

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
JUNE 21, 1999, 7:00 P.M.**

MINUTES

**PRESENT: James F. Palmer, Mayor
Ronald H. Woods, Mayor Pro Tem
John D. Shelton, Jr., Councilman
Henry Holland, Councilman
Ray M. Denmon, Councilman**

**ALSO: William P. Bailey, City Attorney
Eddie Peterson, Assistant Director of Utilities and Public Works
Cathy Harrison, City Administrator**

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
 - a. Councilman Holland gave the Invocation.
2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.
3. Minutes of the June 14, 1999 regular City Council meeting were approved as written.
4. Mayor's Comments:
 - a. Mayor Palmer reminded the City Council of the GMA annual meeting to be held June 26 through June 29 at Savannah. He encouraged each to attend.
 - b. Mayor Palmer announced Lenny Nesbitt had been appointed Y2K Manager, to complete the Y2K compliance work. He stated this was an important function of the City and he asked the cooperation of all department heads to do a thorough job and to do it in a timely manner.
 - c. Mayor Palmer reminded the Council of public hearing on zoning matters scheduled for July 12, 1999:
 - 1) The new zoning and annexation request of FB&F Holding Company, LLC for C-2 zoning and annexation of approximately 1.659 acres and .399 acres in Land Lot 132, Gordon County, Georgia, off Highway 41 North, behind Dixie Oil Station, to be used as a parking lot (unpaved.)
 - 2) The zoning variance request of Randy Fick of Waffle House for an on-premise sign variance for a new location on Highway 41 North at I-75, for an 80-foot height variance (sign would be 130 feet high.)
5. Public Hearings and Comments:
 - a. Mayor Palmer opened a public hearing on the CDBG Innovative Grant to rebuild the burned building on Court Street. Mayor Palmer introduced Dave Ronningan, Project Administrator, and asked him to conduct the hearing. Mr. Ronningan stated this was the second of three public hearings required for the project. He stated the first public hearing was to notify everyone that the City was applying for the CDBG Innovative Grant. The second public hearing, June 21, 1999, is to notify the public the City has successfully acquired funding and will be renovating the building as promptly as possible. Mr. Ronningan stated the City was actually awarded funding on May 11, 1999. The City Council had agreed not only to donate the property for the project, which had a value of \$30,000.00, but also to pay the architectural fees as the local share of the project. The City will loan the grant funds to the Downtown Development Authority for the renovation. The Downtown Development Authority will repay funding through lease payments from a tenant, and these funds will be forwarded to the City of Calhoun, to establish a revolving loan fund for future downtown renovations. He stated the application had indicated approximately twelve months to complete the project. However, the City currently has a prospective tenant and it will be in his best interests to move the project along as quickly as possible. The tenant has estimated the creation of 20 jobs, with 14 of those to be low and moderate income jobs. Mr. Ronningan stated there would be no displacement associated with this project. He stated fair housing regulations are posted at City Hall and he has

copies of the rules and regulations regarding federal fair housing practices, to be distributed to anyone who needs copies at the public hearing tonight. Mr. Ronningan asked if there were any questions from the audience. Ms. Shaw with the Calhoun Times asked if there was sufficient space for a restaurant at the location. Mr. Ronningan stated there would be two floors for dining when the facility is completed. He also stated it was a historic area of downtown and all parts of the project will relate to renovation consistent with the historic downtown area. There were no further comments and the hearing was closed.

6. Old Business:

- a. Mayor Pro Tem Woods made a motion to adopt a resolution approving the projected budget for 1999-2000 for all city funds and operations. The motion was seconded by Councilman Shelton, with Mayor Pro Tem Woods, Councilman Shelton, Councilman Holland and Councilman Denmon voting affirmatively, motion carried.
- b. Mayor Pro Tem Woods made a motion to approve the amended financial and investment policies that will accompany the budget. The motion was seconded by Councilman Shelton, with Mayor Pro Tem Woods, Councilman Shelton, Councilman Holland and Councilman Denmon voting affirmatively, motion carried.
- c. Councilman Holland made a motion to adopt a Resolution of Understanding regarding the proposed airport improvements. The motion was seconded by Councilman Denmon, with Councilman Holland, Councilman Denmon, Councilman Shelton and Mayor Pro Tem Woods voting affirmatively, motion carried.
- d. Councilman Denmon made a motion to approve and to authorize the Mayor to sign the right-of-way agreement for a city paving and leveling contract for approximately 0.69 miles of Piedmont Street. The motion was seconded by Councilman Shelton, with Councilman Denmon, Councilman Shelton, Councilman Holland and Mayor Pro Tem Woods voting affirmatively, motion carried.
- e. Mayor Palmer asked Attorney Bailey and Larry Vickery of the Electric Department to review the MEAG Interconnection Agreement. Attorney Bailey stated he had reviewed the agreement as to legal form and that Kelly Cornwell and Larry Vickery had reviewed as to content. He stated the purpose of the interconnection agreement is to transfer the gas generator power into the MEAG grid. Larry Vickery stated this was exactly what the interconnection agreement covers. This is a similar agreement to what is used by any utility, which buys and sells electricity. There were no further comments. Mayor Pro Tem Woods made a motion to approve the adoption of the MEAG Interconnection Agreement and to authorize the Mayor to sign, based upon the recommendation of Kelly Cornwell and Attorney Bailey, with a notation that the duplicated sentence as pointed out by Attorney Bailey be deleted from the final document. The motion was seconded by Councilman Shelton, with Mayor Pro Tem Woods, Councilman Shelton, Councilman Holland and Councilman Denmon voting affirmatively, motion carried.

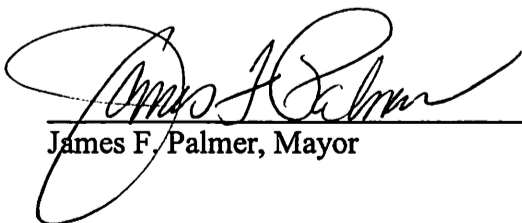
7. New Business:

- a. Mayor Palmer stated the Downtown Development Authority has three members who are retiring due to the end of their terms on the Downtown Development Authority, those being Jimmy Payne, Rodney Mathis and Dr. Gary Edgmon. Mayor Palmer expressed his appreciation to each one for their service for the last several years on the Downtown Development Authority. He stated the authority had recommended new members for terms of three years each for Howard Jones, Jon Erwin and Angela Hammond. Following discussion, Councilman Denmon made a motion to approve for three year terms to the Downtown Development Authority, second by Councilman Shelton, with Councilman Denmon, Councilman Shelton, Councilman Holland and Mayor Pro Tem Woods voting affirmatively, motion carried.
- b. Downtown Development Chairman Tim Haney presented official caps to each of the Council members on behalf of the Main Street Partnership, to express their appreciation for the support from the Mayor and Council for the project initiated by the Main Street Partnership.

- c. Harrison reviewed the proposed amendments to the 1998-1999 budget to properly address the additional revenues and reduction in many expense items, as well as increases for several expense items that were not funded to the level needed. Harrison stated a complete listing of the budget amendments had been made available for the elected officials to review. Following discussion, Councilman Holland made a motion to approve the proposed budget amendments for the 1998-1999 year end, as per the attached, second by Mayor Pro Tem Woods, with Councilman Holland, Mayor Pro Tem Woods, Councilman Shelton and Councilman Denmon voting affirmatively, motion carried.
 - d. Mayor Pro Tem Woods made a motion to approve the Calhoun Homecoming traditional parade request for October 22, 1999 at 3:00 P.M. on the traditional route on file with the DOT and subject to DOT approval. The motion was seconded by Councilman Denmon, with Mayor Pro Tem Woods, Councilman Denmon, Councilman Shelton and Councilman Holland voting affirmatively, motion carried.
 - e. Following discussion, Mayor Pro Tem Woods made a motion to adopt a resolution authorizing specific persons to acquire equipment from the Georgia State Agency for Surplus Property, for such items as are approved in the official budget. The motion was seconded by Councilman Shelton, with Mayor Pro Tem Woods, Councilman Shelton, Councilman Holland and Councilman Denmon voting affirmatively, motion carried.
 - f. A first reading was given of the zoning variance request of Misco-Shawnee, Inc. for two 10-foot variances, one on each side of a new dividing property line, since the property is to be subdivided. The property is on North Industrial Boulevard. Mayor Pro Tem Woods made a motion to set the public hearing for July 12, 1999 at 7:00 P.M. The motion was seconded by Councilman Holland, with Mayor Pro Tem Woods, Councilman Holland, Councilman Shelton and Councilman Denmon voting affirmatively, motion carried.
8. Other written items not on the agenda:
- a. Mayor Palmer stated a request had been received from the First Methodist Church requesting permission for the portion of Piedmont from the intersection of Trammell to the intersection of Line Street to be closed on August 13, 1999 for a couple of hours in the late afternoon for a church block party. The closing is requested in order to provide safety for the church block party. Mr. Johnson of the First Methodist Church stated they would publish a legal add announcing the closing. Mayor Palmer stated the City would provide blockades and asked that Mr. Johnson and members of the event work with Kevin McEntire, Street Department Superintendent, to make sure the street is properly closed. Mr. Johnson stated the Methodist Church will have a new pastor and youth director, and this will be an official welcome. Following discussion, Mayor Pro Tem Woods made a motion to authorize the closing as requested, second by Councilman Holland, with Mayor Pro Tem Woods, Councilman Holland, Councilman Shelton and Councilman Denmon voting affirmatively, motion carried.
9. Mayor Palmer stated it was not necessary to move to Executive Session.
10. Councilman Holland made a motion to adjourn, second by Councilman Shelton, with Councilman Holland, Councilman Shelton, Councilman Denmon and Mayor Pro Tem Woods voting affirmatively, motion carried.

Approved:

Submitted:


James F. Palmer, Mayor


Cathy Harrison, City Administrator

**CITY OF CALHOUN
GEORGIA**

R E S O L U T I O N

WHEREAS, the City of Calhoun has been asked to participate in the cost to upgrade the Tom B. David Airport to the level of a regional facility; and

WHEREAS, the City of Calhoun will share the cost of this project with Gordon County, the Georgia Department of Transportation Airport and Road Division and the Federal Aviation Authority; and

WHEREAS, the City of Calhoun understands the Governor's Regional Airport Enhancement Program will include the following improvements:

- Extending the runway to 5,500 feet;
- Widening the runway to a width of 100 feet;
- Construction of a partial parallel taxiway;
- Installation of an approach lighting system;
- Installation of precision approach path indicators;
- Installation of an automated weather observing system;
- Installation of a Ground Communication Outlet; and

WHEREAS, the City of Calhoun understands the development will necessitate the relocation of Salem Church Road, the realignment of U. S. Highway 41, and the purchase of additional property from Sam Payne; and

WHEREAS, the City of Calhoun understands the Georgia Department of Transportation will fund the full cost of realignment of U. S. Highway 41. However, the cost of non-right-of-way ^{Properties JEP} will be funded by Calhoun, Gordon County and the FAA, at a formula of 90% federal (based on appraised values,) 5% City of Calhoun and 5% Gordon County; and

WHEREAS, the City of Calhoun understands the relocation of Salem Church Road will be funded through a county road contract, with the Georgia Department of Transportation funding approximately \$375,000.00, and with the right-of-way costs to be funded 90% by FAA (based on appraised value,) 5% by Gordon County and 5% by the City of Calhoun; and

WHEREAS, the City of Calhoun understand the project will require an additional 40 acres more or less, to be acquired from Sam Payne, (property immediately south of the runway) with the funding to be 90% from FAA (based on appraised value,) 5% from Gordon County and 5% from the City of Calhoun; and

WHEREAS, the City of Calhoun understands the Georgia Department of Transportation, Aviation Division, may fund the following amounts (75% of the total cost of each item):

- A terminal apron (approximately \$75,000.00);
- AWOS-III (approximately \$60,000.00);
- Widen and strengthen Runway 17-35 (approximately \$412,500.00);
- Install MALS (approximately \$75,000.00);
- Extend Runway 35 (500 x 100 feet) (approximately \$450,000.00);
- Fund an ALP update and Environmental Assessment (approximately \$56,250.00);
- Provide Ground Communication Outlet (approximately \$11,250.00);
- Complete the paving and lighting (Phase I) of Runway 35 (approximately \$262,500.00);
- **For a total estimated share of \$1,402,500.00 to be funded by the Georgia Department of Transportation Aviation Division; and**

WHEREAS, the City of Calhoun understands the FAA will fund 90% of the appraised value for land acquisition required for realignment of U. S. Highway 41 and the

Payne property, for approximately \$1,440,000.00 to be paid over the next three or four years; and

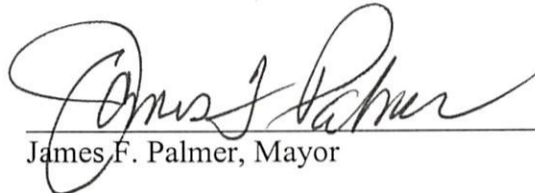
WHEREAS, the City of Calhoun understands the Airport Authority will construct a new airport terminal at an estimated cost of \$450,000.00, funded through a long-term loan from USDA Rural Development, with the City of Calhoun and Gordon County in agreement to fund the debt service equally during the life of the loan; and

WHEREAS, the City of Calhoun understands the City of Calhoun and Gordon County will be responsible for funding the local share of the proposed improvements and land acquisition costs equally, for an approximate total of \$752,500.00;

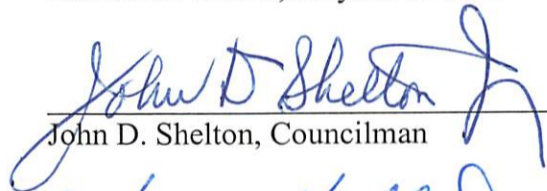
NOW, THEREFORE, BE IT RESOLVED, the Mayor and Council of the City of Calhoun agree to fund one-half of the local cost, based on the aforementioned proposed facility improvements at the projected costs.

ADOPTED this the 21st day of June 1999.

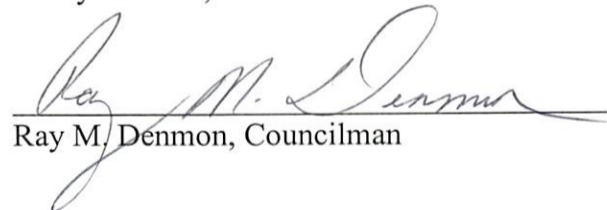
City of Calhoun, Georgia


James F. Palmer, Mayor


Ronald H. Woods, Mayor Pro Tem


John D. Shelton, Councilman


Henry Holland, Councilman


Ray M. Denmon, Councilman

Attest:


Cathy Harrison, City Administrator

CITY OF CALHOUN, GEORGIA
RESOLUTION
DESIGNATING CERTIFYING OFFICIALS
AND PROPERTY SELECTORS

WHEREAS, the City of Calhoun hereby appoints the following named individuals as certifying officials with authority to conduct all matters of business pertaining to the acquisition and utilization of Surplus Property acquired through the Georgia State Agency for Materials Management Distribution:

<u>NAME</u>	<u>TITLE</u>	<u>TELEPHONE #</u>
Kelly Cornwell	Director of Utilities and Public Works	(706) 629-4701
Eddie Peterson	Asst. Director of Utilities and Public Works	(706) 629-4701
Cathy Harrison	City Administrator	(706) 629-0151

WHEREAS, they are designated to obligate necessary Donee Organization funds for this purpose and execute Distribution Documents binding the Donee Organization to the terms, conditions, reservations and restrictions applying to property obtained through the agency; and

WHEREAS, the list will be updated on a regular basis depending on type of organization; and

WHEREAS, between update periods, the certifying official is responsible for notifying the State Agency in the event of additions or cancellations to the list; and

WHEREAS, Individuals not listed below will be required to have written authorization from a certifying officer before being admitted to the agency distribution centers; and

WHEREAS, the above listed individuals will assume responsibility for appointing property selectors, insure lawful utilization of property, maintain property records on property received, and assure prompt payment on service charge accounts; and

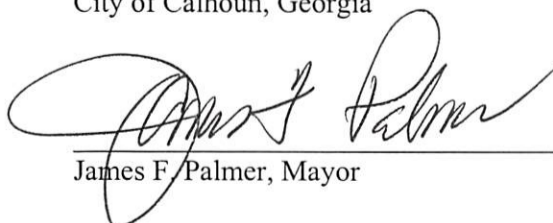
WHEREAS, the below listed individuals are designated property selectors and have authority to visit and acquire items of property from the Georgia State Agency for Materials Management Distribution:

<u>NAME</u>	<u>TITLE</u>	<u>TELEPHONE #</u>
Lenny Nesbitt	Fire Chief	(706) 629-2758
Willie Mitchell	Police Chief	(706) 602-5750
Brenda Wilson	Purchasing Director	(706) 602-5680
Jerry Crawford	Water & Sewer Construction Dept.	(706) 602-6078
Estes Pass	Water Plant Superintendent	(706) 629-2585
Kevin McEntire	Street Superintendent	(706) 629-4473

NOW, THEREFORE, BE IT RESOLVED that the City of Calhoun hereby approves this Resolution.


ADOPTED and made effective this 21st day of June 1999.

City of Calhoun, Georgia



James F. Palmer, Mayor

Attest:



Cathy Harrison, City Administrator

**CITY OF CALHOUN
GEORGIA**

R E S O L U T I O N

WHEREAS, the City Administrator and Director of Utilities and Public Works 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 fund are balanced and attached as Exhibit "A" hereto and made a part of said resolution; and

WHEREAS, the City of Calhoun is currently installing new financial software and adopting the new mandated Chart of Accounts, as prescribed by the State Legislature; and


WHEREAS, this action will affect the current fund structure as exhibited in "Item A;" However, the total dollars budgeted will remain constant;

NOW, THEREFORE, BE IT RESOLVED, the Mayor and Council of the city of Calhoun hereby adopt said budget for the July 1, 1999 through June 30, 2000 fiscal year.

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 1999.

City of Calhoun, Georgia

By: 
James F. Palmer, Mayor

Attest:


Cathy Harrison, City Administrator / Clerk

City of Calhoun
Budget Summary - 1999-2000
"EXHIBIT A"

GENERAL FUND INCOME:

SCHOOL TAXES	\$ 5,275,963.00
CITY M&O TAXES (INCLUDES ADVALOREM, VEHICLE AND PUBLIC UTILITY TAXES)	791,350.00
LOCAL OPTION SALES TAX	1,333,213.00
SPECIAL PURPOSE LOCAL OPTION SALES TAX - TRAN. FROM SCHOOL	224,362.00
REGULAR/SPECIAL BUSINESS LICENSE TAX	604,616.00
BEER/WINE/LIQUOR TAX	320,029.00
CITY HOTEL-MOTEL TAX	200,000.00
INSURANCE PREMIUM TAX	292,163.00
POLICE FINES	380,000.00
SERVICE FEES FROM OTHER FUNDS	1,590,432.00
FRANCHISE FEES/TAXES	1,437,422.00
DEPARTMENT OF TRANSPORTATION GRANTS	180,000.00
STATE GRANTS	302,000.00
COMMERCIAL/RESIDENTIAL GARBAGE/RENTAL FEES	379,517.00
PRIOR YEAR ROLL OVER PROJECT FUNDS	547,000.00
TRANSFER FROM WPS FUND	1,588,283.00
TRANSFER FROM GOLF FUND	82,106.00
INTEREST INCOME	300,000.00
PRIVATE CONTRACTOR REIMBURSEMENTS	-
GORDON COUNTY REIMBURSEMENTS	87,648.00
OTHER REVENUE	240,221.00
TOTAL	16,156,325.00

GENERAL FUND EXPENSE:

GENERAL ADMINISTRATION	2,730,779.00
POLICE DEPARTMENT	2,075,266.00
FIRE DEPARTMENT	1,796,853.00
STREET DEPARTMENT	1,779,485.00
SANITATION DEPARTMENT	730,746.00
ANIMAL CONTROL	56,511.00
AIRPORT AUTHORITY	186,790.00
RECREATION	542,358.00
PARKS DEPARTMENT	577,544.00
CEMETERY DEPARTMENT	94,565.00
BUILDING INSPECTION/CODE ENFORCEMENT	85,103.00
SCHOOL BOARD	5,500,325.00
TOTAL	16,156,325.00

WATER-POWER-SEWER FUND INCOME:

ELECTRIC SALES	20,630,077.00
WATER SLAES	5,456,593.00
SEWER FEES	4,818,212.00
TAPS/CONNECTION FEES	365,500.00
SYSTEM ADDITION/DEVELOPERS REIMBURSEMENT	338,000.00
PENALTIES/OTHER SERVICE FEES	375,871.00
PRIOR YEAR ROLL OVER PROJECT FUNDS	112,000.00
INTEREST	133,000.00
PERMITS	20,500.00
OTHER REVENUE	666,749.00
TOTAL	32,916,502.00

WATER-POWER-SEWER FUND EXPENSE:

WATER PLANT	3,799,882.00
WATER CONSTRUCTION	1,861,380.00
SEWER PLANT	4,582,124.00
SEWER CONSTRUCTION	1,157,057.00
ELECTRIC DEPARTMENT	19,927,776.00
TRANSFER TO GENERAL FUND	1,588,283.00
TOTAL	32,916,502.00

TELECOMMUNICATIONS FUND INCOME:

SERVICE FEES/REIMBURSEMENT	625,415.00
TOTAL	625,415.00

TELECOMMUNICATIONS FUND EXPENSE:

PERSONAL SERVICES	162,300.00
CONTRACTUAL SERVICES	15,912.00
LEGAL/AUDITING SERVICES	20,000.00
ENGINEERING SERVICES	35,000.00
SUPPLIES	82,846.00
VEHICLE EXPENSE	3,700.00
UTILITIES	32,816.00
EMPLOYEE RETIREMENTS	2,159.00
CAPITAL SUPPLIES	104,200.00
OTHER	166,482.00
TOTAL	625,415.00

GAS ENTERPRISE FUND INCOME:

SALES	2,998,248.00
TOTAL	2,998,248.00

GAS ENTERPRISE FUND EXPENSE:

WHOLESALE GAS & SERVICES	2,923,852.00
MARKETING & ADMINISTRATION	74,396.00
TOTAL	2,998,248.00

GOLF ENTERPRISE FUND INCOME:

GREEN FEES	692,895.00
CART FEES	294,525.00
RANGE FEES	17,500.00
RENTAL FEES	14,400.00
OTHER REVENUE	8,544.00
TOTAL	1,027,864.00

GOLF ENTERPRISE FUND EXPENSE:

PRO SHOP OPERATOIN	375,862.00
COURSE MAINTENANCE	652,002.00
TOTAL	1,027,864.00

BOND DEBT SERVICE FUNDS**WATER/SEWER REVENUE BOND INCOME:**

TRANSFER FROM SINKING FUND/INTEREST	781,630.00
TOTAL	781,630.00

WATER/SEWER REVENUE BOND EXPENSE:

PRINCIPAL	505,000.00
INTEREST	276,630.00
TOTAL	781,630.00

CALHOUN RECREATION AUTHORITY INCOME: (GOLF COURSE)

TRANSFER FROM RECREATION - GENERAL FUND / GOLF COURSE	380,788.00
TOTAL	380,788.00

CALHOUN RECREATION AUTHORITY EXPENSE:

PRINCIPAL	182,500.00
INTEREST	198,288.00
TOTAL	380,788.00

REVOLVING LOAN FUND INCOME:

INTEREST FROM LOANS	28,119.00
INTEREST FROM INVESTMENTS	16,000.00
TOTAL	44,119.00

REVOLVING LOAN FUND EXPENSE:

TRANSFER TO M/M ACCOUNT	44,119.00
TOTAL	44,119.00

SPECIAL PROJECTS INCOME:

SRF LOAN / ARC GRANT	4,450,000.00
TOTAL	4,450,000.00

SPECIAL PROJECTS EXPENSE:

CONTRACTOR FOR NORTH INDUSTRIAL SEWER LINE	4,450,000.00
TOTAL	4,450,000.00

TOTAL REVENUE	59,380,891.00
TOTAL EXPENSE	59,380,891.00

Footnote: The City is adopting the prescribed Chart of Accounts, as mandated by the State Legislature. Therefore, the structure as exhibited above may be changed. However, the total dollars approved will remain constant.

City of Calhoun, Georgia

Financial Policies

I. SECTION ONE -- FISCAL REQUIREMENTS

Operating Reserves / Infrastructure Replacement Reserves

In order to protect against recession and other emergencies, cash operating reserves in each fund should be maintained at least four times the average monthly operating expenditures for each fund. The City of Calhoun has General Fund reserves sufficient to meet this goal. The Water, Power & Sewer Fund has reserves. However, the bulk of the reserves have been utilized in loans for purchase of the natural gas generator and the start up of the telecommunications system. These loans are to be repaid and returned to the WPS Fund reserves. The telecommunications area has no reserves and the golf fund reserves are not to this level.

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 General Fund, 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. Utility transfers based on the need to use General Fund street rights-of-way; additional Policemen and Firemen; Street and School based on the high service delivery population due to the heavy industrial base shall be evaluated annually. 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 to reflect 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.

Balanced Budget

The Budget shall be balanced for each and 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, shall equal total estimated expenditures for each fund.

Financing Current Expenditures

Current expenditures shall be financed with current revenues, which shall include, as appropriate, that portion of fund balance 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.

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 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.
- **Enterprise Funds**
A business approach is used in budgeting for enterprise funds. Enterprise funds shall be self supporting when possible, with minimized losses when break even is not possible. Examples of enterprise funds for the City of Calhoun will be its Water, Power and Sewer Enterprise Fund and its Golf Enterprise Fund.
- **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.

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.

Line Item Budget

The budget document shall include a line item budget, which focuses on objects of expenditures, such as personal services, supplies, equipment and etc.

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 City of Calhoun.

Budget Procedure

- a. The 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 City Administrator, Director, 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 City Administrator's staff, and shall be distributed to the Mayor and

Council, department heads, auditors and members of the finance department on a timely basis.

Maintenance and Replacement of Capital Equipment

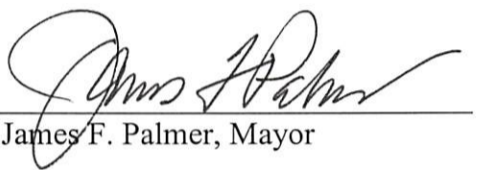
Priorities shall be given in budget preparation and enactment for adequate maintenance of capital equipment and facilities, and for their orderly replacement.

Contributions

Unless authorized by the Mayor and Council, contributions to programs operated by the 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.

AMENDED JUNE 21, 1999.

City of Calhoun, Georgia

By: 
James F. Palmer, Mayor

Attest:


Cathy Harrison, City Administrator/Clerk

City of Calhoun, Georgia

Investment Policies

I. Policy Goals

- A. The primary goal of the investment policy will be to earn income from the investment of idle funds, in relatively risk-free investment opportunities.
- B. The investment policy will allow funds to be invested in local financial institutions to the extent possible in order to stimulate the local economy.
- C. The policy will direct investments to meet state and federal guidelines and to be relatively risk free.

II. Investment Officer

- A. The Finance Officer for the City of Calhoun shall be responsible for the investment of city funds and for following the authorized investment and financial policies established by the elected officials of the City of Calhoun, Georgia.

III. Definitions

- A. **Financial Institutions** - Locally established financial institutions chartered by the state or federal government, insured by FDIC, who own or lease their facility with *ad valorem* taxes being assessed and paid to the City, as well as assessed business license taxes and utilities billed and paid to the City.
- B. **Banking Agreement** – A collateral agreement that provides for all city deposits above the level insured by FDIC, to be insured by pledging of bank assets to a third party (custodian,) with the City Finance Officer authorized to receive receipts for the financial institutions pledged assets.
- C. **Short Term** – Investment of city funds ranging from one to ninety days.
- D. **Long Term** – Investment of city funds for over ninety days.

IV. Banking Resolution

- A. The Mayor and Council of the City of Calhoun shall adopt an annual banking resolution, which shall direct the finance officer to establish bank accounts as needed by the City and shall establish those authorized to sign checks on various funds managed by the City. The resolution shall be adopted at the first meeting in January as officials take office and may be amended during the year, as needed.

V. Investments

- A. The Finance Officer shall invest idle city funds for one day or longer, as financial conditions allow.
- B. Allowable investments may include Certificates of Deposit, Money Market Funds (Savings with limited withdrawal privileges,) Treasury Bills, City of Calhoun General Obligation Bonds or Revenue Bonds, and other investments authorized by the Mayor and Council.

VI. Placement of Investments

- A. The Finance Officer is authorized to place investments of idle city funds with locally established financial institutions.
- B. The Finance Officer shall review the most recent 12 month history of utilities, *ad valorem* taxes, business occupation taxes paid by local financial institutions between April 1 and June 30 of each year. At this time, the placement of idle funds, excluding checking accounts, shall be allocated on the basis of payments to the City, unless there is an investment rate variable of more than 0.5%. However, each financial institution must execute a banking agreement as prescribed by the City, prior to the placement of any city funds.
- C. The Finance Officer will have the authority to close, reduce or move city invested funds as needed to process accounts payable in a timely manner. New funds (tax collections held for school, etc.) will be bid for placement.
- D. The Finance Officer is also directed to take advantage of payable discounts as a means of increasing revenue.

VII. Length of Investments

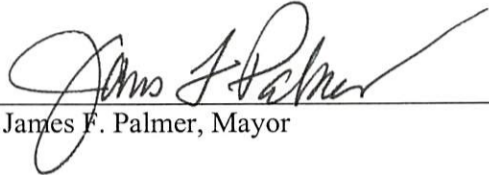
- A. The Finance Officer shall have the discretion of placing funds for investment for the length of time estimated to meet cash flow needs. These may range from short term to long term investments.

VIII. **Reporting**

- A. The Finance Officer shall include an investment report quarterly with other financial reports to the Mayor and Council.
- B. The Finance Officer shall provide a copy of the investment report quarterly to the internal city accountant and independent auditors.

AMENDED, this 21st day of June 1999.

City of Calhoun, Georgia

By: 
James F. Palmer, Mayor

Attest:


Cathy Harrison,
City Administrator, Clerk & Financial Officer

**CITY OF CALHOUN
GEORGIA**

RESOLUTION

WHEREAS, the City of Calhoun desires to maintain a balanced budget; and

WHEREAS, there has been a change in conditions and circumstances, which has made it necessary to make changes in revenue and expense projections for the fiscal year 1998-1999;

NOW, THEREFORE, BE IT RESOLVED, the following amendments to the 1998-1999 budget are hereby approved:

GENERAL FUND INCOME:		
Account Number	Account Title	Amount
10000-3111	Property Taxes	\$ 142,000.00
10000-3112	Delinquent Property Taxes	184,000.00
10000-3114	Intangible Taxes	26,000.00
10000-3181	Real Estate Transfer Tax	24,000.00
10000-3182	Francise Tax	34,000.00
10000-3183	Hotel-Motel Tax	52,000.00
10000-319	Penalty & Interest	(7,000.00)
10000-3211	Business License	51,000.00
10000-3221	Building Permits	4,000.00
10000-3341	State Grants	(131,000.00)
10000-3342	D.O.T. Funds	(215,000.00)
10000-3381	H. A. Reimbursement (Patrol)	3,800.00
10000-3611	Interest Income	30,000.00
10000-3902	Sale of Surplus Property	(8,000.00)
10000-3914	Transfer to WPS	(306,200.00)
10000-3918	Transfer to Special Funds (Rollover Items)	(547,000.00)
	TOTAL	\$ (663,400.00)

GENERAL FUND EXPENSE:		
Account Number	Account Title	Amount
001-41000-585	Chamber of Commerce	65,600.00
001-41000-586	Industrial Development Authority	22,400.00
001-41200-240	Education - Special Services	1,300.00
001-41300-100	Salaries - Engineering & Technical	(15,000.00)
001-41400-210	Group Insurance - Utility Billing	(3,500.00)
001-41400-605	Postage - Utility Billing	(5,000.00)
001-41600-101	Overtime - Meter Reading	(15,000.00)
001-41600-626	Gas & Oil - Meter Reading	(2,000.00)
001-41800-100	Salaries - Finance Department	(15,000.00)
001-41800-220	FICA - Finance Department	(1,500.00)
001-41800-240	Education - Finance Department	(6,000.00)
001-42100-210	Group Insurance - Police Department	(9,500.00)
001-42100-260	Workers' Comp - Police Department	(6,000.00)
001-42100-431	Vehicle Repairs - Police Department	(5,000.00)
001-42100-720	Buildings - Police Department	(8,000.00)
001-42200-100	Salaries - Fire Department	(25,000.00)
001-42200-101	Overtime	(5,000.00)
001-42200-220	FICA - Fire Department	(2,600.00)
001-42200-260	Workers' Comp - Fire Department	(4,000.00)
001-42200-822	Lease Purchase Principal - Fire Department	(5,700.00)
001-42200-823	Lease Purchase Interest - Fire Department	(5,000.00)
001-43100-100	Salaries - Street Department	(30,000.00)
001-43100-101	Overtime - Street Department	(6,000.00)
001-43100-210	Group Insurance - Street Department	(8,000.00)
001-43100-220	FICA - Street Department	(2,500.00)
001-43100-322	Engineering Expense - Street Department	25,000.00
001-43100-6003	Street Light Electric Power - Street Department	155,000.00
001-43100-7502	Street Paving (State) - Street Department	(465,000.00)
001-43100-7503	Right-of-way - Street Department	(45,000.00)
001-43100-751	Street Drainage - Street Department	45,000.00
001-44143-100	Salaries - Animal Control	4,500.00
001-44143-101	Overtime - Animal Control	(3,200.00)
001-45000-587	Airport	(25,000.00)
001-45100-891	Debt Service (Recreation - Golf)	(39,000.00)

GENERAL FUND EXPENSE, CONTINUED:		
Account Number	Account Title	Amount
001-45200-100	Salaries - Parks	(7,000.00)
001-45200-210	Group Insurance - Parks	(2,200.00)
001-45200-220	FICA - Parks	(500.00)
001-45200-730	Improvements - Parks	(200,000.00)
001-45400-100	Salaries - Cemetery	(10,000.00)
	TOTAL	(663,400.00)

WPS INCOME:		
Account Number	Account Title	Amount
002-10000-340	Electric Sales - Street Lights	155,000.00
002-10000-341	Water Sales	150,000.00
002-10000-342	Sewer Fees	100,000.00
002-10000-3421	BOD Charges	50,000.00
002-10000-361	Interest Income - Electric	60,000.00
002-10000-370	Water Taps	35,000.00
002-10000-371	Sewer Taps	10,000.00
002-10000-373	Pre-treatment Tap	(13,500.00)
002-10000-381	Water System Addition	80,000.00
002-10000-382	Sewer System Addition	10,000.00
002-10000-382	Sewer Disposal Tickets	2,000.00
002-10000-39091	Misc. Receipts - Electric	25,000.00
002-10000-39092	Misc. Receipts - Water	3,000.00
002-10000-3912	Transfer from General	306,200.00
002-10000-3918	Transfer to Savings (Rollovers)	(112,000.00)
	TOTAL	860,700.00

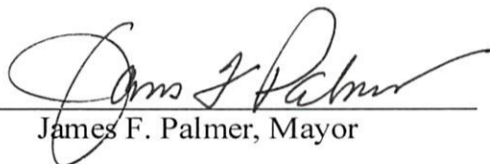
WPS EXPENSE:		
Account Number	Account Title	Amount
002-70000-100	Salaries - Water Plant	(14,000.00)
002-70000-210	Group Insurance - Water Plant	(3,000.00)
002-70000-220	FICA - Water Plant	(1,000.00)
002-70000-240	Education - Water Plant	2,000.00
002-70000-260	Workers' Comp. - Water Plant	(5,900.00)
002-70000-322	Engineering Expense - Water Plant	18,000.00
002-70000-600	Supplies - Water Plant	(35,000.00)
002-70000-6002	Lab Supplies - Water Plant	(13,000.00)
002-75000-260	Workers' Comp. - Water Construction	(20,000.00)
002-75000-730	Improvements - Water Construction	(10,000.00)
002-75000-750	Systems - Water Construction	20,000.00
002-75000-7502	Systems - Contract Labor - Water Construction	150,000.00
002-80000-322	Engineering Expense - Sewer Plant	30,000.00
002-80000-410	Utilities, City - Sewer Plant	80,000.00
002-80000-432	Building Plant Repair - Sewer Plant	(25,000.00)
002-85000-100	Salaries - Sewer Construction	(8,000.00)
002-85000-210	Group Insurance - Sewer Construction	(2,000.00)
002-85000-260	Workers' Comp. - Sewer Construction	(11,000.00)
002-85000-322	Engineering Expense - Sewer Construction	(50,000.00)
002-85000-431	Vehicle Maintenance - Sewer Construction	2,000.00
002-85000-6014	Supplies, Pipe - Sewer Construction	(10,000.00)
002-85000-730	Improvements - Sewer Construction	(10,000.00)
002-85000-740	Machinery & Equipment - Sewer Construction	(60,000.00)
002-90000-100	Salaries - Electric Department	(25,000.00)
002-90000-210	Group Insurance - Electric Department	(4,000.00)
002-90000-220	FICA - Electric Department	(2,000.00)
002-90000-322	Engineering - Electric Department	20,000.00
002-90000-326	MEAG - Cont. Services - Electric Department	15,000.00
002-90000-431	Vehicle Repairs - Electric Department	12,000.00
002-90000-461	MEAG - Electric Current - Electric Department	800,000.00
002-90000-610	Computer Expense - Electric Department	20,600.00
	TOTAL	860,700.00

TELECOMMUNICATIONS INCOME:		
Account Number	Account Title	Amount
011-10000-340	T-1 Service Revenues	(23,750.00)
011-10000-3401	100 MB Ethernet Revenue	36,400.00
011-10000-3402	Dark Fiber	6,350.00
011-10000-342	Long Distance Charges	3,200.00
011-10000-346	Data Charges	(18,000.00)
011-10000-3911	Transfer - WPS	148,300.00
	TOTAL	152,500.00

TELECOMMUNICATIONS EXPENSE:		
Account Number	Account Title	Amount
011-91000-240	Education	(9,500.00)
011-91000-322	Engineering	(35,000.00)
011-91000-324	Consulting	50,000.00
011-91000-4102	Utilities (T-1 Connection to Bell South)	30,000.00
011-91000-603	Controllable Supplies	(4,000.00)
011-91000-6031	Small Tools	4,000.00
011-91000-610	Computer Expense	(3,000.00)
011-91000-750	System	120,000.00
	TOTAL	152,500.00

ADOPTED, this the 21st day of June 1999.

City of Calhoun, Georgia

By: 
James F. Palmer, Mayor

Attest:


Cathy Harrison, City Administrator