

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
CALHOUN, GA
JUNE 16, 2008 7:00 P.M.**

MINUTES

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

**ALSO: Michele Taylor, City School Superintendent
Amy Atkinson, City School Vice Chairperson
Don Hood, City School Finance Director
Eddie Peterson, City Administrator
Kelly Cornwell, Director of Utilities
William P. Bailey, City Attorney**

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance. Mayor Palmer 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. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
4. Councilman Edwards made a motion to approve the minutes of the June 9, 2008 regular City Council Meeting as written. The motion was second by Councilman Hammond with all voting affirmatively, motion carried.
5. Mayors Comments:
 - A. Mayor Palmer stated that Flag Day, June 14, 2008, was a success and very touching. Members from the local National Guard, American Legion, Boy Scouts, and others participated in raising a U.S. flag at the Courthouse that has flown over Camp Ramandi, Iraq. The flag was presented to Calhoun and Gordon County by SPC Charlie Lumpkin who served in Iraq.
 - B. Mayor Palmer asked Councilman Edwards to review the zoning hearings scheduled July 14, 2008 and August 11, 2008.

July 14, 2008

1. An annexation request by Randy and Donna McEntyre for .43 acres located at 175 West Belmont Drive.
2. A 10' variance request by Jim Haggard to build a 26x24 detached garage on the rear of his property located at 110 Shenandoah Drive.
3. An annexation and zoning change request from A-1 to IND-G by Champions of Calhoun, LLC for 8.17 acres located at 127 Nance Road.
 - Councilman Edwards stated the Zoning Advisory Board meeting for these items would be held on July 10, 2008 at 4:30 PM.

August 11, 2008

4. An annexation and CN zoning request by Larry W. and Kathy S. Brown for 4.05 acres located at 122 Nelson Lake Road.
 - Councilman Edwards stated the Zoning Advisory Board meeting for this item would be held on August 7, 2008 at 4:30 PM.

6. Old Business: **NONE**

7. New Business:
 - A. Mayor Palmer read a parade request by Vickie Goswick for “A Cruising” Antique Car Show parade to be held Saturday July 26, 2008 at 4:00 pm on the regular parade route.
 - Mayor Palmer explained the request did not meet the criteria in section 90-172 of the Calhoun Code of Ordinance’s.
 - Councilman Hammond made a motion to deny the request. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
 - B. Mayor Palmer read a parade request by Monica Pierson for the Traditional Calhoun High School Homecoming Parade to be held Friday September 26, 2008 at 3:45 pm on the regular parade route.
 - Councilman Edwards made a motion to approve the parade request for the Calhoun High School Homecoming Parade. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
 - C. Mayor Palmer stated Mrs. Rhonda F. Campbell, citizen of Calhoun, wishes to speak about complaints against the Calhoun Housing Authority.
 - Mrs. Rhonda F. Campbell addressed the Mayor and Council concerning a grievance with the Calhoun Housing Authority. Mrs. Campbell explained that she had several health problems and the management with the Calhoun Housing Authority would not allow her to park a vehicle in the handicapped parking space near her apartment.
 - Mayor Palmer explained that the Calhoun Housing Authority was an independent body and were charged with conducting and managing their operations and business. Mayor Palmer thanked Mrs. Campbell and stated he understood her situation and advised her to contact the Calhoun Housing Authority Board and schedule to be included at their next business meeting and explain her position.
 - D. Mayor Palmer read a request by Echota Baptist Church to block the road beginning at the mailbox by the front steps of the church to the stop sign behind the church at Short North Wall Street on Thursday July 24, 2008 from 5:00 pm to 10:00 pm for Family Night for Vacation Bible School. This block is to ensure safety of the children during Family Night.
 - Councilman Denmon made a motion to approve the request. The motion was second by Councilman Edwards with all voting affirmatively, motion carried.
 - E. Mayor Palmer read a taxi license request by Maria Albertina Garcia d/b/a Taxi Mary for a business address of 1449 41 North.
 - Mayor Palmer explained that 1449 41 North was inside the City of Resaca and Ms. Garcia would need to request a taxi license from the City of Resaca.
 - F. Mayor Palmer read a request by City of Calhoun General Government Finance Department to adopt the revised Investment Policies and Financial Policies.
 - Administrator Peterson explained the purpose of revising the General Government Investment policies and Financial policies.

- After a brief review of the two policies Councilman Hammond made a motion to adopt the policies. The motion was second by Councilman Edwards with all voting affirmatively, motion carried.
- G. Mayor Palmer read a re-appointment request of Chip Sloan for the Calhoun/Gordon County Airport Authority, current term ends June 30, 2008.
- Councilman Edwards made a motion to re-appoint Chip Sloan for the Calhoun/Gordon County Airport Authority. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
8. Public Hearings:
- A. Mayor Palmer opened the second public hearing on the 2008/2009 General Government, Utility, and Calhoun School budgets.
- Administrator Peterson, Utilities Director Cornwell, and Calhoun School System Financial Director Don Hood reviewed the proposed 2008/2009 fiscal year budgets.
 - There were no public comments and the public hearing was closed
 - Mayor Palmer read the 2008/2009 Budget Resolution
 - Councilman Denmon made a motion to approve the Resolution. The motion was second by Councilman Hammond.
 - Mayor Palmer thanked everyone involved in the budget process which began in January 2008.
9. Other Written Items not on the Agenda: **NONE**
10. Work Reports:
- A. Kelly Cornwell, Director of Utilities
- Director Cornwell explained the Utility Investment and Financial Policies and request that the Mayor and Council approve the changes.
 - Councilman Edwards made a motion to approve the changes. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
- B. Director Cornwell requests that the Mayor and Council adopt the Utility Charge Off schedule for Fiscal year 2007.
- Councilman Hammond made a motion to adopt the Utility Charge Off schedule for Fiscal year 2007. The motion was second by Councilman Denmon with all voting affirmatively, motion carried.
11. Councilman Hammond made a motion to adjourn. The motion was second by Councilman Edwards with all voting affirmatively, motion carried.

Approved:


James F. Palmer, Mayor

Submitted:


Eddie Peterson, City Administrator

City of Calhoun, Georgia

General Government

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 City Administrator shall be responsible for the investment of general government 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 Administrator 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 City Administrator to establish bank accounts as needed general government and shall establish those authorized to sign checks on various funds managed by the City of Calhoun general government. 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 City Administrator 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, loans to fund new City operations, and other investments authorized by the Mayor and Council.

VI. Placement of Investments

- A. The City Administrator is authorized to place investments of idle City funds with locally established financial institutions.
- B. The City Administrator will have the authority to close, reduce or move City invested funds as needed to process accounts payable in a timely manner. New funds (certificates of deposit, etc.) will be bid for placement.
- C. The City Administrator is also directed to take advantage of payable discounts as a means of increasing revenue.

VII. Length of Investments

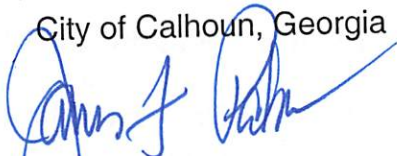
- A. The City Administrator shall have the discretion of placing funds for investment for the length of time estimated to meet cash flow needs. These may range from short term to long term investments.

VIII. Reporting

- A. The City Administrator shall include an investment report quarterly with other financial reports to the Mayor and Council.


ADOPTED, this 16th day of June 2008.

City of Calhoun, Georgia



James F. Palmer
Mayor

Attest:



Eddie Peterson
City Administrator

City of Calhoun, Georgia General Government Financial Policies

I. SECTION ONE -- FISCAL REQUIREMENTS

Operating Reserves / Infrastructure Replacement Reserves

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

Fund Balances

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

Revenues

Revenues collected by the City should be diversified, so as not to place a disproportionate burden on any one class of citizens. Property taxes should remain as low as possible. User fees for Enterprise Operations, such as Solid Waste and Golf, should be levied to cover cost including debt service, and should be adjusted annually or semi-annually to reflect the actual cost of doing business. The City will make transfers to the General Fund from Utility Funds (Water and Sewer and Electric) for Lease of Assets-Royalties and Franchise Fees. These transfers will be at a rate of 9% to 10% of gross sales or fees each fiscal year (including 4% franchise fees for City Rights-of-Way usage) as authorized by the Mayor and Council during the annual budget process. Transfers from reserves shall be made when properly reviewed and authorized by the Mayor and Council. Business taxes should be established to reflect state law and the desired level of revenue from this customer base.

II. SECTION TWO -- BUDGET CONTROL

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

Special Project Funds and Accounts

Special Project Funds shall include those projects funded by special borrowings or special revenues which must be accounted for separate from any enterprise or

general fund until actual construction or equipment procurement has been completed. Special projects may extend beyond the current budget year.

Fiscal Year

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

Budgetary Basis

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

Legal Level of Budgetary Control

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

Line Item Budget

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

Budget Goals

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

Budget Officer

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

Budget Procedure

- a. The City Administrator and Director of Utilities 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, Department Heads and Finance Department.
- c. The proposed draft shall be reviewed /amended in work sessions with the Mayor and Council.
- d. Two budget hearings shall be held prior to adoption, in order to receive public input.
- e. The City Budget shall be adopted annually by resolution of the Mayor and Council.
- f. The Mayor and Council shall approve amendments to the budget regarding increased and decreased revenues, or expenses for a fund, by resolution. The budget officer shall approve transfers of appropriations within a department among line items.

Budgetary Controls/Reports

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

Balanced Budget

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

Financing Current Expenditures

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

Budget Objective by Type of Fund

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

General Fund

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

Debt Service or Sinking Fund

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

Capital Expense

The budget for Capital Expense shall be incorporated with the current year operating budgets for each fund, and shall be funded by current operating revenue to the extent possible. Capital Expense funds other than special projects shall include those items which can be completed within the current fiscal year. An itemized listing of capital expense, equipment and projects shall be included in the budget document. The threshold for fixed assets is \$5,000.00 and for infrastructure, \$20,000.

Proprietary Funds

A business approach is used in budgeting for proprietary fund types. Enterprise funds provide services primarily to customers outside the financial reporting entity and shall be self supporting when possible, with minimized losses when break even is not possible. The enterprise funds managed by the City of Calhoun general government are Solid Waste and Golf.

Maintenance and Replacement of Capital Equipment

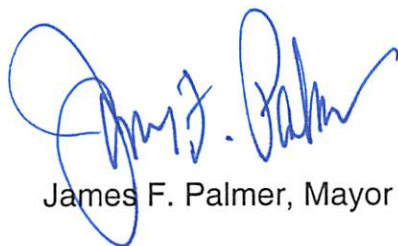
Priorities shall be given in budget preparation and enactment for adequate maintenance of capital equipment and facilities, and for their orderly replacement.

Contributions

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

ADOPTED, this 16th day of June 2008

City of Calhoun, Georgia



James F. Palmer, Mayor

Attest:



F. Eddie Peterson, City Administrator

City of Calhoun, Georgia

Calhoun Utilities

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 Director of Utilities for Calhoun Utilities 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 Director of Utilities authorized to receive receipts for the financial institutions pledged assets.
- C. **Short Term** – Investment of City funds ranging from one to ninety days.
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IV. Banking Resolution

- A. The Mayor and Council of the City of Calhoun shall adopt an annual banking resolution, which shall direct the Director of Utilities to establish bank accounts as needed by Calhoun Utilities and shall establish those authorized to sign checks on various funds managed by Calhoun Utilities. 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 Director of Utilities 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, loans to fund new

Calhoun Utility operations such as generator and telecommunications, and other investments authorized by the Mayor and Council.

VI. Placement of Investments

- A. The Director of Utilities is authorized to place investments of idle City funds with locally established financial institutions.
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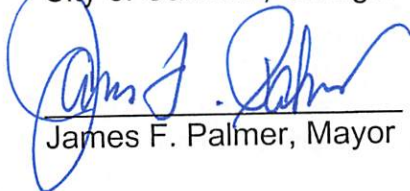
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James F. Palmer, Mayor

Attest:


Kelly Cornwell, Director of Utilities

City of Calhoun, Georgia

Calhoun Utilities

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Net Assets

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

Revenues

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Budgetary Basis

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Legal Level of Budgetary Control

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- c. The proposed draft shall be reviewed /amended in work sessions with the Mayor and Council.
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Proprietary Funds

A business approach is used in budgeting for proprietary fund types. Enterprise funds provide services primarily to customers outside the financial reporting entity and shall be self supporting when possible, with minimized

losses when break even is not possible. The enterprise funds for Calhoun Utilities are Water and Sewer, Electric and Telecommunications Funds. Internal service funds provide services to other funds or departments of the City and charge fees based on the cost of the services provided. The Utilities Administration Fund is an internal service fund.

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.

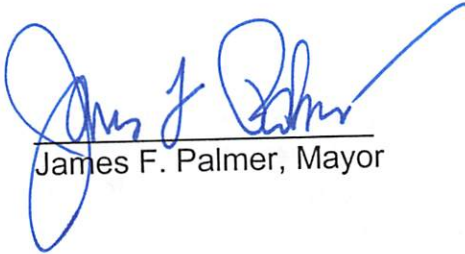
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ADOPTED June 16, 2008

City of Calhoun, Georgia

Attest:


James F. Palmer, Mayor


Kelly Cornwell, Director of Utilities

UTILITY CHARGE OFF

FISCAL YEAR 2007

Beginning amount scheduled to be charged off	\$ 185,199.07
Total billing for fiscal year ending June 30, 2007	\$43,082,388.21

*4
7/5 of
1/20
Kelly.*

Beginning total of 1/42 of 1 billed services

The amount scheduled for charge off	\$ 91,308.01
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Collected total of	\$ 93,891.06
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Giving a total of 1/21 of 1% of billed services to be charged off

These totals are as of June 2, 2008

I want to thank Margaret, Marie and Amanda the tellers and all who have helped us in our collections.

Joyce Lingerfelt