

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING ST
OCTOBER 24, 2016 7:00 P.M.**

MINUTES

**PRESENT: James F. Palmer, Mayor
David Hammond, Mayor Pro Tem
Al Edwards, Councilman
Matt Barton, Councilman
Jackie Palazzolo, Councilwoman**

ALSO: Eddie Peterson, City Administrator; Larry Vickery, Utilities General Manager; George Govignon, City Attorney; Paul Worley, City Clerk; Major Larry Gilbert, CPD; Jeff Defoor, Director of Electric Utilities; Jerry Crawford, Water and Sewer Director; Lenny Nesbitt, Fire Chief; Terry Mills, Assistant Fire Chief

- 1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
A. Councilman Edwards gave the invocation.**
- 2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.**
- 3. Councilman Hammond made a motion to approve the proposed agenda. Councilman Barton seconded the motion. All voted aye, motion approved.**
- 4. Councilman Barton made a motion to approve the minutes of the October 10, 2016 City Council Meeting. Councilman Edwards gave a second with all voting aye, motion approved.**
- 5. Mayor's Comments:**
 - A. Mayor Palmer stated that the City is recognizing Red Ribbon Week this week. The City passed a resolution supporting Red Ribbon Week and its drug prevention mission at a previous Council meeting. Also, this Wednesday, October 26th, is "Wear Red" day and everyone is encouraged to wear red to support the efforts of drug prevention.**
 - B. Mayor Palmer and the Council recognized the Calhoun Elementary School Odyssey of the Mind Team for their 1st place finish in the United States and their 2nd place finish in Worlds. The team traveled to Ames, Iowa to compete in the Worlds competition. McCall Govignon was in attendance as the team's coach and discussed the experience. Mrs. Govignon introduced Jill Repp who will be taking over as coach and is also coaching the middle school team. Also, Mrs. Govignon introduced the students on the Odyssey team. The Mayor and Council congratulated the team for a job well done.**
 - C. The City of Calhoun will observe Halloween on Monday October 31st from 5:00pm to 9:00pm for ages 12 and under. Also, the downtown merchants and businesses will host Trick or Treat in Downtown Calhoun on Monday October 31st from 4:00pm until 6:00pm.**

6. Public Hearings and Comments: None

7. Old Business: None

8. New Business:

- A. Mayor Palmer conducted the first reading of an ordinance change of Chapter 2: Administration and Chapter 70: Personnel; Organizational Structure and Administration of Municipal Operations and Departments. Attorney Govignon stated, "I was tasked several months ago to draft a new personnel ordinance. After several drafts and revisions, tonight is the first reading of the 45 page proposed personnel ordinance. The only change in the last draft of any importance is in Section Six regarding the effective date. The final personnel chart was presented and a few changes had occurred since the work session after meeting with the City Administrator and City Clerk, a line was added to connect the City Clerk position to the City Administrator for reporting purposes. The only Charter officers are the City Attorney and City Clerk. Everything else appears below the Mayor and Council except the Municipal Court Judge. The new ordinance has the organizational chart moved into the administration section as opposed to the current personnel section. Chapter 70 will now be exclusively a personnel ordinance regarding personnel procedures and policies. Also, the Mayor and Council back in 2012 had passed an ordinance whereby we would collect a 911 fee on pre-paid phones. The Department of Revenue notified us that we could not do this. In communicating with Paul, Municode had been notified and asked not to display this ordinance with the online code, but it kept staying in the updates. Therefore, to clarify that, there is a later section removing that provision which is Section 2-306 and repealing it. We do not operate our own local 911 Center and therefore not otherwise eligible to collect such a fee pursuant to the Department of Revenue. This clarifies it so it does not appear in anymore printed versions of the municipal code. Attorney Govignon stated, "Otherwise, I have given you amply and some easy reading and so this is on for a first reader today and the second reading at the next meeting and pursuant to the ordinance will then be subject for adoption at that point." Mayor Palmer asked for questions or comments. Mayor Palmer stated he had questions concerning the legality of things. Mayor Palmer stated that, "in the minutes of April 25th a motion was made that we go with option C, option C in the organizational chart included a General Manager of Utilities. If I look at the organizational chart the Mayor and Council are at the top under the citizens and voters of the City of Calhoun. That motion was passed and never rescinded and is part of everything at this time. Like I say, that included a General Manager of Utilities." Mayor Palmer stated, "I don't understand from a legal standpoint how we got from this structure to the structure you are presenting and recommending when it is against what the Council approved." Attorney Govignon stated, "Well at that time your Honor, the Council only approved a plan-" Mayor Palmer stated, "That plan was option C." Attorney Govignon stated, "-but yes sir if I may finish, the plan at that time was to start structuring, and the instructions were for the City Administrator, myself, and Mr. Worley to begin work and it was a later vote at another time. The fact that the motion was never rescinded, I only follow the instructions of the Mayor and Council as they pass and vote and I do not find any illegality in this process because last time this was done it took almost five years and I have done this in the space of nine months. That being said, ultimately, a resolution is a resolution and an

ordinance is an ordinance, this at this point is an ordinance for a first reader and the first actual enactment of any change in the code. As to whether or not parliamentary procedure was followed, that would be another issue entirely as to opposed to no legal action has been taken until this first reader was put in place, because no actual change to the ordinance was made at any point in time until now." Mayor Palmer stated, "I guess what you are telling me is that if we have a motion and an approved motion on item C, and then come back in two weeks and get the same motion on item D, and then two more weeks on item A that is voted on and approved, and item B two weeks later, you have four recommendations all on the table all voted on and approved, how do you proceed with that?" Attorney Govignon stated, "I proceed with the last one that was approved by the Mayor and Council and then follow the instruction and guidance from that point by drafting an ordinance in the best way I can manage to make it fit." Mayor Palmer stated, "Ok, that is a great legal opinion, that doesn't mean I have to agree, in which I don't." Attorney Govignon stated, "I don't necessarily require you to." Mayor Palmer stated, "To give you a little bit more, and you said it well, the last one took five years and this one took a matter of nine months, and I think that reflects on the fact that on Wednesday there was sent out a draft at 6:00pm or so and I didn't see it until Thursday morning a 45 page document sent out that everyone is expected to review and look at. At a Work Session on Thursday night, and then on Friday night you get another draft that was different with changes and once again it is a 45 page document to look at, on Friday at 6:00pm; and then another document today with changes in it that also reflect that and the last document the change, you mentioned the fact that it had to do with electrical and telecommunications." Attorney Govignon stated, "On Friday after I met with Jeff Defoor, who was not available when I met with water and Brett Sane earlier in the week, Mr. Defoor still had additional concerns and problems and I volunteered myself on Friday to meet with him, and based upon his recommendations made additional changes. I have incorporated the request of both water and sewer and electrical to make changes as they require." Mayor Palmer stated, "I understand that, but let me ask you another question. In your email you said you had that meeting with Jeff Defoor and Brett Sane, you also said as well as Council input." Attorney Govignon stated, "Yes sir we discussed it on Thursday, that email went out on Friday after I met with Defoor." Mayor Palmer stated, "Very good." Attorney Govignon stated, "I don't know what very good means, if you are implying something." Mayor Palmer stated, "That is just a good answer." Attorney Govignon stated, "That is the answer, we met on Thursday, I put it before everyone on Thursday." Mayor Palmer stated, "I am not arguing with that, I just said very good." Attorney Govignon stated, "There was an implication." Mayor Palmer stated, "Well, moving forward-" Attorney Govignon stated, "It is on for a first reader, and will not be considered for a second reader-" Mayor Palmer stated, "-I can make some comments can I not?" Attorney Govignon stated, "May I finish responding?" Mayor Palmer stated, "Have at it." Attorney Govignon stated, "-I have worked diligently trying to put something forth, I have met with different department heads to get their input. My preference would have been to not have to keep redrafting and put in more specifics, but I did so at the request of other departments. If you look at other cities in the local area for example, departments are just listed by a category. Now, this is on for a first reader today for consideration by the Council, it will not be subject to a vote until at least the second reader; and whether or not it needs to be submitted months in advance before consideration of the Council, that is not required by law, nor is it required by charter,

nor is it required by ordinance.” Mayor Palmer stated, “Once again, I appreciate that response and I think time to review some of the documents would be nice, but I do want to point out a couple of things and one thing is something Councilman Hammond brought out one time; and that is the fact that through the process and through the ordinance, I am not a member of the voting group.” Attorney Govignon stated, “You are a member of the governing authority as defined by charter and the ordinance and its definition and therefore, yes you are a part of the group.” Mayor Palmer stated, “I understand that.” Attorney Govignon stated, “I have to correct you on that, you are a part of the governing authority, because the governing authority by definition is the Mayor and Council, not separate.” Mayor Palmer stated, “Correct, but that doesn’t mean that I get to vote unless there is a tie as part of the governing authority, but at the same time I do have veto powers. I want it known and want the record to show that I will veto this and any personnel organizational chart that eliminates the position of General Manager of Utilities. I totally expect the veto to be overridden by the four voting members, and I understand that it only requires three. So I do understand that and I expect it to be that way, but at the same time I would like to call attention to the rate payers, the tax payers, the voters who are at the top of every one of the organizational charts a few things and some of the things that have been discussed, that I think could be looked at in different ways. One of those is the fact that it was mentioned at one time that Mr. Peterson had experience as being the assistant manager for utilities. Well that is true, about 25 years ago when he served a short period of time and everyone began to realize that working with Mr. Cornwell, Mr. Cornwell felt like he didn’t need an assistant. So Mr. Peterson stayed there for a very short period of time, worked only with water and sewer, and exactly no experience in electricity.” Attorney Govignon stated, “Yes sir, but I would like to point out that last time there was a split where utilities was divided off was because Mr. Cornwell didn’t want to take instruction from the City Administrator, Mrs. Harrison at the time.” Mayor Palmer stated, “-I am not necessarily talking to you I am just making a statement.” Attorney Govignon stated, “Ok, I am going to sit down, because you are looking at me so I assume you are discussing it with me.” Mayor Palmer stated, “I am just making an opinion and a statement so people can become aware.” Attorney Govignon stated, “I have no problem with that, but may I sit down, so I am not being addressed.” Mayor Palmer stated, “I didn’t ask you to stand up.” Attorney Govignon stated, “Well you were addressing me and looking at me Mayor.” Mayor Palmer stated, “Excuse me, but we will go from there and I think it has been pointed out by Councilman Hammond as well as the work session, pointed out by Mr. Govignon that one of the reasons for doing this was that most of the cities in Georgia have a one manger form of government. This is true, they do have, but they have been this way since basically the beginning when they first started as a municipality. But I think one thing to consider is that when you are looking at this, is the fact that there are approximately 560 cities in the State of Georgia, only 52 of those cities are MEAG cities or provide power in their cities, which is less than 10% of those cities in which all of them do not have the same structure. This is very important because of the fact for one thing is that electricity is 40% of the total City budget, which is over \$40 million dollars. The water and sewer is approximately \$20 million dollars. So, of the total approximately \$80 million dollar budget for the City of Calhoun, \$60 million of that is utilities. Utilities transfers over \$5 million to the General Government and I think that this is important for everyone to realize. It has also been mentioned that we have a debt of approximately \$250 million dollars in electricity with

the Plant Vogtle expansion, and a \$30 million dollar debt in water and sewer. I back up in my own thought process and find this even more important that we have a General Manager of Utilities. I would like to remind everybody, and partly also, that these are revenue bonds, and it has been said that it falls back on the tax payer of the City of Calhoun; and that to some degree is true with the electricity and it was put in there because of the fact that you could get a better interest rate at the time with that idea and concept. But they are revenue bonds and payments are made from the revenues generated by the utilities, water and sewer and electricity. I would like to point out other things of value as the General Manager of Utilities. We have a water production plant at Britney Drive. Britney Drive is possible because of the General Manager that was in place at the time. His idea was to drill a well, because at that time we were in need of water. So we drilled a well and on the third well drill, we got very lucky and hit a major source. Since that time, we also bought Big Springs. Between the two it is permitted at 11.8 million gallons and produces 43% of the City's water and surrounding areas. We rarely use the spring, even during the wettest months, because we are restricted by the State as to how much flow we have to send down to Dews Pond, because that is where it flows. We don't use it often, but part of the other reasons for that is due to the fact that there are beaver dams that back up the water into the weir and we can't get a true reading from the weir to tell you how much water is being allowed to go into the stream and allowed to go to Dews Pond, so it is rarely used. The other reason for that is the fact that our water at the spring comes from the pool and not the mouth of the spring itself. The pool is under the influence, so you have water that is taken from the pool that requires a higher level of treatment and more expense than the water coming from the well, which is good as anywhere. Also, another thing in my opinion is we would not have the substation on McDaniel Station Road if it were not for the Director of Utilities. This was over a three year process having to work with MEAG. I might point out the last two utility directors have been on the MEAG Board, and served in that capacity, which has been beneficial to that Board as well as the City of Calhoun. But it was three years in the making to get that done and working with MEAG and also the Industrial Development Authority to make that possible. This is a great value and benefit to the City of Calhoun. In the past, because of the Utility Manager, we were successful in a lawsuit, that kind of redid the organization with MEAG, but more importantly to the City of Calhoun it provided over \$18 million dollars, probably in the long run over \$18 million dollars, but over \$1 million dollars a year back to the City of Calhoun was the affect at that particular time. The Utilities General Manager has recently renegotiated a power supply contract that saves the City and the rate payers \$1.3 million per year for the next four years. This was significant enough for a larger electric utility to accept these negotiations and enter into the same contract as the one provided by Mr. Vickery. Very important to me he is responsible for the MEAG bill and reviewing the MEAG bill each month that is a 40-60 page document. There is a summary that goes with that and he is very familiar in doing that, and reviewing invoices and signing checks is another thing he does on a monthly basis. But when we talk about MEAG, an important part of that and important to the City of Calhoun is what we call the PCR and this has to be calculated monthly, it's the power cost recovery or adjustment that goes into that and provides the margin for the City of Calhoun. A few years ago Mr. Vickery was not doing this, someone else was doing it, and it was discovered in the audit that we were losing \$1.5 million dollars a year. When we discovered that, we reviewed it with Mr. Vickery and he got someone else to look at it

to tell us more about it and that particular time the person said at that point in the year, we were already short from breaking even \$1 million dollars. Since that time and since that review, Mr. Vickery put in process an opportunity to regain those lost dollars, which we have accomplished. And since that period of time, Mr. Vickery has been doing this himself. I won't be much longer, but I would like to point out the fact that he is also in charge of growing load when it comes to getting load and opportunities there with existing industries as well as new industries perhaps coming into the community. It wasn't very long ago that Mr. Vickery and Mr. Defoor met with five corporate officers with our largest employer. They had many questions concerning power cost as well as other issues. Mr. Vickery was able to explain this to them in a professional way, met all their satisfactions, and found it to be a very successful meeting. When the meeting was over and they left, Mr. Defoor, and you can correct me if I'm wrong, asked Mr. Vickery, "Just who is going to do this when you are gone?" Mayor Palmer stated, "And so I say to you that is a very good question. I encouraged everybody to call, to ask questions, there are a lot more things to be said. You can look at the organizational chart under finance, everything but accounting, there are four different divisions. Mr. Vickery has been responsible for doing those. I think at the work session the other night, there was probably a joking comment concerning customer service, customer service is a very difficult thing, but when they get really aggravated and mad and causing problems up front they call Mr. Vickery and he is called on to explain the process to them. But under customer service the other night the comment was made to put them under finance, because they didn't know where else to put them. Mr. Vickery has been doing that. Once again, I really want and encouraged everybody to call, my number is in the book you can call me at home, you can call me at City Hall, and they will give you my cell phone number and any questions or anything since this is a major importance to everybody in our community when we look at moving forward. With that I am through and I appreciate the time." Mayor Pro Tem Hammond stated, "All right Mr. Mayor if you are finished I will go ahead and make a few comments. I want to thank Jimmy for his concerns, for his comments. We have debated this for nine months, and it has been a situation that wasn't undertaken lightly, so that good feedback would come in. You can look at peer networks around the state and others who were doing things in an excellent way, others who had doubled in size from where we are, and shoot to be where we need to be moving forward in the future. I want to thank these managers and staff members who have absolutely been pulled apart because of the differences of opinion. Gentleman, you have done an excellent job struggling with the politics that shamefully has to get involved. Nine months ago we made a decision on a unanimous vote to move to a resolution, so that we would move with this type of structure. We are going to be losing about 80% of our senior managers in the City of Calhoun, Mr. Vickery being one of them. It doesn't come to an end. We've lost many great people in the past; Billy Bearden at the Recreation Department, Cathy Harrison at City Hall. There are young leaders willing and ready to step up, but we do not need to complicate that, we need simplicity. You need as a citizen, you should be concerned about these points Mr. Palmer raised, they are valid points. We have a \$95 million dollar budget, we've got multi-million dollar commitments. We need to make sure that those commitments are paying dividends, so you don't have higher rates than what you deserve. And by doing what we are doing here, you are going to have one person at the top, and always you are going to have us five. And if you go into City Hall or if you go into the Utility office, you will find all five of our photographs there where that didn't use to exist. As well as a

phone number to call any of us at any time, and I certainly welcome your calls and your comments and your thoughts. But everybody, and I am talking to the staff in the back also, you fellas have done a great job. This is going to be a transition that is going to take place. Jimmy was absolutely right, there are only four of us that will vote, that's the Charter. That is the way the City of Calhoun is designed. He does have veto powers; and as strongly as he feels, why wouldn't he veto it and he should do what he feels that passionate about. The four other Council members sitting here, we do have intelligence; and we do understand how to look at things and come with a different opinion. When we get to a veto override, I feel confident that there will be an override, possibly with a unanimous vote. I don't know how my peers will vote, but we will be doing that and then you will know. And as we move forward keep in mind it is written, we have talked about things that are written and things that are said, it is written there is a time and a place for everything and everybody. This City is moving forward and it's not going to stay in the past. We are growing in diversity of population; we are growing in size of population, and we are growing economically with great new challenges that are coming down the interstate to us; and all of these young leaders you see sitting here they will grasp that change and move forward with it and we won't miss a beat. We will go on and everything will be fine. Next year in February and March, we will start budget discussions. Those who care enough to come to the meetings should come back and be engaged when we have those discussions. Understand what projects we have built and whether their working; understand what projects we have built and at what percentage we are using them. That's the way you really get lower rates and lower taxes is to maximize what you have working for you in this community. And I will echo the Mayor's comment, you own the City, we own the City, we are all taxpayers, so you don't take these decisions lightly as they will impact this community now and in the future. I feel very very comfortable and very very confident that we are headed in the right direction. All we have is just a difference of opinion, but guys that is what makes America great. Being able to discuss things and disagree, passionately at times, but move ahead with what the majority wants and then move on to the next challenge we are going to face. With 50-85% of our senior managers leaving, there are going to be changes. Paul Worley, sitting right there at the end of the table, was one of the ones we drafted. Eddie Peterson saw the need because he is leaving in another year. Who else is leaving in another year? Anybody else? But there is two. Eddie saw an employee in another department who had great expertise. Paul was drafted to come into the Clerk position and he has done an outstanding job; and he went back to school to get his Master's Degree in Public Administration. When Eddie Peterson leaves, Paul Worley will move forward in that challenge and he will do a great job. But in the year that we are waiting, Paul Worley will be working with the senior managers; Jeff Defoor, in which there is no one better in electrical; Jerry Crawford, there is no one better in water and sewer. He will be working with those men who already lead their departments and know what they are doing. Certainly, Larry has done an outstanding job of working with the public, because when we had other leadership we had chaos. We did not have a community that was happy or thought they were being heard or that their concerns were being answered, and I have seen Mr. Vickery do that many times. But while he has done that he elevated another young worker who is managing customer service and doing a fantastic job, Judith Arnold. If you haven't met her, get to know her. Guys, when I first got elected I was going house to house, and that is how I got elected. I went house to house to ask each one of you to first vote for me and then secondly to tell me what was

working or not working for you. I was expecting to get pleasantries and shewed off the porch, but that didn't happen. Most people really wanted to have a conversation, they really did. Because in some ways things were not working; and what I promised was to do my very best to take 40 years of management experience and bring it to the table and share it and hopefully make a positive impact, knowing that all I had was one vote. I can't do anything without these peers who are sitting up here and with all these peers sitting up here, we've got diversity of thought. We have male and female, age differences with one person representing 70 year olds, one person representing 60 year olds, one person representing 50, and two representing 40. It doesn't get much more diverse than that. Male female is working perfectly, we have a 50-50 ratio, not in numbers but in gender selection. Later in this community we will have diversity, we've had diversity of race in the past, we will have greater diversity in the future, it is coming, that is our population, that is who we are as Calhoun, Georgia. I don't have a stack of papers here to read, everything I am saying to you tonight is coming from the heart. That is how I feel. I wouldn't take the time, nine months, I wouldn't stand the chance of offending people, and I have, I have offended some people by aggressively making my point known. Again, it is just one point. When we get to the second reading on November 14th, that will be the second reading and at that point we will take a vote. Again, I can't speak for my peers but I feel fairly confident that it will pass and probably in pretty large numbers. After this is done, we will move on to the next problems and we are going to deal with those and try to do the very best we can, as long you the voting public sees fit to keep us up here. Now, last word, if you don't see fit, you go to the polls and you vote. Absolutely, go to the polls and vote. I will be up for election next year and I have no problem. Let me say something else, this Council by resolution, by unanimous resolution felt like we needed to let you the voters decide whether we should have term limits. To be quite honest with you politics doesn't work for me on the national stage and it doesn't work on the local stage. It should work here locally in Calhoun, because you ought to be able to go to church with me, or buy groceries with me or whatever and pull me aside. But I still thought the voters needed an opportunity to voice their opinion in the election coming up in two weeks. Because we had such a difference of opinion, not on the vote for the resolution because that was 4-0, but whether or not you the voters should be able to choose whether term limits apply; it will not be on your ballot this time, it won't, and you don't get a choice. You are going to take what you get. And you know, you have gotten some great things in the past, I feel very optimistic that there will be great things in the future. I know I have gotten a little preachy, and probably worded more things than I intended too, because my intention was to sit here and say nothing. But you know I can't not say thank you to each one of you people. You are employees of this City, you should be able to do your job without the local elected officials constantly day in and day out harassing you, and if I have done that I apologize, but thank you for stepping up and doing your job and we will see where this goes in a few weeks. That's all I have Mr. Mayor." Councilwoman Palazzolo stated, "I have a question Mr. Mayor, and I am new, I just started in January. Are you concerned with Larry Vickery losing his job or are you concerned-" Mayor Palmer stated, "No, Larry-" Councilwoman Palazzolo stated, "Let me finish my question please." Mayor Palmer stated, "Sure, excuse me." Councilwoman Palazzolo stated, "-or are you concerned with the loss of the position." Mayor Palmer asked if she was finished and the reply was yes. Mayor Palmer stated, "Larry has done a great job for the utility department, but that is why I referenced several things prior to Larry's tenure; it

is not Larry, it is the position and the benefits that the utility manager brings to the City of Calhoun. That position over the last 15 years has probably returned, I don't know how many million dollars, probably \$50 million dollars in benefits back to the City of Calhoun, those will continue into the future. And my question is to you or to anybody sitting out there, who does that? Who does that thought process for Brittany Drive, who does that thought process for the MEAG substation, who negotiates those contracts with the power supplier? That once again I tell you that was looked upon so favorably by a larger community that they took our documents and used it as theirs and piggybacked off what we had, signed the same document and moved forward. Those are things that are just true. Some of it Mr. Vickery did, some of it the former utility director did. There was a MEAG lawsuit because at the time the formula they used was penalizing us for many things and that lawsuit was successful in the favor of the City of Calhoun and was put in place totally because of the utility director, that was prior to Mr. Vickery's tenure. That benefit at that time, 15-16 years ago, at that time was over \$1 million dollars and no telling where and what that figure is today, but that is totally because of the utility director. Mr. Vickery, we appreciate you and the job he does, but it has nothing to do with Mr. Vickery. It has to do with the returns that are given back to the City because of that position and the benefits not only today, but into the future that extend for many many years to come. That is why it is important, it's not because we are trying to save Mr. Vickery's job, because he is Mr. Vickery, that has nothing to do with it, it could be Terry Mills sitting back there that if he could provide the same benefit to the utilities, then the benefit would be the same thing. I agree with Councilman Hammond, nobody said anything about the employees even though there's a lot of discussion about it. I think everyone of you realize that I appreciate you. I have talked to many of you about it, I acknowledge you, I have done some things and tried to help you in every way that I can. I will guarantee you that there is not anyone sitting out there who feel threatened by me, now or in the past at any particular time. I have added nothing to your problems I will guarantee you. And I appreciate what Councilman Hammond said, he made some valid points, we are losing some people, but if I look basically at the people we are losing as far as in administration and department heads and almost in every one of them there is somebody there to take their spot, and that is planning." Councilwoman Palazzolo stated, "That was my next question. So Mr. Vickery I know is going to retire in 2017. Is that correct?" Mr. Vickery stated, "My name was mentioned so I was just going to tell you, it couldn't be much about me, because I'm not going to be here much longer." Councilwoman Palazzolo stated, "And I'm new, so I guess that's what I'm questioning is from what you said, what I gathered, is that you feel like Eddie Peterson and by Eddie Peterson I also mean Paul Worley, cannot take on this position, do not have the experience, do not have the knowledge, do not have the time with everything; so of all the employees in the City who do you feel could come in and replace him?" Mayor Palmer stated, "I think there are people in the City who could do that, but the process would be followed to look at people in the City who would apply for that position; and then be evaluated by the Council and the selection process would be there. I personally think it should be someone that is familiar with the operations of the City and do some of the things and meet some of the challenges that we have discussed and have taken place in the past." Mayor Pro Tem Hammond asked, "Didn't our last director come from the Fire Department, the one before Mr. Vickery?" Mr. Vickery stated, "That is correct, he did." Councilwoman Palazzolo stated, "I am looking at this from my experience, and my experience is in education, and we have

educators in the room. I look at Calhoun City Schools and I look at Gordon County Schools and I look at most school systems, and they have one superintendent. And they have assistant superintendents, associate superintendents underneath them that can assist; which is the route that we are going.” Mayor Palmer stated, “I agree with that and understand that. I understand what you are saying. If you take in to consideration this budget probably is in the \$80 million dollar range if you take the schools out of it and over \$60 million dollars is generated and comes from the utility department. They are the largest contributor to the financial situation of the City of Calhoun, at this particular time it’s over \$5 million a year. The difference is that this is a business and needs to be run like a business with all the financial management and tools and everything put in place because it is looked at differently. I will give you another example, and that is the fact that I don’t think, general government, and I think you said it in an email not too long ago, moves at a slow pace. They do things differently than utilities do. Utilities cannot put things off and not evaluate them and not move forward with them. This is a business and it has to be managed like a business. I will give you two or three examples and some of them you are aware of. It took two years to get a cemetery trust deed fixed so that we could move forward in that process and gain more interest on our account, to have a perpetual fund. In my opinion, it was not necessary for it to take that long. You yourself realize the thing at Red Bud was talked about, it was put off and it took several months just to get a moratorium put in place to get that done and we stood the opportunity to put our self in a bind. I will tell you that, and I think you said something about it as far as the general government side of things, and that is the process of dilapidated housing. We have had some progress in that area, but I have asked and continually ask to have something done there, especially on a couple of things, and talked to Mr. Peterson about it, and it is a slower process. I have put people off who want to come to the Council meeting to talk about certain issues and it’s still sitting out there. For the past several years we have talked about cars at the impound lot, and the oldest one of those has been over there since 1998. And some of those vehicles, and we have encouraged some movement on this to get something done, but nothing has been done. It is just a different slower process, I can’t explain it and these things concern me as far as the general side of things. But those vehicles now, some have no value except for scrap, and that is one of the things you face by leaving them there. That is just to mention a few of the things that tell you that general government moves at one pace and utilities is under the pressure to meet the demands of utilities; and finance revenue bonds and paying those bonds and to make sure to evaluate that the rates are right, the rates are where they need to be, and where they need to be to manage those things as we move forward. I appreciate your questions and comments and be glad to answer any more of them that I can. Once again as employees, you know you are meaningful to me. I make no bones about it, I never have, I always appreciate the job and the effort that you do. And as Councilman Hammond said, we will move forward, it will be voted in, I will veto it, I can count to three as Councilman Hammond said on numerous occasions, I can count to three, so I know the veto will be an override, but that’s ok too. I just want the people to realize, the people to know, and the people to understand that in my opinion, even though it differs from some of the Council members, that there is a reason for a utility manager and a very good one, not today, not yesterday, but throughout the process.” Mayor Pro Tem Hammond asked if Al or Matt had anything to say. Councilman Barton stated, “Jimmy you mentioned there are over 500 cities and have been here a long time and they have been that way since the

beginning, but MEAG was formed in 1975 and there are around 50 cities; and about 94% actually have the structure that we are going to with the chain of command. Now I don't know what number has a director of utilities, but 94% have that." Mayor Palmer stated, "And while your out there, and I understood that, but I also think it is interesting when you look at smaller cities that don't have hardly any of that, any of that structure. There are various things and if you look at the size of the cities from our size and on up to say 50,000 or something like that and I think there are about 14 of those and about half of those, or not over half, have the structure of a utility manager. It's not that I am saying we need to be like everyone else, as a matter of fact I'm saying we need to be different and we need to do the things that are in the best interest of the City of Calhoun rate payers, tax payers, and voters. As Councilman Hammond said and that's my position and I will stick with it and I will stay with it." Councilman Barton stated, "I am just saying that 95% of the people of cities of MEAG have the structure that we are going to and there is nothing wrong with this structure from allowing the City Administrator, or say Paul takes over, Jerry, Jeff, they have an opportunity to be the Assistant City Manager if they wanted to, then from that position they might be the City Manager and they would have the utility expertise to be able to do that. So, eventually it might be two utility people running the City and being the Assistant City Manager, so that opportunity is there and I encourage anyone to contact us." Mayor Palmer stated, "And I understand your vote and like I say I can count to three, so I appreciate your opinion, it just differs from mine." Councilman Barton stated, "I know, that is what I have told you before too." Mayor Pro Tem Hammond asked Al if he had anything. Councilman Edwards stated, "It's all pretty well been said." Mayor Palmer stated, "All right, thank you Mr. Govignon for that report and that discussion."

- B. Mayor Palmer stated that there was a discussion concerning a resolution regarding recognition of employer/employee relationship between the Calhoun-Gordon County Library and the Northwest Georgia Regional Library System at the Work Session. Attorney Govignon stated that the Regional Library System Counsel had submitted a resolution to transition oversight and administration of the current City employees to the Regional Library System's authority and thereby the Regional Library System would be responsible for the employees. Attorney Govignon stated that he has submitted an edited version of the resolution back to the Regional Library's Counsel and is still waiting for the final version to be resubmitted. The suggested edits were to ensure that the Local Board of Trustees would be in charge of making decisions concerning the days and hours of operations remained the same. Also, the same number of full time and part time staff remained the same. Therefore, any increase in funding for the Calhoun-Gordon County Library would need approval of the City of Calhoun and Gordon County. Also, to ensure that all private endowment funds donated to the Calhoun-Gordon County Library are only used locally and controlled locally with the Local Board of Trustees. Attorney Govignon stated that once the final version of the resolution is ready he will forward it to the Mayor and Council for consideration.
- C. Mayor Palmer stated that there was a discussion concerning Downtown Calhoun parking at the work session. A Downtown business owner, Tim Haney, was in attendance at the Work Session and had some concerns and suggestions about parking. Mayor Pro Tem Hammond stated that there was a good discussion about parking at the Work Session and this issue seems to come up every few years, because of the difference of opinions of how to handle the parking. There is a difference of opinion among the retail merchant and the professional groups about parking. It is hard to

please 100% of the people in this situation. Mayor Pro Tem Hammond stated that the Council will need to decide whether or not to enforce the current parking ordinance or to repeal it if it is not enforced. Downtown Calhoun is changing with new eating opportunities, entertainment, and new residential establishments and these are exciting changes. The Council needs to evaluate these impacts and to make the best decision we can and move forward.

- D. Mayor Palmer read a Special Event request from Saint Clement's Catholic Church for the Pilgrimage Procession to Our Lady of Guadalupe on a route of: begin at the Calhoun Community Church parking lot (222 WC Bryant Parkway), to SR 41 north, left onto SR 53, Court St. and down the 53 Spur, left onto Yellow Jacket Drive and end at the Calhoun Gymnasium on December 11, 2016 at 12:30 P.M. Councilman Hammond made a motion to approve the special event request. Councilman Barton gave a second with all voting aye, motion approved.

9. Other written items not on the agenda:

10. Work Reports:

A. Administrator Eddie Peterson

- Administrator Peterson reviewed the General Government monthly cash report and stated that property taxes are starting to come in now with a due date of December 20th. Mr. Peterson pointed out that the golf debt currently reflected a negative \$595,000, but this debt has already been paid, it just has to be recorded on the books as a loss. To make for a cleaner audit, it was determined that only booking a third of the debt in one fiscal year would be a better approach versus all of it in one year. That way the General Fund does not take such a steep loss in just one fiscal year as this debt was accumulated over many years. On a positive note, the golf course had the highest revenue numbers in the first quarter of FY17 since 2011. Also, the month of September was the best revenue for that month since 2008. The golf course is in great shape and we are finally starting to see strong improvement in the new greens. The City's various reserve investments are averaging around a 1.5% return, which is the best rate obtained in many years. Mayor Pro Tem Hammond asked Administrator Peterson to discuss how the City is considering utilizing a private company to assist in delinquent property tax collection. Administrator Peterson stated that Gordon County and many cities around the state are utilizing private companies to assist in collecting delinquent taxes. The City has gone after some of the biggest delinquent tax payers in the past who essentially use the City as a bank by not paying their property taxes on a yearly basis. Penalties and interest are assessed, but some still do not stay current. This is unfair to all the rest of the citizens who do pay their property taxes on a timely basis. The City is considering waiting until after this year's due date to send a letter to the largest delinquent tax payers to inform them that the City will contract with the private service for collections if the taxes are not paid. The City would rather them come in now to take care of their taxes than to go this new route, which can be a pretty aggressive process.

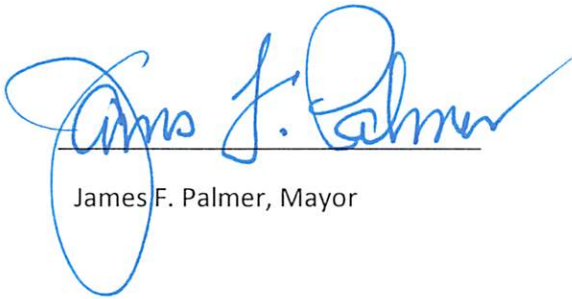
B. General Manager Larry Vickery

- General Manager Vickery reviewed the Utility cash report. The utility operating accounts have a total of about \$3.8 million, there is about \$8 million in reserves, and about \$16 million in investments. These levels still do not meet the three months operating reserve goal.
- General Manager Vickery discussed a Georgia Public Service Commission residential rate survey for the summer of 2016. The survey reflects that the City of Calhoun continues to have one of the lowest electrical rates in the State of Georgia. Mayor Pro Tem Hammond asked if the electric crews and GSAR team had returned yet. Fire Chief Nesbitt stated the GSAR unit had returned. Mr. Vickery stated that their electric crew has returned from working in Vero Beach, FL to assist in the aftermath of Hurricane Matthew. One citizen from Vero Beach reached out to Mr. Vickery to thank them for all the help and said the crew did a wonderful job for their neighborhood.

11. Councilman Barton made a motion to adjourn. The motion was seconded by Councilman Hammond with all voting aye, motion approved.

Approved:

Submitted:



James F. Palmer, Mayor



Paul Worley, City Clerk