

**CITY OF CALHOUN
CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
CALHOUN, GA
JUNE 21, 2010 7:00 P.M.**

MINUTES

**PRESENT: James F. Palmer, Mayor
George Crowley, Mayor Pro Tem
Al Edwards, Councilman
David Hammond, Councilman
Matt Barton, Councilman**

**ALSO: Amy Atkinson, City School Vice Chairperson
Ray Dudkowski, Customer Service Manager
Larry Vickery, Electric Department Superintendant
Major Larry Gilbert, Calhoun Police Dept.
Eddie Peterson, City Administrator
Kelly Cornwell, Director of Utilities**

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance. He explained that this meeting was rescheduled from the 4th Monday to the 3rd Monday due to the GMA annual conference in Savannah.
 - a) Mayor Palmer gave the invocation.
2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.
3. Councilman Crowley made a motion to approve the proposed agenda. The motion was second by Councilman Edwards with all voting affirmatively, motion carried.
4. Councilman Crowley made a motion to approve the minutes of the June 14, 2010 regular City Council Meeting as written. The motion was second by Councilman Hammond with all voting affirmatively, motion carried.
5. **Mayor's Comments:**
 - a) Mayor Palmer explained that Mr. Craig Taylor would address the Mayor and Council at the July 12, 2010 meeting to discuss a resolution and letter of support for affordable work force housing within the Riverside PRD Development.
6. **Public Hearings and comments:** None
7. **Old Business:**
 - a) Utilities Director Cornwell reviewed the Utility financial polices (Copy attached)

and the changes therein. Mr. Cornwell also gave a summary of the 2010 - 2011 FY Utility budget.

City Administrator Peterson reviewed the General Fund financial policies (copy attached) and changes therein. Mr. Peterson also gave a summary of the 2010 - 2011 FY General Fund and other sub funds.

Mrs. Amy Atkinson, Chairperson for the City of Calhoun School Board, asked if there were any questions pertaining to the school budget. There were no questions.

Mayor Palmer read the City of Calhoun Budget Resolution (Copy attached). Council Crowley made a motion to approve the combined budgets; school, general and utility. Councilman Edwards seconded the motion.

Mayor Palmer stated that a motion and second were on the floor. Councilman Edwards and Councilman Crowley voted in favor to the 2010 -2011 City of Calhoun Budget as presented. Councilman Hammond and Councilman Barton voted no. Mayor Palmer voted aye and the motion passed.

- b) Utilities Director Cornwell request \$999,000 be transferred from City of Calhoun Water Reserves to pay for the recently purchased Big Spring property. Councilman Hammond made the motion to approve the request, Councilman Barton seconded, all voted aye, Councilman Crowley abstained, motion approved.
- c) The City of Calhoun Board of Education 2010 -2011 FY Budget was approved under item a.
- d) A second reading on a Beer Pouring License request from Jinsen Jiang, D/B/A Eastern Buffet, located at 610 East Hwy. 53, Calhoun.
 - a. Public hearing is set for July 12, 2010

8. New Business:

- a) Mayor Palmer read a request by Calhoun Utilities to release from the budget for the Electric Fund the transfer of \$627,018 into their renewal and replacement fund due to cash flow restraints. Councilman Crowley made the motion to approve the request, Councilman Edwards seconded, all voted aye, motion approved.
- b) Mayor Palmer read the General Government Budget amendment #3 for FY 2010, Councilman made the motion to approve, Councilman Edwards seconded the motion, all voted aye, motion approved. (Copy attached)
- c) Councilman Barton made a motion to transfer \$1,028,332 from daily cash to

General fund reserves. Councilman Crowley seconded the motion, all voted aye, motion approved.

- d) Mayor Palmer read a request by Echota Baptist Church to block the road beginning at the mailbox by the front steps of the church to the stop sign behind the church at Short North Wall Street on Thursday, July 22, 2010 from 5:00 pm to 10:00 pm for Family Night for Vacation Bible School. This block is to ensure safety of the children during Family Night.
- Councilman Barton made a motion to approve the request. The motion was second by Councilman Edwards with all voting affirmatively, motion carried.

9. **Annexation and Zoning** changes: None

10. Other Written Items not on the Agenda: None

11. Work Reports:

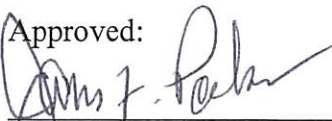
a) Kelly Cornwell, Director of Utilities:

1. Councilman Hammond made a motion to update approved utility charge offs Councilman Crowley seconded the motion, all voted aye, motion approved. (Copy attached)
2. Councilman Crowley made a motion to appoint Mayor Palmer as a voting delegate at the annual MEAG Convention. Councilman Barton seconded the motion, all voted aye, motion approved.

b) Eddie Peterson, City Administrator: None

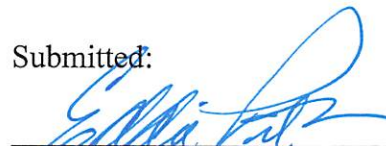
12. Councilman Hammond made a motion to adjourn. The motion was second by Councilman Barton with all voting affirmatively, motion carried.

Approved:



James F. Palmer, Mayor

Submitted:



Eddie Peterson, City Administrator

**CITY OF CALHOUN
GEORGIA**

R E S O L U T I O N

WHEREAS, the City Administrator, Director of Utilities, and City School Board have presented a proposed budget to the Mayor and Council on each of the various funds of the City; and

WHEREAS, the Mayor and Council have reviewed and amended the proposed budgets; and

WHEREAS, the budgets for each division are balanced and summaries are attached as Exhibits "A", "B", and "C" hereto and made a part of said resolution;

NOW, THEREFORE, BE IT RESOLVED, the Mayor and Council of the City of Calhoun hereby adopt said budget for fiscal year July 1, 2010 through June 30, 2011.

BE IT FURTHER RESOLVED, the expenditures shall not exceed the appropriations authorized by this budget or amendments thereto according to the budget policy. However, expenditures for the fiscal year shall not exceed actual funding available.

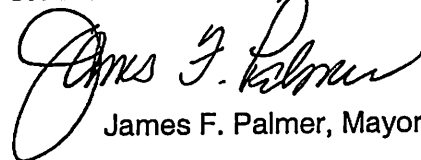
ADOPTED this the 21st day of June 2010.

Attest:



Eddie Peterson, City Administrator / Clerk

CITY OF CALHOUN, GEORGIA



James F. Palmer, Mayor



Kelly Cornwell, Director of Utilities

**CALHOUN UTILITIES
APPROVED BUDGET SUMMARY 2009-2010**

	Utility Admin	Wastewater & New Services Fund	Water & New Services Fund	Electric	Telecommunications	Total
Revenues	\$ (2,642,695)	\$ (7,965,451)	\$ (12,781,284)	\$ (26,229,731)	\$ (874,796)	\$ (50,493,957)
Expenses	2,642,695	7,965,451	12,781,284	26,229,731	874,796	50,493,957
Shortages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CALHOUN UTILITIES
PROPOSED BUDGET SUMMARY 2010-2011**

	Utility Admin	Wastewater Fund	Water Fund	Electric	Telecommunications	Total
Revenues	\$ 2,569,379	\$ 7,362,952	\$ 12,282,439	\$ 28,007,806	\$ 878,714	\$ 51,101,290
Expenses	2,569,379	7,362,952	12,282,439	28,007,806	878,714	51,101,290
Shortages/Overages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Council changes - This version of the summary includes the 5% sewer rate increase and the 3% water rate increase with the corresponding increases in amounts payable to the General Fund. The \$200,000 decrease in street lights charged to the General fund has also been taken out of Electric revenues. An additional 1/2% has been added to Rents & Royalties payable to the General Fund. There was an additional \$30,000 included in the amount payable to the General Fund by the Electric Fund for 1/2 of an employee salary for electrical inspection of meters. There was also an increase of \$2,635 in the amount due to the GF for admin charges due to the increase in health insurance and sick leave.

There was a reduction made in Telecom revenue for the \$10,169 savings recorded in the General Fund budget due to disconnected phones, internet, etc.

The net savings of \$22,856 has also been deducted from the expenses of the Billing department in the Utility Internal Service Fund for the cancellation of the Pitney Bowes contract and the outsourcing of this function.

This includes 48 hours of sick leave accrued at an estimated payout amount of 70%. The applicable FICA and medicare taxes were included also.

We have also included an additional \$1,000,000 of capital outlay for the Brittany Drive Water Treatment Plant project. This will total \$1,600,000 for a GEFA loan rather than the \$600,000 that we had originally budgeted from SPLOST. If the project goes through, 30% of this indebtedness will be forgiven and the balance will be repaid over 20 years at 3%. An additional \$32,00 was also budgeted for closing fees. \$18,088 was funded through SPLOST funds.

Note - This budget includes principal and interest payments to GEFA for Phase II of the AMR project loan which we anticipate will start in September 2010. This loan would have been for \$1,500,000 but \$900,000 was forgiven with stimulus funds. We do not anticipate payments starting on the new GEFA loan for the Brittany Drive Renovation during this fiscal year.

**Account Number
Legend -**

- 39 - Transfers In
- 51 - Personal
- 52 - Services
- 53 - Supplies
- 54 - Capital Outlay
- 55 - Indirect Cost Allocations
- 58 - Debt Service
- 59 - Emergency Contingencies

61 - Transfers Out

City of Calhoun, Georgia

Calhoun Utilities

Financial Policies

I. SECTION ONE -- FISCAL REQUIREMENTS

Operating Reserves / Infrastructure Replacement Reserves

In order to protect against recession and other emergencies, the City has established a goal to achieve and maintain cash reserves equal to at least three times the average monthly operating expenditures for the associated fund. The City of Calhoun has an approximation of Electric Fund reserves sufficient to meet this goal. However, the Mayor and Council may authorize loans from these reserves through the budget process. A repayment schedule is established including principle and interest at rates comparable to City investment rates at the time of the loan. A portion of cash reserves of utilities have been loaned in accordance with the annual budget process.

Net Assets

In order to assure that City operations do not grow disproportionately to available revenues, unrestricted fund balances should not be used for operating costs, except after careful consideration and approval from elected officials.

Revenues

Revenues collected by the City should be diversified, so as not to place a disproportionate burden on any one class of citizens. User fees for Utility and Enterprise Operations should be levied to cover cost including debt service, and should be adjusted annually or semi-annually to reflect the actual cost of doing business. The City will make transfers to the General Fund from Utility Funds (Water and Sewer and Electric) for Lease of Assets-Royalties and Franchise Fees. These transfers will be at a rate of 9% to 10% of gross sales or fees each fiscal year (including 4% franchise fees for City Rights-of-Way usage) as authorized by the Mayor and Council during the annual budget process. During fiscal year 2010-2011 an additional 1/2% has been budgeted to transfer to the General Fund. Due to the economic downturn additional funds are need to assist governmental funds. Transfers from reserves shall be made when properly reviewed and authorized by the Mayor and Council.

II. SECTION TWO -- BUDGET CONTROL

The Budget is the process and means by which the Mayor and Council decide upon the level and type of service to be provided based upon the level of available resources. Budget Policy states how this is to be accomplished, and addresses the need for financial constraint and stability.

Special Project Funds and Accounts

Special Project Funds shall include those projects funded by special borrowings or special revenues which must be accounted for separate from any enterprise or general fund until actual construction or equipment procurement has been completed. Special projects may extend beyond the current budget year.

Fiscal Year

The Fiscal Year of the City shall commence on July 1 of each year and end on June 30 of the following year.

Budgetary Basis

Annual balanced budgets are adopted on an accrual basis of accounting, with the exception that principal payments and capital outlay are budgeted and depreciation is not. Revenues include billed revenues of the City utilities. Expenditures appropriated by the annual budget include items for which disbursements are made during the fiscal year through the payables process and any that are payable at year end. Open purchase orders lapse at year end, but are re-appropriated within the budget constraints of the next fiscal year.

Legal Level of Budgetary Control

The level at which expenditures cannot legally exceed the approved budget is at the department level as established by the Mayor and Council. Departments are based on the organizational chart, major functional activities, legal requirements and areas of responsibility. Budgetary departments/funds include the following: utility administration; water system; wastewater treatment system; electric system; telecommunications system.

Line Item Budget

The budget document shall include a line item budget, which focuses on objects of expenditures, such as personal services, supplies, equipment, etc. However, the legal level of control is at the previously described department level as established by the Mayor and Council.

Budget Goals

Each department shall establish its budget goals for the current fiscal year, and these shall be included in the final budget document.

Budget Officer

The General Manager shall be the constituted budget officer for Calhoun Utilities.

Budget Procedure

- a. The General Manager of Utilities and City Administrator shall establish a budget calendar, outlining all the steps for each fiscal year, and forwarded the budget calendar to the Mayor and Council for their approval prior to enactment.
- b. A budget draft shall be prepared with input from the General Manager, Department Heads and Finance Department.
- c. The proposed draft shall be reviewed /amended in work sessions with the Mayor and Council.
- d. Two budget hearings shall be held prior to adoption, in order to receive public input.
- e. The City Budget shall be adopted annually by resolution of the Mayor and Council.
- f. The Mayor and Council shall approve amendments to the budget regarding increased and decreased revenues, or expenses for a fund, by resolution. The budget officer shall approve transfers of appropriations within a department among line items.

Budgetary Controls/Reports

A system of budgetary controls shall be maintained to assure adherence to the budget. Timely quarterly reports shall be prepared comparing actual revenues, expenses and outstanding purchase orders with budgeted amounts. Copies of these reports shall be prepared by the Finance Department, and shall be distributed to the Mayor, Council and department heads, on a timely basis.

Balanced Budget

The Budget shall be balanced for every budgeted fund. Total anticipated revenues, plus that portion of net assets in excess of authorized reserves that is designated as a budget funding source when authorized by the Mayor and Council, shall equal total estimated expenditures for each fund. OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. The City also adopts budgets for other funds as described within the budget objectives.

Financing Current Expenditures

Current expenditures shall be financed with current revenues, which shall include, as appropriate, that portion of net assets as authorized. The City shall avoid budgetary procedures that balance current expenditures through the obligation of future resources. The City shall avoid short-term borrowing to meet operating budget requirements, except as authorized by the Mayor and Council.

Budget Objective by Type of Fund

The following budget objectives are established for the different types of funds utilized by the City:

Capital Expense

The budget for Capital Expense shall be incorporated with the current year operating budgets for each fund, and shall be funded by current operating revenue to the extent possible. Capital Expense funds other than special projects and utility construction shall include those items which can be completed within the current fiscal year. An itemized listing of capital expense, equipment and projects shall be included in the budget document. The threshold for fixed assets is \$5,000 and for infrastructure, \$20,000.

Proprietary Funds

A business approach is used in budgeting for proprietary fund types. Enterprise funds provide services primarily to customers outside the financial reporting entity and shall be self supporting when possible, with minimized losses when break even is not possible. The enterprise funds for Calhoun Utilities are Water and Sewer, Electric and Telecommunications Funds. Internal service funds provide services to other funds or departments of the City and charge fees based on the cost of the services provided. The Utilities Administration Fund is an internal service fund. Any excess charged over expenses incurred in the internal service fund will be reimbursed to the funds paying internal service charges on a pro rata basis as cash flow allows.

Maintenance and Replacement of Capital Equipment

Priorities shall be given in budget preparation and enactment for adequate maintenance of capital equipment and facilities, and for their orderly replacement.

Contributions

Unless authorized by the Mayor and Council, contributions to programs operated by City departments shall be subjected to the City's accounting and budgetary policies. The City

welcomes both unrestricted contributions, as well as, restricted contributions compatible with the City's program and objectives. Any material contributions shall be appropriated by the Mayor and Council prior to expenditure.

ADOPTED, this 21st day of June, 2010

City of Calhoun, Georgia


James F. Palmer, Mayor

Attest:


Kelly E. Cornwell, General Manager

**City of Calhoun
2011 Budget Summary
GENERAL GOVERNMENT**

General Fund	2009 ACTUAL	2010 REVISED BUDGET	2011 BUDGET	% INCREASE (DECREASE)
Revenues				
Property Tax	\$ (1,212,351)	\$ (1,396,810)	\$ (1,430,520)	2.4%
Franchise Tax	(1,788,165)	(1,734,390)	(1,898,474)	9.5%
Local Option Sales Tax	(2,016,503)	(2,005,000)	(2,100,000)	4.7%
Excise Tax	(1,980,838)	(1,933,500)	(1,887,500)	-2.4%
License and Permit	(262,284)	(228,830)	(222,925)	-2.6%
Intergovernmental	(463,599)	(752,309)	(648,456)	-13.8%
Charges for Services	(527,516)	(478,770)	(524,240)	9.5%
Fines and Forfeitures	(521,630)	(524,650)	(489,600)	-6.7%
Local Revenues	(2,548,523)	(2,480,808)	(2,897,573)	16.8%
Other financing sources	(429,825)	(1,276,220)	(10,000)	-99.2%
Total Revenues	(11,751,234)	(12,811,287)	(12,109,288)	-5.5%
Expenditures				
Mayor and council	163,126	222,468	185,579	-16.6%
Elections	162	5,600	3,250	-42.0%
City administrator	444,200	395,150	371,413	-6.0%
Finance	313,294	317,493	278,739	-12.2%
Tax administration	53,234	55,273	53,012	-4.1%
General teller	44,077	66,788	57,505	-13.9%
Human resources	141,390	144,077	130,838	-9.2%
Risk management	4,277	8,600	5,750	-33.1%
Mayor and council- dues and fees	31,218	36,000	-	-100.0%
General Administration	1,194,978	1,251,449	1,086,086	-13.2%
Municipal court	294,164	262,496	260,089	-0.9%
Probation	106,286	112,565	113,137	0.5%
Custody of Prisoners	65,298	68,000	72,000	5.9%
Court Services	465,748	443,061	445,226	0.5%
Welfare related	58,224	66,912	66,125	-1.2%
Art gallery	2,000	2,000	-	-100.0%
Auditorium	71	1,150	620	-46.1%
Depot	32,092	22,785	19,085	-16.2%
Community Center	11,454	7,470	7,250	-2.9%
Library	290,756	312,847	312,670	-0.1%
Community Services	394,597	413,164	405,750	-1.8%
Regulatory inspections and enforcement	312,837	322,185	295,682	-8.2%
Electric inspection	69,614	-	-	0.0%
Downtown development	100,574	105,699	99,726	-5.7%
Airport	226,996	168,188	151,759	-9.8%
Community Development	710,021	596,072	547,167	-8.2%
Police administration	405,911	396,744	400,254	0.9%
Detectives	495,394	517,592	519,530	0.4%
Patrol	2,482,501	2,493,837	2,378,235	-4.6%
Special operations	308,223	328,925	320,072	-2.7%
Police dispatching	95,973	99,000	100,400	1.4%
Police Department	3,788,002	3,836,098	3,718,491	-3.1%
Fire administration	168,349	173,918	177,900	2.3%
Firefighting	2,880,973	2,478,481	2,402,910	-3.0%
Fire inspection	126,185	135,122	133,270	-1.4%
Fire dispatching	46,786	49,696	49,696	0.0%
Fire stations and buildings	84,344	23,000	18,000	-21.7%
Fire debt service	154,727	175,912	175,912	0.0%
Fire Department	3,461,364	3,036,129	2,957,688	-2.6%

**City of Calhoun
2011 Budget Summary
GENERAL GOVERNMENT**

	2009 ACTUAL	2010 REVISED BUDGET	2011 BUDGET	% INCREASE (DECREASE)
General Fund				
Animal control	73,352	76,111	73,686	-3.2%
Highways and streets admin	99,901	101,948	103,001	1.0%
Highways and streets	819,821	1,316,433	1,114,188	-15.4%
Street cleaning	68,130	77,997	69,409	-11.0%
Storm drainage	4,672	2,500	-	-100.0%
Street lighting	291,577	295,510	98,500	-66.7%
Traffic engineering	162,676	91,700	182,900	99.5%
Maintenance and parks	248,918	276,494	284,341	2.8%
Cemetery	160,510	157,895	155,525	-1.5%
Parks beautification	13,847	10,500	3,000	-71.4%
Public Works	<u>1,943,404</u>	<u>2,407,088</u>	<u>2,084,550</u>	-13.4%
Total Expenditures	<u>11,958,114</u>	<u>11,983,061</u>	<u>11,244,958</u>	-6.2%
Excess of Revenues (Over) Under Expenditures	206,880	(828,226)	(864,330)	
Other financing uses (transfers out)	<u>1,077,028</u>	<u>828,226</u>	<u>864,330</u>	4.4%
Net Change in Fund Balance	<u>\$ 1,283,908</u>	<u>\$ -</u>	<u>\$ -</u>	
Special Revenue Funds				
Recreation Fund				
Revenues	\$ (886,846)	\$ (931,642)	\$ (941,589)	1.1%
Recreation administration	70,330	70,868	70,697	-0.2%
Participant recreation	862,821	860,774	870,892	1.2%
Total Expenditures	<u>933,151</u>	<u>931,642</u>	<u>941,589</u>	1.1%
Net Change in Fund Balance	<u>\$ 46,305</u>	<u>\$ -</u>	<u>\$ -</u>	
Minor Special Revenue Funds				
UDAG Fund	43,560	32,500	32,000	-1.5%
Confiscated Assets	24,251	24,000	15,500	-35.4%
West Calhoun Grant Fund	16,799	587,130	389,183	100.0%
School Tax Fund	133,712	149,578	132,078	-11.7%
Hotel/Motel Fund	273,385	250,000	265,000	6.0%
Capital Project Funds				
2001 SPLOST Fund	585,826	220,000	-	-100.0%
2005 SPLOST Fund	2,213,995	2,097,446	2,339,544	11.5%
School SPLOST Fund	115,947	5,000	4,500	100.0%
Debt Service Funds				
Golf Debt	369,083	370,597	370,965	0.1%
School Debt	2,794,926	2,589,582	2,660,000	2.7%
Agency Fund				
Municipal Court Fund	865,865	900,000	800,000	-11.1%
Solid Waste Fund				
Revenues	\$ (772,995)	\$ (824,025)	\$ (792,688)	-3.8%
Collection	663,505	673,414	634,217	-5.8%
Recycle	26,247	27,471	25,831	-6.0%
Landfill	(13,485)	26,140	33,140	26.8%
Yard trimmings and collections	93,182	97,000	99,500	2.6%
Total Expenditures	<u>769,449</u>	<u>824,025</u>	<u>792,688</u>	-3.8%
Net Change in Fund Balance	<u>\$ (3,546)</u>	<u>\$ -</u>	<u>\$ -</u>	
Golf Fund				
Revenues	\$ (848,216)	\$ (874,474)	\$ (863,700)	-1.2%
Maintenance	633,754	601,733	591,138	-1.8%
Pro Shop	475,989	272,741	272,562	-0.1%
Total Expenditures	<u>1,109,743</u>	<u>874,474</u>	<u>863,700</u>	-1.2%
Net Change in Fund Balance	<u>\$ 261,527</u>	<u>\$ -</u>	<u>\$ -</u>	



City of Calhoun, Georgia General Government Financial Policies

I. SECTION ONE – FISCAL REQUIREMENTS

Operating Reserves / Infrastructure Replacement Reserves

In order to protect against recession and other emergencies, the City has established a goal to achieve and maintain cash reserves equal to at least three times the average monthly operating expenditures for the associated division. The City of Calhoun currently has General Government reserves sufficient to meet this goal. However, the Mayor and Council may authorize loans from these reserves through the budget process.

Fund Balances

In order to assure that City operations do not grow disproportionately to available revenues, unrestricted fund balances should not be used for operating costs, except after careful consideration and approval from elected officials.

Revenues

Revenues collected by the City should be diversified, so as not to place a disproportionate burden on any one class of citizens. Property taxes should remain as low as possible. User fees for enterprise operations, such as Solid Waste and Golf, should be levied to cover costs, including debt service, and should be adjusted annually or semi-annually to reflect the actual cost of doing business. The City will make transfers to the General Fund from Utility Funds (Water and Sewer, Electric, and Telecom) for Lease of Assets/Royalties and Franchise Fees. These transfers will be at a rate of 10.5% of gross sales or fees each fiscal year (including 4% franchise fees for City rights-of-way usage) as authorized by the Mayor and Council during the annual budget process. Transfers from reserves shall be made when properly reviewed and authorized by the Mayor and Council. Business taxes should be established to reflect state law and the desired level of revenue from this customer base.

II. SECTION TWO – BUDGET CONTROL

The Budget is the process and means by which the Mayor and Council decide upon the level and type of service to be provided based upon the level of available resources. Budget Policy states how this is to be accomplished and addresses the need for financial constraint and stability.

Special Project Funds and Accounts

Special Project Funds shall include those projects funded by special borrowings or special revenues which must be accounted for separate from any enterprise or general fund until actual construction or equipment procurement has been completed. Special projects may extend beyond the current budget year.

Fiscal Year

The Fiscal Year of the City shall commence on July 1 of each year and end on June 30 of the following year.

Budgetary Basis

Annual balanced budgets are adopted on a modified accrual basis of accounting, with the exception that principal debt payments and capital outlay are budgeted and depreciation is not. Revenues include those which are due for the current year. Expenditures appropriated by the annual budget include items for which disbursements are made during the fiscal year through the payables process and any that are payable at year end. Open purchase orders lapse at year end, but are re-appropriated within the budget constraints of the next fiscal year.

Legal Level of Budgetary Control

The level at which expenditures cannot legally exceed the approved budget is at the department level as established by the Mayor and Council. Departments are based on the organizational chart, major functional activities, legal requirements and areas of responsibility. Budgetary departments/funds include the following: general government, judicial and miscellaneous administration, police, fire, street, et al, recreation, school tax collection, hotel-motel taxes, confiscated assets, golf course maintenance, golf course professional, solid waste, and other specific funds as may be required by ordinance or other legal requirement.

Line Item Budget

The budget document shall include a line item budget, which focuses on objects of expenditures, such as personal services, supplies, equipment, etc. However, the legal level of control is at the previously described department level as established by the Mayor and Council.

Budget Goals

Each department shall establish its budget goals for the current fiscal year and these shall be included in the final budget document.

Budget Officer

The City Administrator shall be the constituted budget officer for the general government of the City of Calhoun.

Budget Procedure

- a. The City Administrator and Director of Utilities shall establish a budget calendar, outlining all the steps for each fiscal year, and forward the budget calendar to the Mayor and Council for their approval prior to enactment.
- b. A budget draft shall be prepared with input from the City Administrator, Department Heads and Finance Department.
- c. The proposed draft shall be reviewed /amended in work sessions with the Mayor and Council.
- d. Two budget hearings shall be held prior to adoption, in order to receive public input.
- e. The City Budget shall be adopted annually by resolution of the Mayor and Council.
- f. The Mayor and Council shall approve amendments to the budget regarding increased and decreased revenues or expenses for a fund, by resolution. The

budget officer shall approve transfers of appropriations within a department among line items.

Budgetary Controls/Reports

A system of budgetary controls shall be maintained to assure adherence to the budget. Timely quarterly reports shall be prepared comparing actual revenues and expenses with budgeted amounts. Copies of these reports shall be prepared by the Finance Department and shall be distributed to the Mayor, Council and department heads, on a timely basis.

Balanced Budget

The Budget shall be balanced for every budgeted fund. Total anticipated revenues, plus that portion of fund balance in excess of authorized reserves that is designated as a budget funding source when authorized by the Mayor and Council, shall equal total estimated expenditures for each fund. OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. The City also adopts budgets for other funds as described within the budget objectives.

Financing Current Expenditures

Current expenditures shall be financed with current revenues, which shall include, as appropriate, that portion of net assets as authorized. The City shall avoid budgetary procedures that balance current expenditures through the obligation of future resources. The City shall avoid short-term borrowing to meet operating budget requirements, except as authorized by the Mayor and Council.

Budget Objective by Type of Fund

The following budget objectives are established for the different types of funds utilized by the City:

General Fund

The budget for the General Fund shall provide for the general government operations of the City and maintain working capital necessary for financial health and stability.

Debt Service or Sinking Fund

Revenues shall be established and fund balances maintained sufficient for debt expenditures as authorized by the appropriate ordinances.

Capital Expense

The budget for Capital Expense shall be incorporated with the current year operating budgets for each fund, and shall be funded by current operating revenue to the extent possible. Capital Expense funds other than special projects shall include those items which can be completed within the current fiscal year. An itemized listing of capital expense, equipment and projects shall be included in the budget document. The threshold for fixed assets is \$5,000 and for infrastructure, \$20,000.

Proprietary Funds

A business approach is used in budgeting for proprietary fund types. Enterprise funds provide services primarily to customers outside the financial reporting

entity and shall be self supporting when possible, with minimized losses when break even is not possible. The enterprise funds managed by the City of Calhoun general government are Solid Waste and Golf.

Maintenance and Replacement of Capital Equipment

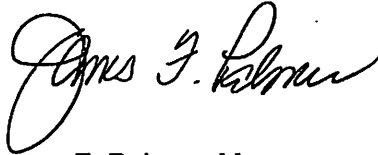
Priorities shall be given in budget preparation and enactment for adequate maintenance of capital equipment and facilities, and for their orderly replacement.

Contributions

Unless authorized by the Mayor and Council, contributions to programs operated by City departments shall be subjected to the City's accounting and budgetary policies. The City welcomes both unrestricted contributions, as well as, restricted contributions compatible with the City's program and objectives. Any material contributions shall be appropriated by the Mayor and Council prior to expenditure.

ADOPTED, this 21st day of June 2010

City of Calhoun, Georgia



James F. Palmer, Mayor

Attest:



F. Eddie Peterson, City Administrator

City of Calhoun
Budget Amendment #3- Fiscal 2010

		<u>Original</u>	<u>Revised</u>	<u>Budget</u>	<u>Amended</u>
General Fund		Budget	Budget	Amendment	Budget
#1					
Transfer to Solid Waste	1101511-611006	-	-	\$ 107,000	107,000
Business & Occupation Tax	1000000-316100	(350,000)	(350,000)	(15,000)	(365,000)
Gen Admin-Advertising	1101511-523300	9,500	9,500	(5,000)	4,500
Gen Admin-Office/Computer Sup.	1101511-531120	10,000	10,000	(6,000)	4,000
Gen Admin-Controllable Equip.	1101511-531600	3,000	3,000	(3,000)	-
Street-Regular Wages	1404220-511100	487,300	487,300	(25,000)	462,300
Street- R&M Service Vehicles	1404220-522201	28,000	21,950	(15,000)	6,950
Street- R&M Service Equipment	1404220-522202	20,000	20,000	(17,000)	3,000
Street- Gen Supplies and Materials	1404220-531100	13,000	13,000	(6,000)	7,000
Street-Supplies R&M Equipment	1404220-531140	25,000	25,000	(3,000)	22,000
Street-Supplies R&M Vehicles	1404220-531141	15,000	15,000	(2,000)	13,000
Street- Diesel Fuel	1404220-531271	30,000	30,000	(10,000)	20,000
<i>Transfer to Solid Waste to balance fund- see Solid Waste ammendment #9.</i>				\$ -	
#2					
Grants- DOT Streetscape	1000000-334110-79	-	(250,000)	\$ 250,000	-
Site Improvements	1404220-541200-79	-	300,000	(250,000)	50,000
<i>Remove Streetscape Phase III grant from budget- projected not completed. Only match met in fiscal 2010; grant budgeted in fiscal 2011.</i>				\$ -	
#3					
Grants- DCA Signature Community	1000000-334310	-	-	\$ (13,000)	(13,000)
Engineering- West Calhoun Proj.	1101511-521200-10	-	-	13,000	13,000
<i>Allow for professional services from Mactec for West Calhoun Redevelopment Plan reimbursed by DCA Signature Community Grant.</i>				\$ -	
#4					
Fire- Capital Outlay Buildings	1353570-541300	-	-	\$ 85,000	85,000
Renewal & Replacement Fund	1000000-399000	(669,000)	(1,236,000)	(85,000)	(1,321,000)
(use of Fund Balance)				\$ -	
<i>Replacement of roof system at Station 1 to use Renewal & Replacement funds.</i>					
#5					
Police Detectives- Worker's Comp	1323221-512700	4,300	4,300	\$ 4,000	8,300
Police- Worker's Compensation	1323223-512700	35,000	35,000	45,000	80,000
Special Ops- Worker's Comp	1323224-512700	3,000	3,000	1,000	4,000
Contingency- Worker's Comp	1101110-576001	50,000	50,000	(50,000)	-
				\$ -	
<i>Budgeted for premium only; claims to be covered by budgeted contingency for claims.</i>					

#6

Confiscated Assets Fund

Sale of Assets	2103200-392100	2,500	2,500	\$ (21,500)	(19,000)
Capital Outlay- Vehicles	2103200-542200	-	-	27,000	27,000
Use of Fund Balance	2103200-399000	-	-	<u>(5,500)</u>	<u>(5,500)</u>
<i>Year-end amendment needed so expenditures not greater than budget.</i>				\$ -	

#7

2001 SPLOST Fund

Gordon- SPLOST Revenue	3214200-337100-16	-	-	\$ (105,000)	(105,000)
Site Improvements- Dews Pond	3214200-541200-16	-	-	20,000	20,000
Traffic Signals- Dews Pond/Lovers	3214200-541405-16	-	-	<u>85,000</u>	<u>85,000</u>
<i>Year-end amendment needed so expenditures not greater than budget.</i>				\$ -	

#8

Solid Waste Fund

Garbage Pickup-Residential	5400000-344108	(704,150)	(704,150)	\$ 105,000	(599,150)
Garbage Pickup- Commercial	5400000-344109	(75,000)	(75,000)	15,000	(60,000)
Legal & Auditing	5404520-521201	1,140	1,140	10,000	11,140
Residential Pickup	5404520-522111	458,500	458,500	(15,000)	443,500
Brush Grinding	5404585-522114	25,000	25,000	(8,000)	17,000
Transfer In- General Fund	5400000-	-	-	<u>(107,000)</u>	<u>(107,000)</u>
				\$ -	

To balance solid waste fund due to fees lowered at beginning of year and revenue collections less than expected because of differences in billing from contractor.

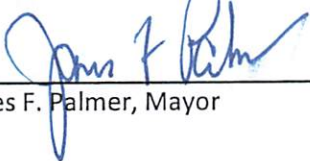
#9

Golf Course Fund

Golf Course Revenues	5600000	(904,550)	(874,474)	\$ 36,807	(837,667)
Golf Pro Shop Department	5616125	282,817	272,741	(16,459)	256,282
Golf Maintenance Department	5606125	621,733	601,733	<u>(20,348)</u>	<u>581,385</u>
<i>To re-balance golf fund because of lower revenues than budgeted.</i>				\$ -	

ADOPTED this 21st day of June 2010

City of Calhoun, Georgia



James F. Palmer, Mayor

Attest:



Eddie Peterson, City Administrator