



**CITY COUNCIL MEETING  
JANUARY 22, 2018- 7:00 PM  
109 SOUTH KING STREET  
DEPOT COMMUNITY ROOM**

**MINUTES**

**PRESENT:** James F. Palmer, Mayor  
George Crowley, Mayor Pro Tem  
Ray Denmon, Councilman  
Al Edwards, Councilman  
Jackie Palazzolo, Councilwoman

ALSO: Eddie Peterson, City Administrator; Paul Worley, Assistant City Administrator; Sharon Nelson, City Clerk; George Govignon, City Attorney; Jeff Defoor, Director of Electric Utilities; Garry Moss, Police Chief; Lenny Nesbitt, Fire Chief; Jerry Crawford, Director of Water & Wastewater, and Don Colburn, Commander/Special Operations.

**1. Council Meeting Called to Order**

**Welcome**

Mayor Palmer called the meeting to order and welcomed everyone in attendance.

**Invocation**

Mayor Pro Tem Crowley gave the invocation.

**2. Pledge of Allegiance**

Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.

**3. Amendment or Approval of Proposed Agenda**

Councilman Edwards made a motion to approve the agenda amending the Public Hearing of the 2018 Proposed Organizational Charts to a First Reading, and adding Item E under New Business to allow for approval or denial of a surplus request by the Calhoun Police Department. Motion seconded by Councilwoman Palazzolo with all voting aye. Motion approved.

**4. Amendment or Approval of Minutes**

Mayor Pro Tem Crowley made a motion to approve the minutes of the City Council meeting of January 8, 2018. Councilman Edwards gave a second with all voting aye. Motion approved.

## **5. Mayor's Comments**

- A. Mayor Palmer announced that members of the Cumberland Academy Junior Leadership group were in attendance and welcomed them to the meeting.
- B. Mayor Palmer performed the oath of office for the Calhoun City Schools Board of Education members as follows: Andy Baxter, Post 1, Rhoda Washington, Post 2, and David Scoggins, Post 3. Mayor Palmer thanked all School Board members for their service to the City of Calhoun and the students of Calhoun City Schools.
- C. Mayor Palmer announced that the City Council will hold a Planning Work Session on Saturday, February 17, 2018, at 9:00 a.m., to be held at Calhoun Utilities, 700 West Line Street.

## **6. Public Hearing and Comments**

Announce at this time, public hearings will be held. The public will have the opportunity to make pro and con comments with a ten minute maximum time limit for each side of the matter, with each person speaking having filed a financial disclosure statement five days prior to the hearing if required, with each person giving their name and address. An inquiry should be made to determine if any elected official has filed a disclosure statement regarding ownership or special interest in any of the agenda items. Zoning Land Use Maps on display in Council Chambers for Zoning Advisory Board and Council hearings.

- A. Public hearing regarding the 2018 Proposed Organizational Charts (**Amended to First Reading**).

Mayor Palmer gave the first reading of the 2018 Proposed Organizational charts stating that the item was posted on the Agenda as a Public Hearing; however, it should be a First Reading. He noted that the first reading provides notification that a public hearing will be held on February 12<sup>th</sup>. A work session will also be held on the 12<sup>th</sup>, at 12:00 p.m. at Calhoun Utilities, to allow discussion on the matter prior to Monday night's meeting. Council members were presented with Options A and B at the January 8<sup>th</sup> work session. Other options would be to leave the Organizational Chart as it is, or to go back to the way it was prior to 2017. If Option A or B is chosen, consideration might be given to the reporting of the Finance Director. Option A and B have the Finance Director reporting to General Government; it can be changed to have the Finance Director reporting to both Utilities and General Government. Also, the prior organizational chart had Telecommunications standing alone under Utilities; Option A and B has it listed under Electric. Consideration might be given regarding the separation of the Electric Department and Telecommunications. Mayor Palmer requested that everyone study the charts so they may be voted on during the February 12<sup>th</sup> meeting following the public hearing.

## **7. Old Business**

- A. Mayor Palmer gave the second reading of an annexation and zoning request of C-2 for .72 acres, at a location of 1133 South Wall Street, by Badruddin Lallani DBA Raceway Groceries. The Zoning Advisory Board meeting is scheduled for February 8, 2018. The public hearing is scheduled for February 12, 2018.

- B. Mayor Palmer gave the second reading of an annexation and zoning request for C-2 for 3.51 acres, at locations of: Tract 1, parcel GC58-005 totaling .41 acre; Tract 2, parcel GC58-006 totaling .41 acre; Tract 3, parcel GC58-007 totaling .91 acre; Tract 4, parcel GC58-013 totaling 1.26 acres; and Tract 5, parcel GC58-015 totaling .52 acre, by Licia Davis DBA Bellwood Nursery. The Zoning Advisory Board meeting is scheduled for February 8, 2018. The public hearing is scheduled for February 12, 2018.
- C. Mayor Palmer gave the second reading of a variance request for a side setback of 6 feet, from 10 feet to 4 feet, at a location of parcel C65-015, by Phillip Beamer DBA Arby's. The Zoning Advisory Board meeting is scheduled for February 8, 2018. The public hearing is scheduled for February 12, 2018.
- D. Mayor Palmer gave the second reading of a beer and wine package license for Walgreen Company DBA Rite Aid #11828, at a location of 1101 Red Bud Road. The public hearing is scheduled for February 12, 2018.
- E. Mayor Palmer gave the second reading of a beer and wine package license for Walgreen Company D/B/A Rite Aid #4751, at a location of 910 South Wall Street. The public hearing is scheduled for February 12, 2018.

**8. New Business**

- A. Mayor Palmer gave the floor to City Administrator Peterson for submission of Fiscal Year 2017 Comprehensive Annual Financial Report. City Administrator Peterson reviewed the General Fund report giving a comparison of governmental activities which included the General fund and the non-major proprietary funds such as Fields Ferry, Solid Waste, and non-major funds such as SPLOST, Hotel Motel fund, Confiscated Assets, and Recreation (**Complete Report attached as Exhibit A**). Assistant City Administrator Worley gave the Utilities report reviewing specific Utility funds, noting that the Calhoun Utility Enterprise funds completed the year in good financial shape, added to reserves to help cover necessary future debt repayment obligations, added to their net position, and provided essential utility services to the community (**Complete Report attached as Exhibit B**).
- B. Mayor Pro Tem Crowley made a motion to approve the request from the Public Works department to surplus a recycling bin or trash container with hydraulic lift dump. Councilman Denmon gave a second with all voting aye. Motion approved.
- C. Councilman Edwards made a motion to approve the Food Trucks and Friends Special Event Permit for United Way of Gordon County Young Leaders Society, in association with the Downtown Development Authority (DDA) and Wall Street Grille, scheduled for Friday, April 13, 2018, from 5:00 PM to 9:00 PM. Mayor Pro Tem Crowley gave a second with all voting aye. Motion approved.
- D. Councilman Denmon made a motion to approve the Temporary Outdoor Alcohol Special Event Permit, to allow the provision of alcohol by Wall Street Grille, currently holding a valid Class B beer and wine license for on premise consumption, at the April 13, 2018, Food Trucks and Friends Special Event. Councilwoman Palazzolo gave a second with all voting aye. Motion approved.

**9. Other Written Items Not on the Agenda**

None

**10. Work reports**

- A. City Administrator Peterson reviewed the December, 2017 General Fund Cash Report and Utilities Cash Report noting that in December, 2016 there was \$2.4 million in General Operating Cash compared to \$2.9 million in December, 2017. The Revolving Loan Fund currently has \$381,000 compared to \$782,000 in December, 2016; one area where less is better. The 2005 SPLOST went from \$3.9 million to \$1.2 million. Capital improvements in water and sewer during the past 12 months resulted in \$2.7 million spent from the fund. General Fund Reserves are \$3.4 million, which includes block investments, along with \$423,000 in reserves for renewal/replacement. Electric, Water/Sewer, and Telecom has \$4.1 million in operating cash. Total reserves are \$25 million; \$4 million more than in December, 2016. Mayor Pro Tem Crowley made a motion to approve the Cash Fund Reports as presented. Councilman Edwards gave a second with all voting aye.

**11. Motion to move to Executive Session, if needed**

**12. Motion to return to General Session**

**13. Motion to Adjourn**

Mayor Pro Tem Crowley made a motion to adjourn. Councilman Denmon gave a second with all voting aye. Motion approved.

Approved:

  
James F. Palmer, Mayor

Submitted:

  
Sharon Nelson, City Clerk

EXHIBIT A

January 22, 2018

Comparison of the CAFR to other years at June 30<sup>th</sup> 2009, 2016, and 2017.

Balance Sheet

Cash and Investments

2009	2016	<u>2017</u>
\$5,317,000	\$7,518,000	\$6,012,000

Total Assets

2009	2016	<u>2017</u>
\$8,178,000	\$11,181,000	\$10,721,000

Total Liabilities

2009	2016	<u>2017</u>
\$921,000	\$1,824,000	\$708,000

Total Fund Balance

2009	2016	<u>2017</u>
\$7,257,000	\$9,358,000	\$9,463,000

We had a \$100,000 increase due to increases in several revenues and basically all departments staying close to budget.

Statement of Revenues, Expenses, Changes in Fund Balance

Total Revenues General Fund

2009	2016	<u>2017</u>
\$8,786,000	\$10,057,000	\$10,180,000

Some individual sources

Fines from Muni Court

\$573,000	\$343,000	\$299,000
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It goes without question we are not in the money making business with police and court.

EXHIBIT A

January 22, 2018

<u>2009</u>	<u>2016</u>	<u>2017</u>
Local Option Sales Tax		
\$2,017,000	\$2,246,000	\$2,431,000
Property Tax		
\$1,208,000	\$1,701,000	\$1,706,000
Some of our Expenses per Grouping:		
<u>2009</u>	<u>2016</u>	<u>2017</u>
Judicial		
\$400,000	\$548,000	\$508,000
Public Safety		
\$7,008,000	\$7,193,000	\$7,368,000
Public Works		
\$1,888,000	\$2,058,000	\$2,312,000
Debt Service		
\$309,000	\$21,000	\$ -0-
Transfer In		
\$2,393,000	\$3,233,000	\$3,668,000
There Again Fund Balance:		
\$7,257,000	\$9,358,000	\$9,463,000

Some of the overview can be found in the Management's Discussion

As a whole...General and Business Activities....together

In 2009 City Assets exceeded liabilities by \$170,000,000

In 2017 City Assets exceeded liabilities by \$255,000,000

## EXHIBIT A

January 22, 2018

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In 2009 unrestricted net assets which can be used for month to month obligations and operations was \$29.7 million. In 2017 those unrestricted assets were \$53,000,000.

Another strong indicator is Capital Assets, net of debt which includes property and equipment, depreciation and expensed for outstanding debt was \$134,400,000. This is our infrastructure, roads, lines, buildings, equipment. And in 2017 this had increased to \$186,600,000. If you don't spend on your plant and equipment so to speak in the long run you will not be able to provide levels of service.

Looking again at net position, which used to be called net assets, you can find current ratio. Which are current assets to current liabilities, which is an indicator of the ability to pay current obligations. In 2006 the general government was 8 to 1 in 2017 it was 7 to 1. And as a combined General and Business the ratio is 4 to 1. To give a comparison Apple is 2.5 to 1. I think we are doing ok.

To put in another perspective in 2017 79% of the government activities are invested in capital assets which primarily provide services. In the business type activities 68% was invested in capital assets which not only provides services but also generates revenues to maintain and provide these services.

In 2015 the long term liability in our net position began showing the School pension on our books. That's \$33,300,000 for 2017.

Going just a little deeper into Capital Assets:

In 2006 General Government type land was valued at \$16,250,000 in 2017 land was valued at \$31,500,000. Depreciating assets such as buildings, improvements, machinery, equipment, and infrastructure in 2006 valued at \$80,000,000 in 2017 depreciating assets were valued at \$138,000,000. In the business side in 2006 land was valued at \$6,400,000 and depreciating assets were valued at \$151,000,000. And, to compare in 2017 land \$7,400,000 and buildings, improvements, machinery, equipment and infrastructure at \$194,000,000.

Some other significant notes to the financial statements;

The Defined benefit was funded at 70% in 2009 in 2017 it was 98% funded.

Library payments in 2009 were \$126,000 in 2017 they were \$195,000.

Hotel Motel Tax in 2009 disbursements to the Chamber and Industrial Development Authority was \$273,000. In 2017 that amount was \$514,000.

In the confiscated asset fund there was \$142,000 in 2009 reserved for police. In 2017 there was \$212,000 in the account.

Our two non-major proprietary funds are fields ferry and solid waste.

## EXHIBIT A

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January 22, 2018

We basically hit our low point in golf in 2013 and have been increasing play and revenues since then. In 2016 our revenues were \$553,000 with Expensive of \$882,000 for a \$329,000 loss. In 2017 our revenues were \$672,000 with expenses of \$867,000 or a loss of \$196,000. 2018 has had a very good 1<sup>st</sup> and second quarter and should continue when the weather breaks.

Solid Waste includes; residential collection, recycling, Beamer Harris post closure, and brush and leaf pick up. In 2009 revenues were \$447,000 and expenses of \$780,000. With loses of \$323,000. In 2017 we had revenues of \$803,000 and expenses of \$765,000 or a positive of \$38,000.

EXHIBIT B

January 22, 2018

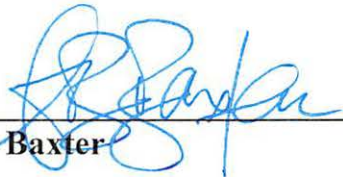
CAFR FY2017 Utilities Summary

- All Calhoun Utilities funds had a very successful year operationally and financially for FY17. We were able to complete many large capital projects, provide great service, and all Enterprise funds added to their year-end net position.
- The Electric Enterprise fund increased its net position by \$2,571,055 for a total net position of \$48,092,116. Of course this reflects our assets exceeding our liabilities. The previous year the net position increased by \$3.3 million.
- The Water and Sewer fund increased its net position by \$4,604,907 for a total net position of \$88,374,144. The \$4.6 number includes about \$2 million of capitalized projects, so the remaining \$2.6 million is in line with the previous year's net position increase of \$2.8 million.
- Telecommunication's statement of net position shows an increase of \$146,543 for a net position total of \$2,320,650.
- On utility consumption billing, you will see in the audit that even though electric revenues have remained strong, we have seen a slight decrease of usage for the past three years, with a 1.3% decrease in usage this year. We have seen an increase in water usage the past four years to help reverse a strong downward trend. This audit we saw a 5% increase and part of this increase was due to our severe drought during the summer and fall of 2016. Sewer usage dropped by 2.5% due to losing some more dying processes in our industrial loads.
- Overall, the Calhoun Utility Enterprise funds completed the year in good financial shape, added to reserves to help cover necessary future debt repayment obligations, added to their net position, and provided essential utility services to the community.

**2018 OATH OF OFFICE  
CITY SCHOOL BOARD**


**“I, Andy B. Baxter, do solemnly swear (or affirm) that I will truly perform to the best of my abilities the duties of Calhoun Board of Education Member, Post 1, by adopting and enforcing such measures as in my judgment shall be best calculated to promote the educational needs of the inhabitants of the City of Calhoun and the common interest thereof.”**

**This, the 22nd day of January, 2018.**

  
\_\_\_\_\_  
**Andy B. Baxter**

**“I, Rhoda Washington, do solemnly swear (or affirm) that I will truly perform to the best of my abilities the duties of Calhoun Board of Education Member, Post 2, by adopting and enforcing such measures as in my judgment shall be best calculated to promote the educational needs of the inhabitants of the City of Calhoun and the common interest thereof.”**

**This, the 22nd day of January, 2018.**

  
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**Rhoda Washington**

**“I, David Scoggins, do solemnly swear (or affirm) that I will truly perform to the best of my abilities the duties of Calhoun Board of Education Member, Post 3, by adopting and enforcing such measures as in my judgment shall be best calculated to promote the educational needs of the inhabitants of the City of Calhoun and the common interest thereof.”**

**This, the 22nd day of January, 2018.**

  
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**D. David Scoggins**