

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
CALHOUN, GA
JUNE 12, 2006, 7:00 P.M.**

MINUTES

**PRESENT: James F. Palmer, Mayor
Lorene Potts, Mayor Pro Tem
Ray M. Denmon, City Councilman
David Hammond, City Councilman**

ABSENT: George R. Crowley, City Councilman

**ALSO: William P. Bailey, City Attorney
Kelly Cornwell, Director of Utilities
Eddie Peterson, Director of Public Safety / Public Works
Cathy Harrison, City Administrator
Jim Pannell, Bond Attorney**

1. Mayor Palmer called the meeting to order and gave the invocation.
2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.
3. Following a review of the May 22, 2006 Regular City Council Meeting Minutes, they were reviewed and approved as written based on a motion by Councilman Hammond. The motion was second by Councilman Denmon with Councilman Hammond, Councilman Denmon and Mayor Pro Tem Potts voting affirmatively, motion carried.
4. Mayors Comments
 - a. Mayor Palmer reminded the Council, of the GMA Conference and Training Session June 24 through June 27. Therefore, it would be necessary for the June 26, 2006 Council Meeting to be officially changed to June 19, 2006 in order to accommodate attendance at the conference. Mayor Pro Tem Potts made a motion to reschedule the June 26, 2006 regular Meeting for June 19, 2006 at 7:00 p.m. The motion was second by Councilman Hammond with Mayor Pro Tem Potts, Councilman Hammond and Councilman Denmon voting affirmatively, motion carried.
 - b. Mayor Palmer asked Jim Pannell, Bond Attorney and Bill Bailey, City Attorney to review the proposed Resolution regarding the re-imposition of the E-SPLOST Tax and authorization to issue bonds up to \$2.5 million dollars. Attorney Jim Pannell reviewed the proposed Resolution. He stated if voters approve on September 19, 2006, the City School System will receive 33.3% of the proposed \$59,500,000.00 that would be levied. Those funds would be utilized to retire existing bonds issued for the new school complex on Raymond King Drive and the balance of \$2.5 million dollars to be used for improvements to existing school facilities, future land purchases and other capital school expenditures. Attorney Pannell stated he had met with the School Board and they had adopted their Resolution earlier in the evening. He will meet with the County School Board later in the evening for adoption of their Resolution.

He stated it would be a joint E-SPLOST with the County School being the lead agent in the proposal. Mayor Palmer inquired if there were any comments or questions regarding the information and the proposed Resolution. There were none. Councilman Hammond made a motion to adopt the proposed Resolution (Exhibit "A"- Resolution # 010) regarding the re-imposition of the Educational SPLOST should it be authorized by the voters in September 2006 and acknowledging the issuance of \$2.5 dollars in temporary bonds for school improvements, land purchases and etc. The motion was second by Councilman Denmon with Councilman Hammond, Councilman Denmon and Mayor Pro Tem Potts voting affirmatively, motion carried.

- c. Mayor Palmer reminded the Council and public of the request by Lindsey Lewis d/b/a B&L Beverage located at 100 Hwy 53 East. The request is to purchase a store and obtain a beer package license. The hearing for the proposed alcohol license will be held June 19, 2006 at 7:00 p.m.
- d. Mayor Palmer requested Mayor Pro Tem Potts to review the zoning hearing scheduled for July 10, 2006 at 7:00 p.m.:
 - 1) A zoning change request by Celeste Bacon for a house and lot located at 167 Richardson Road. The request is to change from R-1 zoning to C-N zoning.
 - 2) A zoning request of R-1 and annexation by Vickie W. Goswick for a house and lot on approximately 1.5 acres at 118 Jones Road.
 - 3) A zoning variance request of S&B Builders for lots 2, 3, 4 and 5 of the Hannah Hills Subdivision off of Jones Road to allow a long standing fence line to become the property line between the subdivision and Mrs. Smith.
 - 4) A zoning request of R-1 and annexation request of Grant and Julie Walraven for approximately 2.02 acres located on Amakanata Road.

5. Council Comments:

a. Mayor Pro Tem Potts stated during the month of May:

- 1) The street department, placed 7 new street signs, completed 24 shop work orders, dug out and patched on College Street, Old Red Bud Road, Florence Ave, Louise Ave and Dan Cheri Drive utilizing 16.52 tons of asphalt. The department worked traffic control at the Food Lion traffic signal while thermo striping lines, walkways and arrows were placed. They poured dumpster pad, paved and grassed at the new fire station #2 parking lot, placed banners for the return of the 108th Armory National Guard Troops and removed the banners following the parade. They paved Devonwood Drive, 330 feet at the curves going into Lake Drive, Little Pine Drive and 400 feet at the entrance to Meadowbrook Subdivision and Kenmoreland Circle. The street department purchased a new Timco street sweeper.
- 2) The Animal Control department responded to 66 customer calls during the month.
- 3) The Sanitation department ran their routine commercial routes and serviced vehicles. They did not gain any new dumpster accounts during the month.
- 4) The parks department maintained all City property during the month. They completed maintenance work at City Hall, Library, Downtown Annex, Depot and the Animal Control Center. They installed a new pump at BB&T Park fountain.
- 5) The cemetery department sold 9 new spaces and set 8 new monuments.
- 6) The Safety Committee reviewed Mold Awareness on May 2, 2006. They inspected the fire department on May 9, 2006. There were two vehicle accidents and one workers compensation accident.

b. Councilman Denmon stated:

- 1) The water treatment plant facility pumped and treated a daily average of 13.204 million gallons per day, approximately 1 million more than the previous year. Councilman Denmon also stated 43.7% of the potable water for May came from the Brittany Drive Plant.
- 2) The water construction department during the month of May made 41 water connections. They changed out 13 water meters and repaired 43 leaks. They installed 1,760 feet of 12 inch PVC water line and 800 feet of 8 inch water line and 1,400 feet of 6 inch pvc water line. They set 64 meters, checked 26 leaks, changed out 48 meters, pulled 22 meters, changed out 1 fire hydrant, received 49 calls at the shop, responded to 491 requests for locates and called in 108 locates for the City water system and 17 emergency calls and responses during the month.
- 3) The waste treatment plant treated a daily average flow of 6.5 million gallons per day with the average BOD effluent of 7, average suspended effluent 11, and average COD effluent of 70.
- 4) The sewer construction department made 18 sewer connections, repaired 10 sewer service lines, repaired 2 manholes, inspected 8 sewer lines for a total of 1,700 feet, inspected 9 sewer services for a total of 1,300 feet, responded to 296 calls for locates, repaired 2 lift stations, responded to 4 service calls, cleaned 18 sewer lines for a total of 6,250 feet, opened and inspected 25 manholes and they continued sewer line replacement work on Richards Street, Edwards Street and Elm Street.
- 5) The sludge department applied 1,552 cubic yards of sludge for a total of 220.9 dry tons.
- 6) The building inspection department issued 41 permits during the month of May for a total anticipated construction of \$8,054,000.00, \$5.3 million for residential construction and \$2.6 million for commercial construction.

c. Mayor Palmer stated in the absence of Councilman Crowley he would provide his report:

- 1) The electric department, continued work at the water plant pumping expansion and at the waste treatment plant expansion. Projects that are under construction include the Dialysis Center of America, Unity Bank, Gordon Station on North Wall, Ansley Subdivision electric service is complete, the transformer has been installed at Ruby Tuesday and is waiting on continued work by the developer; Dubs Barbeque service expansion is complete and remodeling and rewiring the West Line Street Annex Building is under construction. Projects in engineering and design include: major project for upgrading City lines on Richardson Road, Peters Street and McDaniel Station Road Industrial Park. Engineering is complete on the Whittenburg Condo Project and Avalon Estates Subdivision off of Beamer Road. The department completed 41 street and security light work orders in process during the month, 15 new business and maintenance requests and 15 after hour call outs. During the month of May they issued 15 permits, provided 53 inspections, set 16 meters and purchased 29,884,466 KWH of electricity.
- 2) The telecommunications division continued work for the electric department's metering of the Ethernet system and testing is under way for Shaw Industries. They started a new fiber line construction for Dialysis Center of America, Professional Court and Shaw Industries on South Industrial Drive. They replaced

the main battery back up power for the fiber node at fire station #2, developed specifications and ordered a new server for the GIS System. They opened 10 work orders, closed 9 and opened and closed 11 trouble calls.

d. Councilman Hammond reviewed the following reports:

- 1) The police department made 658 cases during the month of May. They issued 484 warnings, issued 106 cases for speeding, 9 DUI's and 478 others. They reported on 1,681 incidents, patrolled 58,725 miles during the month and responded to 4,997 calls from 911 and issued 10 parking citations. Councilman Hammond stated he observed a June 1, 2006 road service check that netted 67 cases for driving under the influence, drug charges and violations for no insurance or no driver's license. He stated the road check was very productive, the officers were very cordial and citizens were able to go through the process in 3 minutes or less. He commended the department for the award of a \$5,000.00 grant from the Governor based upon efforts to provide a safer road system within the City.
- 2) The fire department responded to 59 calls for service during the month of May; 8 fire incidents; 1 over pressure; a rupture with no fire; responded to 21 calls for medical services including accidents and rescue incidences. There were 8 hazardous condition incidents, 1 service call, 3 good intent calls, 16 false alarms and 1 special incident. They performed fire flow testing of hydrants in the City; water day activity for Calhoun Pre-K and Belwood Elementary; physical agility test for 6 fire fighter candidates; in house training for fire fighters on the State required core skills. They dispatched 76 calls for utility after service calls and completed station and vehicle maintenance.
- 3) The fire inspection division responded to 16 inspections during the month; conducted safety programs at the Calhoun Elementary Career Day and the Tolbert Elementary Career Day; servicing a total of 140 children; attended State Fire Inspector Meetings and 1 Pre-Construction Meeting. Councilman Hammond stated he had also attended the recent meeting at the Coosa Valley RDC. He stated they would be working with Royal Floor Mats that is closing in July with 80 displaced employees. He stated the division would be working on planning for passing lanes in the area and working on the agri-tourism that is being stressed by Governor Perdue.

6. Public hearings and comments:

- a. Mayor Palmer announced at this time public hearings on zoning matters would be held. The public would have the opportunity to make pro and con comments with a ten minute maximum time limit for each side of the matter and with each person speaking having filed a Financial Disclosure Statement five days prior to the hearing and each person giving their name and address. Mayor Palmer inquired if any of the elected officials had filed a disclosure statement regarding ownership or special interest in any of the agenda items. The response was negative. Mayor Palmer also noted the official zoning map was available in the Council Chambers during City Council Meetings and Zoning Advisory Board Meetings. The map is available for review by the public or by the Members of the Board or the Commissions.
 - 1) A rezoning request by the Development Authority of Gordon County, for approximately 15.1 acres located on McDaniel Station Road, SW, also known as lots 1 and 2 only. The request is to rezone from Industrial to C-2.
 - a) Mayor Palmer opened the public hearing.

- b) Harrison reported the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.
- c) Mayor Pro Tem Potts stated this matter had been heard before the Zoning Advisory Board on June 8, 2006 at 4:30 p.m. She stated it was determined that the immediate area at the entrance would be more suitable for C-2 zoning and according to the request there are plans for a DFCS building to be built on lot 2. She stated it was the recommendation of the Zoning Advisory Board to approve the rezoning request from Industrial to C-2 for lots 1 and 2 at the Industrial Park.
- d) Mayor Palmer asked if there were any comments by the applicant. Attorney Bill Thompson, speaking on behalf of the Development Authority stated the findings of the Zoning Advisory Board were also those of the Development Authority and he was available to respond to any questions that anyone might have.
- e) Mayor Palmer asked if there were comments by the public or Council. There were none and the public hearing was closed.
- f) The findings of the Mayor and Council were as follows:

**STANDARDS GOVERNING THE EXERCISE OF ZONING
POWER**

- (1) The zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.
- (2) The zoning proposal will not adversely affect the existing use or usability of adjacent or nearby property.
- (3) The property as currently zoned has a limited economic use.
- (4) The zoning proposal will not result in an excessive or burdensome use of existing streets, transportation, utilities or schools.
- (5) The capital costs for utilities and streets will be borne by the developer.
- (6) The zoning proposal is in conformity with the policy and intent of the land use plan.
- (7) The existing factors relate to the location of the George Chambers Training Center located in the immediate area and the Coosa Valley Technical College located directly adjacent to the property. These activities are compatible with the proposed use.
- (8) There are no other known factors relative to balancing the interest in promoting public health, safety, morality, or general welfare against the right of the unrestricted use of the property.

- g) Mayor Palmer asked if there was a motion regarding the request. Mayor Pro Tem Potts made a motion to waive the third and fourth reading and approve the request for rezoning from Industrial to C-2 for lots 1 and 2 of the Industrial Park located on McDaniel Station Road as requested by the Development Authority of Gordon County. The motion was second by Councilman Denmon with Mayor Pro Tem Potts, Councilman Denmon and Councilman Hammond voting affirmatively, motion carried.
- 2) A zoning variance request by Bob T. and Carol Nance for a 20 foot variance on the east side of the property adjoining the Smith property off Dews Pond Road.
- a) Mayor Palmer opened the public hearing.

- b) Harrison reported the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.
- c) Mayor Pro Tem Potts stated this matter had been heard before the Zoning Advisory Board on June 8, 2006 at 4:30 p.m. She stated there were several issues concerning the development of the property. However, the owner and the architect are aware of the storm water issues and the parking issues, including limited parking. They have acknowledged they must have a variance in order to go forward in the planning for the property. She stated it was the recommendation of the Zoning Advisory Board to grant a 12 month variance that would expire unless a building permit is issued during this 12 month period. Once a building permit is issued they would have up to 6 months to begin construction and if issued and construction begins then the variance would be become a permanent variance.
- d) Mayor Palmer asked if there were any comments by the applicant. Greg Simms, architect for Mr. and Mrs. Nance, stated he resided at 304 Selvedge Street, Dalton, GA. He stated the reduction in the buffer is needed in order for planning and development and design work to move forward. He stated the development would require a drive off of Dews Pond Road. Mayor Pro Tem Potts stated there had been no acknowledgement of this request previously and the drive request would need to go back through staff. Mr. Simms asked if the Council could move forward with the application for the zoning variance of 20 feet.
- e) Mayor Palmer asked if there were comments by the public or Council. There were none and the pubic hearing was closed.
- f) The findings of the Mayor and Council were as follows:

VARIANCE CONSIDERATIONS (ONE OR MORE)

- (a) There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape and location to adjoining property.
- (b) The strict application of this ordinance to this particular piece of property would create a hardship. It would not allow the property to be developed for similar multi-family housing as the property to the west.
- (c) There are draining restrictions for the drainage basin where this property is located making it peculiar to the particular piece of property.
- (d) Relief, if granted, would not cause substantial detriment to the public good or impair the purpose and intent of the ordinance since the applicant met with the affected adjoining property owners prior to the seeking the variance, and received their approval.

- g) Mayor Palmer reiterated that the findings were only on the request for the 20 foot variance and did not relate to the request for a drive off Dews Pond Road.
- h) Mayor Pro Tem Potts made a motion to approve the temporary variance for 12 months allowing the applicant sufficient time to design, engineer the project and to apply for a building permit. Should the permit be granted the variance would be become a permanent variance. However, should it not be granted within the 12 month period the variance would expire. The motion was second by Councilman Denmon with Mayor Pro

Tem Potts, Councilman Denmon and Councilman Hammond voting affirmatively, motion carried.

- 3) A rezoning request by Jason Sloan as agent for Jack Perry for 22.360 acres of property on Highway 53 East across from the County Road Offices. The request is to rezone from PRD to C-2.
- a) Mayor Palmer opened the public hearing.
 - b) Harrison reported the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.
 - c) Mayor Pro Tem Potts stated this matter had been heard before the Zoning Advisory Board on June 8, 2006 at 4:30 p.m. She stated the findings of the Zoning Advisory Board were that the property would be better utilized for commercial activity rather than PRD. However, they did recommend the exclusion of Truck Stops in this C-2 area due to safety factors.
 - d) Mayor Palmer asked if there were any comments by the applicant. Jason Sloan on behalf of Jack Perry stated it would not affect the development plans for the area to have truck stops excluded from the C-2 zoning due to safety factors.
 - e) Mayor Palmer asked if there were comments by the public. There were none and the pubic hearing was closed.
 - f) The findings of the Mayor and Council were as follows:

**STANDARDS GOVERNING THE EXERCISE OF ZONING
POWER**

- (1) The rezoning request will permit a use that is suitable in view of the use and development of the adjacent and nearby property.
- (2) The zoning proposal will not adversely affect the existing use or usability of adjacent or nearby property.
- (3) The property to be affected by the zoning proposal has a limited economic use as currently zoned.
- (4) The zoning proposal will result in a use that will have less impact on schools but will have an impact on transportation.
- (5) The capital costs associated with the redevelopment of the property will be borne by the developer.
- (6) The zoning proposal for this tract is in conformity with the policy and intent of the land use plan.
- (7) It is apparent that the development in the area is moving toward commercial development along Highway 53 East.
- (8) There are no other known factors relevant to balancing the interest in promoting the public health and safety, morality and general welfare against the right to the unrestricted use of the property.

- g) Mayor Pro Tem Potts made a motion to waive the third and fourth reading and approve the request to rezone the 22.360 acres on Highway 53 East, across from the County Road Department, from PRD to C-2 zoning with the exception that the C-2 zoning would exclude truck stops in this area due to safety factors. The motion was second by Councilman Hammond with Mayor Pro Tem Potts, Councilman Hammond and Councilman Denmon voting affirmatively, motion carried.

- 4) A request for annexation of 69.448 acres off the Old Fairmount Road and adjoining the above reference tract by Jason Sloan as agent for Jack Perry.
- a) Mayor Palmer opened the public hearing.
 - b) Harrison stated the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.
 - c) Mayor Pro Tem Potts stated this matter had been heard before the Zoning Advisory Board on June 8, 2006 at 4:30 p.m. She stated the findings of the Zoning Advisory Board was the property is eligible for annexation and recommended that it be approved for annexation.
 - d) Mayor Palmer asked if there were any comments by the applicant or his agent. Jason Sloan on behalf of Jack Perry stated he was available for questions, if there were any.
 - e) Mayor Palmer asked if there were comments by the public or members of the Council. There were none and the public hearing was closed.
 - f) The findings of the Mayor and Council were as follows:

**STANDARDS GOVERNING THE EXERCISE OF ZONING
POWER**

- (1) The rezoning request will permit a use that is suitable in view of the use and development of the adjacent and nearby property.
- (2) The zoning proposal will not adversely affect the existing use or usability of adjacent or nearby property.
- (3) The property to be affected by the zoning proposal has an economic use that is somewhat limited to the agricultural, residential type zoning in the county.
- (4) The zoning proposal will result in a use that will not be burdensome for schools but will add to the use of existing streets.
- (5) The capital costs for development of the area for utilities, internal streets and etc., will be borne by the developers.
- (6) The zoning proposal will require a change in the policy and intent of the land use plan from residential and agricultural type use to commercial use.
- (7) The existing and changing conditions in the immediate area indicate commercial activity is continuing to move eastward on Highway 53 East.
- (8) There are no other factors relevant to balancing the interest in promoting the public health and safety, morality and general welfare against the right to the unrestricted use of the property.

- g) Mayor Pro Tem Potts made a motion to waive the third and fourth reading and approve the annexation request of 69.448 acres off the Old Fairmount Road and adjoining the previously rezoned tract also owned by Mr. Jack Perry. The motion was second by Councilman Hammond with Mayor Pro Tem Potts, Councilman Hammond and Councilman Denmon voting affirmatively, motion carried.
- 5) Mayor Palmer stated there was a new zoning request of C-2 for the previously annexed 69.448 acres off of the Old Fairmount Road owned by Jack Perry.
- a) Mayor Palmer opened the public hearing.
 - b) Harrison stated the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.

- c) Mayor Pro Tem Potts stated this item had been heard before the Zoning Advisory Board on June 8, 2006 at 4:30 p.m. They determined the request would improve in the land use plan from residential and agricultural type to commercial use. She stated the highest and best use of the property would be commercial, therefore they had recommended the change with the exception that the C-2 zoning not include the option for truck stops in the area due to safety factors.
- d) Mayor Palmer asked if there were any comments by the applicant. Jason Sloan on behalf of Jack Perry stated he was available for questions.
- e) Mayor Palmer asked if there were comments by the public or members of the Council. There were none and the public hearing was closed.
- f) The findings of the Mayor and Council were as follows:

STANDARDS GOVERNING THE EXERCISE OF ZONING POWER

- (1) The rezoning request will permit a use that is suitable in view of the use and development of the adjacent and nearby property.
- (2) The zoning proposal will not adversely affect the existing use or usability of adjacent or nearby property.
- (3) The property to be affected by the zoning proposal has an economic use that is somewhat limited to the agricultural/residential zoning in the county.
- (4) The zoning proposal will result in a use that will not be burdensome for schools but will add to the use of existing streets.
- (5) The capital costs for development of the area for utilities, internal streets and etc., will be borne by the developers.
- (6) The zoning proposal will require a change in the policy and intent of the land use plan from residential and agricultural type use to commercial use.
- (7) The existing and changing conditions in the immediate area indicate commercial activity is continuing to move eastward on Highway 53 East.
- (8) There are no other factors relevant to balancing the interest in promoting the public health and safety, morality and general welfare against the right to the unrestricted use of the property.

- g) Mayor Pro Tem Potts made a motion to waive the third and fourth reading and approve the request for the new zoning of C-2 for the previously annexed 69.448 acres off the Old Fairmount Road, acknowledging that the land use map will be amended from a residential/agricultural type zoning to commercial zoning, with the exception that the C-2 zoning exclude truck stops due to safety factors. The motion was second by Councilman Denmon with Mayor Pro Tem Potts, Councilman Denmon and Councilman Hammond voting affirmatively, motion carried.
- 6) A zoning variance request by Paul Pickard to build a 10 to 12 unit apartment complex on 4 lots located on Carter Street that currently includes 4 mobile home units. The request is for a variance of the 40 year rule for the R-2 zoned property.
- a) Mayor Palmer opened the public hearing.
 - b) Harrison stated the notices to the adjoining property owners, signs on the property and notices to the local organ have been completed.

- c) Mayor Pro Tem Potts stated the Zoning Advisory Board heard this request on June 8, 2006 at 4:30 p.m. Since the adoption of the 40 year rule there have been several single family homes built in the area and there had not been a variance for 40 year rule. She stated the Zoning Advisory Board felt the area was moving in the right direction and it was their recommendation to deny the request.
- d) Mayor Palmer asked if there were any comments by the applicant. There were none.
- e) Mayor Palmer asked if there were comments by the public or members of the Council. There were none and the public hearing was closed.
- f) The findings of the Mayor and Council were as follows:

VARIANCE CONSIDERATIONS (ONE OR MORE)

- (a) There are no extraordinary or exceptional conditions pertaining to the particular piece of property in question because of its size, shape and topography.
 - (b) The application of this ordinance to this particular piece of property would not create an unnecessary hardship.
 - (c) The conditions relative to this piece of property are the fact that the mobile units located on the property have very few remaining years and at that time the grandfather will expire for the units, they can be replaced by single family housing.
 - (d) Relief, if granted, would cause substantial detriment to the public good and impair the purpose and intent of the ordinance and to the developed area.
- g) Mayor Pro Tem Potts made a motion waive the third and fourth reading and deny the request for a variance of the 40 year rule for 4 lots on Carter Street that would allow 4 mobile units to be replaced by a 10-12 unit apartment complex. The motion to deny was second by Councilman Denmon with Mayor Pro Tem Potts, Councilman Denmon, and Councilman Hammond voting affirmatively, motion carried.

5. Other Hearings and Public Comments:

- a. Mayor Palmer opened a public hearing by the City School Board for their 2006-2007 local share funding request from the City.
 - 1) Board Chairman Al Edwards introduced members of the School Board, Vice Chairman, Ed Moyer, Board Members: Amy Atkinson, Eddie Hall and Tony Swink. He introduced School Superintendent, Mike Davis, Assistant Superintendent, Michelle Taylor and Finance Director, Don Hood.
 - 2) Chairman Al Edwards stated for the current year the schools Operating Budget is \$23,150,325.00 with a request for the local taxes excluding insurances that are paid directly by the City in the amount of \$9,013,043.00 for approximately 39% of their budget. There will be other local sources of \$1,454,000.00 representing 6% of their budget that will be funded from interest earned on accounts and investments from reimbursement for nursing services and family advocates and title funds and reserves. He stated their State sources for their budget will be \$12,683,282.00 for 55% of the budget. He stated in comparing to 2006 they are currently under, the total is \$20,561,729.00 with local share taxes of \$7,883,156.00 excluding payments for insurance.

- 3) He stated the factors that impacted the 2007 were growth in the number of students, continuing class size reductions K through 8, system wide teacher requirements due to growth and class reductions, 3½ additional teachers due to Special Ed requirements and 1 completion Counselor that is required by the State. It also included a need to increase local teachers supplement, it included mandated pay increase and Health Insurance premium increases, the special education supplements that were increased from \$300 to \$1,000.00 and additional increases for transportation including two new buses and two bus drivers. He stated of the budget 79% of the budget goes directly for instruction with the remaining percentage being for transportation, M&O and Administration.
- 4) He reviewed enrollment trends that have been upward since 1999 moving from slightly under 2,400 students to approximately 3,300 at this time. He reviewed the diverse population of the student mix, 61% white, 7% black, 26% Hispanic and the remainder being Asian, American Indian and multi racial. He stated the City School System is one of six systems in the State to earn a SACS District Accreditation. The City system is growing at the rate of systems in South Atlanta.
- 5) He stated in reference to the Georgia Partnership for Excellence in Education the Calhoun Primary and Calhoun Elementary School has been recognized by the Georgia Partnership for their efforts to close the achievement gap.
- 6) Cathy Cox, State School Superintendent visited the system in the spring of 2006 for review.
- 7) He reviewed the academic accomplishments in reading, language arts, math, writing, science, social studies. The debate teams both at the elementary and high school have earned State and National recognition and the literary teams have earned State Championship.
- 8) He stated they received a 99% support of parent groups. He stated that 90% of the student population is involved in extra curricular activities and on any given night during football season 50% of the Calhoun student body participates in band, football, cheerleading or choral at the game.
- 9) He reviewed the statistics for SAT scoring based on the 1,600 limit. He stated that one student scored 1,400 on the SAT, 7 scored 1,300, 8 scored 1,200 and 20 had scored over 1,100. He stated 26% of the senior class scored 1,100 or higher and 75% of the senior class had been accepted or enrolled to attend college or a secondary school. He stated there were 10 graduates of the International Baccalaureate Curriculum.
- 10) The senior class completed 15,000 hours of community service during high school and 54 students of the senior class are members of the National Honor Society.
- 11) He stated in addition to academic excellence, the schools had achieved athletic success with the football team having won 4 consecutive of 6 Double "A" Regional Champions and finishing second in State Playoffs. The baseball teams have also been very successful.
- 12) Mayor Palmer asked if there were any questions or comments by the Council or by the public. Councilman Hammond stated he appreciated the information that had been provided regarding growth. Mayor Palmer expressed his appreciation to the Board for their services and for their dedication for providing a school of excellence.
- 13) There were no other questions or comments and the hearing was closed.

- b. A public hearing was opened on the City's Operating Budget for 2006-2007. Administrator Harrison provide the amended City Budget to include the School and to include a few other amendments that have been made to increase revenues from other sources other than taxes and increase garbage pick up fees. She reviewed the proposed budget as detailed as Exhibit "B". Mayor Palmer asked if there were any comments or questions. There were none. The hearing was closed. The Mayor reminded the public and Board that both the City Operating Budget and the School Budget will be available for adoption on June 19, 2006.
6. Old Business:
 - a. Mayor Palmer stated the table on the Georgia Power easement request would remain and would be reviewed again on June 19, 2006.
7. New Business:
 - a. Mayor Palmer asked Attorney Bailey to review the request of Worth L. Thompson for the property at 328 previously identified as 326 West Line Street that is owned by the City of Calhoun with their request to acknowledge consent of a sale of the Fast Petroleum Company business located at this particular site as well as the site on Highway 41 South. Attorney Bailey stated he had reviewed the consent agreement and he had one minor amendment. On Exhibit "B" referencing the landlord will not amend or modify or terminate as the lease without the written consent of the leasehold mortgagee. He stated he identified terminate as the landlord may terminate the lease should leasehold mortgagee fail to cure any tenant default as provided here in item i of Exhibit "C". He stated this language had been added and would be initialed by the City as it executed the document. He stated he had also received the additional acknowledgment that would be recorded and he saw no problem with either request. Mayor Palmer asked if there were any questions by Members of the Mayor and Council. There were none. Councilman Hammond made a motion to approve the consent agreement as amended and to authorize the Mayor to sign. He acknowledged that the property in question is a priority capacity by the City and is eligible for the consent agreement. The motion was second by Councilman Denmon with Councilman Hammond, Councilman Denmon and Mayor Pro Tem Potts voting affirmatively, motion carried.
 - b. Mayor Palmer stated the City had received a request from the Echota Baptist Church to block the narrow street in front of the church at the mailbox to the other end at the stop sign behind the church at Short North Wall on July 20, 2006 from 5:00 p.m. until 10:00 p.m. for Vacation Bible School. He stated this had been done the previous year and had not caused any hardship for any resident in the area and it did provide safety for the children. Councilman Denmon made a motion to approve the request to block that portion of the street on July 20, 2006 from 5:00 p.m. until 10:00 p.m. The motion was second by Councilman Hammond with Councilman Denmon, Councilman Hammond and Mayor Pro Tem Potts voting affirmatively, motion carried.
 - c. Mayor Palmer stated the City had requested proposals from six local banks for a lease agreement for the police fleet as authorized in the 2006-2007 budget. He reviewed the proposal and stated the low bid was from Regions Bank at 3.986% for monthly payments of \$12,838.51 for 60 months and no additional fees. Harrison stated the City was very pleased to receive six proposals and they were very low rates which allowed the City to slightly reduce its budget and that reduction was included in the

previously submitted budget proposal. Mayor Palmer asked if there were any questions regarding the proposals. There were none. Councilman Hammond made a motion to approve the low proposal and to authorize the Mayor to sign all necessary documents for the lease proposal. The motion was second by Councilman Denmon with Councilman Hammond, Councilman Denmon and Mayor Pro Tem Potts voting affirmatively, motion carried.

- d. Mayor Palmer stated the City had received a parade request from Karen Ingle Parrott for Alzheimer's "Forget Me Not" Parade scheduled for October 21, 2006 at 11:00 a.m. on the traditional route. He stated the request would fill one of six slots due to an absence of one of the traditional parades and if approved it would require approval from Department of Transportation. Following review Mayor Pro Tem Potts made a motion to approve the parade request of Alzheimer's "Forget Me Not" on October 21, 2006 at 11:00 a.m. on the traditional route subject to the approval of Department of Transportation. The motion was second by Councilman Denmon with Mayor Pro Tem Potts, Councilman Denmon and Councilman Hammond voting affirmatively, motion carried.
- e. A first reading of a zoning change request by Kitty Leung for property at 1124 N. Wall Street. The request is to rezone from R-2 to C-2, with a request for a 10 foot variance on the side and back in order to conform to C-2 regulations. Earliest date for a public hearing would be August 14, 2006 at 7:00 p.m. Mayor Pro Tem Potts made a motion to set the public hearing for that date and time. The motion was second by Councilman Denmon with Mayor Pro Tem Potts, Councilman Denmon and Councilman Hammond voting affirmatively, motion carried.
- f. Mayor Palmer gave a first reading of a water, sewer and electric fee Resolution amendment to include rate changes associated with the proposed budget. A second reading will be held on June 19, 2006.
- g. Mayor Palmer gave a first reading of building and other fee Resolution amendments to include rate changes associated with the proposed budget as previously reviewed. Mayor Palmer stated a second reading will be held on June 19, 2006.
- h. Mayor Palmer gave a first reading of reimbursement policy. He stated the areas that are amended are noted in the Council Members packets. He stated the policy is based upon the latest federal guidelines associated with reimbursements for employees and elected officials. He stated a second reading will be held on June 19, 2006.

8. Other Written Items not on the Agenda: None.

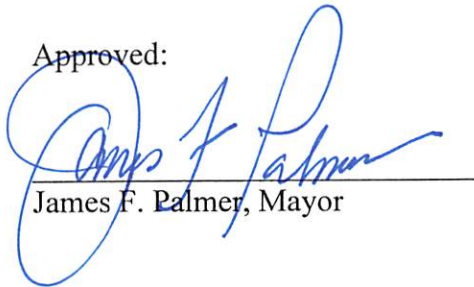
9. Work Reports:

a. Director of Utilities, Kelly Cornwell

- 1) Director Cornwell stated he had received a recommendation on the recently received bids for HVAC installation for the Utility Administrative building. He stated the architect, Greg Simms had reviewed the two bids, Cherokee Mechanical for \$125,956.00 and John Anderson for \$99,950.00. He stated they had interviewed both companies and determined they met the qualifications and the recommendation was to award the contract to the low bidder for \$99,950.00, John Anderson. Following a review Mayor Pro Tem Potts made a motion to approve the low bid of John Anderson for \$99,950.00. The motion was second by Councilman Hammond with Mayor Pro Tem Potts, Councilman Hammond and Councilman Denmon voting affirmatively, motion carried.

- 2) Director Cornwell stated the regulations by the CSX Railroad have been amended. They now require a Resolution be adopted to authorize a pipeline crossing as well as the payment of a permanent servicing fee of \$4,000.00 and an application fee of \$750.00. Following a review Councilman Hammond made a motion to adopt a Resolution (#013 Resolution) authorizing the Mayor to sign the application and to approve the fees as outlined by Director Cornwell, in reference to the CSX – 055785 application. The motion was second by Councilman Denmon with Councilman Hammond, Councilman Denmon and Mayor Pro Tem Potts voting affirmatively, motion carried.
 - b. Director of Public Works/ Public Safety, Eddie Peterson stated his monthly report is attached and listed as Exhibit “D”.
10. Mayor Palmer asked if there was any need to move to Executive Session, the reply was negative.
 11. Mayor Palmer asked for a motion to adjourn. Mayor Pro Tem Potts made a motion to adjourn. The motion was second by Councilman Hammond with Mayor Pro Tem Potts, Councilman Hammond and Councilman Denmon voting affirmatively motion carried.

Approved:



James F. Palmer, Mayor

Submitted:



Cathy Harrison, City Administrator

Exhibit "A"

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF CALHOUN APPROVING THE REIMPOSITION, LEVY, AND COLLECTION OF A SALES AND USE TAX FOR EDUCATIONAL PURPOSES WITHIN GORDON COUNTY FOR USE BY THE CITY OF CALHOUN SCHOOL SYSTEM AND THE GORDON COUNTY SCHOOL DISTRICT, CONDITIONED UPON APPROVAL BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN GORDON COUNTY VOTING IN A REFERENDUM THEREON TO BE HELD SEPTEMBER 19, 2006; APPROVAL OF ISSUANCE OF GENERAL OBLIGATION DEBT OF THE CITY OF CALHOUN SUBJECT TO APPROVAL AT SAID REFERENDUM; APPROVAL OF THE RETIREMENT OF PREVIOUSLY INCURRED GENERAL OBLIGATION DEBT; AND FOR OTHER PURPOSES.

WHEREAS, the Board of Education of the City of Calhoun (the "Calhoun Board of Education") acting by, for and on behalf of the City of Calhoun School System (the "Calhoun School System"), the boundaries of which comprise the corporate limits of the City of Calhoun, and the Board of Education of Gordon County (the "Gordon County Board of Education"), acting by, for and on behalf of the Gordon County School District (the "Gordon County School District"), the boundaries of which comprise all of Gordon County except the corporate limits of the City of Calhoun, have considered and evaluated the provisions of Article VIII, Section VI, Paragraph IV of the Constitution of the State of Georgia, and Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (collectively the "Act") which authorize a one percent sales and use tax for educational purposes (the "Educational Sales Tax"), such tax to correspond with and be levied in the same manner as the special county one percent sales and use tax provided for under Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated; and

WHEREAS, an Educational Sales Tax is currently being collected in Gordon County (the "County"), as approved by a majority of the voters of the County voting in an election held for such purpose on September 18, 2001, which tax was imposed beginning July 1, 2002, and which tax the Calhoun Board of Education and the Gordon County Board of Education anticipate will cease to be collected on June 30, 2007; and

WHEREAS, the Calhoun Board of Education and the Gordon County Board of Education have each determined that it is in the best interest of the citizens of the County who reside in the City of Calhoun and in the Gordon County School District, respectively, that the imposition of the Educational Sales Tax continue and that such tax be reimposed in the County beginning July 1, 2007 or the first day of the calendar quarter following the termination of the Educational Sales Tax currently in effect; and

WHEREAS, the Calhoun Board of Education and the Gordon County Board of Education desire to provide the voters of the County with the opportunity to vote in favor of or against the reimposition of the Educational Sales Tax at an election to be held for such purpose on September 19, 2006; and

WHEREAS, if imposition of the Educational Sales Tax is approved by the voters at said election to be held on September 19, 2006, the Calhoun Board of Education desires that general obligation debt of the City of Calhoun be issued for the Calhoun School System, as more specifically

set forth in the resolution of the Board of Education of the City of Calhoun adopted on June 12, 2006 (the "Board Resolution"), a copy of which has been furnished to the Mayor and Council; and

WHEREAS, the Calhoun Board of Education desires to use a portion of the proceeds from the Educational Sales Tax to retire previously incurred general obligation debt of the City incurred for the Calhoun School System, as described in the Board Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Calhoun in public meeting assembled, and it is hereby resolved by authority of the same that:

1. To the extent that such approval for reimposition of the Educational Sales Tax may require approval by the Mayor and Council of the City of Calhoun the same is hereby granted and all provisions of the resolution adopted by the Board of Education of the City of Calhoun on June 12, 2006, to reimpose the Educational Sales Tax, a copy of which is on file with the City, is hereby approved.
2. The issuance of new general obligation debt, subject to referendum approval, and the retirement of previously incurred general obligation debt as provided for in the Board Resolution is hereby consented to and approved.
3. The proper officers and agents of the City of Calhoun are hereby authorized to take any and all further actions as may be required in connection with the calling and holding of said referendum relating to the Educational Sales Tax, the reimposing of the Educational Sales Tax, the issuance of new general obligation debt, and the retirement of previously incurred general obligation debt, and the expenditure of Educational Sales Tax proceeds, subject to approval by the voters, as described in the Board Resolution.
4. All resolutions or parts of resolutions, if any, in conflict herewith, shall be in the same or hereby repealed.

Adopted this June 12, 2006.

CITY OF CALHOUN


By: 

Mayor

CLERK'S CERTIFICATE

The undersigned City Clerk of the City of Calhoun (the "City"), keeper of the records and seal thereof, certifies that the foregoing is a true and correct copy of a resolution approved and adopted by the City in public meeting properly and lawfully held and assembled on June 12, 2006, the original of which resolution has been entered in the official records of the City of Calhoun under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.



City Clerk

(S E A L)

Exhibit "B"

CITY OF CALHOUN
BUDGET - FISCAL YEAR 2006-2007

GENERAL FUND:

GENERAL ADMINISTRATION	\$3,516,434.00
LIBRARY	300,631.00
AIRPORT	216,545.00
PUBLIC SAFETY ADM- BLDG INSP.	386,385.00
POLICE	3,343,810.00
FIRE	2,745,228.00
PUBLIC WORKS	<u>2,166,086.00</u>
	\$12,675,119.00

SPECIAL GENERAL FUND ACTIVITIES:

SOLID WASTE	1,085,042.00
RECREATION	915,861.00
GOLF	937,795.00
MUNICIPAL COURT AGENCY FUND	1,192,667.00
FINE ADMINISTRATION FEES	108,250.00
REVOLVING LOAN (INTEREST)	58,700.00
HOTEL-MOTEL TAX	250,000.00
FED. DEPT. OF JUSTICE GRANT	5,000.00
CONFISCATED ASSETS FUND	38,300.00
2001- SPLOST - ROADS/ REC.	3,014,963.00
2005- SPLOST - VARIOUS PRO.	876,859.00
G.O. DEBT. GOLF	371,896.00
G.O. DEBT. - SCHOOL- ESPLOST	2,318,578.00
SCHOOL - LOCAL SHARE	9,137,004.00
PENSION TRUST FUND	<u>50.00</u>
	\$20,310,965.00

TOTAL GENERAL FUND

\$32,986,084.00

CITY OF CALHOUN

BUDGET - FISCAL YEAR 2006-2007

UTILITY FUNDS:

UTILITY ADMINISTRATION	\$2,934,616.00
SEWER DEPARTMENT	7,738,904.00
WATER DEPARTMENT	9,226,939.00
ELECTRIC DEPARTMENT	34,774,702.00
TELECOMMUNICATIONS	791,014.00
SEWER NEW CONNECTIONS	614,200.00
WATER NEW CONNECTIONS	<u>903,737.00</u>
	\$56,984,112.00

SPECIAL UTILITY PROJECTS/ FUNDS:

SEWER BOND DEBT	71,367.00
WATER BOND DEBT	935,143.00
SEWER PLANT RENOVATION	750,000.00
WATER PLANT RENOVATION	350,000.00
SPRING PROJECT - WATER	2,574,000.00
PETERS ST. PROJECT - SEWER	382,705.00
AMAKANATA - SEWER	<u>2,100,000.00</u>
	\$7,163,215.00

TOTAL UTILITIES **\$64,147,327.00**

GRAND TOTAL - 2006-2007 **\$97,133,411.00**
VS.
GRAND TOTAL - 2005-2006 **\$83,072,900.00**

CITY OF CALHOUN

BUDGET - FISCAL YEAR 2006-2007

INCREASED COST:

- 1.) BUILDING PERMIT FEES - 18.5% INCREASE - TOTAL INCREASED REVENUE FOR FISCAL YEAR \$26,595.00

- 2.) THIRD YEAR OF WATER RATE INCREASE PROGRAM-

INDUSTRIAL	13¢ PER 1,000 GALLONS - INSIDE CITY
COMMERCIAL - RESIDENTIAL	19¢ PER 1,000 GALLONS - INSIDE CITY
	13¢ PER 1,000 GALLONS - OUTSIDE CITY

- 3.) THIRD YEAR OF SEWER RATE INCREASE PROGRAM

INDUSTRIAL	12¢ PER 1,000 GALLONS - INSIDE CITY
COMMERCIAL - RESIDENTIAL	32¢ PER 1,000 GALLONS - INSIDE CITY
	50¢ PER 1,000 GALLONS - OUTSIDE CITY

- 4.) ELECTRIC - LABOR AND SUPPLIES INCREASE 5% AVERAGE.
(FUEL COST MOVED TO BASE RATE FROM PPC)

- 5.) SEPTIC TANK DISPOSAL RATES AT CITY'S WASTE TREATMENT FACILITY.
NEW RATE \$75.00 PER 1,000 GALLONS.

CITY OF CALHOUN

FACTORS THAT INFLUENCED THE BUDGET:

<u>FACTOR</u>	<u>2000 LEVEL</u>	<u>2005 LEVEL</u>
1.) POPULATION	10,667	13,666 *
	* FACTOR BASED ON BUREAU OF CENSUS 2004- 13,103	
2.) BUILDING PERMITS (EST. CONST. COST)	\$32,500,069.00	\$58,851,225.00
3.) NUMBER OF ANNEXATIONS (ADDITIONS SINCE 2000)	73	FOR 1,078 ACRES
4.) STREETS (MILES)	83.70	MILES 95 MILES
5.) WATER LINES (MILES OF LINE)	581	627
6.) NUMBER OF WATER CUSTOMERS	15,380	17,970
7.) SEWER LINES (MILES OF LINE)	100	112
8.) NUMBER OF SEWER CUSTOMERS	4,597	5,584
9.) ELECTRIC LINES (MILES OF LINE)	129	178
10.) NUMBER OF ELECTRIC CUSTOMERS	4,103	4,871
11.) NUMBER OF EMPLOYEES (FULL TIME)	218	272
12.) NUMBER OF STREET LIGHTS	811	875
13.) NUMBER OF POLICE CALLS	44,768	57,356
14.) NUMBER OF ARRESTS	3,565	1,334
15.) TRAFFIC VIOLATIONS	460	6,713
16.) NUMBER OF FIRE CALLS	710	696 *
17.) NUMBER OF INSPECTIONS	530	532 **
18.) NUMBER OF CITIZENS REACHED BY FIRE SAFETY TRAINING	200	2,485

* HIGHER TRAINING NUMBERS HELP REDUCE ACTUAL FIRE CALLS.

** MAXIMUM INSPECTIONS POSSIBLE WITH ONE INSPECTOR.

Exhibit "C"

Store No. 168

CONSENT AGREEMENT

Landlord: City of Calhoun, a municipal corporation of the State of Georgia

Tenant: Worth L. Thompson

Lease and Amendments (collectively, the "Lease"): See Exhibit A

Premises: 328 West Line Street, Calhoun, Georgia

For Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

- 1. Landlord is the owner of the Premises and leases the same to Tenant under the terms of the Lease. Landlord understands that MAPCO Express, Inc. or one of its parent, subsidiary or affiliated companies (collectively, "MAPCO") is contemplating the purchase of the convenience store on the Premises and is relying on this Consent in connection therewith. Landlord consents to the assignment of the Lease to MAPCO; provided nothing herein shall be deemed to require Landlord's consent to any future assignment of the Lease or subletting of the Premises, unless expressly required under the Lease, as amended hereby. Upon delivery to the undersigned of a copy of an assignment and assumption agreement executed by Tenant and MAPCO wherein MAPCO assumes all obligations of Tenant from a date certain, all obligations of Lessee under the Lease shall terminate and Tenant shall have no further liability to Landlord. No further documentation will be necessary to effect such termination.
2. Landlord certifies for the benefit of MAPCO (and its successors, assigns and lenders) that: (i) Landlord is the owner of the Premises and the landlord under the Lease; (ii) a true, accurate and complete copy or description of the Lease is set forth on Exhibit A, including, but not limited to, all amendments, supplements, modifications and extensions thereto; (iii) the Lease is in full force and effect and constitutes the entire agreement between Landlord and Tenant related to the Premises; (iv) neither Landlord nor Tenant is in default under the Lease and no matter exists that with the giving of notice, the passage of time or both would constitute such a default; (v) the Lease is enforceable against Landlord in accordance with its terms; and (vi) Landlord has not entered into or granted any mortgages, deeds of trust, deeds to secure debt or other liens encumbering the Premises or the Lease.
3. To the extent necessary, the Lease is hereby modified to permit, without Landlord's consent, Tenant and its successors and assigns to: (i) assign the Lease or sublet the Premises to any parent, subsidiary or affiliated company of Tenant, any company resulting from a merger or consolidation involving Tenant or any company purchasing all or more than twenty (20) stores of Tenant (and its affiliates); and (ii) mortgage, pledge, encumber, hypothecate or assign as security the Lease and the leasehold estate created thereby (collectively, a "Leasehold Mortgage"). Landlord agrees to promptly execute any instrument reasonably requested by the holder or beneficiary of a Leasehold Mortgage (the "Leasehold Mortgagee") for purposes of protecting its interest in the Lease and the leasehold estate created thereby (the "Leasehold Estate"). Without limiting the generality of the foregoing, Landlord agrees to afford each Leasehold Mortgagee the rights and protections set forth on Exhibit B.

IN WITNESS WHEREOF, this Consent is executed as of June __, 2006.

LANDLORD:

CITY OF CALHOUN, a municipal corporation of the State of Georgia

By: _____ Name: _____ Title: _____

EXHIBIT A

DESCRIPTION OR COPY OF LEASE AND AMENDMENTS

Lease housed in City vault.

EXHIBIT B

MORTGAGEE PROTECTIONS

- (i) Upon receipt of the name and address of any Leasehold Mortgagee, Landlord shall give the Leasehold Mortgagee written notice of and an opportunity to cure any tenant default under the Lease (a "Tenant Default"). Following its receipt of written notice of a Tenant Default from Landlord, a Leasehold Mortgagee shall have 60 days to cure such Tenant Default; provided if the Tenant Default reasonably cannot be cured within such 60 day period, the Leasehold Mortgagee shall have such additional time as is required to cure such Tenant Default so long as the Leasehold Mortgagee is diligently endeavoring to remedy the same, including, without limitation, such time as is necessary to obtain possession of the Premises by foreclosure or other means. So long as a Leasehold Mortgagee cures a Tenant Default within the periods provided herein, Landlord shall not terminate the Lease, retake possession of the Premises or exercise any other remedies on account of such Tenant Default.
- (ii) Landlord will not amend, modify or terminate the Lease without the written consent of the Leasehold Mortgagee.
- (iii) If requested by the Leasehold Mortgagee, Landlord will enter into a new lease with the Leasehold Mortgagee, following the early termination or rejection of the Lease (including, without limitation, any termination of the lease pursuant to Section 365(a) of the Bankruptcy Code, 11 U.S.C. §365(a), as amended, or any successor statute thereto), on terms identical to those of the Lease for the remainder of the term thereof, with the Leasehold Mortgagee having the benefit of all renewal or extension rights set forth in the Lease.
- (iv) Landlord's consent shall not be required for any transfer of the Lease and the Leasehold Estate as a result of a foreclosure (or any conveyance in lieu of foreclosure) or for any transfer of the same by a Leasehold Mortgagee following foreclosure (or a conveyance in lieu of foreclosure).
- (v) No Leasehold Mortgagee, simply by virtue of its lien on the Leasehold Estate, shall be deemed to have assumed any of the obligations or liabilities of Tenant under the Lease. A Leasehold Mortgagee who takes title to the Leasehold Estate or enters into a new lease with Landlord pursuant to this agreement shall be responsible for the performance of the Tenant's obligations under the Lease or such new lease to the extent, but only to the extent, the same first arise during and relate to the period that it is the tenant under the Lease or such new lease, but not the period after the assignment of the Lease or the new lease, as applicable, to any third party who assumes the tenant's obligations under the same arising from and after such assignment.

Exhibit "D"

Work Report
Eddie Peterson
June 2006

1. Tennis Courts: The lower seven courts are now complete and open to the public. The Recreation Board has appointed a committee to devise operational rules, policies, and procedures for the usage of the tennis courts and facilities. The next set of eight tennis courts should be complete by late July 2006. The building is being bid as a design and build structure with a completion date of late-August 2006. A Tennis professional will be hired in July or August to establish the Calhoun program.

2. Street Scape: We are in the process of selecting a design consultant for the Transportation Enhancement project. Suzanne Roland and I attended a TE workshop two weeks ago and were brought up to date on the changes and new procedures for Street Scape projects. One reoccurring theme was not to expect an expeditious project. Probably the best we can hope for is beginning construction by January or Feb. 2007 since we would not want to begin demolition during Thanksgiving or Christmas holidays. Street Scape Phase II is from Hicks Street north to Trammel Street on the west side of Wall Street. The TE award was \$250,000 and we will match that with a minimum of 20 percent or \$50,000.

3. 58 Acre Project: The civil design (stormwater, grading, roads, sewer, soil and erosion) for the recreation park is underway. The plan should be complete for review by mid-July. We plan on construction of a road, parking, and a football field as the first phase. The Board of Commissioners has allocated \$650,000 * toward the construction of a Miracle Field. Calhoun will provide approximately \$200,000 for the Miracle Field. I will make an on-site visit to a Miracle Field in Alpharetta this week. Below is a cost estimate for the project.

Engineering, Design, Plans	\$250,000
Grading, storm drainage, roads, parking	360,000
Water, sewer, electrical	250,000
Sidewalks, trails	80,000
Fields	160,000
Concession, Storage, Restrooms, Building	320,000
Seating	60,000
Fencing	90,000
Pavilion	70,000
Bridge	120,000
Miracle Field	200,000 *
Lighting	250,000
Landscaping	30,000
Furnishings	<u>100,000</u>
	\$ 2,340,000

4. Governor's Office of Highway Safety: Calhoun has been selected by the Governor's Office of Highway Safety to participate in their Incentive Program. This selection was due to Calhoun's ongoing efforts in traffic enforcement, reporting to the Office of Highway Safety, and participation in many of the Georgia traffic enforcement programs. The Calhoun Police Department was awarded 5,000 incentive points (\$5,000) for our traffic activities.

5. LEPC Meeting: The Local Emergency Planning Committee are setting up their by-laws at this time. The LEPC is a joint emergency response organization which meets guidelines established by the Superfund Amendments and Re-authorization Title III . The LEPC will also develop an All Hazards Emergency Response and Preparedness Plan. SARA Title III requires owners and operators of any type of facility which uses chemicals in their process to submit an emergency and hazardous chemical inventory to the State Emergency Response Committee. The membership of this organization will be; elected state or local officials, EMA personnel, Emergency Medical Personnel, Fire Fighting, Health Officials, Law Enforcement, Transportation, Public Works, Environmental Inspectors, Media, Owners and Operators of Plants (Industry) Sheltering Organizations. While this organization's goal is emergency preparedness, a particular focus and input is from the Calhoun industrial base.

6. Resurfacing: Recently we resurfaced Devonwood Drive, Kenmoreland, Meadowbook Drive entrance, Lake Drive, and Little Pine Drive. During the next four weeks we will pave River Street from Oothcalooga to Oak Street, Powell Street, and Gallman Avenue. Get Distance.

7. Food Lion Signal: Hampton Development, the builders of Food Lion, said they would provide their cost share of the signal at Red Bud and Harmony intersection after June 19, 2006.

8. Structure Addresses: Working with Police, Fire, Inspection, and Street to establish a uniform method for visible addresses at homes and businesses. The lack of visible numerical addresses causes problems with public safety and other City departments.

**CITY OF CALHOUN
GEORGIA**

R E S O L U T I O N

WHEREAS, the City of Calhoun desires to install a water pipeline in Fairmount, Georgia located within the confines of the public right-of-way, and

WHEREAS, the water pipeline will need to be located under the CSX Railway line, and

WHEREAS, the City of Calhoun has filed an application and has received a CSX agreement # CSX-055785, and

WHEREAS, the City of Calhoun agrees to pay the \$4,000 Encroachment Inventory Fee and the \$750.00 application fee, and

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council hereby authorize the Mayor to execute the agreement as referenced above.

Adopted this 12th day of June, 2006

City of Calhoun, GA:

by: 

James F. Palmer, Mayor

ATTEST:


Cathy Harrison, City Administrator