally tied to its history and its location. Located just 40 miles east of Atlanta, City of Monroe draws visitors from all over the north Georgia area. Many of the historic structures from the late 1800's and early 1900's still stands and have been preserved as a symbol of community pride and character. This sense of history, coupled with rolling countryside and innovative and progressive thinking, creates a quality of life which is attractive to new industries and economic development. The City has a variety of industries such as a Wal-Mart Distribution Center, Hitachi Automotive Systems manufacturing center and Elite Storage Systems manufacturing facility. The City utilizes multiple financial incentives to attract a variety of business such as being a qualified Federal Opportunity Zone, Port Tax Credit Bonus, New Quality Jobs Tax Credit and Downtown Development Programs. With the City being located 53 miles from Atlanta's Hartsfield International Airport on Interstate 85, this location provides valuable access for transportation of goods manufactured in City of Monroe and distributed throughout the region. City of Monroe's close proximity to the Atlanta area and quality of life factors make it an appealing place for both residential and commercial development.

Overall, City of Monroe's economic base is sufficient to meet the needs of the community. In the long-term future, it will be important to continue to diversify the economy when possible. The City has already made significant efforts to develop appropriate commercial and industrial uses. The promotion of growth in the community is essential to the long-term economic health of the City. Recent actions by the local government emphasize the commitment to these long-term goals.

1.3 Overview of Existing Utility Systems

A. Water System

i. Distribution and Service Area

The City of Monroe's Water System currently distributes water to approximately 9,947 customers through approximately 220 miles of pipe ranging from ¾ inch to 16 inches. 2019 total customers were 9,305.

ii. Treatment and Supply

Raw water treatment comes from a micro-filtration plant that was initially built in 2002, in 2005 the filter membranes were added and was upgraded in 2012, which was the first of its kind built in the southeastern United States. The plant is located at the northeast side of the intersection of North Broad Street and Marable Street. The plant currently operates with at permitted 10.0 million gallons per day (MGD). Currently the city draws water from the Alcovy River at the U.S. Hwy 78 bridge intersection and pulls water from the John T. Briscoe Reservoir and for emergencies Jacks Creek can be utilized. The City is contracted to supply water to the City of Loganville and supplemental water to Walton County.

iii. Storage and Pumping

System storage is currently provided by three elevated storage tanks, Marable Street tank 750,000-gallon, Norris Street tank 500,000-gallon, Wayne Street tank 300,000 gallon & one 40,000-gallon tank at the Water Treatment Plant which is solely used for backwashing. The Marable Street tank is located just north of the center of town near the intersection of North Broad Street and Marable Street and date of construction was indistinguishable. The second Norris Street tank, located south from the center of town near the intersection of South Broad Street and Norris Street and was constructed in 1974. The third Wayne Street tank, located in the center of town at the intersection of North Wayne Street and East Washington Street and date of construction was indistinguishable. Each of the three storage tanks work off of elevation to maintain system pressures.

There is currently one booster pump station within the City's service area, which is located on Walton Road 0.2 miles south of the intersection with John Deere

Road. This pump station is utilized to create a higher-pressure zone in the northwest service area.

B. Sewer System

i. Collection and Service Area

The City of Monroe's Sewer System currently serves approximately 7,323 customers in its service area. Currently there is approximately 154 miles of gravity sewer pipe ranging from 6 inch to 24 inch in diameter. As part of the collection system the City operates 8 lift stations. 2019 total customers were 7,207.

ii. Treatment

The City of Monroe built its first activated sludge trickling filter Water Pollution Control Plant (WPCP) in 1988 and by 1992 it was in full operation. It is known as the Jacks Creek WPCP and to this date the WPCP currently operates at permitted 3.4 MGD and the headworks and aeration basins were added around 2001. Jacks Creek WPCP takes in flow from two major drainage basins, the Apalachee River basin on the east side of the city and the Alcovy River basin on the west side of the city.

C. Electrical System

i. Distribution and Service Area

The first electrical system was put into operation in the 1920's and to this day the system is maintained by the City and distributed to all areas within the 1972 City limits and a small portion of the unincorporated County. Currently the City has approximately 6,527 customers in its service area. 2019 total customers were 6,474.

D. Gas System

i. Distribution and Service Area

The first natural gas system was put into operation in the 1950's and to this day is maintained by the City distributed to most areas within the corporate limits and portions of the County. Currently the City has approximately 3,942 customers in its service area. 2019 total customers were 3,900.

E. Cable and Telecommunications System
i. Distribution and Service Area

Cable television service was put into operation in the 1970's, cable internet service was added in the 1990's and more recently voice over internet protocol (VOIP) telephone service and fiber optic service was added to round out the telecom services. The City provides services to all areas within the corporate limits and small portions in the County. Currently the City has approximately 3,150 cable customers, 4,146 internet customers and 1,125 telephone customers in its telecommunications service areas. 2019 total cable television customers were 3,529 and telecommunication system customers were 5,082. The City voted in September to increase Cable television rates, effective January 2021, to an estimated programming cost plus 15%, which will be adjusted twice annually. Additionally, upon completion of the city-wide fiber optic project and when cable television subscribership falls below 1,000 customers, the City will begin a sunset of traditional cable television service.

1.4 Existing Utility Contractual Obligations

The City of Monroe currently supplies water to the City of Loganville and Walton County as a wholesale provider. The City is under contractual obligations to purchase nearly all of its power from Municipal Electric Authority of Georgia (MEAG). The City is under contractual obligations to purchase all its natural gas from Municipal Gas Authority of Georgia (MGAG).

2 PROPOSED CAPITAL IMPROVEMENTS

The City of Monroe Utility Department is responsible for overseeing all existing and proposed utilities within its service areas. The City will ensure that all system improvements be designed and constructed according to City and State regulations. The City staff will work closely with the engineers and utility contractors during the planning and development phase, design phase, permitting phase and during the construction and final acceptance phase. The intent of the capital improvement projects is to improve the long-term resources available to these customers. Outlined below is a detailed description of each proposed project and related data for each. See Table 2-1 for a summary of project descriptions and cost estimates on page 9, which includes a contingency estimate.

2.1 Water System Improvement Projects

The City is planning to construct multiple water system improvement projects as listed below. The City may add, delete or modify the water system project listing as it sees fit.

- A. Loganville Water Supply and Connection; This project is currently under construction and includes installing approximately 6.8 miles of interconnecting water main along U.S. HWY. 78 from City of Monroe to City of Loganville and a water booster pump station with all required accessories. There is an Inter-governmental Agreement in place and a Reimbursement Resolution (RR), where the cost of the project is split 50-50 by the City of Monroe and the City of Loganville. Cost for this project is approximately \$5,580,000.00.
- B. Water Tank for Industrial Park and Line Extension; Monroe submitted for grant funding for this project. Carter & Slope prepared estimate and route selection. This project is for industrial park growth. This project includes constructing 1 – elevated water storage tanks (1.0 MG.) and approximately 18,400’ of 12” & 16” watermain and related accessories. The cost for these improvements totals approximately \$3,000,000.00.
- C. Water Tank – Northside of System; This is ground storage tank for the Walton Road Booster Pump Station project. Tank size is 1.0 MG. Preliminary design is complete. Cost for this project is approximately \$1,750,000.00
- D. Social Circle or Other Water Transmission Line; The County plan is for Social Circle to receive supplemental water from the City of Monroe. Social Circle’s water treatment plant is outdated and in need of upgrades. The capital cost to purchase water from the City of Monroe is lower than upgrading the water treatment plant. Pipe size is estimated to be 10-inch and 22,000 feet long. It is currently in concept phase. The cost for this project is approximately \$1,700,000.00.
- E. Raw Water Service; This project includes installing approximately 16,000’ of new 30” ductile iron raw water main from the City’s intake on the Alcovy River to the existing water treatment plant. This will allow the water treatment plant to treat 12 MGD. The

project is in the final design phase and cost for this project is approximately \$3,520,000.00.

- F. Water Plant Upgrades; This project includes the expansion capacity of 10 MGD to 12 MGD and the construction of two (2) new aerobic granular sludge reactors and a new tertiary filtration system and a 1 MG clear well. Cost for this project is approximately \$3,000,000.00. This project is scheduled for 2023 - 2024.

2.2 Sewer System Improvement Projects

- A. The City is planning to construct several sewer system projects including the Alcovy River Gravity Sewer Service line from GA. S.R. 138 to Reliant Pump Station. This project will be bid out into two (2) phases. Phase one (1) is from existing pump station to Hwy 138 to serve the new commercial area and is ready to bid by October 2020. Phase two (2) will be the gravity sewer line up to HWY 138, which will take three (3) pump stations out of service (Tractor Supply, Great Oaks Nursing Home, Piedmont Hospital). This complete project cost comes to approximately \$4,000,000.00.
- B. Jack's Creek WWTP Rehabilitation project includes upgrades to the headworks, waste activated sludge pump station and digester rehabilitation. Plan is for WWTP to go to 5.0 MGD. Project has been designed and the City is planning on bidding process equipment separate from general contract work. This will allow manufacturing of equipment to start to before the actual construction starting. This complete project cost comes to approximately \$7,500,000.00. The general construction work is planned to start in 2022.

2.3 Natural Gas System Improvement Projects

- A. The City is planning to construct a new low-pressure gas line on the eastside of Walton County to supply the proposed chicken houses and the neighboring customers. Public Service Commission has approved the City's certificate to serve the northern area of Morgan County as well. Also included as general system expansion. The City will complete this work with its own forces. Project cost is approximately \$1,000,000.00.

2.4 Telecommunication System Improvement Projects

- A. The City is planning to construct a state-of-the-art fiber optic broad band network to serve its electric service area, which constitutes approximately 6,400 customers. This project will include all necessary electronic cabinets, aerial cable length, buried cable lengths, OSP cabinets, FTTP electronics, engineering and installation costs. This complete project cost comes to approximately \$12,703,00.00. (Based on the FTTP OPS Cost Estimate Summary, prepared by VantagePoint, dated November 2019). The City plans on bidding this entire project in 2021.

TABLE 2-1 – PROPOSED CAPITAL IMPROVEMENTS PROJECT COSTS

<u>Water System Improvements</u>	<u>Project Costs*</u>
A. Loganville Water Supply and Connection	\$5,580,000.00
B. Water Tank for Industrial Park and Line Extensions	\$3,000,000.00
C. Water Tank - Northside of System	\$1,750,000.00
D. Social Circle or Other Water Transmission Line	\$1,700,000.00
E. Raw Water Service	\$3,520,000.00
F. Water Plant Upgrades	<u>\$3,000,000.00</u>
	\$18,550,000.00
 <u>Sewer System Improvements</u>	
A. Alcovy River Gravity Sewer	\$4,000,000.00
B. Jack's Creek WWTP Rehabilitation	<u>\$7,500,000.00</u>
	\$11,500,000.00
 <u>Natural Gas System Improvements</u>	
A. Walton County Eastside Lines	\$1,000,000.00
 <u>Telecommunication System Improvements</u>	
A. High Speed Fiber Optic Broad Band Network	\$12,700,000.00
 <u>Electrical System Improvements</u>	
No System Improvements Scheduled	
 <u>Contingency</u>	 <u>\$6,250.00.00</u>
TOTAL PROJECT COSTS	\$50,000,000.00

* Preliminary; Subject to Change

3 FINANCIAL DATA

3.1 Revenue and Expense Projections

This section provides an overview of the City’s Utility Systems projections through FY 2021 through FY 2028. The financial analysis includes an evaluation of the future operations of the City’s Utility Systems. See the following Appendix A for complete revenue projections together with projected debt service coverage.

Fiscal Year 2020 is represented by the City’s approved budget which is based on anticipated customer growth from subdivision and commercial development, and revised operating expenditures.

Projected revenues are based on historical percentage increase from the previous five-year period through 2019. Natural gas projected revenues and expenses are based on Municipal Gas Authority of Georgia’s forecast (MGAG). Electric power cost projections are provided to us by Municipal Electric Authority of Georgia (MEAG). Telecom revenue projections are based on the Fiber project expansion from this bond and on a conservative 30% increase of current internet customers. Future Telecom expense projections are based on the additional cost of sales for the increase in customer base due to the fiber project expansion. It is reasonable and conservative to predict a 3-4% growth in overall system revenue and expenses over the next 8 years. See Appendix A for the Proforma.

3.2 Future Rates

City of Monroe states that adjustments to City utility rates will not be necessary to meet debt service and operation and maintenance costs.

APPENDIX - A

Proforma

City of Monroe Combined Utility
 Projected Revenues, Expenses and Debt Service Coverage

	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2021	2022	2023	2024	2025	2026	2027	2028	2028	2028
REVENUE										
Water	6,011,360	6,343,002	6,692,939	7,062,183	7,451,797	7,862,906	8,296,696	8,754,417		
Sewer	5,339,829	5,587,255	5,846,146	6,117,033	6,400,471	6,697,043	7,007,357	7,332,050		
Natural Gas	4,133,182	4,235,643	4,340,716	4,448,468	4,558,968	4,672,284	4,788,490	4,907,659		
Electric	20,906,027	21,586,087	22,289,857	23,018,162	23,771,860	24,551,835	25,359,002	26,194,311		
Cable	3,516,451	3,313,737	3,153,973	3,028,653	2,903,976	2,839,962	2,798,723	2,777,049		
Telecom	3,428,140	3,698,092	3,989,302	4,303,443	4,642,322	5,007,886	5,402,236	5,827,640		
Combined Utility Revenue	\$ 43,334,990	\$ 44,763,816	\$ 46,312,933	\$ 47,977,943	\$ 49,729,394	\$ 51,631,917	\$ 53,652,505	\$ 55,793,127		
Loganville Water Projections	1,357,800	1,357,800	1,357,800	1,357,800	1,371,378	1,374,806	1,378,243	1,381,689		
Telecom Projections	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280	1,871,280		
Cable Rate Increase	1,156,918	1,124,395	1,080,526	925,978	862,651	819,715	775,786	732,430		
Combined Utility Projected Revenue	\$ 45,849,707	\$ 49,117,291	\$ 50,622,539	\$ 52,133,000	\$ 53,834,703	\$ 55,697,718	\$ 57,677,814	\$ 59,776,526		

EXPENSE										
Water	3,333,235	3,662,168	4,032,596	4,450,173	4,921,341	5,453,439	6,041,441	6,721,646		
Sewer	4,063,806	4,255,992	4,463,943	4,689,543	4,934,936	5,202,567	5,481,807	5,802,668		
Natural Gas	3,396,691	3,497,658	3,601,693	3,708,890	3,819,345	3,933,159	4,046,117	4,166,964		
Electric	15,749,014	16,498,387	16,920,231	16,855,030	17,088,026	17,233,963	17,290,451	17,801,804		
Cable	4,553,394	4,336,559	4,140,525	3,954,947	3,753,661	3,620,802	3,504,195	3,402,951		
Telecom	1,438,186	1,466,949	1,496,288	1,526,214	1,556,738	1,587,873	1,619,631	1,652,023		
Combined Utility Expense	\$ 32,534,325	\$ 33,717,113	\$ 34,655,277	\$ 35,184,797	\$ 36,074,047	\$ 37,031,794	\$ 37,983,642	\$ 39,548,055		
Loganville Water Projections	715,400	715,400	715,400	715,400	715,400	715,400	715,400	715,400		
Telecom Projections	68,544	68,544	68,544	68,544	68,544	68,544	68,544	68,544		
Combined Utility Projected Expense	\$ 33,249,725	\$ 34,501,657	\$ 35,439,221	\$ 35,968,741	\$ 36,857,981	\$ 37,815,738	\$ 38,767,586	\$ 40,331,999		

Net Revenue Available for Debt	\$12,599,982	\$14,615,633	\$15,183,318	\$16,164,260	\$16,976,712	\$17,881,980	\$18,910,229	\$19,446,526		
Debt Service on Bonds *	\$3,576,188	\$3,576,641	\$3,576,272	\$3,580,137	\$3,578,126	\$3,580,349	\$2,876,550	\$2,877,550		
Debt Service Coverage on Bonds	3.523	4.086	4.246	4.515	4.745	4.994	6.574	6.786		
Debt Service on All Debt	\$3,690,550	\$3,691,003	\$3,690,635	\$3,694,499	\$3,692,489	\$3,694,711	\$2,990,912	\$2,991,913		
Debt Service Coverage on All Debt	3.414	3.960	4.114	4.375	4.598	4.840	6.323	6.500		

* Preliminary, subject to change.
 Projected Revenues are based on historical % increase for previous five year period through 2019. This is a conservative projection & doesn't take into account for future growth.
 Loganville water sales projections are based on minimum amount in the contract per cost per gallon.
 Loganville water expenses are based on minimum amount in the contract per cost per gallon.
 Natural Gas 2021, projected revenue & expense based on Municipal Gas Authority of Georgia's forecast (MGAG)
 Electric power cost projections are provided to us by Municipal Electric Authority of Georgia (MEAG)
 Future Telecom revenue projections are based on the Fiber project expansion from this bond. On a conservative 30% increase of current internet customers.
 Future Telecom expense projections are based on the additional cost of sales for the increase in customer base due to the fiber project expansion.
 Cable service rate increase effective 1/1/2021



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APPENDIX C

**Audited Financial Statements of the City
for the Fiscal Year Ended December 31, 2019**

The Series 2020 Bonds are secured solely by the Net Revenues and not by any other moneys of the City, including but not limited to General Fund moneys. The audited financial statements of the City are included in their entirety only because the financial statements for the System's operations are not prepared separately.

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2019

Comprehensive Annual Financial Report



City of Monroe, Georgia

Year ended December 31, 2019

CITY OF MONROE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2019

Prepared by Authority of:
City Council, City of Monroe, Georgia
Beth Thompson, Finance Director

CITY OF MONROE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2019

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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John Howard, Mayor
L. Wayne Adcock, Vice Mayor

May 29, 2020

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Monroe, Georgia:

The Comprehensive Annual Financial Report (CAFR) of the City of Monroe, Georgia for the fiscal year ended December 31, 2019 is hereby submitted as mandated by Official Code of Georgia §36-81-7. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

City Management assumes full responsibility for the accuracy, completeness and reliability of the presented data. To provide a reasonable basis for making these representations, management of the City of Monroe has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Monroe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Monroe's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of certified public accountants, issued an unmodified opinion on the City of Monroe's financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

If the threshold is met, the City of Monroe is required as part of the independent audit of the financial statements, to undergo a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. Information related to the single audit if applicable, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2019, a Single Audit was required.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Monroe's MD&A can be found immediately following the report of the independent auditors.

***Councilmembers: Larry A. Bradley • Ross Bradley • Myoshia Crawford
David Dickinson • Norman Garrett • Nathan Little • Lee P. Malcom***

Profile of the Government

The City of Monroe incorporated in 1821, is located in Northeast Georgia, approximately 40 miles east of Atlanta. Monroe is the county seat of Walton County. The City encompasses approximately 15 square miles and serves an estimated population of 13,484. The City of Monroe is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under a Mayor/Council form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The Mayor is elected at large, two Council Members are elected from super districts and six Council Members are elected by districts. Council members and the Mayor serve four-year staggered terms, with an election held every two years. City elections are conducted by the Walton County Board of Elections.

The City Administrator, who is appointed by the Mayor and Council, is responsible for carrying out the policies and ordinances of the Council and for overseeing the day-to-day operations of the City of Monroe.

The City of Monroe provides a full range of municipal services including police and fire protection, maintenance of streets, solid waste, building and zoning, code enforcement and library facilities. In addition to the usual government services, the City also provides a full range of utility services including electric, gas, water, wastewater, storm water, cable, internet and telephone. The city owns and operates the Monroe/Walton County Airport as well as the Georgia Utility Training Academy whereby classes are conducted to train municipal and private sector employees in Electric, Water, Sewer, and Gas utilities.

A goal of the Mayor and City Council is to maintain the highest quality of citizen and business services while keeping the property tax millage rates at some of the lowest among surrounding areas.

Also included as part of the City’s reporting are the City of Monroe Downtown Development Authority (DDA) and the Monroe Area Convention and Visitors Bureau Authority (CVB). While both are legally separate entities, they are included as a component unit in the City of Monroe’s financial statements.

The annual budget serves as the foundation for the City of Monroe’s financial planning and control. All departments are required to submit budget requests to the City Administrator who compiles the proposed operating and capital budgets. The City Administrator presents a proposed budget to the Council during their annual retreat work session. The final budget is adopted in accordance with state law. Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

Local Economy

Monroe has risen out of the previous economic downturn and into a new period of substantial commercial and residential growth. This has given stability to the overall economy in Monroe and the surrounding area and stabilized the City’s revenues and positioned the city for additional growth while also positioning to buffer against a future downturn.

The majority of the City’s commercial development lies along the Highway US 78/GA 138 corridor with a new commercial expansion planned around the Highway 138 extension, Charlotte Rowell Boulevard. Among the top ten employers in the City, four are governments accounting for around 18.9% of the number of jobs in the top ten employers. Two of those government employers, Walton County Board of Commissioners and Walton County Board of Education, are also two of the City’s top ten electric, water, gas and sewer customers.

Economic development is one of the City’s main priorities. Local Option Sales Tax (LOST) and Special Purpose Local Option Sale Tax (SPLOST) revenues have steadily increased over the last few years, which is a result of revitalizing our downtown area with more consumer friendly shopping.

Long-term Financial Planning

The City began construction in 2018 on the transportation-oriented, Livable Centers Initiative (LCI) project which will extend along North Broad Street from West Marable Street to Mayfield Drive. In addition to constructing new or expanded sidewalks along both sides of the corridor, this project includes planting trees and shrubs, raised curbs, a center median, defined pedestrian crossings, pedestrian scale lighting and ADA-accessible curb ramps. Concurrent with this work, storm water sewer upgrades will be completed with project funds. This is also a mostly federally-funded program with a total cost of over \$2 million dollars. This project was completed in early 2020.

This is a continuation of a previously funded TE project and will complement on-going efforts within the Broad Street Corridor providing connectivity between neighborhood and commercial uses along the Broad Street Corridor and Historic Downtown. In addition to the 1.5-mile, \$2 million-plus West Spring St. streetscape and sidewalk project under construction linking downtown with the west-end commercial corridor. Additionally, in 2018 the City applied for (and was later awarded in early 2019) a Transportation Alternatives Project (TAP) Grant that will link the N. Broad project with the rest of Downtown’s streetscaping that will create approximately two continuous miles of downtown streetscaping along the Broad St. corridor. Engineering for the TAP grant is currently underway.

Other major initiatives in progress include a new Police Department and Municipal Court complex that will take over a long-defunct Food Lion shopping center and will act as a catalyst for the vacant and now city-owned Walton Plaza shopping center. The city hopes this project will breathe new life into redevelopment of the E. Spring St. area of the city. In 2019 the city, through its conduit of the Urban Redevelopment Agency, borrowed \$3.6 million to renovate the police department.

Capital projects are generally financed using available grants and the SPLOST fund. A SPLOST continuation was passed by voters in 2018 with collections to begin in 2019. Capital Projects in the Enterprise Fund are paid from an Expansion and Repair fund and the Utility Municipal Competitive Trust fund.

Relevant Financial Policies

The purpose of the City of Monroe’s financial management policy is to ensure that the City conducts its investment, cash and debt management activities in a responsible manner in full compliance with Federal and State Law. The City is committed to providing adequate cash flows to meet all current and future

obligations. Adherence to this policy has allowed the City to maintain financial stability, all cash funds are properly collateralized and no short-term financing has been needed to meet operations.

Additionally, it is the City’s policy to maintain budgetary controls to ensure compliance with legal requirements of the State of Georgia. Policies are amended and kept up-to-date as often as possible to ensure legality and efficiency in our controls. The budget development is led by the City Administrator who according to local ordinance shall prepare and submit the annual operating budget and capital budget to the Mayor and Council. The annual appropriation resolution approved by the Mayor and Council is adopted for all fund types with the legal level of control at the department level. Finally, a public hearing is advertised and held and the final budget is advertised. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made without provision also being made for financing same. During the year the budget was amended by Council; further detail on these amendments can be found in the MD&A.

Major Initiatives

The City of Monroe continues to work closely with Georgia Department of Transportation and Walton County to implement the area’s transportation initiatives. The Highway US 78/GA 138 area’s growth has seen the need to address traffic in this area. This is one example of the partnership to improve our local transportation network. Another example is the partnership between Monroe and Walton County to complete a truck by-pass around the historic downtown area. This much needed connector is managed by the Georgia DOT and is in the initial stages of right-of-way acquisition. Construction is expected to commence in early 2020 with full completion anticipated in 2024. Additional intergovernmental partnership initiatives include an East-bound on-ramp from W. Spring to Hwy 78, a West-bound on-ramp from Charlotte Rowell Boulevard to Hwy 78, and an interchange improvement at Hwy 78 and Hwy 11. These projects aim to keep Monroe and Walton County traffic moving.

Additionally, the city has begun to address the public’s need for quality passive parks. One of the major initiatives in this realm is the property acquisition and Brownfield application of a new Downtown Green. This almost two-acre site along Church St. and S. Madison Ave. will be redeveloped into an all-year park and entertainment space that will eventually feature a splash pad, outdoor amphitheater, walking space, open green space, and tree plantings. The redevelopment of this site will help to broaden the feel of the city’s general downtown area just two blocks east of Broad St.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Monroe for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the 17th consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

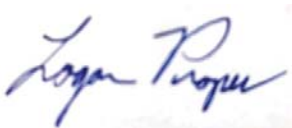
A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, the City received for the 15th year the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2018. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. This award is valid for a period of one year.

Last but not least, the City submitted to GFOA its annual budget for the 8th consecutive year for the fiscal year beginning January 1, 2020. Last year was the 7th consecutive year the City has received this prestigious award for Distinguished Budget Presentation for fiscal year beginning January 1, 2019. In order to receive this award, the City must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our budget continues to meet the program requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Monroe's finances.

Respectfully submitted,



Logan Propes
City Administrator



Beth Thompson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Monroe
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF MONROE, GEORGIA
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2019

ELECTED OFFICIALS

Mayor	John Howard
Vice Mayor and Council Member, District 6	L. Wayne Adcock
Council Member, District 1	Lee Malcom
Council Member, District 2	Myoshia Crawford
Council Member, District 3	Ross Bradley
Council Member, District 4	Larry Bradley
Council Member, District 5	Norman Garrett
Council Member, District 7	Nathan Little
Council Member, District 8	David Dickinson

APPOINTED OFFICIALS

City Administrator	Logan Propes
Electric & Telecommunications Director	Brian K. Thompson
Finance Director	Beth Thompson
Fire Chief	Bill Owens
Police Chief	R.V. Watts
Planning & Development	Darrell Stone
Solid Waste Director	Danny Smith
Streets and Transportation Director	Jeremiah Still
Water & Gas Director	Rodney W. Middlebrooks

Mayor and Council Members



Seated:

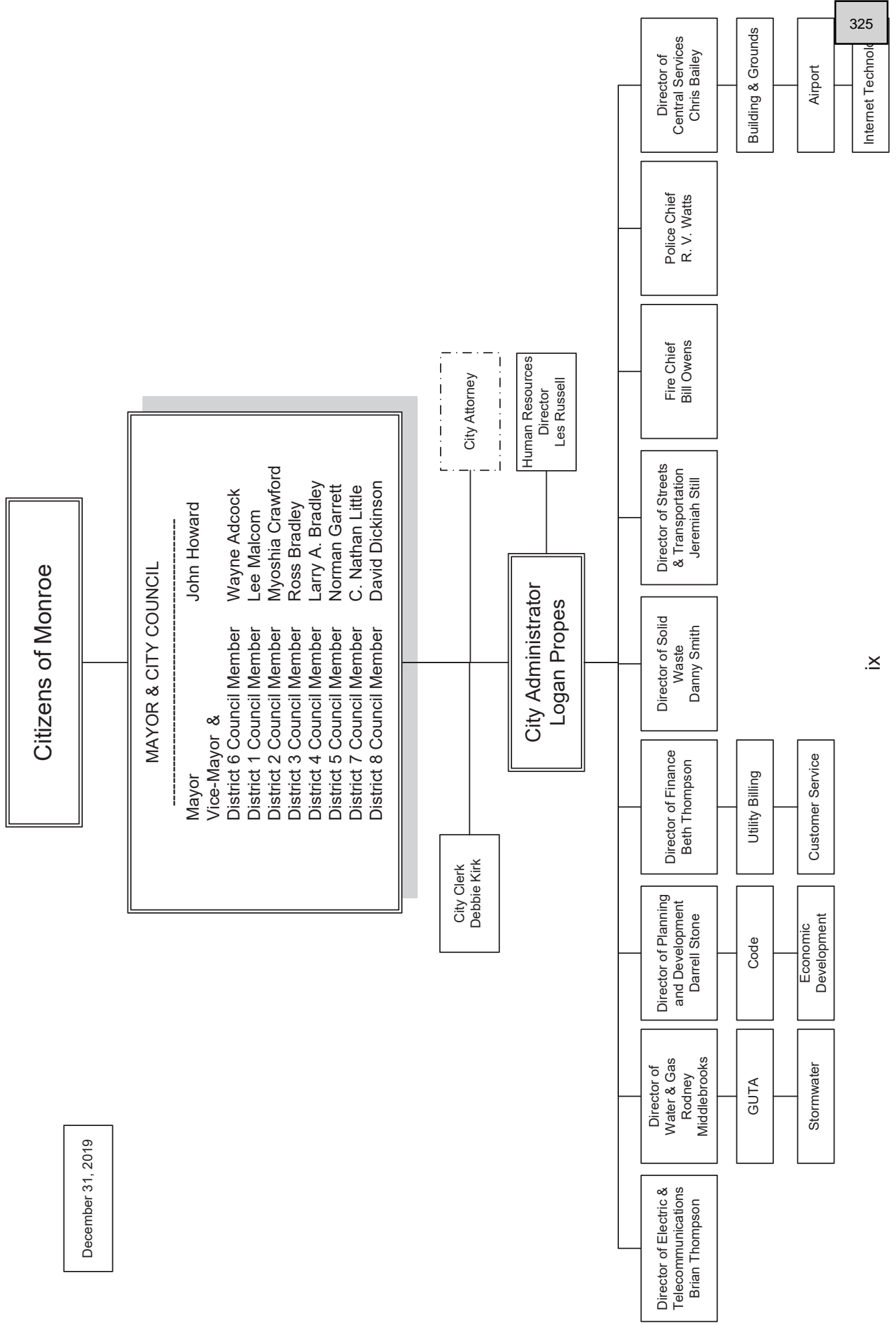
Mayor – John Howard; District 3 – Ross Bradley

Back row, left to right:

District 1 – Lee Malcom; District 5 – Norman Garrett; District 4 – Larry Bradley;
District 6 – Wayne Adcock; District 7 – Nathan Little; District 8 – David Dickinson;
District 2 – Myoshia Crawford

City of Monroe, Georgia Organizational Chart

December 31, 2019



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of City Council
City of Monroe, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Monroe, Georgia (the "City")** as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Georgia, as of December 31, 2019, 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.

Emphasis of Matter

As discussed in Note 16, the City of Monroe, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of January 1, 2019. This standard significantly changed the accounting for the City's Municipal Court Fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, and the Schedule of City Contributions, as listed in the table of contents, 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 Monroe, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, 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 introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules as well as the schedule 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 29, 2020

CITY OF MONROE, GEORGIA
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2019

As management of the City of Monroe, we offer readers of the City of Monroe’s financial statements this narrative overview and analysis of the financial activities of the City of Monroe, Georgia (the “City”) for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City’s financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Monroe exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$117,559,073 (reported as “net position”). Of this amount, \$21,227,075 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position increased by \$10,093,059 during 2019 resulting primarily from business-type activities.
- As of the close of the fiscal year, the City of Monroe’s governmental funds reported combined fund balances of \$10,414,642 an increase of \$3,620,921 in comparison with the prior year. Approximately 29% or \$3,065,644 of this amount is available for spending at the government’s discretion (unassigned fund balance). At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was \$3,071,651 or approximately 26% of total general fund expenditures.
- At the close of the fiscal year, assets and deferred outflows of resources in the City of Monroe’s Utilities Fund exceeded its liabilities and deferred inflows by \$87,461,601. Of this, \$20,106,250 (unrestricted net position) is available to meet the Utilities’ on-going obligations to its customers and creditors.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’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, liabilities, and deferred inflows/outflows of resources, with the difference 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 City of Monroe’s net position changed during the fiscal year ended December 31, 2019. 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activities of the City include utilities, solid waste and utility training academy.

The government-wide financial statements include not only the City of Monroe itself (known as the primary government), but also a legally separate Downtown Development Authority and Convention & Visitors Bureau for which the City of Monroe exercises control over these component units by appointing its members. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City’s most significant activities. 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 of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and a fiduciary fund.

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 governmental funds and governmental activities.

The City of Monroe maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST Fund, which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 62 and 63 of this report.

The City adopts an annual appropriated budget for its General, Special Revenue and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found on page 20 of this report. Budgetary comparisons for Special Revenue and Debt Service Funds can be found on pages 66-69 of this report.

Proprietary Funds. The City of Monroe maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility, solid waste and training center operations. The Utility and Solid Waste funds are considered major. They are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

The City’s proprietary fund financial statements are presented on pages 21-23.

Fiduciary Fund. The City of Monroe maintains one type of fiduciary fund to account for the custodial activities of the City’s Municipal Court. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The balance is excluded from the City’s government-wide financial statements because the City cannot use the assets to finance its operations.

The City’s fiduciary fund financial statements are presented on pages 24-25.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-59 of this report.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Monroe’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 60 and 61 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial condition. In the case of the City of Monroe, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$117,559,073 at the close of the most recent fiscal year.

By far the largest portion of the City’s net position, \$81,898,757 (69.7%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (streets, bridges, sidewalks and utility service lines) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is 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.

The table on the following page summarizes the City’s net position as of December 31, 2019 compared to the prior year end.

CITY OF MONROE, GEORGIA
Net Position
Fiscal Years 2019 and 2018

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 12,167,777	\$ 9,696,145	\$ 39,232,623	\$ 37,033,829	\$ 51,400,400	\$ 46,729,974
Capital assets	25,638,498	23,209,148	71,577,893	69,431,892	97,216,391	92,641,040
Total assets	<u>37,806,275</u>	<u>32,905,293</u>	<u>110,810,516</u>	<u>106,465,721</u>	<u>148,616,791</u>	<u>139,371,014</u>
Total deferred outflow s of resources	<u>1,053,772</u>	<u>1,279,561</u>	<u>1,297,949</u>	<u>1,588,238</u>	<u>2,351,721</u>	<u>2,867,799</u>
Long-term liabilities	10,115,608	7,104,573	17,309,401	18,694,041	27,425,009	25,798,614
Other liabilities	1,421,606	2,714,855	4,314,197	5,249,222	5,735,803	7,964,077
Total liabilities	<u>11,537,214</u>	<u>9,819,428</u>	<u>21,623,598</u>	<u>23,943,263</u>	<u>33,160,812</u>	<u>33,762,691</u>
Total deferred inflow s of resources	<u>210,791</u>	<u>489,017</u>	<u>37,836</u>	<u>521,091</u>	<u>248,627</u>	<u>1,010,108</u>
Net Position:						
Net investment in capital assets	22,930,759	20,485,983	58,967,998	55,240,661	81,898,757	75,726,644
Restricted	4,481,498	4,360,887	9,951,743	9,391,730	14,433,241	13,752,617
Unrestricted	(300,215)	(970,461)	21,527,290	18,957,214	21,227,075	17,986,753
Total net position	<u>\$ 27,112,042</u>	<u>\$ 23,876,409</u>	<u>\$ 90,447,031</u>	<u>\$ 83,589,605</u>	<u>\$ 117,559,073</u>	<u>\$ 107,466,014</u>

An additional portion of the City’s net position (12.3%) represents resources that are subject to external restrictions on how they may be used. Finally, the remaining balance of net position, classified as unrestricted net position, totals \$21,227,075 (18.1%) and may be used to meet the government’s ongoing obligations to citizens and creditors.

Although the net position in our business-type activities represents 76.9% of total net position, the City generally can only use these resources to finance the continuing operations of the business-type activities.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position. The overall net position of the City increased \$10,093,059 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF MONROE, GEORGIA
Changes in Net Position
Fiscal Years 2019 and 2018

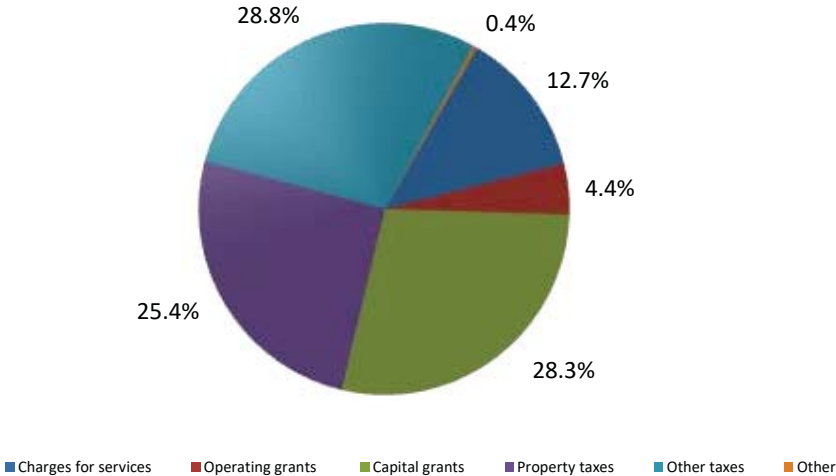
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,846,193	\$ 1,407,083	\$ 48,376,158	\$ 46,675,691	\$ 50,222,351	\$ 48,082,774
Operating grants	640,872	587,422	-	-	640,872	587,422
Capital grants	4,096,477	2,490,759	283,684	644,842	4,380,161	3,135,601
General revenues:						
Property taxes	3,684,076	3,448,522	-	-	3,684,076	3,448,522
Other taxes	4,173,801	3,792,946	-	-	4,173,801	3,792,946
Other	55,803	109,184	687,025	390,448	742,828	499,632
Total revenues	14,497,222	11,835,916	49,346,867	47,710,981	63,844,089	59,546,897
Expenses:						
General government	1,657,185	1,358,182	-	-	1,657,185	1,358,182
Judicial	84,279	96,110	-	-	84,279	96,110
Public Safety	7,032,501	6,259,946	-	-	7,032,501	6,259,946
Public Works	2,302,320	2,288,588	-	-	2,302,320	2,288,588
Health and welfare	28,153	23,470	-	-	28,153	23,470
Culture and recreation	523,148	575,482	-	-	523,148	575,482
Housing and development	1,547,514	1,211,958	-	-	1,547,514	1,211,958
Interest on long-term debt	245,557	116,266	-	-	245,557	116,266
Utilities	-	-	35,171,102	36,101,902	35,171,102	36,101,902
Solid Waste	-	-	5,159,271	4,311,889	5,159,271	4,311,889
Total expenses	13,420,657	11,930,002	40,330,373	40,413,791	53,751,030	52,343,793
Increase (decrease) in net						
position before transfers	1,076,565	(94,086)	9,016,494	7,297,190	10,093,059	7,203,104
Transfers	2,159,068	2,409,445	(2,159,068)	(2,409,445)	-	-
Increase in net position	3,235,633	2,315,359	6,857,426	4,887,745	10,093,059	7,203,104
Net position, beginning	23,876,409	21,561,050	83,589,605	78,701,860	107,466,014	100,262,910
Net position, ending	\$ 27,112,042	\$ 23,876,409	\$ 90,447,031	\$ 83,589,605	\$ 117,559,073	\$ 107,466,014

Governmental Activities. Governmental activities increased the City of Monroe’s net position by \$3,235,633. Key elements of this increase are as follows:

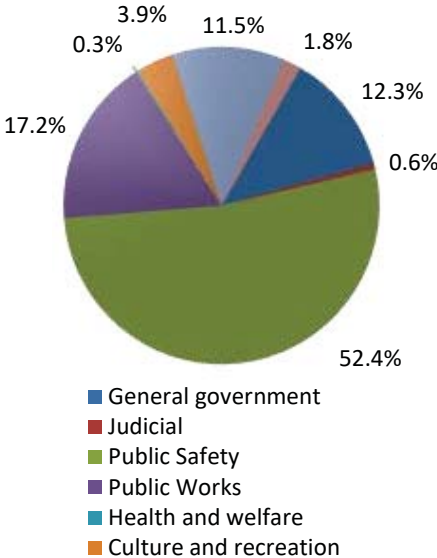
- Transfers in from business-type activities totaling \$2,159,068
- Various departments in the General Fund exceeding budget for revenues.

The following graphs show the breakdown by percentage of governmental revenues and expenses.

Governmental Revenues FY 2019



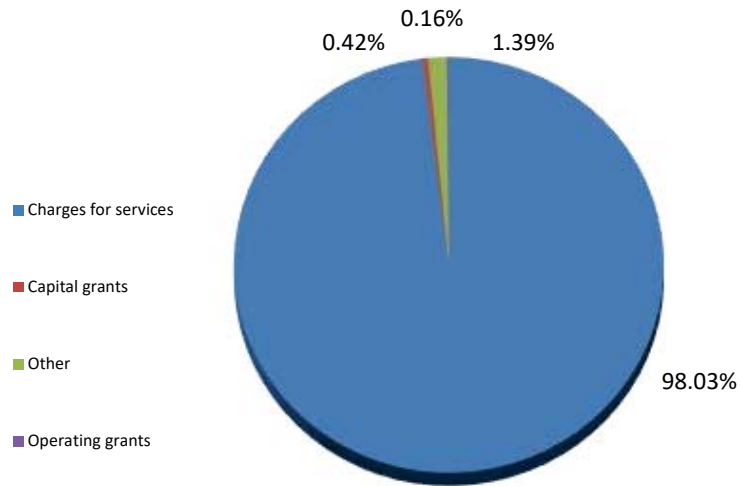
Governmental Expenses FY 2019



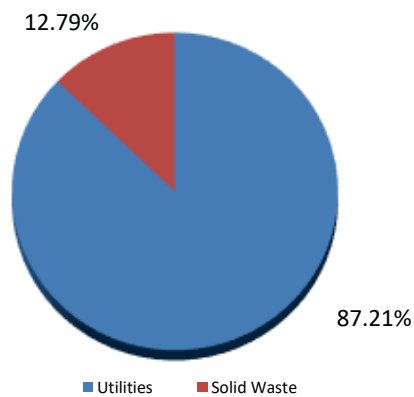
Business-Type Activities. Business-type activities increased the City of Monroe’s net position by \$6,857,426. The Utilities Fund, largest of the City’s business-type activities, accounted for 87% of the operating expenses and approximately 88% of the operating revenues among business-type activities. Key elements are as follows:

- Increase in Solid Waste revenue due in part to the increase in solid waste service revenues.
- Slight increase in Utility revenues due to increase in sales of service and capital grants received.

Business-type Revenues FY 2019



Business-type Expenses FY 2019



Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the City of Monroe’s governmental funds 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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Mayor and City Council.

The City’s governmental funds reported combined fund balances of \$10,414,642, an increase of \$3,620,921 in comparison with the prior year. This increase is primarily due to the recording of bond proceeds in the Urban Redevelopment Agency fund and transfers in from other funds. Approximately 29% of this amount (\$3,065,644) constitutes unassigned fund balance, which is available for spending at the City’s discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$120,013), 2) restricted for particular purposes (\$7,222,881), or 3) assigned for particular purposes (\$6,104).

The General Fund is the chief operating fund of the City of Monroe. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,065,644 of the total fund balance of \$3,191,664. 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 25.6% of total General Fund expenditures, while total fund balance represents 26.6% of total General Fund expenditures.

The amount of nonspendable fund balance for the General Fund is made up of prepaid expenditures of \$120,013 or 3.8% of the General Fund’s total fund balance.

Fund balance of the City of Monroe’s General Fund increased by \$448,096 during the current fiscal year. A key factor in this increase was due to a decrease in liabilities by \$857,835, transfers in from other funds of \$2,822,576, and tax revenues totaling \$7,844,749.

Fund balance of the City of Monroe’s SPLOST Fund increased by \$403,320 during the current fiscal year. A key factor in this increase was due to an increase in intergovernmental revenues of \$1,573,925, in part due to the City beginning collections on the 2019 SPLOST referendum.

Total fund balance for nonmajor special revenue funds at year-end was \$67,233. This total had a net increase of \$39,334. Included above are the Forfeited Drug Fund and the Hotel/Motel Tax Fund. In the Forfeited Drug Fund, the increase was primarily due to an increase in revenue from cases forfeited through the court system with funds restricted for law enforcement purposes from prior years. The Hotel/Motel Tax Fund showed a slight decrease due to a decrease of revenues from the excise tax on lodging. This fund accounts for local room taxes collected with the fund balance restricted for tourism in the City.

The debt service fund has a total fund balance of \$97, all of which is assigned for the payment of debt service. Fund Balance of the nonmajor governmental funds in total increased \$2,769,505 from 2018, primarily due to the inception of the Urban Redevelopment Agency Fund (URA) and the related bond proceeds. Principal payments made during the year were \$868,000 and interest expenditures totaled \$13,962.

Proprietary Funds. The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. This provides a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Unrestricted net position of the Utilities Fund at the end of the year amounted to \$20,106,250, the Solid Waste Fund amounted to \$1,421,040. The combined increase in total net position for these funds was \$6,857,426.

For the year, the total net position of the Utilities Fund increased by \$5,890,920, the Solid Waste Fund increased by \$966,506. Financial analysis in regards to these funds can be found in the business-type activities section. This gives a total increase in proprietary funds net position of \$6,857,426.

General Fund Budgetary Highlights

The City of Monroe’s General Fund budget is prepared according to Georgia Law and was amended as necessary by Council during the fiscal year. Primary differences between the original budget and the final amended budget for the General Fund are summarized as follows:

Revenues:

- Total budgeted revenues were amended from original to final budgets from \$9,103,392 to \$10,133,698, respectively.
- Actual revenues were \$327,934 more than budgeted.
- The largest variance comes from a significant increase in property tax collections as well as an increase in Local Option Sales Tax (LOST) collections.

Expenditures:

- Total budgeted expenditures increased from original to final budgets from \$10,925,744 to \$11,977,254, respectively.
- Total expenditures were equal to the final budgeted amounts.

A comparison on General Fund actual expenditures to budget can be found on page 20. The most significant variances in budget to actual within revenues came from a significant increase in property tax & LOST collections, for a total variance of \$327,934.

Capital Asset and Debt Administration

Capital Assets. The City of Monroe’s investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$97,216,391 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment, furniture & vehicles, and construction in progress.

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

Governmental type activities:

- Purchase of \$1,140,719 in machinery, equipment and vehicles.
- Construction in progress as of the end of the current fiscal year totaling approximately \$5,949,062.
- Disposals or sale of equipment, furniture or vehicles totaled \$688,586.

Business-type activities:

- Purchase of \$1,636,457 in specialized service installation equipment and vehicles.
- Construction in progress additions of \$3,001,998 in utility infrastructure & improvements.
- Construction in progress as of the end of the current fiscal year totaling \$2,367,801 for electric, gas, sewer, water and cable upgrades and projects.
- Purchase of land, \$78,000.

CITY OF MONROE, GEORGIA
Capital Assets
(net of depreciation)
Fiscal Years 2019 and 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,700,329	\$ 3,700,329	\$ 2,520,158	\$ 2,442,158	\$ 6,220,487	\$ 6,142,487
Infrastructure	7,780,364	6,726,012	41,599,412	40,762,590	49,379,776	47,488,602
Buildings and Improvements	6,939,434	7,033,274	18,963,925	19,158,690	25,903,359	26,191,964
Equipment, furniture & vehicles	1,269,309	1,261,789	6,126,597	4,866,589	7,395,906	6,128,378
Construction in progress	5,949,062	4,487,744	2,367,801	2,201,865	8,316,863	6,689,609
Total	\$ 25,638,498	\$ 23,209,148	\$ 71,577,893	\$ 69,431,892	\$ 97,216,391	\$ 92,641,040

Additional information on the capital assets can be found in the Notes to Financial Statements on pages 43 and 44 of this report.

Long-term Debt. As of December 31, 2019, the City of Monroe’s total long-term debt outstanding is \$18,245,950. The majority of this balance represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt
General Obligation Bonds, Revenue Bonds and Financed Purchases
(net of premiums & discounts)
Fiscal Years 2019 and 2018

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ -	\$ 868,000	\$ -	\$ -	\$ -	\$ 868,000
Revenue bonds	3,600,000	-	11,505,000	13,010,000	15,105,000	13,010,000
Financed purchases	468,202	452,899	-	-	468,202	452,899
Notes payable	1,350,000	1,425,000	1,322,748	1,430,206	2,672,748	2,855,206
Total	\$ 5,418,202	\$ 2,745,899	\$ 12,827,748	\$ 14,440,206	\$ 18,245,950	\$ 17,186,105

The City of Monroe’s total debt increased a net of \$1,059,845 during the current fiscal year. This increase is due to the inception of a new governmental revenue bond.

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 Monroe is \$44.9 million. The City paid off the General Obligation bond in 2019 and incurred a governmental revenue bond of \$3.6 million.

The City of Monroe’s outstanding governmental activity debt or general obligation (GO) debt enjoys a favorable rating of A+ from Standard & Poor’s Rating Service. The City’s outstanding business-type activity debt or utility revenue bond debt is rated A- by Standard & Poor’s Rating Service and A2 by Moody’s Investors Service.

Additional information on the City of Monroe’s long-term debt can be found in the Notes to Financial Statements on pages 45-48.

Economic Factors and Next Year’s Budgets and Rates

In 2019 the City showed continued signs of emergence from the Great Recession’s effects on property taxes, and other economic-related remittances such as sales taxes and permits. Although the City is seeing revenue and overall economic improvement, Council and the Finance Department are keen to carefully manage fund balances and to maintain an adequate amount of fund balance to meet debt obligations and help to mitigate against any future economic downturns. The outbreak of the COVID-19 pandemic is not expected to significantly affect next year’s budget and overall operations. The City has not experienced significant collection issues from utility customers, and other large source revenues have also not been materially affected.

The following indicators were taken into account when adopting the General Fund budget for 2020:

- Revenue from Local Option Sales Tax (LOST) collections as well as Alcoholic Beverage Permits was increased due to increased downtown utilization of restaurants and events.
- A slight increase in property tax was budgeted for 2020, due to increasing the millage rate 9.1% over the rollback rate. The current millage rate is 7.802 mills.
- Building Permit collections were increased due to local growth.
- Cost of implementation of a 3% cost of living (COLA) increase for employee salaries was included for a half year.
- Five positions were added in the Police division for fiscal year 2020.
- Implementation of the new SPLOST passed in 2018; collections will increase in 2020.

Anticipated revenues in the General Fund 2020 budget are \$12.7 million which includes transfers and other financing sources, or approximately \$900,000 more than the 2019 budget. The 2020 budget was developed and adopted before 2019 fiscal year-end and reflects conservative revenue figures.

Requests for Information

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

Beth Thompson
Finance Director
City of Monroe
P.O. Box 1249
Monroe, GA 30655
770-267-7536

CITY OF MONROE, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
ASSETS					
Cash and cash equivalents	\$ 9,273,318	\$ 7,331,684	\$ 16,605,002	\$ 179,096	\$ 25,884
Investments	-	15,177,642	15,177,642	-	-
Accounts receivable, net of allowances	247,665	4,607,117	4,854,782	-	12,562
Taxes receivable	289,126	-	289,126	-	-
Internal balances	221,837	(221,837)	-	-	-
Due from other governments	2,015,818	11,542	2,027,360	-	-
Inventories and prepaid items	120,013	801,346	921,359	-	-
Restricted assets:					
Cash and cash equivalents	-	9,972,507	9,972,507	-	-
Investments	-	1,552,622	1,552,622	-	-
Capital assets:					
Non-depreciable	9,649,391	4,887,959	14,537,350	-	-
Depreciable, net of accumulated depreciation	15,989,107	66,689,934	82,679,041	-	-
Total assets	37,806,275	110,810,516	148,616,791	179,096	38,446
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	217,853	217,853	-	-
Pension related items	1,053,772	1,080,096	2,133,868	-	-
Total deferred outflows of resources	1,053,772	1,297,949	2,351,721	-	-
LIABILITIES					
Accounts payable	848,319	2,211,767	3,060,086	2,193	-
Retainage payable	30,920	-	30,920	-	-
Accrued liabilities	381,117	2,102,430	2,483,547	-	-
Unearned revenues	161,250	-	161,250	-	-
Long-term liabilities:					
Portion due or payable within one year:					
Compensated absences	504,376	503,072	1,007,448	-	-
Financed purchases	198,650	-	198,650	-	-
Note payable	75,000	107,996	182,996	-	-
Bonds payable	98,700	1,540,000	1,638,700	-	-
Portion due or payable in more than one year:					
Compensated absences	311,409	-	311,409	-	-
Financed purchases	269,552	-	269,552	-	-
Note payable	1,275,000	1,214,752	2,489,752	-	-
Bonds payable	3,501,300	9,965,000	13,466,300	-	-
Net pension liability	3,881,621	3,978,581	7,860,202	-	-
Total liabilities	11,537,214	21,623,598	33,160,812	2,193	-
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - intergovernmental	173,877	-	173,877	-	-
Pension related items	36,914	37,836	74,750	-	-
Total deferred inflows of resources	210,791	37,836	248,627	-	-
NET POSITION					
Net investment in capital assets	22,930,759	58,967,998	81,898,757	-	-
Restricted for law enforcement	63,237	-	63,237	-	-
Restricted for debt service	-	255,363	255,363	-	-
Restricted for capital projects	4,414,265	9,696,380	14,110,645	-	-
Restricted for tourism	3,996	-	3,996	-	38,446
Unrestricted	(300,215)	21,527,290	21,227,075	176,903	-
Total net position	\$ 27,112,042	\$ 90,447,031	\$ 117,559,073	\$ 176,903	\$ 38,446

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

CITY OF MONROE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,657,185	\$ 828,086	\$ 96,591	\$ -
Judicial	84,279	454,901	-	159,841
Public safety	7,032,501	84,181	493,381	350,580
Public works	2,302,320	34,410	-	2,911,485
Health and welfare	28,153	-	15,900	-
Culture and recreation	523,148	3,335	-	109,684
Housing and development	1,547,514	441,280	35,000	564,887
Interest on long-term debt	245,557	-	-	-
Total governmental activities	<u>13,420,657</u>	<u>1,846,193</u>	<u>640,872</u>	<u>4,096,477</u>
Business-type activities:				
Utilities	35,171,102	42,580,660	-	283,684
Solid waste	5,159,271	5,795,498	-	-
Total business-type activities	<u>40,330,373</u>	<u>48,376,158</u>	<u>-</u>	<u>283,684</u>
Total primary government	<u>\$ 53,751,030</u>	<u>\$ 50,222,351</u>	<u>\$ 640,872</u>	<u>\$ 4,380,161</u>
Component units:				
Downtown Development Authority	\$ 116,146	\$ 35,278	\$ -	\$ -
Convention & Visitors Bureau	28,531	-	-	-
Total component units	<u>\$ 144,677</u>	<u>\$ 35,278</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Property taxes
Sales taxes
Franchise taxes
Business taxes
Unrestricted investment earnings
Miscellaneous
Gain on sale of capital assets
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				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention & Visitors Bureau
\$ (732,508)	\$ -	\$ (732,508)	\$ -	\$ -
530,463	-	530,463	-	-
(6,104,359)	-	(6,104,359)	-	-
643,575	-	643,575	-	-
(12,253)	-	(12,253)	-	-
(410,129)	-	(410,129)	-	-
(506,347)	-	(506,347)	-	-
(245,557)	-	(245,557)	-	-
<u>(6,837,115)</u>	<u>-</u>	<u>(6,837,115)</u>	<u>-</u>	<u>-</u>
-	7,693,242	7,693,242	-	-
-	636,227	636,227	-	-
<u>-</u>	<u>8,329,469</u>	<u>8,329,469</u>	<u>-</u>	<u>-</u>
<u>\$ (6,837,115)</u>	<u>\$ 8,329,469</u>	<u>\$ 1,492,354</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (80,868)	\$ -
-	-	-	-	(28,531)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,868)</u>	<u>\$ (28,531)</u>
\$ 3,684,076	\$ -	\$ 3,684,076	\$ -	\$ -
2,717,391	-	2,717,391	25,000	48,717
320,400	-	320,400	-	-
1,136,010	-	1,136,010	-	-
55,803	669,317	725,120	26,960	-
-	-	-	49,471	449
-	17,708	17,708	-	-
2,159,068	(2,159,068)	-	-	-
<u>10,072,748</u>	<u>(1,472,043)</u>	<u>8,600,705</u>	<u>101,431</u>	<u>49,166</u>
3,235,633	6,857,426	10,093,059	20,563	20,635
23,876,409	83,589,605	107,466,014	156,340	17,811
<u>\$ 27,112,042</u>	<u>\$ 90,447,031</u>	<u>\$ 117,559,073</u>	<u>\$ 176,903</u>	<u>\$ 38,446</u>

CITY OF MONROE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 3,187,075	\$ 3,248,485	\$ 2,837,758	\$ 9,273,318
Taxes receivable	285,530	-	3,596	289,126
Accounts receivable	247,665	-	-	247,665
Due from other governments	490,333	1,525,485	-	2,015,818
Due from other funds	651,302	-	-	651,302
Prepaid expenditures	120,013	-	-	120,013
Total assets	<u>\$ 4,981,918</u>	<u>\$ 4,773,970</u>	<u>\$ 2,841,354</u>	<u>\$ 12,597,242</u>
LIABILITIES				
Accounts payable	\$ 514,075	\$ 302,999	\$ 31,245	\$ 848,319
Retainage payable	-	30,920	-	30,920
Accrued liabilities	368,616	-	-	368,616
Due to other funds	402,283	17,332	9,850	429,465
Unearned revenue	161,250	-	-	161,250
Total liabilities	<u>1,446,224</u>	<u>351,251</u>	<u>41,095</u>	<u>1,838,570</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	170,153	-	-	170,153
Unearned revenue - intergovernmental	173,877	-	-	173,877
Total deferred inflows of resources	<u>344,030</u>	<u>-</u>	<u>-</u>	<u>344,030</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	120,013	-	-	120,013
Restricted:				
Law enforcement	-	-	63,237	63,237
Capital projects	-	4,422,719	2,732,929	7,155,648
Tourism	-	-	3,996	3,996
Assigned:				
Public safety	6,007	-	-	6,007
Debt service	-	-	97	97
Unassigned	3,065,644	-	-	3,065,644
Total fund balances	<u>3,191,664</u>	<u>4,422,719</u>	<u>2,800,259</u>	<u>10,414,642</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,981,918</u>	<u>\$ 4,773,970</u>	<u>\$ 2,841,354</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	25,638,498
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	170,153
Deferred outflows and inflows of resources as well as the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(2,864,763)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,246,488)
Net position of governmental activities	<u>\$ 27,112,042</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 7,844,749	\$ -	\$ 48,079	\$ 7,892,828
Licenses and permits	375,517	-	-	375,517
Intergovernmental	633,496	3,903,150	-	4,536,646
Fines and forfeitures	454,901	-	61,083	515,984
Charges for services	741,049	-	-	741,049
Interest income	241	-	55,562	55,803
Contributions	-	-	-	-
Miscellaneous	411,679	2,667	-	414,346
Total revenues	<u>10,461,632</u>	<u>3,905,817</u>	<u>164,724</u>	<u>14,532,173</u>
Expenditures				
Current:				
General government	1,411,334	-	1,344	1,412,678
Judicial	84,243	-	-	84,243
Public safety	6,696,867	25	21,111	6,718,003
Public works	1,453,627	247,084	-	1,700,711
Health and welfare	28,153	-	-	28,153
Culture and recreation	542,739	-	-	542,739
Housing and development	1,371,487	-	48,717	1,420,204
Capital outlay	-	3,453,600	841,029	4,294,629
Debt service:				
Principal retirements	260,559	25,993	868,000	1,154,552
Interest	128,245	2,650	13,962	144,857
Cost of issuance	-	-	83,000	83,000
Total expenditures	<u>11,977,254</u>	<u>3,729,352</u>	<u>1,877,163</u>	<u>17,583,769</u>
Excess (deficiency) of revenues over expenditures	<u>(1,515,622)</u>	<u>176,465</u>	<u>(1,712,439)</u>	<u>(3,051,596)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	23,086	-	-	23,086
Issuance of revenue bonds	-	-	3,600,000	3,600,000
Financed purchases	-	226,855	-	226,855
Transfers in	2,822,576	-	881,944	3,704,520
Transfers out	(881,944)	-	-	(881,944)
Total other financing sources (uses)	<u>1,963,718</u>	<u>226,855</u>	<u>4,481,944</u>	<u>6,672,517</u>
Net change in fund balances	448,096	403,320	2,769,505	3,620,921
Fund balances, beginning of year	<u>2,743,568</u>	<u>4,019,399</u>	<u>30,754</u>	<u>6,793,721</u>
Fund balances, end of year	<u>\$ 3,191,664</u>	<u>\$ 4,422,719</u>	<u>\$ 2,800,259</u>	<u>\$ 10,414,642</u>

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

CITY OF MONROE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net change in fund balances - total governmental funds	\$ 3,620,921
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	3,306,925
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(34,951)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position	(877,575)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,672,303)
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>(107,384)</u>
Change in net position - governmental activities	<u>\$ 3,235,633</u>

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

CITY OF MONROE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,948,689	\$ 7,643,218	\$ 7,844,749	\$ 201,531
Licenses and permits	270,090	371,062	375,517	4,455
Fines and forfeitures	400,000	454,901	454,901	-
Charges for services	700,600	700,600	741,049	40,449
Intergovernmental	484,205	590,502	633,496	42,994
Interest income	-	-	241	241
Miscellaneous	299,808	373,415	411,679	38,264
Total revenues	<u>9,103,392</u>	<u>10,133,698</u>	<u>10,461,632</u>	<u>327,934</u>
Expenditures				
Current:				
General government:				
Legislative	233,631	250,072	250,072	-
Executive	293,888	363,650	363,650	-
Board of elections	18,900	8,011	8,011	-
General administration	134,200	157,006	157,006	-
Financial administration	251,135	356,166	356,166	-
Law	139,625	237,179	237,179	-
Internal audit	32,500	39,250	39,250	-
Total general government	<u>1,103,879</u>	<u>1,411,334</u>	<u>1,411,334</u>	<u>-</u>
Judicial:				
Municipal court	104,252	84,243	84,243	-
Total judicial	<u>104,252</u>	<u>84,243</u>	<u>84,243</u>	<u>-</u>
Public safety:				
Police	4,125,531	4,297,456	4,297,456	-
Fire	2,154,267	2,399,411	2,399,411	-
Total public safety	<u>6,279,798</u>	<u>6,696,867</u>	<u>6,696,867</u>	<u>-</u>
Public works:				
Highways and streets administration	1,368,799	1,453,627	1,453,627	-
Total public works	<u>1,368,799</u>	<u>1,453,627</u>	<u>1,453,627</u>	<u>-</u>
Health and welfare:				
Community center	35,000	28,153	28,153	-
Total health and welfare	<u>35,000</u>	<u>28,153</u>	<u>28,153</u>	<u>-</u>
Culture and recreation:				
Special facilities	358,124	416,682	416,682	-
Rails to trails	-	53	53	-
Library	123,600	126,004	126,004	-
Total culture and recreation	<u>481,724</u>	<u>542,739</u>	<u>542,739</u>	<u>-</u>
Housing and development:				
Protective inspection administration	763,932	789,594	789,594	-
Planning and zoning	4,844	4,844	4,844	-
Economic development	482,363	577,049	577,049	-
Total housing and development	<u>1,251,139</u>	<u>1,371,487</u>	<u>1,371,487</u>	<u>-</u>
Debt service:				
Principal	237,575	260,559	260,559	-
Interest	63,578	128,245	128,245	-
Total debt service	<u>301,153</u>	<u>388,804</u>	<u>388,804</u>	<u>-</u>
Total expenditures	<u>10,925,744</u>	<u>11,977,254</u>	<u>11,977,254</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(1,822,352)</u>	<u>(1,843,556)</u>	<u>(1,515,622)</u>	<u>327,934</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	21,260	23,086	1,826
Transfers in	2,704,240	2,704,240	2,822,576	118,336
Transfers out	(881,888)	(881,944)	(881,944)	-
Total other financing sources (uses)	<u>1,822,352</u>	<u>1,843,556</u>	<u>1,963,718</u>	<u>120,162</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>448,096</u>	<u>448,096</u>
Fund balance, beginning of year	<u>2,743,568</u>	<u>2,743,568</u>	<u>2,743,568</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,743,568</u>	<u>\$ 2,743,568</u>	<u>\$ 3,191,664</u>	<u>\$ 448,096</u>

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

CITY OF MONROE, GEORGIA

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2019**

ASSETS	Utilities Fund	Solid Waste Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,648,781	\$ 1,682,903	\$ 7,331,684
Investments	15,177,642	-	15,177,642
Accounts receivable, net of allowances	4,319,786	287,331	4,607,117
Due from other governments	11,542	-	11,542
Due from other funds	11,500	700,514	712,014
Prepaid items	67,666	16,990	84,656
Inventories	716,690	-	716,690
	<u>25,953,607</u>	<u>2,687,738</u>	<u>28,641,345</u>
RESTRICTED ASSETS			
Cash and cash equivalents	9,972,507	-	9,972,507
Investments	1,552,622	-	1,552,622
	<u>11,525,129</u>	<u>-</u>	<u>11,525,129</u>
Total current assets	<u>37,478,736</u>	<u>2,687,738</u>	<u>40,166,474</u>
CAPITAL ASSETS			
Non-depreciable	4,878,431	9,528	4,887,959
Depreciable, net of accumulated depreciation	65,135,072	1,554,862	66,689,934
	<u>70,013,503</u>	<u>1,564,390</u>	<u>71,577,893</u>
Total assets	<u>107,492,239</u>	<u>4,252,128</u>	<u>111,744,367</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	217,853	-	217,853
Pension related items	895,690	184,406	1,080,096
Total deferred outflows of resources	<u>1,113,543</u>	<u>184,406</u>	<u>1,297,949</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,918,775	292,992	2,211,767
Accrued liabilities	139,594	2,221	141,815
Compensated absences payable	406,951	96,121	503,072
Due to other funds	559,807	374,044	933,851
	<u>3,025,127</u>	<u>765,378</u>	<u>3,790,505</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Revenue bonds payable - current	1,540,000	-	1,540,000
Notes payable - current	107,996	-	107,996
Customer deposits	1,939,851	-	1,939,851
Accrued interest	20,764	-	20,764
	<u>3,608,611</u>	<u>-</u>	<u>3,608,611</u>
Total current liabilities	<u>6,633,738</u>	<u>765,378</u>	<u>7,399,116</u>
NONCURRENT LIABILITIES			
Revenue bonds payable	9,965,000	-	9,965,000
Notes payable	1,214,752	-	1,214,752
Net pension liability	3,299,315	679,266	3,978,581
Total noncurrent liabilities	<u>14,479,067</u>	<u>679,266</u>	<u>15,158,333</u>
Total liabilities	<u>21,112,805</u>	<u>1,444,644</u>	<u>22,557,449</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	31,376	6,460	37,836
NET POSITION			
Net investment in capital assets	57,403,608	1,564,390	58,967,998
Restricted for capital projects	9,696,380	-	9,696,380
Restricted for debt service	255,363	-	255,363
Unrestricted	20,106,250	1,421,040	21,527,290
Total net position	<u>\$ 87,461,601</u>	<u>\$ 2,985,430</u>	<u>\$ 90,447,031</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Utilities Fund	Solid Waste Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 42,580,660	\$ 5,795,498	\$ 48,376,158
Total operating revenues	42,580,660	5,795,498	48,376,158
OPERATING EXPENSES			
Cost of sales and services	18,280,278	2,979,601	21,259,879
General operating expenses	14,147,229	2,040,879	16,188,108
Depreciation	2,431,663	138,791	2,570,454
Total operating expenses	34,859,170	5,159,271	40,018,441
Operating income	7,721,490	636,227	8,357,717
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	76,600	-	76,600
Interest income	669,317	-	669,317
Gain on sale of capital assets	2,618	15,090	17,708
Interest and fiscal charges	(311,932)	-	(311,932)
Total non-operating revenues	436,603	15,090	451,693
Income before capital contributions and transfers	8,158,093	651,317	8,809,410
Capital contributions	207,084	663,508	870,592
Transfers out	(2,474,257)	(348,319)	(2,822,576)
	(2,267,173)	315,189	(1,951,984)
Change in net position	5,890,920	966,506	6,857,426
Net position, beginning of year	81,570,681	2,018,924	83,589,605
Net position, end of year	<u>\$ 87,461,601</u>	<u>\$ 2,985,430</u>	<u>\$ 90,447,031</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Utilities Fund	Solid Waste Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 43,204,933	\$ 5,612,968	\$ 48,817,901
Payments to suppliers	(24,809,643)	(3,024,511)	(27,834,154)
Payments to employees	(8,172,808)	(1,109,146)	(9,281,954)
Net cash provided by operating activities	<u>10,222,482</u>	<u>1,479,311</u>	<u>11,701,793</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	(2,474,257)	(348,319)	(2,822,576)
Net cash used in non-capital financing activities	<u>(2,474,257)</u>	<u>(348,319)</u>	<u>(2,822,576)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(3,842,025)	(210,922)	(4,052,947)
Principal payments on bonds	(1,505,000)	-	(1,505,000)
Principal payments on notes	(107,458)	-	(107,458)
Interest paid on long-term borrowings	(283,556)	-	(283,556)
Proceeds from sale of capital assets	2,618	15,090	17,708
Receipt of intergovernmental revenues	76,600	-	76,600
Cash capital contributions	230,719	-	230,719
Net cash used in capital and related financing activities	<u>(5,428,102)</u>	<u>(195,832)</u>	<u>(5,623,934)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	669,317	-	669,317
Purchase of investments	(2,180,062)	-	(2,180,062)
Net cash used in investing activities	<u>(1,510,745)</u>	<u>-</u>	<u>(1,510,745)</u>
Net increase in cash and cash equivalents	809,378	935,160	1,744,538
Cash and cash equivalents, beginning of year	14,811,910	747,743	15,559,653
Cash and cash equivalents, end of year	<u>\$ 15,621,288</u>	<u>\$ 1,682,903</u>	<u>\$ 17,304,191</u>
Classified as:			
Cash and cash equivalents	\$ 5,648,781	\$ 1,682,903	\$ 7,331,684
Restricted cash and cash equivalents	9,972,507	-	9,972,507
	<u>\$ 15,621,288</u>	<u>\$ 1,682,903</u>	<u>\$ 17,304,191</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 7,721,490	\$ 636,227	\$ 8,357,717
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,431,663	138,791	2,570,454
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	782,229	(182,530)	599,699
(Increase) decrease in due from other funds	(11,500)	682,663	671,163
(Increase) decrease in prepaid items	(5,952)	359	(5,593)
Increase in inventories	(96,739)	-	(96,739)
Decrease in deferred outflows of resources for pension items	227,228	31,939	259,167
Decrease in accounts payable	(433,572)	(180,215)	(613,787)
Decrease in accrued liabilities	(146,160)	(14,376)	(160,536)
Decrease in customer deposits	(157,956)	-	(157,956)
Increase in compensated absences payable	100,734	15,542	116,276
Increase in due to other funds	159,597	374,044	533,641
Increase in net pension liability	56,958	54,584	111,542
Decrease in deferred inflows of resources for pension items	(405,538)	(77,717)	(483,255)
Net cash provided by operating activities	<u>\$ 10,222,482</u>	<u>\$ 1,479,311</u>	<u>\$ 11,701,793</u>
NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets from governmental activities	\$ -	\$ 663,508	\$ 663,508
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ 663,508</u>	<u>\$ 663,508</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

	<u>Municipal Court Fund</u>
ASSETS	
Cash	\$ 234,561
Total assets	<u>234,561</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 234,561</u>

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

CITY OF MONROE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	Municipal Court Fund
ADDITIONS	
Fines and fees collected	<u>\$ 78,554</u>
Total additions	<u>78,554</u>
DEDUCTIONS	
Fines and fees disbursed	<u>85,686</u>
Total deductions	<u>85,686</u>
Change in net position	(7,132)
NET POSITION	
Beginning of year, as restated	<u>241,693</u>
End of year	<u><u>\$ 234,561</u></u>

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

**CITY OF MONROE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Incorporated in 1821, under the laws of the State of Georgia, the City of Monroe is governed by a nine member Mayor/Council form of government. The mayor is elected to a four-year term, and council members are elected to staggered four-year terms. The Mayor serves as the Chief Executive Officer and the other eight council members serve on a part-time basis. The Mayor is assisted by a city administrator to handle the daily operations of the City.

The City’s major operations include public safety, fire protection, public works maintenance, utility services and general administrative services. In addition, the City exercises sufficient control over other governmental authorities that are included as part of the City’s reporting entity.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable and can impose its will. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

The Downtown Development Authority was activated by resolution in 1985 to promote and further develop trade, commerce, industry and employment opportunities within the City of Monroe, Georgia. It operates under an eight member board appointed by the City, one of which is a member of the City Council. The City has the ability to impose its will on the Authority. The Authority does not issue separate financial statements and is included as a discretely presented component unit in the City’s financial report.

The Monroe Area Convention and Visitors Bureau Authority was activated by resolution in 2008 to promote and further develop trade and tourism opportunities within the City of Monroe, Georgia. It operates under an eight member board appointed by the City, one of which is a member of the City Council. The City has the ability to impose its will on the Convention and Visitors Bureau. The Convention and Visitors Bureau does not issue separate financial statements and is included as a discretely presented component unit in the City’s financial report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Urban Redevelopment Authority was activated by resolution in 2018 to promote and further develop trade and tourism opportunities within the City of Monroe, Georgia. It operates under an eight-member board appointed by the Mayor and approved by the City Council. The City has the ability to impose its will on the Authority. The Authority does not issue separate financial statements and is included as a blended component unit in the City's financial report.

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 non-fiduciary activities of the primary government and its component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Property taxes received up to sixty days after year end, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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 **SPLOST Fund** is used to account for the one percent Special Purpose Local Option Tax (SPLOST) funds collected by Walton County and disbursed to the City. The funds are used for specific capital projects as approved by voter referendum.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The **Utilities Fund** accounts for the operation and maintenance of the City's water and sewer, gas, electric, and cable utility services.

The **Solid Waste Fund** accounts for the operation and maintenance of the City's transfer station and solid waste disposal.

Additionally, the City reports the following fund types:

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

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

The **Debt Service Fund** accounts for the accumulation of resources and payments made of principal and interest on the City's debt.

The **Custodial Fund** is used to account for assets held by the City's Municipal Court until they can be disbursed to other parties.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the City's general fund. Encumbrances outstanding at year end are reported as committed or assigned fund balance since they do not constitute expenditures or liabilities. There were no outstanding encumbrances at December 31, 2019.

E. Deposits and Investments

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

The City's nonparticipating interest earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

F. Receivables and Payables

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

G. Inventories

The costs of governmental fund type inventories (which are not significant to the City) are recorded as expenditures when purchased rather than when consumed (purchase method). Inventories of the proprietary funds are valued at cost using the first-in/first-out (FIFO) method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items in both government-wide and fund financial statements. The City accounts for prepaid items using the consumption method (i.e., the cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased).

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City capitalizes intangible assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Infrastructure	15-50
Buildings and improvements	20-50
Vehicles	5
Furniture and fixtures	10
Machinery and equipment	5-15

J. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. In addition, the City has a certificate of deposit account that is used to cover any customer deposit refunds for utilities services.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred charge on refunding reported in the proprietary fund statement of net position qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds balance sheet reports unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available under the modified accrual basis of accounting. The governmental balance sheet and statement of net position report unearned intergovernmental revenues from voluntary nonexchange transactions for resources received before time requirements are met, but after all other eligibility requirements have been met.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Obligations

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

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

N. Fund Equity

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (passage of a resolution) of the City Council. Furthermore, a resolution of the City Council is also required to rescind the commitment of fund balance.

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

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund of the City that may report a positive unassigned fund balance. Deficits in fund balance in other funds will be reported as unassigned.

The City has established a minimum fund balance policy in the General Fund for working capital purposes to eliminate cash flow issues, cover the cost of expenditures caused by unforeseen emergencies, cover shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. The City will maintain the equivalent of approximately two (2) months of operating and debt service expenditures, including transfers to other funds, which amounts to approximately 17% of budgeted General Fund expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

O. 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 Monroe Retirement Plan (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund balance sheet includes 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 “deferred outflows and inflows of resources as well as the net pension liability related to the City’s pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this \$2,864,763 difference are as follows:

Deferred outflows of resources - pension related items	\$ 1,053,772
Deferred inflows of resources - pension related items	(36,914)
Net pension liability	(3,881,621)
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (2,864,763)

Another 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 \$6,246,488 difference are as follows:

Revenue bonds payable	\$ (3,600,000)
Note payable	(1,350,000)
Financed purchases payable	(468,202)
Accrued interest payable	(12,501)
Compensated absences	(815,785)
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (6,246,488)

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

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 \$3,306,925 difference are as follows:

Capital outlay	\$ 4,442,514
Depreciation expense	(1,135,589)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,306,925</u>

Another element of that reconciliation explains that “The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.” The details of this \$877,575 difference are as follows:

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	\$ (214,067)
Transfers of governmental capital assets to proprietary funds decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	(663,508)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (877,575)</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 explains that “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 an effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$2,672,303 difference are as follows:

Principal repayments:		
General obligation bonds	\$	868,000
Financed purchases		211,552
Notes		75,000
Issuance of revenue bonds		(3,600,000)
Financed purchase		<u>(226,855)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	<u><u>(2,672,303)</u></u>

The final element of that reconciliation explains 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 \$107,384 difference are as follows:

Compensated absences	\$	(86,121)
Accrued interest		5,034
Amortization of deferred charges on refunding		(22,734)
Pension expense		<u>(3,563)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	<u><u>(107,384)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The City of Monroe, Georgia employs the following procedures in establishing its annual budget:

1. Prior to January 1, the City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means for financing them.
2. The City Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the City of Monroe, Georgia.
3. The budget is then revised and adopted or amended by the City Council at a subsequent regular meeting in the year to which it applies and within forty-five days following January 1.
4. The adopted budget may be revised during the year only by formal action of the City Council in a regular meeting and no increase shall be made therein without provision also being made for financing same, for anything above the legal level of budgetary control, which is the department level. However, transfers within a department may be made within any fund without council approval. The final budget amounts shown in these financial statements reflect amendments approved by the City Council.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2019 are summarized as follows:

Amounts as presented on the entity wide statement of net position:

Cash and cash equivalents	\$ 16,605,002
Investments	15,177,642
Restricted cash and cash equivalents	9,972,507
Restricted investments	1,552,622
Cash - custodial fund	234,561
Total	<u>\$ 43,542,334</u>

Deposits with financial institutions	\$ 25,623,309
Local government investment pool - Georgia Fund 1	2,741,383
Investments in the Municipal Competitive Trust	15,177,642
	<u>\$ 43,542,334</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2019, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Balance</u>
Municipal Competitive Trust - Short-term	47 days	\$ 5,173,941
Municipal Competitive Trust - Intermediate	113 days	2,726,814
Municipal Competitive Trust - Intermediate Extended Maturity	2.89 years	7,276,887
Certificate of deposit	12 months	1,552,622
Total		<u>\$ 16,730,264</u>

Credit risk: State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations, and political subdivisions of the State of Georgia, negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. The City's investments in the Municipal Competitive Trust were not rated.

The local government investment pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and 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). 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 value as of year-end and the City's 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. As of December 31, 2019, the weighted-average maturity of the pool was 39 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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 City's only investments that are required to be disclosed in the fair value hierarchy are its holdings in the Municipal Competitive Trust, which are considered to be Level 2 investments. These investments are valued using comparative observable input market data, including, but not limited to: benchmark yields or yield curves; historic sector, security, or issuer relative pricing; observed or reported trades of like assets broker dealer quotes; or quantitative pricing models using any or all of these market data.

The City's certificate of deposit is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost.

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.

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

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2019, the City had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. Additionally, the City had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above, such that all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The Walton County Tax Commissioner bills and collects the City’s property taxes. The taxes are levied by August 1 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year.

The billings are considered past due on November 16, at which time the applicable property is subject to lien and penalties and interest are assessed.

Property taxes are recorded as receivables and deferred inflows of resources in the General Fund when assessed and revenues are recognized when available.

Receivables at December 31, 2019, for the City’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Utilities</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ 285,530	\$ -	\$ -	\$ -	\$ 3,596
Accounts	247,665	-	4,444,984	287,331	-
Due from other governments	490,333	1,525,485	11,542	-	-
Less allowance for uncollectible	-	-	125,198	-	-
Net total receivable	<u>\$ 1,023,528</u>	<u>\$ 1,525,485</u>	<u>\$ 4,331,328</u>	<u>\$ 287,331</u>	<u>\$ 3,596</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,700,329	\$ -	\$ -	\$ -	\$ 3,700,329
Construction in progress	4,487,744	3,301,795	(188,989)	(1,651,488)	5,949,062
Total	<u>8,188,073</u>	<u>3,301,795</u>	<u>(188,989)</u>	<u>(1,651,488)</u>	<u>9,649,391</u>
Capital assets, being depreciated:					
Infrastructure	25,539,887	-	-	1,337,650	26,877,537
Buildings and improvements	13,483,719	-	-	313,838	13,797,557
Equipment, furniture & vehicles	6,292,650	1,140,719	(787,965)	-	6,645,404
Total	<u>45,316,256</u>	<u>1,140,719</u>	<u>(787,965)</u>	<u>1,651,488</u>	<u>47,320,498</u>
Less accumulated depreciation for:					
Infrastructure	(18,813,875)	(283,298)	-	-	(19,097,173)
Buildings and improvements	(6,450,445)	(407,678)	-	-	(6,858,123)
Equipment, furniture & vehicles	(5,030,861)	(444,613)	99,379	-	(5,376,095)
Total	<u>(30,295,181)</u>	<u>(1,135,589)</u>	<u>99,379</u>	<u>-</u>	<u>(31,331,391)</u>
Total capital assets, being depreciated, net	<u>15,021,075</u>	<u>5,130</u>	<u>(688,586)</u>	<u>1,651,488</u>	<u>15,989,107</u>
Governmental activities capital assets, net	<u>\$ 23,209,148</u>	<u>\$ 3,306,925</u>	<u>\$ (877,575)</u>	<u>\$ -</u>	<u>\$ 25,638,498</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,442,158	\$ 78,000	\$ -	\$ -	\$ 2,520,158
Construction in progress	2,201,865	3,001,998	-	(2,836,062)	2,367,801
Total	<u>4,644,023</u>	<u>3,079,998</u>	<u>-</u>	<u>(2,836,062)</u>	<u>4,887,959</u>
Capital assets, being depreciated:					
Infrastructure	65,570,432	-	-	2,008,263	67,578,695
Buildings and improvements	35,307,754	-	-	379,051	35,686,805
Equipment, furniture & vehicles	21,272,710	1,636,457	(26,105)	448,748	23,331,810
Total	<u>122,150,896</u>	<u>1,636,457</u>	<u>(26,105)</u>	<u>2,836,062</u>	<u>126,597,310</u>
Less accumulated depreciation for:					
Infrastructure	(24,807,842)	(1,171,441)	-	-	(25,979,283)
Buildings and improvements	(16,149,064)	(573,816)	-	-	(16,722,880)
Equipment, furniture & vehicles	(16,406,121)	(825,197)	26,105	-	(17,205,213)
Total	<u>(57,363,027)</u>	<u>(2,570,454)</u>	<u>26,105</u>	<u>-</u>	<u>(59,907,376)</u>
Total capital assets, being depreciated, net	<u>64,787,869</u>	<u>(933,997)</u>	<u>-</u>	<u>2,836,062</u>	<u>66,689,934</u>
Business-type activities capital assets, net	<u>\$ 69,431,892</u>	<u>\$ 2,146,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,577,893</u>

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

Governmental activities:

General government	\$ 49,652
Public safety	312,581
Public works	603,259
Housing and development	32,144
Culture and recreation	137,953
	<u>1,135,589</u>

Total depreciation expense - governmental activities

\$ 1,135,589

Business-type activities:

Utilities	\$ 2,431,663
Solid waste	138,791
	<u>2,570,454</u>

Total depreciation expense - business-type activities

\$ 2,570,454

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 868,000	\$ -	\$ (868,000)	\$ -	\$ -
Revenue bonds - direct placement	-	3,600,000	-	3,600,000	98,700
Financed purchases	452,899	226,855	(211,552)	468,202	198,650
Note payable from direct borrowing	1,425,000	-	(75,000)	1,350,000	75,000
Compensated absences	729,664	537,251	(451,130)	815,785	504,376
Net pension liability	3,629,010	1,382,163	(1,129,552)	3,881,621	-
Governmental activity Long-term liabilities	<u>\$ 7,104,573</u>	<u>\$ 5,746,269</u>	<u>\$ (2,735,234)</u>	<u>\$ 10,115,608</u>	<u>\$ 876,726</u>
Business-type activities:					
Revenue bonds - direct placement	\$ 13,010,000	\$ -	\$ (1,505,000)	\$ 11,505,000	\$ 1,540,000
Note payable from direct borrowings	1,430,206	-	(107,458)	1,322,748	107,996
Compensated absences	386,796	654,241	(537,965)	503,072	503,072
Net pension liability	3,867,039	1,416,688	(1,305,146)	3,978,581	-
Business-type activity Long-term liabilities	<u>\$ 18,694,041</u>	<u>\$ 2,070,929</u>	<u>\$ (3,455,569)</u>	<u>\$ 17,309,401</u>	<u>\$ 2,151,068</u>

For governmental funds, compensated absences and the net pension liability are liquidated by the General Fund. The City estimates the current portion of compensated absences based on historical trends of usage by employees.

A. Governmental Activities

Direct Placement Revenue Bonds. In February 2019, the Urban Redevelopment Authority issued direct placement, Series 2019 Revenue Bonds to finance the City’s urban redevelopment project. The bonds were issued for an original amount of \$3,600,000 bearing interest at 2.46% per annum payable quarterly on February 1, May 1, August 1, and November 1 and maturing in November 2028. As of December 31, 2019, the outstanding principal is \$3,600,000. The bonds are secured by an ad valorem tax levied by the City. In the event of default, outstanding bonds payable accrue additional interest, but there is no acceleration clause enforceable for immediate payment upon default.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Direct Placement Revenue Bonds (Continued). The debt service to maturity on the direct placement revenue bond is as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 98,700	\$ 88,560	\$ 187,260
2021	401,000	82,452	483,452
2022	411,000	72,496	483,496
2023	421,200	62,382	483,582
2024	431,600	51,834	483,434
2025-2028	1,836,500	97,470	1,933,970
	<u>\$ 3,600,000</u>	<u>\$ 455,194</u>	<u>\$ 4,055,194</u>

Notes Payable from Direct Borrowing. In December 2017, the City entered into an agreement with Walton Plaza Shopping Center, LLC in order to finance the purchase of a building. The original amount of the loan was \$1,500,000 bearing interest at 3.00% per annum payable quarterly in equal principal installments until maturity on December 31, 2037. The City's note payable debt service requirements to maturity are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,000	\$ 40,314	\$ 115,314
2021	75,000	37,920	112,920
2022	75,000	35,639	110,639
2023	75,000	33,358	108,358
2024	75,000	31,164	106,164
2025-2029	375,000	121,227	496,227
2030-2034	375,000	64,170	439,170
2035-2037	225,000	11,117	236,117
Total	<u>\$ 1,350,000</u>	<u>\$ 374,909</u>	<u>\$ 1,724,909</u>

Financed Purchases from Direct Borrowing. In April 2017, the City entered into a financed purchase agreement in the amount of \$245,900 for the acquisition of vehicles. Annual principal and interest payments are required until May 2020 at an interest rate of 2.86%.

In January 2018, the City entered into a financed purchase agreement in the amount of \$322,523 for the acquisition of fleet management vehicles. Annual principal and interest payments are required until July 2022 at an interest rates ranging from 1.60% to 1.95%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Financed Purchases from Direct Borrowing (Continued). In July 2019, the City entered into a financed purchase agreement in the amount of \$226,855 for the acquisition of vehicles. Annual principal and interest payments are required until July 2023 at an interest rates of 4.71%.

As of December 31, 2019, the City had \$762,031 of capital assets under the financed purchase agreements with \$197,738 of accumulated depreciation. Annual amortization of these assets is included in depreciation expense. The City’s total debt service requirements to maturity on its financed purchases are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 198,650	\$ 28,150	\$ 226,800
2021	137,345	25,739	163,084
2022	101,487	18,490	119,977
2023	30,720	5,091	35,811
Total	<u>\$ 468,202</u>	<u>\$ 77,470</u>	<u>\$ 545,672</u>

B. Business-Type Activities

Direct Placement Revenue Bonds. In December 2016, the City issued the direct placement Combined Utility Revenue Bonds (Series 2016) to provide funds to advance refund \$12,865,000 and \$1,065,000 in aggregate principal amount of the City’s Series 2006 and Series 2003 Combined Utility Revenue Bonds, respectively. Additionally, proceeds from the bonds were also used to retire a note payable to the Georgia Environmental Finance Authority with an outstanding balance of \$2,610,111. These bonds were issued for an original amount of \$16,770,000 bearing interest at 2.19% per annum payable semi-annually on June 1 and December 1 and maturing in 2026. The Series 2016 bonds contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 115 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts are due immediately.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-Type Activities (Continued)

Direct Placement Revenue Bonds (Continued). The debt service to maturity is as follows:

Year Ending December 31,	Series 2016		
	Principal	Interest	Total
2020	\$ 1,540,000	\$ 243,528	\$ 1,783,528
2021	1,570,000	209,638	1,779,638
2022	1,605,000	175,091	1,780,091
2023	1,640,000	139,722	1,779,722
2024	1,680,000	103,587	1,783,587
2025-2026	3,470,000	95,374	3,565,374
Total	<u>\$ 11,505,000</u>	<u>\$ 966,940</u>	<u>\$ 12,471,940</u>

Notes Payable from Direct Borrowings. The City has incurred debt to the Georgia Environmental Finance Authority (GEFA) to replace 7,000 water meters with new automated meter reading technology, repayment of which commenced in December 2016. The note bears interest at 5.00% and is due in equal monthly installments of \$9,530 until it matures on November 1, 2031. The Note contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 115 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts are due immediately. Debt service requirements to maturity on this note payable to GEFA are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 107,996	\$ 6,366	\$ 114,362
2021	108,537	5,825	114,362
2022	109,081	5,281	114,362
2023	109,628	4,735	114,363
2024	110,177	4,185	114,362
2025-2029	559,225	12,588	571,813
2030-2031	218,104	1,093	219,197
Total	<u>\$ 1,322,748</u>	<u>\$ 40,073</u>	<u>\$ 1,362,821</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2019 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utilities Fund	\$ 261,576
General Fund	Solid Waste Fund	374,044
General Fund	SPLOST Fund	5,832
General Fund	Nonmajor governmental funds	9,850
	Total	<u>\$ 651,302</u>
Solid Waste Fund	General Fund	\$ 402,283
Solid Waste Fund	Utilities Fund	298,231
		<u>\$ 700,514</u>
Utilities Fund	SPLOST Fund	<u>\$ 11,500</u>

The outstanding balances between funds result mainly from the time lag between the dates that reimbursable expenditures occurred and the payments between funds were made. Interfund balances are expected to be repaid in the next year.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Utilities Fund	\$ 2,474,257
General Fund	Solid Waste Fund	348,319
		<u>\$ 2,822,576</u>
Nonmajor governmental funds	General Fund	<u>\$ 881,944</u>

Transfers were used to: (1) use unrestricted revenues collected in the Utilities and Solid Waste Funds to finance various programs accounted for in other funds and (2) to cover revenue shortfalls with unrestricted General Fund revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Monroe Retirement Plan) covering all full-time employees. 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. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$30 for each year of service after reaching normal retirement age.

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, 2019, the date of the most recent actuarial valuation, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	100
Terminated vested participants not yet receiving benefits	84
Active employees - vested	146
Active employees - nonvested	91
Total	<u>421</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the 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, 2019, the City's contribution rate was 15.01% of annual payroll and contributions to the Plan totaled \$1,582,909. Currently, Plan members do not contribute although some participants still have contributions remaining in the Plan.

Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2019.

Actuarial assumptions. The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75%
Salary increases	3.75% - 8.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates for the July 1, 2018 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2019 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	45%	6.40%
International equity	20%	7.40
Domestic fixed income	20%	1.75
Global fixed income	5%	3.03
Real estate	10%	5.10
Cash	—%	
Total	<u>100%</u>	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended December 31, 2019 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/18	\$ 30,043,557	\$ 22,547,508	\$ 7,496,049
Changes for the year:			
Service cost	518,359	-	518,359
Interest	2,239,018	-	2,239,018
Differences between expected and actual experience	(15,158)	-	(15,158)
Contributions—employer	-	1,595,213	(1,595,213)
Net investment income	-	824,327	(824,327)
Benefit payments, including refunds of employee contributions	(1,416,673)	(1,416,673)	-
Administrative expense	-	(41,474)	41,474
Net changes	<u>1,325,546</u>	<u>961,393</u>	<u>364,153</u>
Balances at 12/31/19	<u>\$ 31,369,103</u>	<u>\$ 23,508,901</u>	<u>\$ 7,860,202</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.

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 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's net pension liability	\$ 11,708,456	\$ 7,860,202	\$ 4,632,965

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

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, 2019 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, 2019, the City recognized pension expense of \$1,593,874. At December 31, 2019, 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	\$ 633,580	\$ 74,750
Changes in assumptions	263,618	-
Net difference between projected and actual earnings on pension plan investments	49,488	-
City contributions subsequent to the measurement date	1,187,182	-
Total	\$ 2,133,868	\$ 74,750

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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 \$1,187,182 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, 2020. 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:			
2020		\$	573,309
2021			142,672
2022			(18,420)
2023			174,375
	Total	\$	<u>871,936</u>

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Dues to the RC are assessed at the County level and are, accordingly, paid by Walton County. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30605.

NOTE 11. RELATED ORGANIZATIONS

The City's council is responsible for appointing a majority of the board members of the City of Monroe, Georgia Housing Authority. However, the City has no further accountability for the Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT

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

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defined by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. Settled claims have not exceeded coverage in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the last three years.

The City is self-insured for employee group health insurance. The City maintains specific stop loss coverage in the amount \$50,000 per covered individual for employee group health insurance. A liability for employee group health insurance and workers' compensation claims is recognized in the General Fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability includes an estimate for claims that have been incurred but not reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liabilities during the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2019	\$ 335,627	\$ 2,221,241	\$ 2,211,834	\$ 345,034
2018	324,949	1,297,712	1,287,034	335,627

The ending claims liability is expected to be paid during 2020 and, therefore, has been classified as a current liability.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by State law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of December 31, 2019, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$12,468,827 in 2019.

At December 31, 2019, the outstanding debt of MEAG was approximately \$7.5 billion. The City's guarantee varies by individual projects undertaken by MEAG and as of December 31, 2019 totals approximately \$127.5 million.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia:

The City has also entered into a contract for wholesale natural gas purchases with the Municipal Gas Authority of Georgia (MGAG) that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire the bonds issued by MGAG, the City is obligated to pay its "obligation share" of the costs of the gas supply and related services MGAG provides to the City, which costs includes amounts equal to principal and interest on MGAG's bonds. These obligations, which extend through the year 2020, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to MGAG for gas supply costs are based on MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to MGAG are made monthly based on actual usage. The total payments under these contracts amounted to \$1,472,090 in 2019.

At December 31, 2019, the outstanding debt of MGAG was approximately \$168.5 million. The City's guarantee varies by individual projects undertaken by MGAG and totals approximately \$1.8 million at December 31, 2019.

Grant Contingencies:

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

Contractual Commitments:

As of December 31, 2019, the City has contractual commitments on uncompleted contracts of \$10,227,710 primarily for infrastructure improvements to its highways and streets as well as to its utilities system.

Litigation:

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. HOTEL/MOTEL LODGING TAX

The City imposes a 5% hotel/motel tax on lodging facilities within the City. Revenues were \$48,079 for the year ended December 31, 2019. Of this amount 100% was expended for the promotion of tourism.

NOTE 15. TAX ABATEMENTS

For the year ended December 31, 2019, City property tax revenues were reduced by \$131,475 under agreements entered into by the Walton County Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if funds are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial fund.

	Municipal Court Fund
Net Position, fiduciary activities, as previously reported	\$ -
Recognition of the beginning net position of the Municipal Court as a custodial fund	241,693
Net position, fiduciary activities, as restated	<u>\$ 241,693</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability				
Service cost	\$ 518,359	\$ 490,025	\$ 483,726	\$ 502,642
Interest on total pension liability	2,239,018	2,078,904	2,005,035	1,821,757
Differences between expected and actual experience	(15,158)	793,401	(253,518)	1,184,399
Changes of assumptions	-	527,237	-	-
Benefit payments, including refunds of employee contributions	(1,416,673)	(1,341,167)	(1,223,017)	(1,064,806)
Net change in total pension liability	<u>1,325,546</u>	<u>2,548,400</u>	<u>1,012,226</u>	<u>2,443,992</u>
Total pension liability - beginning	<u>30,043,557</u>	<u>27,495,157</u>	<u>26,482,931</u>	<u>24,038,939</u>
Total pension liability - ending (a)	<u>\$ 31,369,103</u>	<u>\$ 30,043,557</u>	<u>\$ 27,495,157</u>	<u>\$ 26,482,931</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,595,213	\$ 1,476,334	\$ 1,446,150	\$ 1,460,554
Contributions - employee	-	151,350	-	-
Net investment income	824,327	2,489,925	2,202,837	46,793
Benefit payments, including refunds of member contributions	(1,416,673)	(1,341,167)	(1,223,017)	(1,064,806)
Administrative expenses	(41,474)	(39,798)	(39,342)	(27,372)
Net change in plan fiduciary net position	<u>961,393</u>	<u>2,736,644</u>	<u>2,386,628</u>	<u>415,169</u>
Plan fiduciary net position - beginning	<u>22,547,508</u>	<u>19,810,864</u>	<u>17,424,236</u>	<u>17,009,067</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,508,901</u>	<u>\$ 22,547,508</u>	<u>\$ 19,810,864</u>	<u>\$ 17,424,236</u>
City's net pension liability - ending (a) - (b)	<u>\$ 7,860,202</u>	<u>\$ 7,496,049</u>	<u>\$ 7,684,293</u>	<u>\$ 9,058,695</u>
Plan fiduciary net position as a percentage of the total pension liability	74.94%	75.05%	72.05%	65.79%
Covered payroll	\$ 9,703,676	\$ 9,334,662	\$ 8,834,774	\$ 8,409,066
City's net pension liability as a percentage of covered payroll	81.00%	80.30%	86.98%	107.73%
	<u>2015</u>			
Total pension liability				
Service cost	\$ 535,685			
Interest on total pension liability	1,734,555			
Differences between expected and actual experience	261,577			
Changes of assumptions	(381,710)			
Benefit payments, including refunds of employee contributions	(985,044)			
Net change in total pension liability	<u>1,165,063</u>			
Total pension liability - beginning	<u>22,873,876</u>			
Total pension liability - ending (a)	<u>\$ 24,038,939</u>			
Plan fiduciary net position				
Contributions - employer	\$ 1,498,029			
Contributions - employee	38,115			
Net investment income	1,473,880			
Benefit payments, including refunds of member contributions	(985,044)			
Administrative expenses	(24,874)			
Net change in plan fiduciary net position	<u>2,000,106</u>			
Plan fiduciary net position - beginning	<u>15,008,961</u>			
Plan fiduciary net position - ending (b)	<u>\$ 17,009,067</u>			
City's net pension liability - ending (a) - (b)	<u>\$ 7,029,872</u>			
Plan fiduciary net position as a percentage of the total pension liability	70.76%			
Covered payroll	\$ 8,717,479			
City's net pension liability as a percentage of covered payroll	80.64%			

Notes to the Schedule:

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

CITY OF MONROE, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,582,909	\$ 1,466,150	\$ 1,514,182	\$ 1,422,940
Contributions in relation to the actuarially determined contribution	<u>1,582,909</u>	<u>1,439,383</u>	<u>1,576,845</u>	<u>1,422,940</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 26,767</u>	<u>\$ (62,663)</u>	<u>\$ -</u>
Covered payroll	\$ 10,545,696	\$ 9,423,002	\$ 9,305,215	\$ 8,677,960
Contributions as a percentage of covered payroll	15.01%	15.28%	16.95%	16.40%

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,472,825	\$ 1,506,697
Contributions in relation to the actuarially determined contribution	<u>1,472,825</u>	<u>1,506,697</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,319,435	\$ 8,850,160
Contributions as a percentage of covered payroll	17.70%	17.02%

Notes to the Schedule of Contributions and Related Assumptions:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2018
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	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.

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

CITY OF MONROE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Forfeited Drug Fund – This fund is used to account for the City’s share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected that are restricted for promotion of trade and tourism in the City.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, principal and interest on the City’s general obligation bonds.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Capital Projects Fund – This fund is used to account for the receipts and disbursements of grant money used to fund various capital outlay projects of the City.

Urban Redevelopment Authority Fund – This fund is used to account for the proceeds of the Series 2019 Revenue Bond issuance, which is to be used to fund the City’s urban redevelopment plan.

CITY OF MONROE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

ASSETS	Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
Cash and cash equivalents	\$ 93,138	\$ 400	\$ 97	\$ 2,740	\$ 2,741,383	\$ 2,837,758
Taxes receivable	-	3,596	-	-	-	3,596
Total assets	\$ 93,138	\$ 3,996	\$ 97	\$ 2,740	\$ 2,741,383	\$ 2,841,354
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 29,901	\$ -	\$ -	\$ -	\$ 1,344	\$ 31,245
Due to other funds	-	-	-	-	9,850	9,850
Total liabilities	29,901	-	-	-	11,194	41,095
FUND BALANCES						
Restricted:						
Law enforcement	63,237	-	-	-	-	63,237
Capital projects	-	-	-	2,740	2,730,189	2,732,929
Tourism	-	3,996	-	-	-	3,996
Assigned:						
Debt service	-	-	97	-	-	97
Total fund balances	63,237	3,996	97	2,740	2,730,189	2,800,259
Total liabilities and fund balances	\$ 93,138	\$ 3,996	\$ 97	\$ 2,740	\$ 2,741,383	\$ 2,841,354

CITY OF MONROE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
	Forfeited Drug Fund	Hotel/Motel Tax Fund		Capital Projects Fund	Urban Redevelopment Authority Fund	
REVENUES						
Taxes	\$ -	\$ 48,079	\$ -	\$ -	\$ -	\$ 48,079
Fines and forfeitures	61,083	-	-	-	-	61,083
Contributions	-	-	-	-	-	-
Interest	-	-	-	-	55,562	55,562
Total revenues	<u>61,083</u>	<u>48,079</u>	<u>-</u>	<u>-</u>	<u>55,562</u>	<u>164,724</u>
EXPENDITURES						
Current						
General government	-	-	-	-	1,344	1,344
Public safety	21,111	-	-	-	-	21,111
Housing and development	-	48,717	-	-	-	48,717
Capital outlay	-	-	-	-	841,029	841,029
Debt service						
Principal retirements	-	-	868,000	-	-	868,000
Interest	-	-	13,962	-	-	13,962
Cost of issuance	-	-	-	-	83,000	83,000
Total expenditures	<u>21,111</u>	<u>48,717</u>	<u>881,962</u>	<u>-</u>	<u>925,373</u>	<u>1,877,163</u>
Excess (deficiency) of revenues over expenditures	<u>39,972</u>	<u>(638)</u>	<u>(881,962)</u>	<u>-</u>	<u>(869,811)</u>	<u>(1,712,439)</u>
OTHER FINANCING SOURCES						
Proceeds from bond issuance	-	-	-	-	3,600,000	3,600,000
Transfers in	-	-	881,944	-	-	881,944
Total other financing sources	<u>-</u>	<u>-</u>	<u>881,944</u>	<u>-</u>	<u>3,600,000</u>	<u>4,481,944</u>
Net change in fund balances	39,972	(638)	(18)	-	2,730,189	2,769,505
FUND BALANCES, beginning of year	<u>23,265</u>	<u>4,634</u>	<u>115</u>	<u>2,740</u>	<u>-</u>	<u>30,754</u>
FUND BALANCES, end of year	<u>\$ 63,237</u>	<u>\$ 3,996</u>	<u>\$ 97</u>	<u>\$ 2,740</u>	<u>\$ 2,730,189</u>	<u>\$ 2,800,259</u>

CITY OF MONROE, GEORGIA
FORFEITED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines & forfeitures	\$ 40,000	\$ 40,000	\$ 61,083	\$ 21,083
EXPENDITURES				
Public safety	40,000	40,000	21,111	18,889
Net change in fund balances	-	-	39,972	39,972
FUND BALANCES, beginning of year	23,265	23,265	23,265	-
FUND BALANCES, end of year	<u>\$ 23,265</u>	<u>\$ 23,265</u>	<u>\$ 63,237</u>	<u>\$ 39,972</u>

CITY OF MONROE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 43,000	\$ 48,717	\$ 48,079	\$ (638)
EXPENDITURES				
Housing and development	43,000	48,717	48,717	-
Net change in fund balances	-	-	(638)	(638)
FUND BALANCES, beginning of year	<u>4,634</u>	<u>4,634</u>	<u>4,634</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,634</u>	<u>\$ 4,634</u>	<u>\$ 3,996</u>	<u>\$ (638)</u>

CITY OF MONROE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES				
Debt service				
Principal retirements	\$ 868,000	\$ 868,000	\$ 868,000	\$ -
Interest	13,888	13,962	13,962	-
Total expenditures	<u>881,888</u>	<u>881,962</u>	<u>881,962</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(881,888)</u>	<u>(881,962)</u>	<u>(881,962)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	881,888	881,962	881,944	(18)
Total other financing sources	<u>881,888</u>	<u>881,962</u>	<u>881,944</u>	<u>(18)</u>
Net change in fund balances	-	-	(18)	(18)
FUND BALANCES, beginning of year	<u>115</u>	<u>115</u>	<u>115</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 115</u>	<u>\$ 115</u>	<u>\$ 97</u>	<u>\$ (18)</u>

CITY OF MONROE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
SPLOST - 2013 SERIES					
Transportation, drainage and sidewalks	\$ 5,900,000	\$ 5,757,316	\$ 5,134,027	\$ 228,659	\$ 5,362,686
Public safety improvements	1,200,000	1,200,000	895,374	78,668	974,042
Solid waste improvements	2,100,000	2,100,000	736,806	663,508	1,400,314
	<u>\$ 9,200,000</u>	<u>\$ 9,057,316</u>	<u>\$ 6,766,207</u>	<u>\$ 970,835</u>	<u>\$ 7,737,042</u>
SPLOST - 2019 SERIES					
Transportation, drainage and sidewalks	\$ 6,139,675	\$ 6,139,675	\$ -	\$ 369,520	\$ 369,520
Parks improvements	2,631,289	2,631,289	-	104,800	104,800
	<u>\$ 8,770,964</u>	<u>\$ 8,770,964</u>	<u>\$ -</u>	<u>\$ 474,320</u>	<u>\$ 474,320</u>
Total 2013 and 2019 SPLOST				\$ 1,445,155	
Expenditures funded by non-SPLOST revenues				2,284,197	
Total SPLOST Fund expenditures for year ended December 31, 2019				<u>\$ 3,729,352</u>	

COMPONENT UNITS

CITY OF MONROE, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 42,672
Payments to suppliers	(103,869)
Net cash used in operating activities	<u>(61,197)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Tax receipts	25,000
Other nonoperating receipts	49,471
Net cash provided by non-capital financing activities	<u>74,471</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid on debt	(11,204)
Receipt of long term receivable	295,773
Principal paid on note payable	(245,000)
Net cash provided by capital and related financing activities	<u>39,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	26,960
Net cash provided by investing activities	<u>26,960</u>
Net increase in cash	79,803
Cash, beginning of year	<u>99,293</u>
Cash, end of year	<u>\$ 179,096</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	(69,664)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	7,394
Increase in accounts payable	1,073
Net cash used in operating activities	<u>\$ (61,197)</u>

CITY OF MONROE, GEORGIA

**BALANCE SHEET
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
DECEMBER 31, 2019**

ASSETS	
Cash	\$ 25,884
Accounts receivable	<u>12,562</u>
Total assets	<u><u>\$ 38,446</u></u>
 FUND BALANCE	
FUND BALANCE	
Restricted - tourism	<u>38,446</u>
Total liabilities and fund balance	<u><u>\$ 38,446</u></u>

CITY OF MONROE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - CONVENTION & VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES	
Taxes	\$ 48,717
Miscellaneous	<u>449</u>
Total revenues	<u>49,166</u>
EXPENDITURES	
Tourism	<u>28,531</u>
Total expenditures	<u>28,531</u>
Net change in fund balance	<u>20,635</u>
FUND BALANCE, beginning of year	<u>17,811</u>
FUND BALANCE, end of year	<u><u>\$ 38,446</u></u>

STATISTICAL SECTION

This part of the City of Monroe’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Financial Trends..... Page 71

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity 78

These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and utility charges.

Debt Capacity 92

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... 97

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information 100

These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF MONROE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 22,930,759	\$ 20,485,983	\$ 16,771,849	\$ 16,598,632	\$ 16,304,765	\$ 15,731,687	\$ 15,194,056	\$ 16,120,259	\$ 16,815,773	\$ 17,638,965
Restricted for law enforcement	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005	21,615	40,435
Restricted for debt service	-	310,849	92,856	47,966	83,893	86,421	68,524	80,597	148,229	93,945
Restricted for capital projects	4,414,265	4,022,139	5,448,014	4,501,818	4,248,927	2,009,916	1,487,470	239,688	134,638	134,619
Restricted for tourism	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-	-	-
Unrestricted	(300,215)	(970,461)	(763,091)	(639,323)	(787,256)	2,382,343	2,193,503	1,304,317	744,013	1,464,994
Total governmental activities net position	\$ 27,112,042	\$ 23,876,409	\$ 21,561,050	\$ 20,526,785	\$ 19,899,314	\$ 20,268,684	\$ 18,978,514	\$ 17,759,866	\$ 17,684,268	\$ 19,372,958
Business-type activities										
Net investment in capital assets	\$ 58,967,998	\$ 55,240,661	\$ 51,733,299	\$ 50,771,001	\$ 51,299,862	\$ 49,699,327	\$ 48,731,409	\$ 48,356,364	\$ 48,016,934	\$ 46,398,368
Restricted for debt service	255,363	252,617	249,332	186,716	215,898	215,898	215,898	221,200	274,045	316,073
Restricted for capital projects	9,696,380	9,139,113	12,097,845	9,441,663	8,383,507	15,244,250	12,615,279	11,666,917	9,800,800	9,523,530
Unrestricted	21,627,290	18,957,214	14,621,384	13,463,671	9,252,608	1,883,885	1,338,458	106,205	2,594,956	2,821,904
Total business-type activities net position	\$ 90,447,031	\$ 83,589,605	\$ 78,701,860	\$ 73,863,051	\$ 69,151,895	\$ 67,043,360	\$ 62,901,044	\$ 60,352,686	\$ 60,686,735	\$ 59,059,875
Primary government										
Net investment in capital assets	\$ 81,896,757	\$ 75,726,644	\$ 68,505,148	\$ 67,369,633	\$ 67,604,647	\$ 65,431,014	\$ 63,925,465	\$ 64,478,623	\$ 64,832,707	\$ 64,037,333
Restricted for law enforcement	63,237	23,265	7,885	14,495	40,614	45,678	26,451	14,005	21,615	40,435
Restricted for debt service	255,363	963,466	342,188	234,682	299,791	302,319	284,422	301,797	422,274	410,018
Restricted for capital projects	14,110,645	13,161,252	17,545,859	13,943,481	12,632,434	17,254,166	14,102,749	11,906,605	9,800,800	9,523,530
Restricted for tourism	3,996	4,634	3,537	3,197	8,371	12,639	8,510	-	-	-
Unrestricted	21,227,075	17,986,753	13,858,293	12,824,348	8,465,352	4,266,228	3,531,961	1,410,522	3,338,969	4,286,896
Total primary government net position	\$ 117,559,073	\$ 107,466,014	\$ 100,262,910	\$ 94,389,836	\$ 89,051,209	\$ 87,312,044	\$ 81,879,558	\$ 78,111,552	\$ 78,416,365	\$ 78,298,214

CITY OF MONROE, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 1,657,185	\$ 1,346,382	\$ 1,517,879	\$ 1,546,075	\$ 1,497,183	\$ 1,355,733	\$ 1,386,060	\$ 1,424,993	\$ 1,417,361	\$ 1,472,876
Judicial	84,279	96,110	103,571	121,714	112,734	97,474	91,707	96,201	103,077	123,640
Public safety	7,032,501	6,269,746	5,515,442	5,268,676	5,282,765	5,327,544	4,953,432	5,315,309	5,246,043	5,299,486
Public works	2,302,320	2,288,586	2,403,390	2,515,679	2,608,923	2,876,346	2,900,831	3,628,463	3,677,625	3,480,963
Health and welfare	28,153	23,470	12,325	16,296	13,571	15,638	12,010	15,638	11,555	16,530
Culture and recreation	623,148	575,482	427,499	389,367	382,685	388,091	418,912	485,611	441,207	428,110
Housing and development	1,547,514	1,211,958	1,030,921	785,841	755,074	541,373	483,185	568,750	518,594	491,352
Interest on long-term debt	245,557	116,266	64,856	120,015	178,624	208,985	222,051	245,921	266,783	284,722
Total governmental activities expenses	<u>13,420,657</u>	<u>11,930,002</u>	<u>11,075,983</u>	<u>10,762,680</u>	<u>10,834,284</u>	<u>10,810,127</u>	<u>10,468,168</u>	<u>11,980,886</u>	<u>11,682,245</u>	<u>11,587,579</u>
Business-type activities:										
Utilities	35,171,102	36,101,902	32,120,416	31,479,006	29,794,440	30,534,057	29,840,533	30,418,076	29,575,871	28,520,470
Solid Waste	5,159,271	4,311,889	4,052,539	3,864,928	3,851,963	3,604,884	4,189,968	4,334,093	4,554,533	4,819,518
GUTA	-	-	333,199	206,924	79,193	54,165	45,617	48,989	41,179	53,699
Total business-type activities expenses	<u>40,330,373</u>	<u>40,413,791</u>	<u>36,506,154</u>	<u>35,640,556</u>	<u>33,725,596</u>	<u>34,193,106</u>	<u>34,076,116</u>	<u>34,801,156</u>	<u>34,171,683</u>	<u>33,393,882</u>
Total primary government expenses	<u>\$ 53,751,030</u>	<u>\$ 52,343,793</u>	<u>\$ 47,582,037</u>	<u>\$ 46,403,036</u>	<u>\$ 44,559,880</u>	<u>\$ 45,003,233</u>	<u>\$ 44,544,306</u>	<u>\$ 46,782,044</u>	<u>\$ 45,853,928</u>	<u>\$ 44,991,286</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 825,086	\$ 745,943	\$ 747,865	\$ 801,929	\$ 702,850	\$ 711,630	\$ 739,038	\$ 603,191	\$ 646,816	\$ 549,883
Judicial	454,901	332,014	275,966	287,674	405,299	408,191	455,532	342,480	509,174	461,730
Public safety	84,181	59,583	73,869	50,448	125,489	97,188	77,546	46,638	82,798	57,119
Public works	34,410	23,748	61,123	30,411	35,930	31,530	22,471	39,805	13,810	15,380
Culture and recreation	3,335	12,096	15,520	12,920	8,785	12,313	12,313	2,775	1,775	1,650
Housing and development	441,280	233,299	328,659	227,155	212,784	70,504	126,510	43,724	-	-
Operating grants and contributions	640,872	587,422	133,651	169,506	182,306	74,634	73,074	377,316	187,652	334,014
Capital grants and contributions	4,096,477	2,490,759	1,988,249	1,686,099	3,907,075	2,255,155	1,880,433	1,121,183	1,006,495	1,316,349
Total governmental activities program revenues	<u>6,853,542</u>	<u>4,485,264</u>	<u>3,634,902</u>	<u>3,266,042</u>	<u>5,880,518</u>	<u>3,661,145</u>	<u>3,386,917</u>	<u>2,577,112</u>	<u>2,448,620</u>	<u>2,736,125</u>
Business-type activities:										
Charges for services:										
Utilities	42,580,660	42,193,778	37,997,407	37,484,700	35,898,925	35,424,676	33,287,174	31,737,327	31,714,571	30,822,821
Solid Waste	5,795,488	4,481,913	4,580,937	4,272,845	4,413,332	4,207,418	4,402,965	4,481,351	4,848,063	5,136,546
GUTA	-	-	119,824	120,868	73,468	36,985	56,992	61,133	21,535	15,460
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	283,684	644,842	41,862	43,351	512,575	488,720	482,841	1,066,897	1,211,082	651,018
Total business-type activities program revenues	<u>48,659,842</u>	<u>47,320,533</u>	<u>42,740,030</u>	<u>41,921,764</u>	<u>40,898,300</u>	<u>40,158,779</u>	<u>38,219,972</u>	<u>37,346,708</u>	<u>37,795,251</u>	<u>36,625,645</u>
Total primary government program revenues	<u>\$ 55,243,384</u>	<u>\$ 51,805,797</u>	<u>\$ 46,374,932</u>	<u>\$ 45,187,806</u>	<u>\$ 46,478,818</u>	<u>\$ 43,819,924</u>	<u>\$ 41,606,889</u>	<u>\$ 39,923,820</u>	<u>\$ 40,243,771</u>	<u>\$ 39,381,770</u>

CITY OF MONROE, GEORGIA

CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense)/revenue										
Governmental activities	\$ (6,837,115)	\$ (7,444,738)	\$ (7,440,981)	\$ (7,496,438)	\$ (5,253,766)	\$ (7,148,982)	\$ (7,081,271)	\$ (9,403,774)	\$ (9,233,725)	\$ (8,851,454)
Business-type activities	\$ 8,329,469	\$ 6,906,742	\$ 6,233,876	\$ 6,281,206	\$ 7,172,704	\$ 5,963,673	\$ 4,143,854	\$ 2,545,550	\$ 3,623,568	\$ 3,231,958
Total primary government net (expense) revenue	\$ 1,492,354	\$ (537,996)	\$ (1,207,105)	\$ (1,215,232)	\$ 1,918,938	\$ (1,185,309)	\$ (2,937,417)	\$ (6,858,224)	\$ (5,610,157)	\$ (5,620,496)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 3,684,076	\$ 3,448,522	\$ 3,184,467	\$ 2,985,136	\$ 3,158,414	\$ 3,216,546	\$ 3,254,266	\$ 2,931,008	\$ 2,865,418	\$ 2,987,370
Sales taxes	2,717,391	2,379,975	2,176,049	2,011,909	2,049,892	2,050,222	1,944,524	2,227,932	2,141,501	2,140,642
Franchise taxes	320,400	333,951	317,921	303,920	282,669	263,862	281,939	220,358	240,578	241,805
Other taxes	1,136,010	1,079,020	1,006,432	970,831	898,936	852,020	815,235	788,216	753,374	736,234
Unrestricted investment earnings	55,803	2	78	-	-	-	-	-	130	1,751
Miscellaneous	-	109,182	91,966	56,891	-	164,450	276,084	205,830	229,369	347,464
Gain on sale of capital assets	-	-	32,366	-	89,099	25,051	101,227	6,823	-	-
Transfers	2,159,069	2,409,345	1,665,967	1,795,522	1,680,148	1,867,001	1,627,644	2,918,105	1,682,370	1,704,065
Total governmental activities	10,072,748	9,760,987	8,475,246	8,123,909	8,159,158	8,439,152	8,300,919	9,286,372	7,912,740	8,159,331
Business-type activities:										
Investment earnings	669,317	388,841	285,069	175,847	76,109	43,644	32,148	38,506	61,067	72,110
Gain on sale of capital assets	17,708	1,007	5,831	49,625	-	-	-	-	-	320,220
Transfers	(2,159,069)	(2,409,445)	(1,665,967)	(1,795,522)	(1,680,148)	(1,867,001)	(1,627,644)	(2,918,105)	(1,682,370)	(1,704,065)
Total business-type activities	(1,472,043)	(2,019,597)	(1,385,067)	(1,570,050)	(1,604,039)	(1,823,357)	(1,595,496)	(2,879,599)	(1,621,303)	(1,311,735)
Total primary government	\$ 8,600,705	\$ 7,741,390	\$ 7,090,179	\$ 6,553,859	\$ 6,555,119	\$ 6,615,795	\$ 6,705,423	\$ 6,418,773	\$ 6,291,437	\$ 6,847,596
Change in Net Position										
Governmental activities	\$ 3,235,633	\$ 2,315,359	\$ 1,034,265	\$ 627,471	\$ 2,905,392	\$ 1,290,170	\$ 1,219,648	\$ (105,402)	\$ (1,320,985)	\$ (702,123)
Business-type activities	6,857,426	4,887,745	4,838,809	4,711,156	5,568,665	4,142,316	2,548,358	(334,049) ⁽¹⁾	2,002,265	1,920,223
Total primary government	\$ 10,093,059	\$ 7,203,104	\$ 5,873,074	\$ 5,338,627	\$ 8,474,057	\$ 5,432,486 ⁽³⁾	\$ 3,768,006 ⁽³⁾	\$ (439,451) ⁽²⁾	\$ 681,280	\$ 1,218,100

(1) Economic conditions caused a decrease in new construction and therefore reduced revenue from tap fees and capital contributions.
 (2) The City eliminated several positions city wide and redesigned health insurance benefits contributing to an increase in net position which is in line with historic trends.
 (3) Utility rates were restructured coupled with an increase in telecommunication customer base.
 (4) During 2018, the GUTA fund was consolidated with the Utilities Fund.

CITY OF MONROE, GEORGIA

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Tax	Total
2010	2,987,370	2,140,642	241,805	736,234	6,106,051
2011	2,865,418	2,141,501	240,578	753,374	6,000,871
2012	2,931,008	2,227,932	220,358	788,216	6,167,514
2013	3,254,266	1,944,524	281,939	815,235	6,295,964
2014	3,216,546	2,050,222	263,862	852,020	6,382,650
2015	3,158,414	2,049,892	282,669	898,936	6,389,911
2016	2,985,136 ⁽¹⁾	2,011,809	303,920	970,831	6,271,696
2017	3,184,467	2,176,049	317,921	1,006,432	6,684,869
2018	3,448,522	2,379,975	333,951	1,079,020	7,241,468
2019	3,684,076	2,717,391	320,400	1,136,010	7,857,877

(1) Property tax decrease in 2016 due to a decrease in title ad-valorem tax (TAVT) due to a change in the State formula

CITY OF MONROE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Nonspendable	\$ 120,013	\$ 115,624	\$ 112,615	\$ 99,052	\$ 79,697	\$ 93,464	\$ 524,692	\$ 565,569	\$ 541,999	\$ 487,204
Restricted	-	310,734	92,741	47,850 (1)	197,243	199,305	68,408	185,354	147,833	93,280
Assigned	6,007	5,500	10,739	17,108	10,359	5,209	2,800	275	272	3,142
Unassigned	3,065,644	2,311,710	2,537,155	2,807,490	2,570,778	2,607,515 (3)	1,907,321 (4)	969,763 (6)	498,956 (9)	802,954
Total general fund	\$ 3,191,664	\$ 2,743,568	\$ 2,753,250	\$ 2,971,500	\$ 2,858,077	\$ 2,905,493	\$ 2,503,221	\$ 1,720,961	\$ 1,189,060	\$ 1,386,580
Other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,445	\$ -	\$ -	\$ -
Restricted	7,222,881 (11)	4,050,153 (10)	5,459,551	4,519,626 (2)	177,061	1,955,349	1,522,547 (5)	148,936 (7)	156,649	153,141
Assigned	97	-	-	-	-	-	-	5,130	2,363	2,157
Total other governmental funds	\$ 7,222,978	\$ 4,050,153	\$ 5,459,551	\$ 4,519,626	\$ 177,061	\$ 1,955,349	\$ 1,851,992	\$ 154,066	\$ 159,012	\$ 155,298

(1) Restricted for General Obligation debt service. Decrease due to refunding of General Obligation Bonds.

(2) Increase in capital projects in the SPLOST fund for street enhancement projects.

(3) The increase in unassigned fund balance of the general fund was due to the advance from solid waste, shown in non spendable prior years being repaid.

(4) The increase in unassigned fund balance of the general fund was due to a change in health insurance benefits.

(5) The increase in restricted fund balance of the nonmajor governmental funds was due to an increase in cash in the SPLOST Fund.

(6) The increase in unassigned fund balance of the general fund was due to a transfer from the Capital Improvement Account in the Enterprise Fund.

(7) The decreasing restricted fund balance in nonmajor governmental funds is due to the completion of projects for which there were no offsetting revenues.

(8) The variances in nonspendable fund balance in the general fund is due to advances to the Solid Waste Fund.

(9) The decrease in unassigned fund balance of the general fund was due to excess health insurance costs for which there were no offsetting revenues.

(10) The decrease in restricted fund balance of the is due to the expending of funds on capital projects in 2018.

(11) The increase in restricted fund balance of the is due to the addition of the Urban Redevelopment Authority Fund in 2019, whose fund balance is restricted for capital projects.

CITY OF MONROE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 7,892,828	\$ 7,189,628	\$ 6,689,354	\$ 6,357,296	\$ 6,502,341	\$ 6,348,447	\$ 6,325,445	\$ 6,108,042	\$ 6,281,497	\$ 6,123,772
Licenses and permits	375,517	217,263	165,100	248,648 (2)	122,927	138,792	196,760	111,449	180,880	133,385
Intergovernmental	4,536,646 (6)	3,001,050 (6)	2,093,558	1,850,796 (3)	3,974,481	2,064,479	1,953,507	1,498,499	1,182,147	1,224,363
Fines and forfeitures	515,984	371,036	294,986	321,644	494,682	488,314	514,691	371,711	554,003	500,670
Charges for services	741,049	694,141	779,484	647,933	676,607	690,311	710,246	585,453	497,875	451,707
Interest income	55,803	2	78	-	-	-	-	-	130	1,751
Miscellaneous	414,346	310,956	385,249	253,712	336,449	176,163	241,020	205,930	229,369	347,464
Total revenues	14,532,173	11,784,076	10,407,809	9,680,029	12,107,487	9,906,506	9,941,669	8,891,084	8,925,901	8,763,112
Expenditures										
General government	1,412,678	1,191,278	2,764,072	1,433,553	1,508,238	1,212,677	1,136,495	1,205,908	1,146,185	1,227,762
Judicial	84,243	96,480	105,338	121,372	115,074	97,474	91,707	96,201	103,077	123,640
Public safety	6,718,003	6,719,909	5,653,123	4,951,030	5,186,269	5,036,599	4,753,252	5,238,938	5,198,818	5,126,640
Public works	1,700,711	1,762,131	1,946,854	1,704,309	1,889,017	1,916,788	1,968,151	2,879,181	2,697,704	2,383,556
Health and welfare	28,153	23,840	12,325	14,713	16,296	13,571	12,010	15,638	11,555	16,530
Culture and recreation	542,739	337,518	445,762	372,073	396,114	364,867	393,915	437,876	392,804	427,526
Housing and development	1,420,204	1,179,170	1,035,645	656,720	633,359	561,720	483,288	589,341	513,349	490,840
Intergovernmental	-	-	-	-	-	-	-	-	-	138,907 (9)
Capital outlay	4,284,629	3,512,703	333,013	652,189	789,827	1,035,642	445,571	128,408	66,479	121,027
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirements	1,154,552	1,025,524	810,000	961,791	902,070	838,524	525,000	470,000	410,000	355,000
Issuance Costs	83,000	-	-	34,693 (4)	-	-	-	-	-	-
Interest and fiscal charges	144,857	87,486	32,725	145,959	182,929	215,725	228,877	252,103	272,265	289,482
Total expenditures	17,583,769	15,936,049	13,138,857	11,048,402	11,619,193	11,293,587	10,038,266	11,293,594	10,812,236	10,700,910
Excess of revenues over (under) expenditures	(3,051,596)	(4,151,973)	(2,731,048)	(1,366,373)	488,294	(1,387,081)	(96,597)	(2,402,510)	(1,886,335)	(1,917,798)

CITY OF MONROE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (continued)
LAST TEN YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses)										
Issuance of note payable	-	-	1,500,000 (1)	-	-	-	-	-	-	-
Issuance of long-term debt	3,600,000 (10)	-	-	2,513,000 (5)	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(2,478,307) (5)	-	-	-	-	-	-
Financed purchases	226,855	322,523	245,900	-	-	-	772,385	-	-	-
Proceeds from sale of capital assets	23,086	925	32,366	-	89,099	25,709	176,754	11,360	10,159	2,802
Transfers in	3,704,520	3,271,585	2,807,434	2,774,323	2,737,479	2,659,802	2,506,264	3,640,105 (7)	2,390,995	2,458,316
Transfers out	(881,944)	(862,140)	(1,141,467)	(978,801)	(1,057,331)	(792,801)	(878,620)	(722,000)	(708,625)	(754,251)
Total other financing sources (uses)	6,672,517	2,732,893	3,444,233	1,830,215	1,769,247	1,892,710	2,576,763	2,929,465	1,692,529	1,706,867
Net change in fund balances	\$ 3,620,921	\$ (1,419,080)	\$ 713,185	\$ 461,842	\$ 2,257,541	\$ 505,629	\$ 2,480,186 (6)	\$ 526,955 (7)	\$ (193,806)	\$ (210,931)
Debt service as a percentage of noncapital expenditures	10.52%	9.54%	7.69%	10.99%	10.02%	10.28%	7.86%	6.47%	6.35%	6.09%

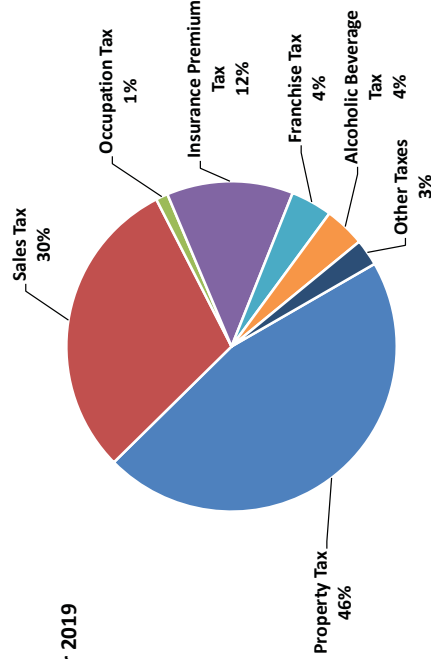
- (1) Purchase of the Walton Plaza property & building.
- (2) Large increase in building permits, specifically a major hospital renovation for a regional mental health center and a new addition to the new hospital.
- (3) Large decrease in intergovernmental due to in 2015 the City received a 2007 SPLOST settlement in the amount of \$2.1 million.
- (4) Issuance costs broken out for 2016 and forward, prior years not updated.
- (5) Result of refunding of General Obligation Bonds in December 2016.
- (6) Decrease in health insurance expense, reduction of employee count along with other cost saving measures.
- (7) Additional transfer in from business type activities increased fund balance.
- (8) Increase in grant funds.
- (9) Payment to Walton County in 2010 was to supplement debt service payment on SPLOST bonds.
- (10) Issuance of the Urban Redevelopment Authority Revenue Bonds.

CITY OF MONROE, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Occupation Tax	Insurance Premium Tax	Franchise Tax	Alcoholic Beverage Tax	Other Taxes	Total
2010	\$ 2,925,133	\$ 1,827,746	\$ 79,725	\$ 614,059	\$ 241,805	\$ 310,500	\$ 124,802	\$ 6,123,772
2011	3,000,325	1,869,516	78,900	620,730	240,578	313,318	158,130	6,281,497
2012	2,811,677	1,904,411	76,800	659,319	220,358	323,521	111,956	6,108,042
2013	3,226,884 (3)	1,624,397 (4)	79,100	682,662	281,939	320,128	110,335	6,325,445
2014	3,139,290	1,732,915	81,700	712,964	263,862	317,307	100,409	6,348,447
2015	3,218,624	1,694,943	84,150	761,665	282,669	314,926	105,321	6,462,318
2016	3,045,230	1,672,504	86,200	825,052	303,920	296,799	127,591	6,357,296
2017	3,155,876	1,782,464	87,339	852,827	317,921	347,533	99,342	6,643,302
2018	3,355,741 (2)	2,027,527 (1)	93,850	919,876	333,951	308,455	150,228	7,189,628
2019	3,627,222	2,356,109	93,079	977,418	320,400	313,204	205,396	7,892,828

(1) Sales tax increase due to Local Option Sales Tax (LOST) collections, effect of increased local sales.
 (2) Property tax increase with collections performed by Walton County Tax Commissioner's office.
 (3) Property tax increase in 2013 was due to a large abated property becoming taxable.
 (4) Sales tax decrease in 2013 was due to the renegotiation of allocation from Walton County.

Tax Revenues by Source for 2019



CITY OF MONROE, GEORGIA

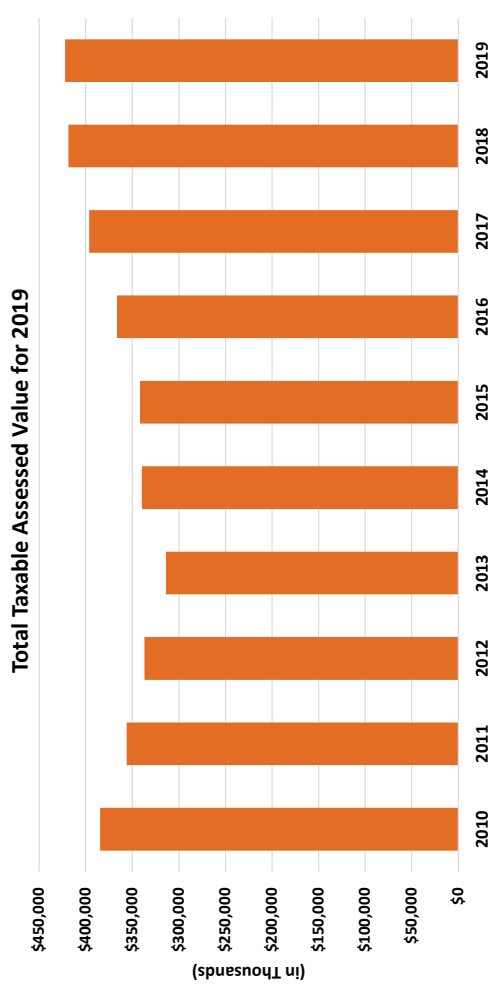
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	\$ 146,326,775	\$ 139,440,236	\$ 77,025,123	\$ 29,152,513	\$ 7,335,008	\$ 384,609,639	7.240	\$ 961,524,098	40%
2011	129,835,247	135,178,569	69,790,797	28,142,060	6,823,832	356,122,841 (3)	7.612	890,307,103	40%
2012	109,425,675	132,208,471	76,182,889	27,209,932	8,170,494	336,856,473 (3)	8.231	842,141,183	40%
2013	107,348,542	125,669,505	58,924,814	29,444,826	7,518,692	313,868,995 (3)	8.470	784,672,488	40%
2014	111,572,435	151,640,759	65,604,578	24,586,089	13,654,853 (2)	339,749,008	8.353	849,372,520	40%
2015	122,503,729	149,253,961	63,854,238	20,097,713	13,888,756	341,820,885	8.115	854,552,213	40%
2016	138,620,409	155,101,971	77,120,434	17,224,710	21,630,049	366,437,475	7.802	916,093,688	40%
2017	162,883,341	157,978,674	90,977,408	16,089,194	31,688,869	396,239,748	7.421	990,599,370	40%
2018	172,994,149	165,084,770	88,379,597	14,737,546	22,627,411	418,568,651	7.277	1,046,421,628	40%
2019	188,366,699	152,320,597	95,099,296	14,125,236	27,839,611	422,072,217	7.802	1,055,180,543	40%

Source: Walton County Tax Assessors Office

Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per \$1,000 of assessed value.

- (1) Other property consists of historic, agricultural, conservation use, utility, motor vehicle and mobile homes.
- (2) Increase in exempt real property due to Wal-Mart Dist failed to file for freepport exemption.
- (3) Decrease in digest values due to reassessments.



CITY OF MONROE, GEORGIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1) PER \$1,000 OF ASSESSED VALUE LAST TEN YEARS

Fiscal Year	City of Monroe, Georgia				County	Overlapping Rates (1)				Total Direct & Overlapping Rates	
	Operating Millage		Debt Service Millage			School District		Total School Millage			State
	Operating Millage	Debt Service Millage	Total City Millage	County		Operating Millage	Debt Service Millage	Total School Millage			
2010	5.512	1.728	7.240	10.542	18.600	2.200	20.800	0.25	38.832		
2011	5.565	2.047	7.612	11.135	19.600	2.200	21.800	0.25	40.797		
2012	6.020	2.211	8.231	11.998	19.300	3.500	22.800	0.20	43.229		
2013	5.971	2.499	8.470	11.928	19.802	3.700	23.502	0.15	44.050		
2014	6.017	2.336	8.353	11.773	19.502	3.500	23.002	0.10	43.228		
2015	5.734	2.381	8.115	11.194	19.250	3.350	22.600	0.05	41.959		
2016	5.582	2.220	7.802	11.325	18.900	3.200	22.100	-	41.227		
2017	5.418	2.003	7.421	10.905	18.700	2.900	21.600	-	39.926		
2018	5.298	1.979	7.277	10.905	18.600	2.600	21.200	-	39.382		
2019	5.821	1.981	7.802	10.905	18.600	2.300	20.900	-	39.607		

Source: Walton County Tax Assessors Office & Ga Dept of Revenue website

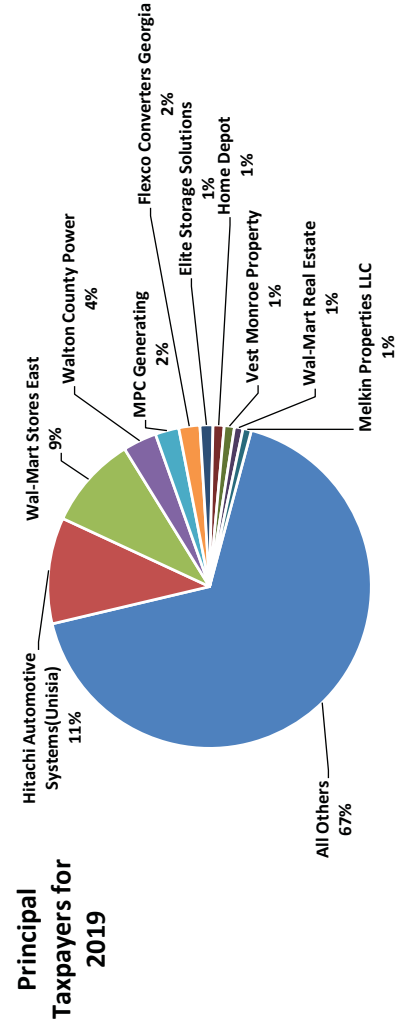
Note: Assessed values are established by the County Assessors on January 1 of each year at 40% of the actual value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Monroe.

CITY OF MONROE, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
 (amounts expressed in thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Hitachi Automotive Systems(Unisia)	\$ 44,803	1	10.62 %	\$ 8,708	4	2.26 %
Wal-Mart Stores East	39,192	2	9.29	23,462	2	6.10
Walton County Power	14,248	3	3.38	28,028	1	7.29
MPC Generating	9,993	4	2.37	22,866	3	5.95
Flexco Converters Georgia	8,892	5	2.11	-	-	-
Elite Storage Solutions	5,460	6	1.29	-	-	-
Home Depot	4,690	7	1.11	3,664	9	0.95
Vest Monroe Property	4,311	8	1.02	5,174	7	1.35
Wal-Mart Real Estate	3,617	9	0.86	-	-	-
Meikin Properties LLC	3,517	10	0.83	5,724	6	1.49
Monroe HMA LLC dba Clearview Medical	-	-	-	6,486	5	1.69
E. Kenneth Murray	-	-	-	3,336	10	0.87
Rowell Family	-	-	-	4,256	8	1.11
Walton Ventures, Inc	-	-	-	\$ 111,704	-	29.04 %
Totals	\$ 138,723		32.87 %			

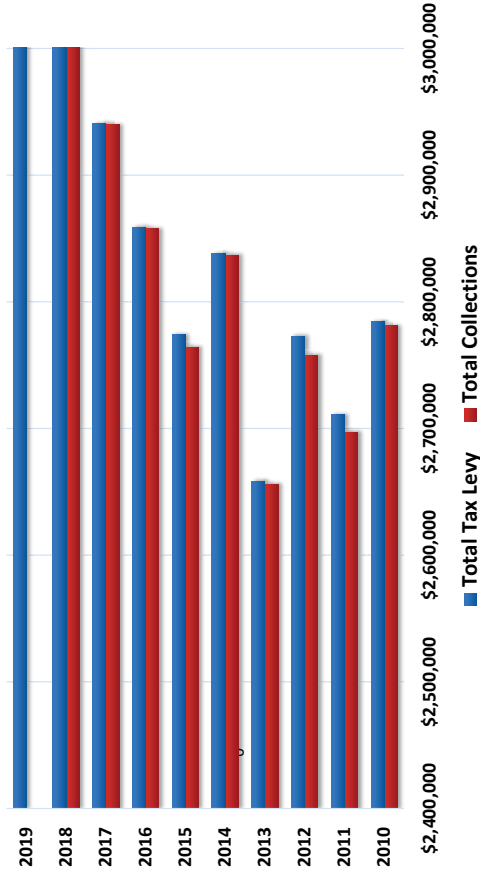
Source: Walton County Tax Commissioner's Office



CITY OF MONROE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years			Total Collections to Date	
		Amount	Percentage of Levy	%	Amount	Years	Amount	Percentage of Levy	
2010	\$ 2,784,574	\$ 2,294,092	82.4		\$ 487,373		\$ 2,781,465	99.9	
2011	2,710,807	2,310,988	85.3		386,215		2,697,203	99.5	
2012	2,772,666	2,429,276	87.6		328,616		2,757,892	99.5	
2013	2,658,470	2,371,648	89.2		284,256		2,655,904	99.9	
2014	2,837,923	2,381,738	83.9		455,018		2,836,756	100.0	
2015	2,773,876	2,391,671	86.2		372,216		2,763,887	99.6	
2016	2,858,945	2,610,797	91.3		247,059		2,857,856	100.0	
2017	2,940,495	2,645,638	90.0		294,391		2,940,029	100.0	
2018	3,045,924	2,755,055	90.5		288,605		3,043,660	99.9	
2019	3,293,007	3,022,004	91.8		-		3,022,004	91.8	

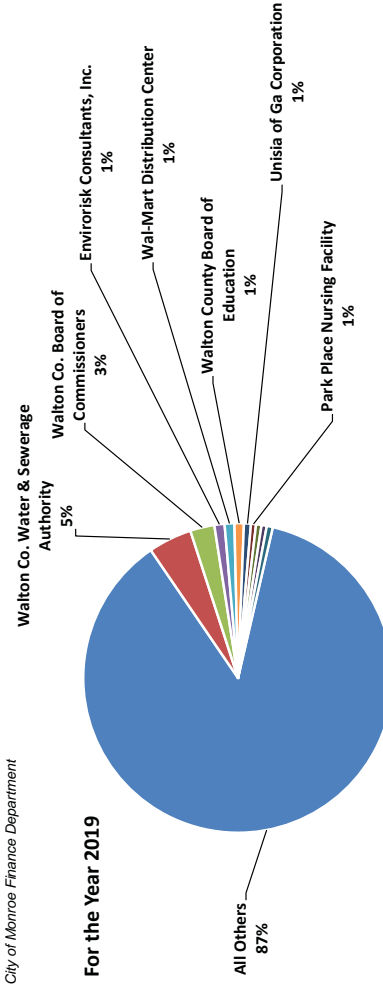


CITY OF MONROE, GEORGIA

TOP TEN WATER CUSTOMERS CURRENT AND NINE YEARS AGO

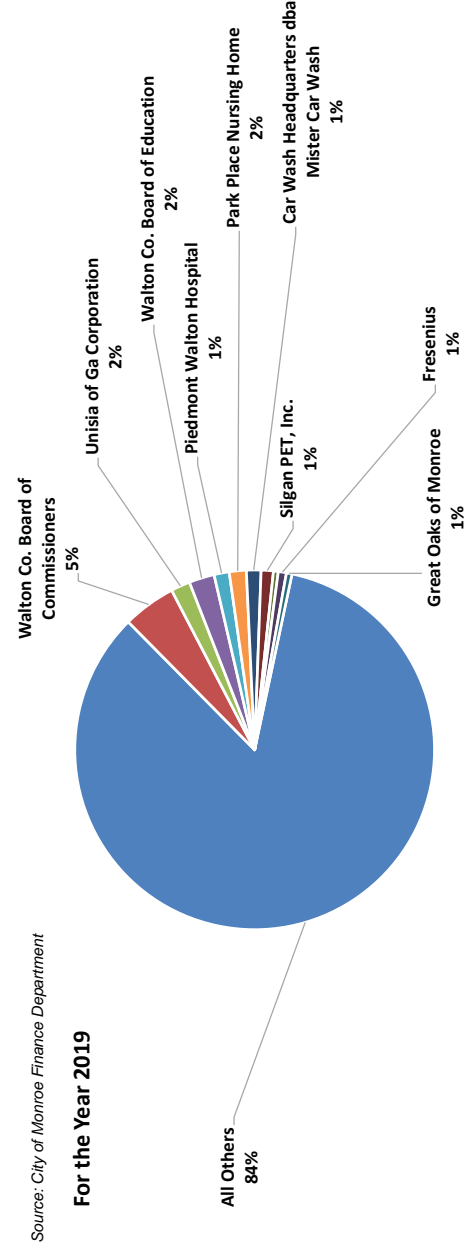
Customer	2019				2010			
	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Walton Co. Water & Sewerage Authority	56,887	\$ 232	1	4.55 %		\$		%
Walton Co. Board of Commissioners	19,534	129	2	2.53	17,640	101	1	2.77
EnviroRisk Consultants, Inc.	10,005	54	3	1.06				
Wal-Mart Distribution Center	9,297	52	4	1.02	9,222	37	4	1.01
Walton County Board of Education	6,125	50	5	0.98	9,273	58	2	1.59
Unisia of Ga Corporation	5,955	37	6	0.73				
Car Wash Headquarters dba Mister Car Wash	4,993	27	7	0.53				
Piedmont Walton Hospital	4,734	29	8	0.57				
Walton County Power LLC	4,431	28	9	0.55	2,998	12	6	0.33
Park Place Nursing Facility	3,892	32	10	0.63	1,974	13	5	0.36
George Walton Academy					2,058	11	8	0.30
Darden Restaurants					2,181	9	9	0.25
Walton Regional Medical					14,254	56	3	1.54
Base Manufacturing					2,095	9	10	0.25
Great Oaks					2,752	12	7	0.33
Totals	125,853	670		13.15	64,447	318		8.72
All Others	557,147	4,427		86.85	510,553	3,330		91.28
Annual Totals	\$ 683,000	\$ 5,097		100.00 %	\$ 575,000	\$ 3,648		100.00 %

Source: City of Monroe Finance Department



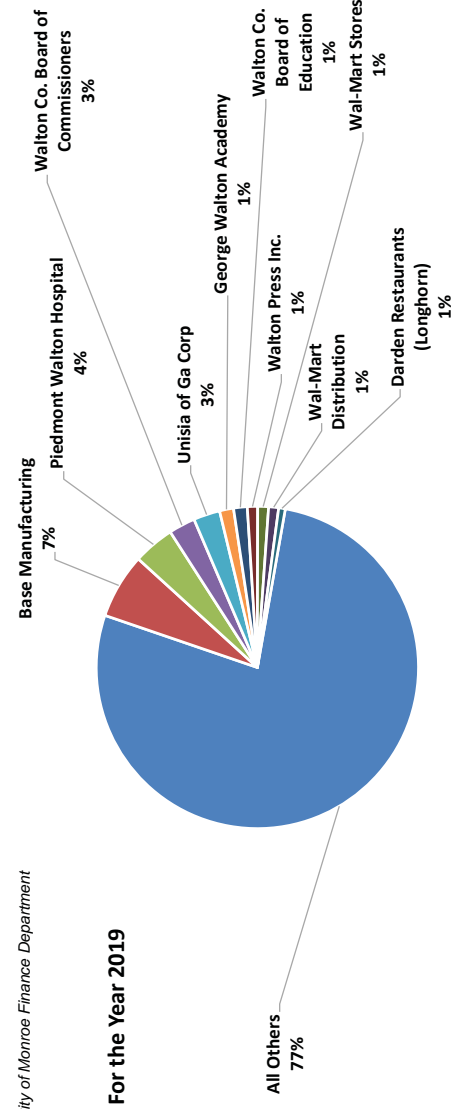
CITY OF MONROE, GEORGIA
TOP TEN SEWER CUSTOMERS
CURRENT AND NINE YEARS AGO

Customer	2019				2010			
	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in Gallons (thousands)	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Walton Co. Board of Commissioners	7,903	\$ 190	1	4.77 %	9,220	\$ 84	2	2.70 %
Unisia of Ga Corporation	2,796	69	2	1.73				
Walton Co. Board of Education	2,654	91	3	2.28	6,120	67	3	2.16
Piedmont Walton Hospital	2,479	54	4	1.36				
Park Place Nursing Home	2,230	61	5	1.53	1,974	23	4	0.74
Car Wash Headquarters dba Mister Car Wash	1,829	52	6	1.31				
Silgan PET, Inc.	1,136	44	7	1.10	1,129	14	10	0.45
Base Manufacturing	1,007	17	8	0.43	2,133	17	6	0.55
Presenius	1,001	29	9	0.73				
Great Oaks of Monroe	861	20	10	0.50	1,795	14	8	0.45
George Walton Academy					1,929	18	5	0.58
Walton Regional Medical					14,175	103	1	3.31
Applebees Restaurant					1,807	14	9	0.45
Home Depot					1,939	15	7	0.48
Totals	23,896	627		15.74	42,221	369		11.87
All Others		3,356		84.26		2,739		88.13
Annual Totals	\$ 3,983			100.00 %	\$ 3,108			100.00 %



CITY OF MONROE, GEORGIA TOP TEN GAS CUSTOMERS CURRENT AND NINE YEARS AGO

Customer	2019				2010			
	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues	Usage in MCF	Annual Revenue (thousands)	Rank	Percentage of Total Revenues
Base Manufacturing	24,727	\$ 228	1	6.52 %	21,259	\$ 204	1	4.67 %
Piedmont Walton Hospital	13,821	145	2	4.15				
Walton Co. Board of Commissioners	8,774	93	3	2.66	9,336	104	6	2.38
Unisia of Ga Corp	8,714	93	4	2.66	3,888	43	10	0.98
George Walton Academy	4,681	49	5	1.40	4,402	49	9	1.12
Walton Co. Board of Education	4,620	48	6	1.37	7,568	85	7	1.94
Walton Press Inc.	3,523	36	7	1.03				
Wal-Mart Stores	3,470	38	8	1.09	5,882	63	8	1.44
Wal-Mart Distribution	3,272	35	9	1.00				
Darden Restaurants (Longhorn)	2,134	23	10	0.66				
Leggett & Platt					13,935	149	3	3.41
Walton Regional Medical					13,220	140	4	3.20
A Warrior Roofing					20,182	185	2	4.23
Universal Rundle					9,911	107	5	2.45
Totals	77,736	788		22.54	109,583	1,129		25.82
All Others	231,041	2,709		77.46	251,442	3,243		74.18
Annual Totals	\$ 308,777	\$ 3,497		100.00 %	\$ 361,025	\$ 4,372		100.00 %



Source: City of Monroe Finance Department

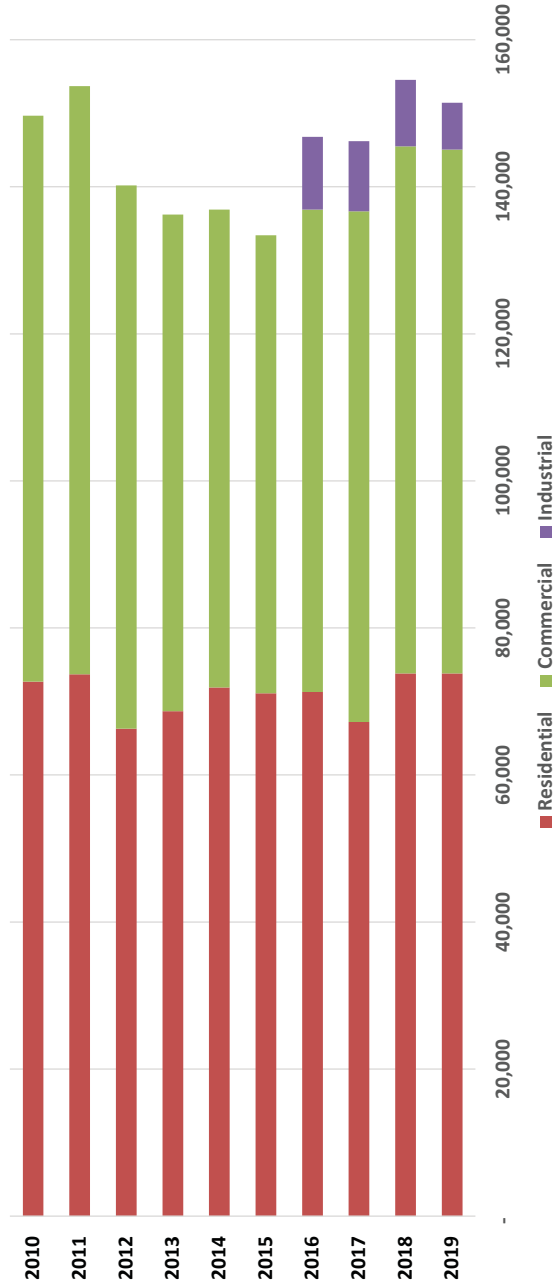
CITY OF MONROE, GEORGIA

ELECTRIC MWH SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	73,811	73,816	67,191	71,297	71,109	71,914	68,679	66,309	73,685	72,690
Commercial	71,250	71,893	69,461	65,589	62,282	64,971	67,529	73,865	80,000	76,979
Industrial	6,359	9,025	9,543	9,896	9,651	8,479	8,221	5,589 (1)	-	-
Total	151,420	154,534	146,195	146,782	143,042	145,364	144,429	145,763	153,685	149,669

(1) Beginning in 2012, the industrial classification was added. Previously this customer was included in commercial.

Source: City of Monroe Finance Department

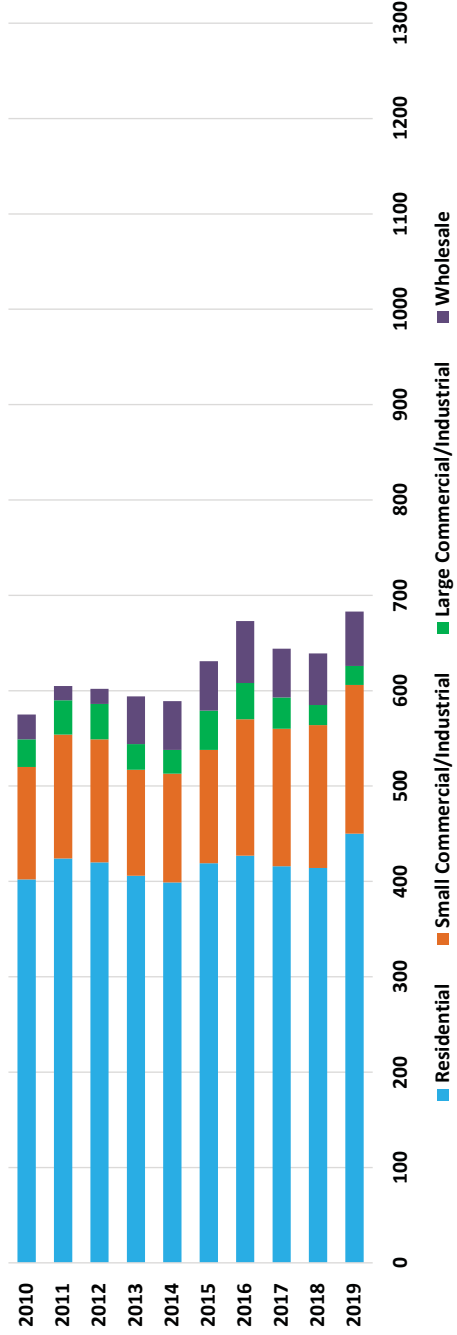


CITY OF MONROE, GEORGIA
WATER GALLONS SOLD BY TYPE OF CUSTOMER
LAST TEN YEARS
 (amounts expressed in millions)

Type of Customer	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	402	424	420	406	399	419	427	416	414	450
Small Commercial (1)	118	130	129	111	114	119	143	144	150	156
Large Commercial & Industrial (1)	29	36	37	27	25	41	38	33	21	20
Wholesale	26	15	16	50 (1)	51	52	65	51	54	57
Total	575	605	602	594	589	631	673	644	639	683

(1) Walton County Water & Sewer Authority purchased a greater amount of wholesale during 2013.

Source: City of Monroe Finance Department

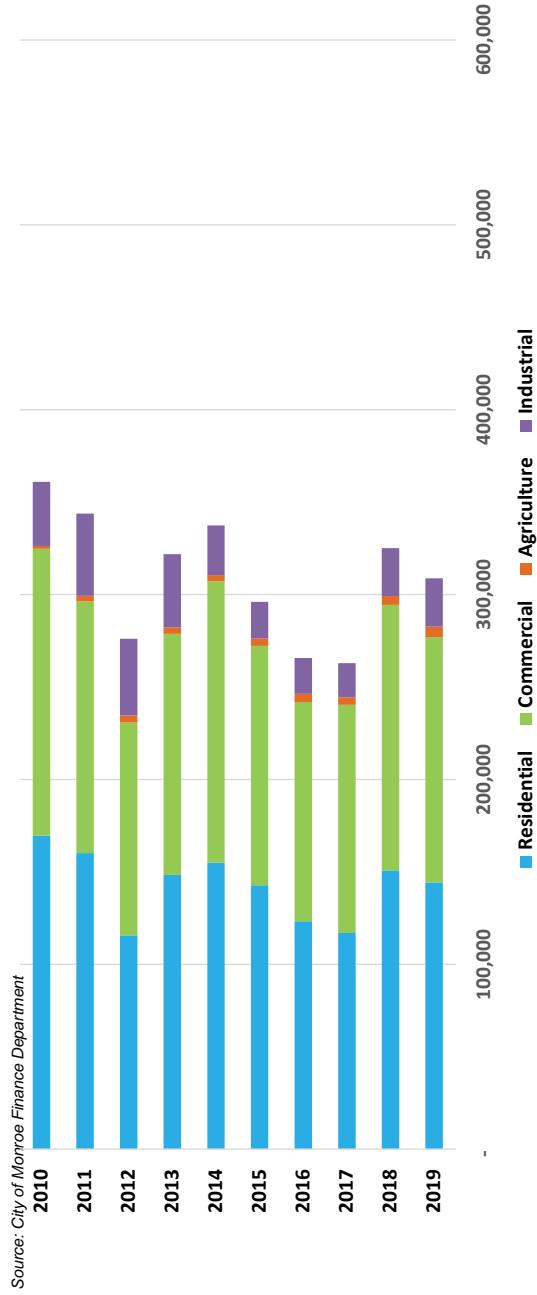


CITY OF MONROE, GEORGIA

GAS MCF SOLD BY TYPE OF CUSTOMER LAST TEN YEARS

Type of Customer	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Residential	144,240	150,822 (1)	116,889	123,276	142,784	154,956	148,391	115,644	160,106	169,568
Commercial	132,831	143,580	123,504	118,610	129,427	152,196	130,356	115,164	136,208	155,223
Agriculture	5,581	4,790	4,092	4,448	4,046	3,341	3,517	3,782	2,987	1,460
Industrial	26,125	25,909	18,428	19,411	19,837	26,870	39,539	41,500	44,485	34,774
Total	308,777	325,101	262,913	265,745	296,094	337,363	321,803	276,090	343,786	361,025

(1) Increase as a result of colder winter conditions.
 (2) Decrease as a result of milder weather conditions.



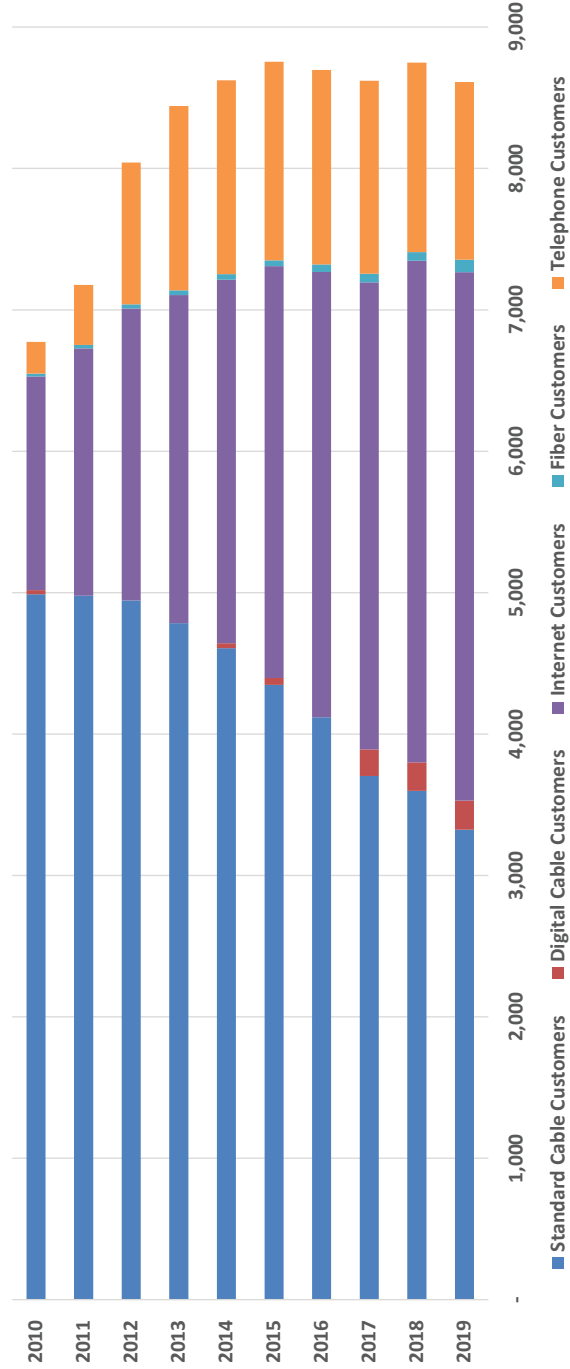
CITY OF MONROE, GEORGIA TELECOMMUNICATION SALES LAST TEN YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Standard Cable Customers	4,989	4,978	4,944	4,784	4,607	4,348	4,119	3,703	3,598	3,323
Digital Cable Customers	29	-	-	-	36	49	-	188 (1)	202	206
Internet Customers	1,511	1,749	2,066	2,321	2,570	2,912	3,149	3,303 (2)	3,547	3,738
Fiber Customers	20	25	29	33	39	41	54	62	62	88
Telephone Customers	224	424	1,003	1,304	1,371	1,405	1,375	1,365	1,340	1,256
Annual Sales (in thousands)	\$ 3,463	\$ 3,800	\$ 4,065	\$ 4,628	\$ 4,839	\$ 4,911	\$ 5,138	\$ 5,276	\$ 5,511	\$ 6,383

(1) Digital service started again in 2017.

(2) Wireless Internet service started in 2017.

Source: City of Monroe Finance Department



CITY OF MONROE, GEORGIA
RESIDENTIAL UTILITY RATES
LAST TEN YEARS

Fiscal Year	Electric			Gas		Water		Sewer			
	Monthly Base Rate	First 700 KWH or less	Over 700 KWH (Summer)	Over 700 KWH (Winter)	Monthly Base Rate	Rate per CCF (Summer)	Rate per CCF (Winter)	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2010	\$ 9.00	\$ 0.0685	\$ 0.0950	\$ 0.0560	\$ 10.00	\$ 0.375	\$ 0.375	\$ 14.00	\$ 1.95 (3)	\$ 14.00	\$ 3.58
2011	9.00	0.0685	0.0950	0.0560	10.00	0.375	0.375	14.00	1.95 (3)	14.00	3.58
2012	10.00 (4)	0.0900 (4)	0.1280 (4)	0.0780 (4)	10.00	0.375	0.375	14.00	1.95 (3)	14.00	3.58
2013	10.00	0.0900	0.1280	0.0780	10.00	0.375	0.375	14.00	1.95 (3)	14.00	3.58
2014	10.00	0.0900	0.1280	0.0780	12.00 (1)	0.375	0.375	15.00 (1)	2.07 (2)	15.00 (1)	3.58
2015	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2016	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2017	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2018	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58
2019	10.00	0.0900	0.1280	0.0780	12.00	0.375	0.375	15.00	2.07	15.00	3.58

Note: Rates are plus fuel adjustment and applicable sales tax

- (1) Base rate increased on 1/1/2014
- (2) Rates based on 0 - 2,000 gallons, residential in-city and do not include out-of-city or commercial rates. Rates increased 01/01/2014
- (3) Rates based on 0 - 3,000 gallons, residential in-city and do not include out-of-city or commercial rates.
- (4) Base rate and consumption rates increased on 01/01/2012

CITY OF MONROE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Financed Purchases	Utility Bonds	Notes Payable	Notes Payable	Notes Payable			
2010	\$ 5,785,000	\$ -	\$ -	\$ -	\$ 23,785,000	\$ 987,931	\$ 987,931	\$ 30,557,931	7.15 %	2,309	
2011	5,375,000	-	-	-	22,332,100	2,340,221	2,340,221	30,047,321	6.56	2,251	
2012	5,008,878	-	-	-	21,020,428	2,354,430	2,354,430	28,383,736	5.93	2,126	
2013	4,460,633	-	-	772,385	19,278,131	2,431,888	2,431,888	26,943,037	5.59	2,018	
2014	3,853,240	-	-	518,861	17,545,917	3,707,085	3,707,085	25,625,103	5.27	1,903	
2015	3,189,021	-	-	261,791	15,863,975	3,998,323	3,998,323	23,313,110	5.21	1,706	
2016	2,513,000	-	-	-	16,770,000	1,643,516	1,643,516	20,926,516	4.48	1,532	
2017	1,703,000	-	1,500,000	245,900	14,810,000	1,537,127	1,537,127	19,796,027	4.07	1,469	
2018	868,000	-	1,425,000	452,899	13,010,000	1,430,205	1,430,205	17,186,104	3.28	1,275	
2019	- (3)	3,600,000	1,350,000	468,202	11,505,000	1,322,748	1,322,748	18,245,950	3.32	1,344	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) In 2019 the City issued Revenue Bonds for construction of the new police and municipal court building.

(3) General Obligation Bonds were paid in full in 2019.

CITY OF MONROE, GEORGIA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)		Per Capita (2)
				\$	%	
2010	\$ 5,785,000	\$ 661	\$ 5,784,339	0.60	%	\$ 437
2011	5,375,000	396	5,374,604	0.60		403
2012	5,008,878	293	5,008,585	0.59		375
2013	4,460,633	116	4,460,517	0.57		334
2014	3,853,240	116	3,853,124	0.45		286
2015	3,189,021	116	3,188,905	0.37		233
2016	2,513,000	116	2,512,884	0.27		184
2017	1,703,000	115	1,702,885	0.17		126
2018	868,000	115	867,885	0.08		64
2019	-	-	-	-		-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for Property Value Data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF MONROE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Percentage Applicable to City of Monroe (1)	Amount Applicable to City of Monroe
Overlapping:			
Walton County	\$ 12,347,327	12.84%	\$ 1,585,397
Walton County Board of Education	36,620,000	13.76%	5,038,912
Overlapping debt	<u>48,967,327</u>		<u>6,624,309</u>
Direct:			
City of Monroe	<u>5,418,202</u>	100.00%	<u>5,418,202</u>
Total direct and overlapping debt	<u>\$ 54,385,529</u>		<u>\$ 12,042,511</u>

Source: Assessed value data used to estimate applicable percentages provided by the Walton County Tax Assessors and the Georgia Department of Revenue Property Tax Division. Debt outstanding data obtained from Walton County's financial statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Monroe, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF MONROE, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 44,991	\$ 44,120	\$ 42,793	\$ 38,807	\$ 35,571	\$ 35,340	\$ 32,139	\$ 34,503	\$ 36,295	\$ 39,195
Total Net Debt Applicable to Limit	-	868	3,203	2,513	4,288	4,286	4,461	4,905	5,375	5,785
Legal Debt Margin	\$ 44,991	\$ 43,252	\$ 39,590	\$ 36,294	\$ 31,283	\$ 31,054	\$ 27,678	\$ 29,598	\$ 30,920	\$ 33,410
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	1.97%	7.48%	6.48%	12.05%	12.13%	13.88%	14.22%	14.81%	14.76%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MONROE, GEORGIA

**COMBINED UTILITY REVENUE BOND COVERAGE
LAST TEN YEARS**

(amounts expressed in thousands)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)		Bond Coverage Ratio
				Principal	Interest	
2010	\$ 30,473	\$ 24,614	\$ 5,859	\$ 1,490	\$ 1,117	2.25
2011	31,538	25,584	5,954	1,592	1,025	2.28
2012	31,500	26,756	4,744	1,660	910	1.85
2013	33,233	26,264	6,969	1,701	873	2.71
2014	35,357	27,342	8,015	1,691	837	3.17
2015	35,974	26,544	9,430	1,635	797	3.88
2016	37,661	27,216	10,445	1,715	721	4.29
2017	37,996	29,268	8,728	1,960	359	3.76
2018	42,150	33,018	9,132	1,800	319	4.31
2019	42,378	32,427	9,951	1,505	281	5.57

(1) Total revenues include interest, but not tap fees.

(2) Operating expenses do not include depreciation.

(3) Represents principal and interest for revenue bonds only.

CITY OF MONROE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income* (in thousands)	Per Capita Personal Income (2)*	Median Age (1)	Housing Units (1)	Unemployment Rate (3)*	Wage & Salary Employment # of Jobs (2)*
2010	13,234	427,392	32,295	33	6,006	10.2	23,660
2011	13,349	458,338	34,335	33	6,250	9.9	24,286
2012	13,349	478,962	35,880	33	6,250	8.3	23,750
2013	13,349	482,339	36,133	33	6,212	7.5	24,443
2014	13,466	486,567	36,133	35	6,131	6.5	24,443
2015	13,664	447,728	32,767	36	6,446	5.3	25,178
2016	13,664	467,623	34,223	35	6,512	4.8	22,335
2017	13,478	485,801	36,044	32	5,379	3.8	33,151
2018	13,484	524,137	38,871	36	9,611	3.3	36,430
2019	13,573	549,136	40,458	33	9,611 (4)	2.5	37,751

(1) Source: U.S. Census Bureau - all numbers are estimates from the Census Bureau except for 2010.
 (2) Source: Bureau of Economic Analysis
 (3) Source: BLS/Georgia Stats UGA
 (4) Information not available for 2019. The City elected to use the 2018 Housing Units.

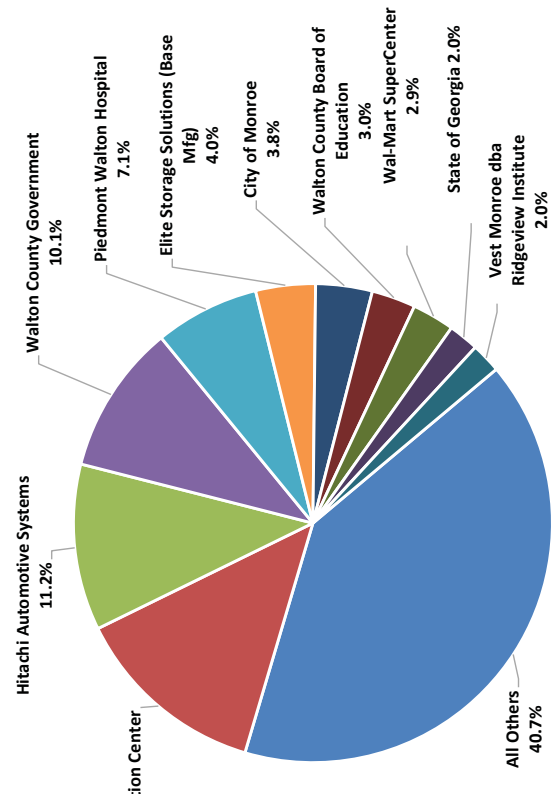
* Data only available at the County level

CITY OF MONROE, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Distribution Center	816	1	13.2 %	771	1	24.0 %
Hitachi Automotive Systems	696	2	11.2			
Walton County Government	627	3	10.1	551	2	17.2
Piedmont Walton Hospital	438	4	7.1			
Elite Storage Solutions (Base Mfg)	250	5	4.0	165	8	5.1
City of Monroe	237	6	3.8	224	6	7.0
Walton County Board of Education	184	7	3.0	505	3	15.7
Wal-Mart SuperCenter	177	8	2.9	243	5	7.6
State of Georgia	127	9	2.0	139	9	4.3
Vest Monroe dba Ridgeview Institute	125	10	2.0			
Walton Press Inc				109	10	3.4
Monroe HMA				289	4	9.0
Angel Food Ministries				212	7	6.6
Totals	3,677		59.3 %	3,208		100.0 %

Source: City of Monroe Code Department



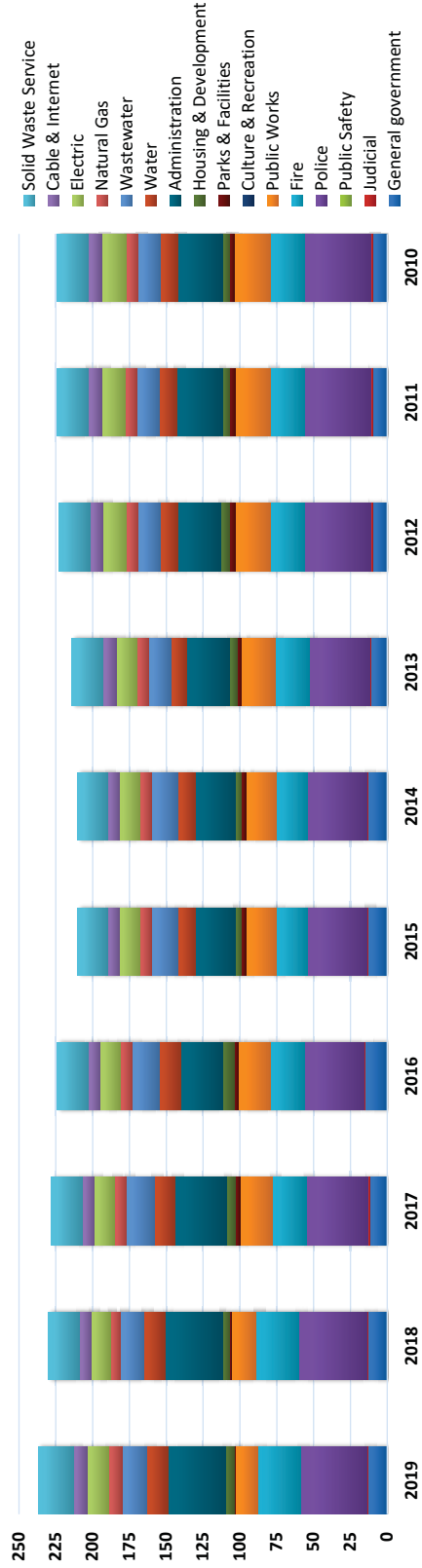
CITY OF MONROE, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	13	13	12	15	13	13	11	10	10	10
Judicial	1	1	1	1	1	1	1	1	1	1
Public Safety	45	46	42	40	40	40	41	45	45	45
Police	29	29	23	23	21	21	23	23	23	23
Fire	15	17	22	22	21	21	23	24	24	25
Public Works	1	1	3	3	3	3	3	4	4	3
Culture & Recreation	6	5	6	8	4	4	5	6	5	5
Parks & Facilities	39	39	35	28	27	27	29	29	31	30
Housing & Development	14	14	14	15	12	12	11	12	12	12
Utilities	17	16	19	18	18	18	15	15	15	15
Administration	9	7	8	8	8	8	8	8	8	8
Water	15	13	14	14	14	14	14	16	16	17
Natural Gas	9	8	8	8	8	8	9	9	9	9
Electric	24	21	21	21	20	20	21	21	21	21
Cable & Internet	237	230	228	224	210	210	214	223	224	224
Solid Waste Service										
Totals										

Source: City Payroll Department

Employees by Function for 2019



CITY OF MONROE, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Number of dispatches	32,256	40,569	38,403	38,353	47,513	45,624	46,763	42,509	45,298	50,769
Number of traffic citations issued	5,310	6,269	3,478	2,087	3,624	4,510	3,738	2,715	4,169	4,330
Fire										
Number of fire/EMS dispatches	2,471	2,721	2,596	2,531	2,223	2,063	2,045	2,030	1,736	1,436
Highways & Streets										
Street resurfacing (lane miles)	1.9	2.36	2.52	1.64	2.12	2.18	2.28	2.30	2.30	2.82
Housing & Development										
Value of new building construction (000's) \$	43,230 (1) \$	24,577	\$ 12,638	\$ 43,219 (1) \$	7,110	\$ 13,797 (2) \$	36,969	5,000	2,535	2,582
Number of permits issued	121	174	149	98	76	149 (3)	53	12	31	26
Utilities										
Cable & Internet										
Number of customers standard cable	3,323	3,598	3,703	4,119	4,348	4,607	4,784	4,945	4,978	4,989
Number of customers digital cable	206	202	188	-	49	36	-	-	-	29
Number of internet customers	3,826	3,639	3,303	3,149	2,912	2,609	2,354	2,084	1,774	1,531
Number of phone customers	1,256	1,343	1,365	1,375	1,405	1,371	1,304	1,003	424	224
Electric										
Number of customers	6,444	6,290	6,286	6,252	6,191	6,154	6,117	6,059	5,978	5,933
Average daily consumption (KWh)	414,848	446,257	400,533	416,643	405,877	398,256	382,002	385,935	406,702	395,562
Natural gas										
Number of customers	3,852	3,760	3,756	3,716	3,692	3,700	3,708	2,732	3,720	3,760
Average daily consumption (MCF)	846	891	720	747	831	924	881	756	941	989
Wastewater										
Number of customers	7,163	6,937	6,863	6,834	6,804	6,757	6,762	6,644	6,550	6,459
Average daily sewage treatment (MGD)	1,660	1,850	1,770	1,700	1,700	1,600	1,540	1,314	1,413	1,571
Water										
Number of customers	9,545	9,239	9,136	9,059	8,986	8,941	8,876	8,783	8,665	8,560
Average daily consumption (000's)	1,875	1,752	1,763	1,842	1,731	1,615	1,628	1,652	1,658	1,566
Solid Waste Service										
Refuse collected (tons)	13,525	13,004	11,983	10,181	11,604	11,032	10,858	10,302	10,394	11,173
Recyclables collected (tons)	1,392	1,081	1,852	1,463	1,562	1,545 (4)	167	188	265	188
Number of residential customers	5,735	5,542	5,530	5,378	5,361	5,381	5,348	5,211	5,129	5,120
Number of commercial customers	620	653	622	650	625	655	682	665	609	604
Number of transfer station customers	15	14	15	15	15	16	16	14	19	20

Source: Various City Departments

Note: Indicators are not available for the General government function.

- (1) Increase in permit valuation due to increased project square footage and types of projects performed.
- (2) Decrease in permit valuation due to permits purchased in 2013 for Hitachi expansion.
- (3) Increase in permits issued due to physician's building at the hospital and increase in construction.
- (4) Increase in number of tons due to reporting all recovered materials in 2014, prior years was only curbside recycling.

CITY OF MONROE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration										
Vehicles	11	12	12	12						
Code										
Vehicles	3	3	5	5						
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	5	5	8	8						
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	65	54	43	52	44	46	45	40	40	40
Streets & Transportation										
Streets (miles)	81	81	81	80	80	80 (1)	75	75	75	75
Streetlights	1,139	1,124	1,136	1,136	1,136	1,136	1,136	1,136	1,134	1,134
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Vehicles	14	16	28	28						
Utilities										
Cable										
Cable (miles)	278	273	270	267	267	267	267	267	267	267
Vehicles	5	6	10	10						
Electric										
Lines (miles)	193	188	186	185	185	185	185	185	185	185
Substations	3	3	3	3	3	3	3	3	3	3
Vehicles	21	23	21	21						
Natural Gas										
Mains (miles)	167	(3)	114	114	114	114	114	114	113	107
Vehicles	8	8	8	8						
Stormwater										
Vehicles	1	1	2	2						
Telecom										
Vehicles	2	1	1	1						
Wastewater										
Sanitary sewer (miles)	141	140	140	140	140	140 (2)	154	154	154	153
Maximum daily treatment capacity (MGD)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Vehicles	16	16	16	16						
Water										
Mains (miles)	220	218	218	218	218	215 (2)	241	241	241	240
Maximum daily treatment capacity (MGD)	10	10	10	10	10	10	10	10	10	10
Treated water storage capacity (MG)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Reservoir (raw) storage capacity (MG)	795	795	795	795	795	795	795	795	795	795
Vehicles	8	8	11	11	11					

CITY OF MONROE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Solid Waste Service										
Collection trucks	8	8	11	11	11	11	11	11	11	11
Recycling trucks	1	1	1	1	2	1	1	1	1	1
Transfer stations	1	1	1	1	1	1	1	1	1	1
Yard Trimmings trucks	3	3	3	3						
Administration vehicles	2	2	2	2						
GUTA-Georgia Utility Training Academy Vehicles	1	1	1	1						

Source: Various City Departments

Note: Capital asset indicators are not available for the general government and housing and development functions.

- (1) Increase in miles of streets due to streets dedicated to the City.
- (2) Decrease in mile of mains due to corrected data from GIS in 2014.
- (3) Increase in miles of gas mains due to citywide expansion.

APPENDIX D

Form of Series 2020 Disclosure Agreement

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Monroe, Georgia (the “City”), a municipal corporation of the State of Georgia, in connection with the issuance by the City of its Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant to a Bond Ordinance adopted by the City on November 8, 2016, as supplemented by a Parity Bond Ordinance adopted by the City on _____, 2020 (as supplemented, the “Ordinance”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners (as herein defined) of the Series 2020 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owners” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2020 Bonds for federal income tax purposes.

“City” shall mean the City of Monroe, Georgia, a municipal corporation of the State of Georgia, its successors and assigns.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation, and initially shall mean the City.

“EMMA” shall mean MSRB’s Electronic Municipal Market Access system, as described in 1934 Act Release No. 59062 and maintained by the MSRB for the purposes of the Rule as further described herein.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) of this definition. The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on January 1 of each calendar year and ending December 31 of the same calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement of the City relating to the Series 2020 Bonds.

“Participating Underwriter” shall mean Stifel Nicolaus and Company, Inc.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

“System” shall mean the City’s combined water and sewerage system, gas distribution system, electric distribution system, cable television system, telecommunications and internet system and stormwater system, as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated in connection therewith.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent (if any) to, not later than 270 days after the end of the City’s Fiscal Year (the “Reporting Date”), beginning for the Fiscal Year ending December 31, 2020 provide to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the City has appointed a Dissemination Agent, the City shall provide the Annual Report to such Dissemination Agent not later than 10 business days prior to the Reporting Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report (i.e., in the event that the audited financial statements have not been completed by the Reporting Date). In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not available at the time of the Reporting Date and will be submitted at a later date, the City shall include unaudited financial statements of the City in the information provided to the MSRB in its Annual Report and the City shall indicate in the Annual Report the

date on which the audited financial statements of the City will be submitted. The audited financial statements of the City, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof, is EMMA).

(b) The City or the Dissemination Agent (if any) shall:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report is not distributed/filed (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a notice, in a timely manner, to the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as Exhibit A; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The City’s Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The City’s basic financial statements for the preceding Fiscal Year, which shall include the basic financial statements of the System to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) Notwithstanding the foregoing provisions of subsection (a), if at any point in time the City elects to prepare the basic financial statements of the System separately from those of the City, the Annual Report shall include the independent basic financial statements of the System, prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards, and the City’s basic financial statements may, but need not, be included.

(c) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the City, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the City.

(d) If the City’s Fiscal Year has changed, a statement indicating the new Fiscal Year.

(e) To the extent not included in items provided pursuant to subsections (a) or (b) above, information for the preceding Fiscal Year regarding the following categories of financial information and operating data contained in the Official Statement: (1) the average and peak demand of the electric system, water system, wastewater system and natural gas system, (2) the total number of electric, water, wastewater, gas, cable, telephone, internet and wireless internet customers of the System; (3) the ten largest electric, ten largest water, ten largest wastewater and ten largest gas customers of the System; and (4) information of the type set forth under the heading “SYSTEM FINANCIAL INFORMATION – Historical Debt Service Coverage Ratios.”

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA). The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events with respect to the Series 2020 Bonds, the City or the Dissemination Agent (if any) shall file with the MSRB a notice of such occurrence in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA).

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds.

- (vii) Modification to rights of Beneficial Owners, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2020 Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or a similar proceeding by the City, including any of the following: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(xiii) Consummation of a merger, consolidation, or acquisition involving an obligated person, or sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the City and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Bonds. If the City's obligations are assumed in full by

some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the City and the City shall have no further responsibility hereunder. The City will provide notice of such termination to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA).

Section 7. Dissemination Agent. The City may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the City may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the City to the effect that the amendment does not violate the provisions of the Rule or official interpretations of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (pdf) files configured to permit documents to be saved, viewed, printed and retransmitted

by electronic means. In addition, such pdf files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Certificate shall not be deemed a “default” or an “event of default” under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

Section 14. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 17. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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Date: _____, 2020

CITY OF MONROE, GEORGIA

By: _____
Mayor

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Monroe, Georgia

Name of Bond Issue: City of Monroe, Georgia Combined Utility Revenue Bonds, Series 2020

CUSIP Number(s)¹ _____

Date of Issuance: _____, 2020

NOTICE IS HEREBY GIVEN that the City of Monroe, Georgia (the "City") has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate, dated _____, 2020. The City anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

CITY OF MONROE, GEORGIA

Name: _____
Title: _____

¹No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO MSRB OF [INSERT THE LISTED EVENT]

Relating to

CITY OF MONROE, GEORGIA
COMBINED UTILITY REVENUE BONDS,
SERIES 2020

CUSIP NUMBERS²

Notice is hereby given that [insert the Listed Event] has occurred with respect to the above-captioned bonds (the “Bonds”). [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The City of Monroe, Georgia (the “City”) has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

The City has covenanted not to exercise any optional redemption provisions under the Ordinance; however, the sinking fund provision will survive the defeasance.

AND

²No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no Bonds should be delivered to the City or to the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

CITY OF MONROE, GEORGIA

Name: _____

Title: _____

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APPENDIX E
Form of Bond Counsel Opinion

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MURRAY BARNES FINISTER LLP

3525 PIEDMONT ROAD • 5 PIEDMONT CENTER • SUITE 515 • ATLANTA, GEORGIA 30305

_____, 2020

City of Monroe
Monroe, Georgia

Stifel, Nicolaus & Company, Incorporated
Atlanta, Georgia

Regions Bank
Atlanta, Georgia

Assured Guaranty Municipal Corp.
New York, New York

Re: \$ _____ City of Monroe Combined Utility Revenue Bonds, Series 2020

To the Addressees:

We have acted as Bond Counsel and Disclosure Counsel to the City of Monroe, Georgia (the “City”) in connection with the issuance of \$ _____ in aggregate principal amount of its Combined Utility Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). In our capacity as Bond Counsel, we have examined the law and such certified proceedings, including a certified copy of the record of the validation proceeding concluded in the Superior Court of Walton County, Georgia, and other papers as we deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

The Series 2020 Bonds are being issued pursuant to a Bond Ordinance adopted by the City on November 8, 2016, as supplemented by a Parity Bond Ordinance adopted by the City on _____, 2020 (as supplemented, the “Ordinance”). The proceeds of the Series 2020 Bonds will be used for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements (the “Series 2020 Project”) to the System, (b) paying the premium for a debt service reserve surety bond to be issued by Assured Guaranty Municipal Corp. (the “Insurer”) and the premium for a municipal bond insurance policy (the “Insurance Policy”) to be issued by the Insurer and (c) paying the costs of issuing the Series 2020 Bonds. The Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Ordinance.

Pursuant to the Ordinance, the City has created a lien on Net Revenues of the System as security for the Series 2016 Bond and the Series 2020 Bonds. The City has reserved the right to issue Additional Bonds under the Ordinance, and if such Additional Bonds are issued, they will be secured by a lien on the Net Revenues of the System on a parity with the lien thereon securing the Series 2016 Bond and the Series 2020 Bonds.

The Series 2020 Bonds are limited obligations of the City and are secured by and payable solely from the Net Revenues of the System. No holder of the Series 2020 Bonds will ever have the right to compel any exercise of the taxing power of the City to pay the Series 2020 Bonds or interest thereon, nor to enforce payment thereof against any other property of the City.

The Series 2020 Bonds are subject to redemption prior to maturity in the manner and on the terms specified in the Ordinance.

As Bond Counsel, we express no opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or any other offering materials distributed in connection with the offering or sale of the Series 2020 Bonds. We express no opinion as to the compliance by the City or the underwriter with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2020 Bonds.

In rendering our opinion that the interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, we have (a) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the City, and representations of the City (including representations as to the use and investment of the proceeds of the Series 2020 Bonds), without undertaking to verify the same by independent investigation and (b) assumed continued compliance by the City with its covenants relating to the use of the proceeds of the Series 2020 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such certificates or representations or the noncompliance with such covenants may cause interest on the Series 2020 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2020 Bonds.

Based upon our examination and the provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) The City has the power to (a) adopt the Ordinance and perform its obligations thereunder and (b) issue, execute, deliver and perform its obligations under the Series 2020 Bonds.

(2) The Ordinance has been duly adopted by the City and constitutes the legal, valid, binding and enforceable obligation of the City. The Ordinance creates a lien on the Net Revenues of the System as security for the Series 2020 Bonds.

(3) The Series 2020 Bonds have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding limited obligations of the City payable from and secured by a valid lien on and pledge of the Net Revenues of the System in the manner and to the extent provided in the Ordinance.

(4) Interest on the Series 2020 Bonds (including any original issue discount properly allocable to a holder thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on the Series 2020 Bonds.

(5) The interest on the Series 2020 Bonds is exempt from all present Georgia income taxes.

The rights of the owners of the Series 2020 Bonds and the enforceability of the Ordinance and the Series 2020 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

We are members of the State Bar of Georgia. Our opinions herein are limited to the laws of the State of Georgia and any applicable federal laws of the United States. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. This opinion is intended solely for the use of the addressees and their permitted successors and/or assigns and may not be relied upon by any other person for any purpose without out prior written consent in each instance. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

MURRAY BARNES FINISTER LLP

By: _____
A Partner

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APPENDIX F

Specimen Municipal Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100