

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING ST
MAY 23, 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; Garry Moss, Police Chief; Jeff Defoor, Director of Electric Utilities; Lenny Nesbitt, Fire Chief; Jerry Crawford, Water and Sewer Director

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
 - A. Mayor Palmer gave the invocation.
2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.
3. Councilman Edwards made a motion to approve the agenda. There was no second and Mayor Palmer stated that he requested that an item emailed out by Mr. Govignon last night concerning the organizational charts be added to the agenda under other written items not on the agenda. Councilman Barton stated he requested an item concerning a temporary outdoor alcohol permit also be added to the agenda. Councilman Edwards made a motion to approve the agenda as amended. Councilman Hammond seconded the motion. All voted aye, motion approved.
4. Councilman Barton made a motion to approve the minutes of the May 9, 2016 City Council Meeting. Councilwoman Palazzolo gave a second with all voting aye, motion approved.
5. **Mayor's Comments:**
 - A. The City of Calhoun will hold its second public hearing on the City's Annual Operating Budget and Capital Plan for the fiscal year July 1, 2016 through June 30, 2017 at the next City Council meeting on June 13, 2016.
6. **Public Hearings and Comments:**
 - A. Mayor Palmer opened a public hearing on the updated 2016 City of Calhoun Zoning Map.
 - Mr. Peterson stated that all advertising requirements have been met.
 - Mayor Palmer asked for comments concerning the zoning map. Mayor Palmer stated that the zoning map is much more accurate now that the

City's GIS Department produces the map. Councilman Barton stated that the updated legend orientation makes it much easier to be viewed.

Administrator Peterson also stated that every City parcel is now included on the updated version. There were no more comments and the public hearing was closed.

- Councilman Hammond made a motion to approve the updated zoning map. Councilman Barton gave a second with all voting aye, motion approved.

7. Old Business:

- A. Mayor Palmer conducted the second reading of a variance request by Calhoun City Schools at a location of 606 Oothcalooga Street. The variance request is a 15 foot variance from the required 30 foot front setback to renovate and partially reconstruct an existing building for an alternative learning classroom and engineering lab. The Zoning Advisory Board will meet on June 9th and the public hearing on June 13th.
- B. Mayor Palmer conducted the second reading of a variance request to allow a driveway within the existing intersection and red light for Stephenson Engineering, Inc.- Agent for Family Savings Credit Union at a location of 1273 Curtis Parkway. The ZAB will meet on June 9th and the public hearing will be on June 13th.

8. New Business:

- A. Mayor Palmer read a request by Echota Baptist Church to block the road beginning at the mailbox by the front steps of the church, College Circle, to the stop sign behind the church at Short North Wall Street from 5:00pm to 9:00pm on Sunday, July 17th through Friday, July 22nd for Vacation Bible School. Councilman Hammond made a motion to approve the road closure request. Councilman Barton gave a second with all voting aye, motion approved.
- B. Mayor Palmer read a request from the Historic Preservation Commission to appoint Mr. Justin Childress to a three year term replacing Mrs. Sue Haney. The term expiration date will be June 1, 2019. Mayor Palmer stated that Mr. Childress owns and operates Childress Real Estate in the Downtown Historic District. Councilwoman Palazzolo made a motion to appoint Mr. Childress to a three year term on the HPC. Councilman Edwards gave a second with all voting aye, motion approved.
- C. Mayor Palmer read a Land and Water Conservation Fund (LWCF) Resolution that states the City of Calhoun agrees to the requirements of funding provided by the grant. The City agrees that as an awarded applicant for funding by the Department of Natural Resources, the City certifies and assures that it has the ability and intention to finance their 50 percent of the total project cost. Mayor Palmer stated that the City intends to purchase adjoining property to the existing 58 acre park from the Industrial Development Authority. All of the property is in the floodplain behind the new substation on McDaniel Station Road and suitable for recreation uses. The LWCF is for the purchase of the property, which is how the City was able to obtain the 58 acre park. Mayor Palmer stated that the City appreciates the Development Authority's cooperation. Councilman Edwards made a motion to approve the resolution as read.

Councilwoman Palazzolo gave a second with all voting aye, motion approved.
(resolution attached)

9. Other written items not on the agenda:

- A. Councilman Barton stated that the item he added to the agenda is a temporary outdoor alcohol permit application for the June 22, 2016 Canoe Tug-of-war Special Event to be held at the Calhoun Depot. This is the first time this permit has been applied for and it falls a little short of the required time notification by a few days. Councilman Barton made a motion to approve a variance for the time requirement and approve the temporary outdoor alcohol permit application. Councilman Hammond seconded the motion. Mayor Palmer stated that the time requirement for submitting the application is 45 days so it does not meet the current guidelines of the time period between the application and the date of the special event. Attorney Govignon advised the Council that this is the first application for a temporary outdoor alcohol permit that has come up and if the variance is granted it could set a precedent going forward. Councilwoman Palazzolo stated that the reason for the lateness of the application from David Burton is that the Special Event itself was not approved until the last City Council meeting. Attorney Govignon stated he understood and he was not casting an opinion one way or another, but just wanted to reiterate that when other applications come up in the future the Council needs to be prepared to be asked for the same considerations. Councilwoman Palazzolo stated that if we need to she didn't mind pulling it and talk to David Burton and ask him to pull the application. Attorney Govignon stated again that he is not advising either way, but just be prepared to justify the decision later with future applications. Mayor Pro Tem Hammond asked the City Attorney his legal point of view on the best way forward and stated that 45 days is fairly extensive time period and asked Attorney Govignon if amended the time requirement going forward was the best course of action. Councilman Hammond asked if the 45 days was common in other cities and Attorney Govignon stated he had seen time requirements all over the place. Attorney Govignon stated that yes, if the variance is granted on the time requirement, then the ordinance could be amended at a future date to match a new time requirement. Councilman Hammond stated that variances have been granted and denied in the past and asked how many days until the event. There is 30 days until the event and 33 days prior to the event date according to when the application was submitted. Mayor Palmer asked for any additional comments. Being none, Mayor Palmer asked for all those in favor. Councilman Barton, Councilman Hammond, and Councilman Edwards voted aye. Mayor Palmer asked for all those opposed. There were no votes cast in opposition. The motion passed with three yes votes. Councilwoman Palazzolo did not vote.
- B. Mayor Palmer stated the City Attorney George Govignon had emailed out some information to the Mayor and Council the previous day concerning the organizational structure of the City of Calhoun. Mayor Palmer read excerpts of Mr. Govignon email as follows, "I am working on the proposed changes to the approved organizational structure. As I indicated in a prior e-mail communication following the authorization vote . . . Now that I have been instructed to design a "unified" or "one story house," the real work will be to get these two chapters amended and modified to fit the proposed changes . . . To proceed further, I need the Mayor and Council to adopt a resolution for

the final organizational chart. For example, there is the need to change provisions in Chapter 2 regarding "directors." The current working versions, whether Option "C" or the draft proposed by the City Administrator will require new ordinance provisions and terms describing the various director or manager offices and responsibilities."

Attorney Govignon stated that the last vote made was to accept Option "C". However, there was Councilman Hammond's email setting a timetable for implementation, but it was never put before the Council for a vote. The vote for Option C was a vote to build a "one story house" instead of the current "two story house" in which there are currently two different divisions being General Government and Utilities. Option C is a dramatic change from the current version in several aspects and will be a major restructuring all together. There were then questions asked of when will the new ordinance be ready and that the last time restructuring occurred it took over a year. Attorney Govignon stated that he has been presented with two different options and he needs direction of which option to draft the ordinance. Mayor Palmer said it was in the minutes in which Councilman Hammond stated that he canvassed everybody and they changed their minds about the time table and Councilman Hammond made a motion to go ahead with option C. Councilman Barton gave a second and it passed unanimously. Mayor Palmer stated that option C has a utility manager and the other option that was not sent out to him does not have a utility manager. Attorney Govignon stated he didn't send it out to anybody until last night when he realized he needed an answer to proceed. Mayor Palmer stated he didn't know where the other option came from when it clearly says in the approved minutes that we were going with option C. Mayor Palmer then asked City Administrator Peterson when he was instructed by the Council to do option C, where does the other option come from. Attorney Govignon stated for the record that he was following the spirit of the original plan, which was when the timetable was moved up we would take a structure and start working with it at that time and that is why I need clarification from the governing authority as how to move forward. Mayor Palmer stated that the second option isn't what was approved at the Council meeting or what was approved in the minutes. Mayor Palmer asked Mr. Peterson where he came up with the second option to present to legal counsel to then provide to the City Council. Mr. Peterson stated that he has had conversations with everyone here and received during our conversations for me to come up with a plan that best fit a one unified system. Mr. Peterson said he evaluated many options and the one he found that best reflected what he felt would work best for the City of Calhoun is the structure that the City of Cartersville has now and then I let everyone know that and that is where the second option came from as the Cartersville model. Mayor Palmer stated he appreciated Mr. Peterson's comments. Mayor Palmer stated he would like for the record to show once again that he is opposed to moving forward with a structure that eliminates the general manager of utilities. Also, Mayor Palmer wanted the minutes to reflect his statements given during the April 25, 2016 concerning the reasons he did not think the changes would be beneficial to the City of Calhoun.

Mayor Palmer's excerpt from April 25, 2016 minutes: Mayor Palmer stated that there has been very limited discussion on this topic that Mr. Hammond sent out to everybody to be voted on at the May 9th meeting to allow for additional discussion in between to see and know what they are looking at to make a decision. Mayor Palmer stated that Mr. Hammond in the minutes had stated that looks at operations from his personal experience as a career manager in industry and always looks at things from the

business angle. City governments and industry are not all organized the same in terms of structure and management as one size does not fit all. Mayor Palmer stated that there have been businesses and industry fail regardless of the size. Mayor Palmer stated that currently the City has two divisions that answer to the Mayor and Council with one being utilities, a not for profit business to provide a commodity to the consumer, and the other is general government services and there is a vast difference between the two divisions. Mayor Palmer pointed out that Mr. Hammond stated that surrounding communities only have one city manager instead of two managers over two different divisions. This is true for some governments, but there are many different forms of government across the state and surrounding communities. For example, Dalton has a city manager over general government services, but Dalton Utilities is completely separate from the Mayor and Council and the city manager. The City of Rome operates under one city manager, but in utilities they only have water and sewer services to city residents only. Calhoun sells water county wide as well as to Chatsworth, Pickens County, and Floyd County. Mayor Palmer continued that an important part of the City is the Electric Department that makes up about one half of the city's overall budget. Another example given was Marietta, who has a structure similar to Calhoun's where the utilities answers to the Mayor and Council. Mayor Palmer stated that it was important to consider the millage rate. For example, in Calhoun the millage rate is 1.98, which means the taxes on a \$200,000 home is \$158, in Rome, with a city manager, it would be \$694.80 and in Dalton \$501.60. A Calhoun city resident gets all city services for that \$158. That includes one of the safest cities in Georgia and the number four city to raise a family. Utilities is an enterprise fund totaling \$60 million dollars and the General Government services budget is about \$14 million. Mayor Palmer stated that he believed it was important to have utilities run like a business by professionals who do it daily to get the best returns for the tax payers. We are well positioned in all areas of utilities, we are in the top 15 of water producers in the state and the only entity in Northwest Georgia expected to have adequate water supply in the year 2050. Also, we have made major improvements at the water and sewer plants to meet our needs for the next 40 years. Cartersville estimates their utility needs at \$80 million, Rome at \$60 million, and Bartow County expects to spend \$52 million to increase water and sewer capacity. Calhoun has some of the lowest utility rates in the entire state. Mayor Palmer stated that he believes these goals have been accomplished due to the leadership of the Utilities General Manager and his departments with the oversight of the Mayor and Council. Also, we have excelled in all areas of management, general government, and utilities under the current structure. Calhoun maintains a AAA finance rating and the general obligation credit rating has been raised to AA-. This is based on finance and administrative stability. Mayor Palmer stated that it is the opinion of the Georgia Municipal Association and the Municipal Electric Authority of Georgia that these structure changes could affect the stability component of these ratings. Mayor Palmer stated that he believed in change when necessary or if it makes things better, but not for political reasons, personal gains, or change for the sake of change. Mayor Palmer reiterated that a vote tonight on restructuring does not meet the schedule Councilman Hammond put out initially. Mayor Palmer stated he sees no beneficial gain to the City of Calhoun as rate payers and as tax payers and is opposed to the restructuring. (end of excerpt)

Mayor Palmer added to the discussion selections from a study called Managing Public Utilities: Lessons from Florida. The study interviewed managers to try and identify good practices for local governments, in which the majority think that public utilities should be run separately and report to an elected board or appointed boards. Being a city department results in a one-size-fits all policy from city government irrespective of the fact that utility service is not a governmental function and must compete with other utilities and other responsibilities. Mayor Palmer stated that utility managers provide greater efficiencies and ensures utilities are run like a business that benefits all rate

payers and tax payers in the City of Calhoun. This structure will also be detrimental to bond ratings and will end up costing the City in higher interest rates and debt and debt is always necessary to maintain the utility infrastructure. Mayor Palmer asked for other comments. Attorney Govignon stated as it was just pointed out, certain positions may be eliminated, so he had been asked to research that as well as to what legal consequences that may create, so that is why I need guidance in which way to go. Mayor Pro Tem Hammond stated that the challenge was to move forward in a positive way and sometimes it is very difficult to accomplish that when everybody does not see eye to eye. Mr. Hammond stated that he respects the Mayor for his opinion and glad he has it because five opinions at the table are better than one opinion. All being elected officials we are charged by the citizens to make decisions we think are in the best interest of the citizens and as we make those decisions and took the vote several weeks ago after three different City Council meetings talking about this, it got to the point it was so clouded, management nor legal couldn't move forward in any smooth fashion. So there needed to be one design as to whether or not we would maintain our structure the way we are now or would we make an adjustment. The vote that night showed we would make an adjustment and move forward. We are paying professionals high salaries to use intelligent thought to talk to their peers and to come up with a format that will be beneficial to the City and citizens of Calhoun, Georgia. The utilities do a great job, but when we talk about debt these utilities would not exist if it were not for the tax base of the City and if anything were to ever go wrong, the \$250 million dollar deb for Plant Vogtle #3 and #4 and the \$29 million debt for water and sewer could not be paid by liquidating the assets. It would always go back to the tax base and every chart we have looked at goes back to the citizens and the tax payers, where it should. They are the ones who funded the initial dollars to grow these programs. So we want to continue to have that part of our equation as part of our government and having one manager to answer to makes it much clearer than have two separate entities when you are dealing with government. Mayor Pro Tem Hammond stated he sensed the ambiguity that exists with no one having clarity to move forward, it is imperative that tonight as the governing body that this Council vote on a motion that I am going to put forward and either vote it up or vote it down, vote it unanimous or vote it divided, but everybody who has a legal right to vote sitting at the table to take a vote and then that is the intent of this governing body and we move forward and we move forward without undue frustration to the managers as they try to do their job, they need to be able to just do their jobs. Councilman Hammond moved that we adopt the second option, in which copies were handed out (copy attached) to make sure there is crystal clear clarity, to then authorize the City Administrator, City Clerk and the City Attorney to begin drafting new ordinances for Chapters 2 and 70 for consideration and adoption prior to July 1 if possible. Councilman Hammond's first statement when I thought it was better from one person's point of view to move forward was to give it until the end of the year, which would give plenty of time for people to make decisions, get input from other cities, and then make the best decision. Councilman Hammond stated he feels like that goal can still be reached, but if not we can reach the goal before the next fiscal year, but the legal document that is going to bind this is the ordinance. When the ordinance is drafted it is legal, once it is drafted the Mayor in his position has a legal right also as imposed by the Charter of the City of Calhoun to pass that ordinance or to veto it. If the Mayor exercises his right to veto it, he has to get the veto notice back to Council in two days and then a vote of three or more from the Council overrides the veto and whether

everybody like it or not it is the will of the people as by the elected officials. Councilman Hammond stated he has embellished a lot, but he is not reading it, it is just coming from heart and mind, but it is one person's opinion and now we take one person's opinion in the form of a motion, see if there is a second, and if so put it to a vote so we can move on and deal with bigger issues that involve meeting the needs of the citizens in an efficient and effective manner. Councilman Barton stated that in the minutes that were referenced earlier by the Mayor it also says that Attorney Govignon stated that he needed some guidance on how to proceed before drafting a new personnel ordinance as these exhibits are not set in stone and only proposals at this time and that was what was voted on at that time. Councilman Barton stated it wasn't set in stone, but only proposals at that time. Councilman Barton seconded the motion. Mayor Palmer asked for any other discussion. Mayor Palmer called for a vote. Councilman Barton, Councilman Hammond, Councilwoman Palazzolo, and Councilman Edwards voted aye. The motion passed unanimously.

10. Work Reports:

A. Administrator Eddie Peterson

- Administrator Peterson reviewed the General Government monthly cash report with the general fund in a good cash position as compared to previous years. The Revolving Loan account is at \$1,049,000, but we have a \$150,000 loan coming out of that account soon. We also have another opportunity for another business in Downtown Calhoun, which will help us get into compliance with DCA. The fund is governed by the Georgia Department of Community Affairs and one of the stipulations is that you cannot have more than 30% of the total assets in cash. We made one additional loan recently and we have two more potential loans that would get us in compliance. Councilman Hammond made a motion to approve the cash report. Councilman Barton gave a second with all voting aye, motion approved.

B. General Manager Larry Vickery

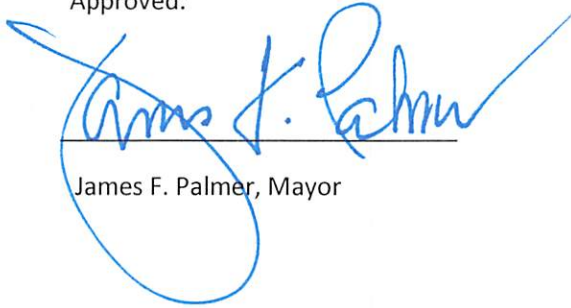
C. Attorney George Govignon

- 11.** Attorney Govignon stated there was a need to go into Executive Session for privileged consultation with legal counsel according to OCGA 50-14-2. Councilman Barton made a motion to go into executive session. Councilman Hammond gave a second with all voting aye, motion approved.
- 12.** Councilman Hammond made a motion to adjourn the executive session. Councilman Barton gave a second with all voting aye, motion approved.
- 13.** Councilman Hammond made a motion to return to regular session. Councilman Barton gave a second with all voting aye, motion approved. Mayor Palmer stated that there was action needed following the executive session in which Attorney Govignon updated the Mayor and Council on the Walker vs. City of Calhoun case. Councilman Barton made a motion to allow the

City Attorney to move forward with the case as it continues to progress in the 11th Circuit Court of Appeals. Councilwoman Palazzolo gave a second with all voting aye, motion approved.

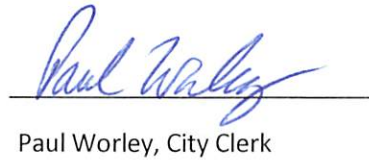
14. Councilman Hammond made a motion to adjourn. The motion was seconded by Councilman Barton with all voting aye, motion approved.

Approved:

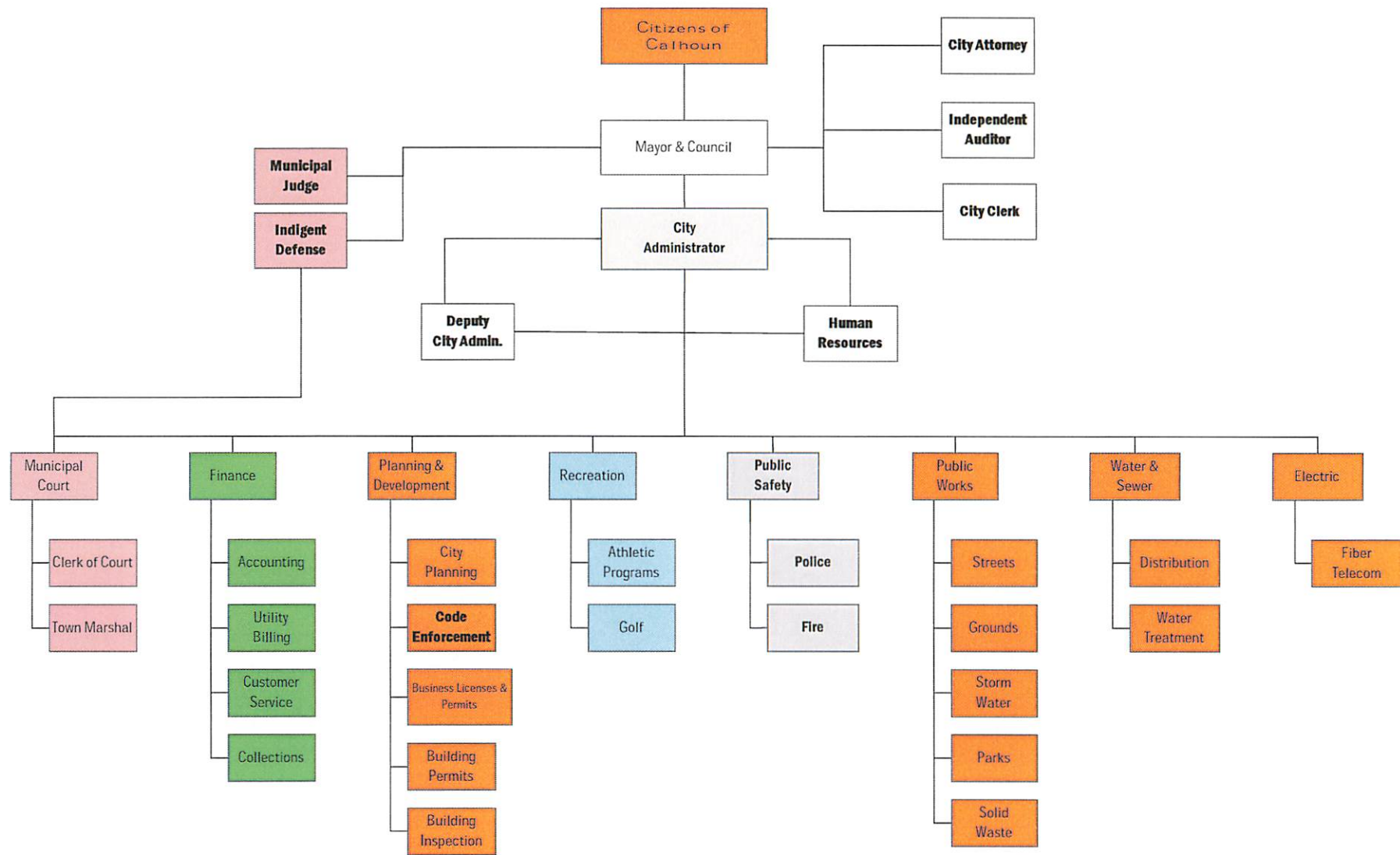


James F. Palmer, Mayor

Submitted:



Paul Worley, City Clerk



Appendix A
RESOLUTION

STATE OF GEORGIA

COUNTY OF GORDON

CITY OF CALHOUN

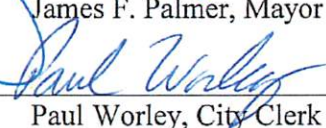
WHEREAS, at the regular meeting of the City Council, the City of Calhoun, of Gordon County, Georgia, held on May 23, 2016, a motion was made and duly seconded that the City of Calhoun agrees to requirements of funding from the Land and Water Conservation Fund. The City of Calhoun further agrees that as an awarded applicant for funding by the Department of Natural Resources, the City of Calhoun certifies and assures that it has the **ability** and **intention** to finance their 50 percent of the total project cost and will move forward with due diligence.

PROJECT SPONSOR

BY:


James F. Palmer, Mayor

ATTEST:


Paul Worley, City Clerk

Appendix A
RESOLUTION

STATE OF GEORGIA

COUNTY OF GORDON

CITY OF CALHOUN


WHEREAS, at the regular meeting of the City Council, the City of Calhoun, of Gordon County, Georgia, held on May 23, 2016, a motion was made and duly seconded that the City of Calhoun agrees to requirements of funding from the Land and Water Conservation Fund. The City of Calhoun further agrees that as an awarded applicant for funding by the Department of Natural Resources, the City of Calhoun certifies and assures that it has the **ability** and **intention** to finance their 50 percent of the total project cost and will move forward with due diligence.

PROJECT SPONSOR

BY:


James F. Palmer, Mayor

ATTEST:


Paul Worley, City Clerk