



**CITY COUNCIL MEETING
FEBRUARY 25, 2019- 7:00 PM
109 SOUTH KING STREET
DEPOT COMMUNITY ROOM**

MINUTES

PRESENT: **James F. Palmer, Mayor**
 George R. Crowley, Mayor Pro Tem
 Ray Mitchell Denmon, Councilman
 Al Edwards, Councilman
 Jackie Palazzolo, Councilwoman

ALSO: Eddie Peterson, City Administrator; Larry Vickery, Utilities Administrator; Paul Worley, Assistant City Administrator; Sharon Nelson, City Clerk; George Govignon, City Attorney; Jeff Defoor, Director of Electric Utilities; Tony Pyle, Police Chief; Lenny Nesbitt, Fire Chief; Jerry Crawford, Director of Water & Wastewater; Brad Carrick, Director of Telecommunications; Don Colburn, Special Operations; and Suzanne Roberts, Downtown Development Authority Director.

1. **Council Meeting Called to Order**

Welcome

Mayor Palmer called the meeting to order and welcomed everyone in attendance.

Invocation

Councilman Edwards gave the invocation.

2. **Pledge of Allegiance**

Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.

3. **Amendment or Approval of Proposed Agenda**

Mayor Pro Tem Crowley made a motion to approve the February 25, 2019 agenda as presented. Councilman Edwards gave a second with all voting aye. Motion approved.

4. **Amendment or Approval of Minutes**

Councilman Denmon made a motion to approve the minutes of the City Council meeting of February 11, 2019. Councilwoman Palazzolo gave a second with all voting aye. Motion approved.

Councilman Denmon made a motion to approve the minutes of the February 11, 2019 executive session. Mayor Pro Tem Crowley gave a second with all voting aye. Motion approved.

5. **Mayor's Comments**

Mayor Palmer congratulated Matt Barton for winning the Georgia State House District 5 special election runoff on February 5th. He discussed plans for a GBI office with a crime lab to be built on McDaniel Station Road noting that Mr. Barton has already followed up on the project and things are moving along. Planning costs of \$75 thousand have already been approved by the House and Senate.

6. **Council Comments**

None

7. **Public Hearing and Comments**

None

8. **Old Business**

- A. Mayor Palmer gave the second reading of an annexation and zoning request of R-1B, for 0.43 acres, at a location of 112 Cherry Street, SW, by Jose Lopez. The Zoning Advisory Board meeting is scheduled for March 7th at 4:30 p.m. and the public hearing is scheduled for March 11th at 7:00 p.m.

9. **New Business**

- A. City Administrator Peterson submitted the second quarter FY 2019 financial statements stating the numbers were as good as he had seen. Revenues are at 62% for the first six months; building permits are nearing annual budgeted numbers with police, fire, and public works at budget. Revenues exceeded expenditures by \$1.6 million and investments have doubled projections. Councilwoman Palazzolo made a motion to approve the financial statements as submitted. Councilman Denmon gave a second with all voting aye. Motion approved. (copy attached)
- B. Mayor Palmer gave the first reading of an ordinance to amend certain sections of Chapter 6- Alcoholic Beverages of the Calhoun Code of Ordinances, and specifically amendments to Section 6-192 pertaining to the sale of malt beverage and/or wine for consumption in public during special events in designated areas. He noted that additional language pertaining to individual applicant approval in designated areas will be added for the second reading. Eligible for a public hearing on March 11th.
- C. Mayor Palmer gave the first reading of an ordinance to amend certain sections of Chapter 46- Environment-Abatement of Nuisances of the Calhoun Code of Ordinances, and specifically amendments to Section 46-36 pertaining to recovery cost of demolition of structures. City Attorney Govignon stated the changes to the ordinance should incentivize private action by assessing attorney fees in addition to other costs. Eligible for a public hearing on March 11th.

10. **Other Written Items Not on the Agenda**

11. **Work reports:**

- A. Eddie Peterson, City Administrator gave the January, 2019 General Cash report noting that total operating revenues were \$4.6 million; total reserves were \$405 thousand; and total special funds, reserves and savings were \$6.2 million.
- B. Larry Vickery, Utilities Administrator gave the January, 2019 Utility Cash report noting that combined revenues were \$4.57 million and total savings and reserves were \$7.86 million. Mayor Pro Tem Crowley made a motion to approve the January General and Utility Cash reports as presented. Councilwoman Palazzolo gave a second with all voting aye. Motion approved.
- C. George Govignon, City Attorney

12. **Motion to move to Executive Session, if needed**

13. **Motion to return to General Session**

14. **Motion to Adjourn**

There being no further business to come before the Council Mayor Pro Tem Crowley made a motion to adjourn. Councilwoman Palazzolo gave a second with all voting aye. The motion was approved and the meeting was adjourned at 7:17 p.m.

Approved:


James F. Palmer, Mayor

Submitted:


Sharon Nelson, City Clerk

City of Calhoun

General Fund

Budget to Actual Report - Modified Accrual Basis

For the Six Months Ended December 31, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	% USED
Revenues				
Property Tax & Intangibles	\$ (1,996,808)	\$ (1,996,808)	\$ (1,908,707)	96%
Franchise Tax	(2,563,748)	(2,563,748)	(1,343,518)	52%
Local Option Sales Tax	(2,270,000)	(2,270,000)	(1,207,995)	53%
Excise Taxes	(2,120,500)	(2,120,500)	(1,169,525)	55%
Licenses & Permits	(303,250)	(303,250)	(316,787)	104%
Intergovernmental	(427,810)	(427,810)	(395,870)	93%
Charges for Services	(301,521)	(301,521)	(186,232)	62%
Fines and Forfeitures	(306,823)	(306,823)	(179,061)	58%
Rents/ Royalties	(3,415,477)	(3,415,477)	(1,741,814)	51%
Other Revenues	(4,200)	(4,200)	(29,794)	709%
Total Revenues	<u>(13,710,137)</u>	<u>(13,710,137)</u>	<u>(8,479,303)</u>	62%
 Expenditures				
Mayor and Council	302,747	300,747	155,970	52%
Elections	300	300	1,040	347%
City Administrator	965,863	965,863	459,486	48%
Tax Administrator	81,545	81,545	44,148	54%
General Teller	62,313	62,313	31,570	51%
Human Resources	159,486	159,486	76,661	48%
Risk Management	4,250	4,250	183	4%
General Admin	<u>1,576,504</u>	<u>1,574,504</u>	<u>769,059</u>	49%
Municipal Court	323,046	323,046	184,686	57%
Custody of Prisoners	31,000	31,000	7,523	24%
Court Services	<u>354,046</u>	<u>354,046</u>	<u>192,209</u>	54%
Welfare Related	61,033	61,033	30,440	50%
Auditorium	105	105	52	50%
Depot	24,505	24,505	14,952	61%
Community Center	8,904	8,904	2,543	29%
Library	146,318	146,318	71,489	49%
Community Services	<u>240,865</u>	<u>240,865</u>	<u>119,476</u>	50%
Regulatory Inspections and Enforcement	340,808	342,808	177,382	52%
Downtown Development	103,448	103,448	50,263	49%
Airport	255,855	255,855	124,107	49%
Community Development	<u>700,111</u>	<u>702,111</u>	<u>351,750</u>	50%
Police Administration	407,512	407,512	218,929	54%
Detectives	608,179	610,269	288,242	47%
Patrol	2,635,231	2,633,141	1,422,027	54%
Special Operations	451,453	451,453	180,617	40%
Police Dispatching	123,882	123,882	70,905	57%
Police Department	<u>4,226,257</u>	<u>4,226,257</u>	<u>2,180,720</u>	52%

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	% USED
General Fund				
Fire Administration	248,401	248,401	125,242	50%
Firefighting	2,943,513	2,943,513	1,524,686	52%
Fire Inspection	158,426	158,426	82,806	52%
Fire Training Center	98,186	98,186	44,828	46%
Fire Dispatching	61,941	61,941	35,452	57%
Fire Stations and Buildings	22,000	22,000	1,095	5%
Fire Department	<u>3,532,467</u>	<u>3,532,467</u>	<u>1,814,109</u>	51%
Animal Control Admin.	71,320	71,320	36,354	51%
Animal Control	97,701	97,701	40,930	42%
Highways & Streets Admin.	124,867	124,867	65,175	52%
Highways & Streets	972,783	964,900	461,441	48%
Street Cleaning	89,591	89,591	44,409	50%
Street Lighting	207,800	207,800	106,101	51%
Traffic Engineering	474,350	482,233	368,948	77%
Maintenance and Parks	449,123	449,123	190,258	42%
Cemetery	186,249	186,249	99,226	53%
Parks Beautification	4,900	4,900	1,857	38%
Public Works	<u>2,678,684</u>	<u>2,678,684</u>	<u>1,414,699</u>	53%
Total Expenditures	<u>13,308,934</u>	<u>13,308,934</u>	<u>6,842,022</u>	51%
Excess of Revenues (Over) Under Expenditures	(401,203)	(401,203)	(1,637,282)	
Other Financing Sources (Uses)				
Sale of Assets	(5,000)	(5,000)	(9,374)	187%
Investment Income / Loss	29,635	29,635	(63,314)	-214%
Transfer in	(337,976)	(337,976)	(184,468)	55%
Transfer out	714,544	714,544	354,292	50%
Total Other Financing (Sources) Uses	<u>401,203</u>	<u>401,203</u>	<u>97,136</u>	24%
Net (Increase) Decrease in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,540,145)</u>	

City of Calhoun
Budget to Actual Report- Modified Accrual Basis
Special Funds - General Government
For the Six Months Ended December 31, 2018

SPECIAL FUNDS	BUDGET	ACTUAL REVENUES	% USED	ACTUAL EXPENDI- TURES/ EXPENSES	% USED	NET CHANGE IN FUND BALANCE/ NET (INCOME) LOSS
UDAG	\$ (49,720)	\$ (24,356)	49%	\$ 2,500	5%	\$ (21,856)
Confiscated Assets	(12,000)	(13,450)	112%	42,109	351%	28,659
Hotel-Motel	(776,700)	(433,378)	56%	433,378	56%	-
Recreation	(1,197,524)	(684,796)	57%	551,005	46%	(133,791)
Program Revenues	(598,504)	(378,507)	63%			
Gen. & Hotel/Motel Transf.	(599,020)	(306,289)	51%			
SPLOST 2011	(1,260,602)	(32,426)	3%	212,196	17%	179,772
SPLOST 2018	(1,977,916)	(939,256)	47%	8,352	0%	(930,904)
SPLOST Debt Svc. - Schools	(4,031,965)	(2,245,402)	56%	741,338	18%	(1,504,064)
Golf Fund	(866,129)	(458,774)	53%	409,515	47%	(49,258)
Solid Waste	(807,703)	(410,720)	51%	371,318	46%	(39,402)
Municipal Court	(470,000)	(281,564)	60%	281,564	60%	-
Totals	\$ (11,450,259)	\$ (5,524,120)		\$ 3,053,274		\$ (2,470,844)

City of Calhoun
WATER & SEWER DEPARTMENT
 Budget to Actual Report - Modified Accrual Basis
 For the Six Months Ended December 31, 2018

OPERATING REVENUES	BUDGET	ACTUAL	% USED
Sales	\$ (17,918,836)	\$ (9,083,541)	51%
Cost Recovery/Install	(528,000)	(583,583)	111%
Late Penalties	(177,369)	(90,979)	51%
Permits / Fees / Fines	(160,405)	(103,358)	64%
Sprinkler Charges	(337,166)	(180,500)	54%
Other	<u>(135,671)</u>	<u>(108,883)</u>	80%
Total Operating Revenues	<u>(19,257,447)</u>	<u>(10,150,844)</u>	53%
OPERATING EXPENSES			
Personal Services	3,964,479	1,937,299	49%
Contractual Services	2,738,579	1,291,260	47%
Supplies	3,941,549	1,698,815	43%
Other	<u>2,789,435</u>	<u>1,097,799</u>	39%
Total Operating Expenses	<u>13,434,042</u>	<u>6,025,173</u>	45%
Net Operating Income	(5,823,405)	(4,125,671)	
NON-OPERATING REVENUES & EXPENSES:			
Investment Income / Loss	23,474	(66,877)	-285%
Interest Expense	330,921	165,730	50%
Principal Expense	2,048,163	285,586	14%
Capital Expense	1,078,939	1,298,055	120%
Transfers Out	2,469,909	1,356,555	55%
Transfers In	(15,000)	(1,371,858)	9146%
Grant Proceeds	<u>(113,000)</u>	<u>-</u>	0%
Total Non-operating Revenues & Expenses	<u>5,823,406</u>	<u>1,667,191</u>	29%
NET INCOME	<u>\$ 1</u>	<u>\$ (2,458,480)</u>	

City of Calhoun
ELECTRIC FUND

Budget to Actual Report - Modified Accrual Basis
For the Six Months Ended December 31, 2018

OPERATING REVENUES	BUDGET	ACTUAL	% USED
Sales	\$ (36,119,435)	\$ (19,404,934)	54%
MEAG Year End Settlement	(300,000)	-	-
Rent/Other	(24,200)	(14,600)	60%
Late Penalties	(140,000)	(73,184)	52%
Pole Rental	(100,000)	(100,688)	101%
Miscellaneous	(38,500)	(55,804)	145%
Total Operating Revenues	<u>(36,722,135)</u>	<u>(19,649,210)</u>	54%
OPERATING EXPENSES			
Personal Services	1,444,684	850,360	59%
Contractual Services	4,262,293	1,987,971	47%
Supplies	30,116,950	14,392,280	48%
Other	740,804	331,940	45%
Total Operating Expenses	<u>36,564,731</u>	<u>17,562,551</u>	48%
Net Operating Income	(157,404)	(2,086,659)	
NON-OPERATING REVENUES & EXPENSES:			
Investment Income / Loss	62,930	(179,437)	-285%
Interest Revenue Interfund	(16,718)	(7,496)	45%
Capital Expense	311,000	63,892	21%
Meag Trust Account	(410,000)	(567,431)	138%
Transfers Out	219,392	117,069	53%
Transfers In	(9,200)	(95,333)	1036%
Total Non-operating Revenues & Expenses	<u>157,404</u>	<u>(668,736)</u>	425%
NET INCOME	<u>\$ -</u>	<u>\$ (2,755,395)</u>	

City of Calhoun
TELECOMMUNICATIONS FUND
 Budget to Actual Report-Modified Accrual Basis
 For the Six Months Ended December 31, 2018

OPERATING REVENUES	BUDGET	ACTUAL	% USED
Sales	\$ (1,119,980)	\$ (576,168)	51%
Late Penalties	(5,000)	(2,201)	44%
Miscellaneous	(700)	(167)	24%
Total Operating Revenues	<u>(1,125,680)</u>	<u>(578,536)</u>	51%
OPERATING EXPENSES			
Personal Services	308,904	155,397	50%
Contractual Services	365,609	130,991	36%
Supplies	125,450	39,998	32%
Other	73,563	33,853	46%
Total Operating Expenses	<u>873,526</u>	<u>360,239</u>	41%
Net Operating Income	(252,154)	(218,297)	
NON-OPERATING REVENUES & EXPENSES:			
Investment Income / Loss	4,326	(13,744)	-318%
Interest Expense	4,702	2,491	53%
Principal Expense	113,194	56,456	50%
Capital Expense	110,000	97,772	89%
Transfers Out	20,932	10,467	50%
Transfers In	(1,000)	(11,376)	1138%
Total Non-operating Revenues & Expenses	<u>252,154</u>	<u>142,066</u>	56%
NET INCOME	<u>\$ -</u>	<u>\$ (76,231)</u>	

City of Calhoun
UTILITY INTERNAL SERVICE FUND
 Budget to Actual Report - Modified Accrual Basis
 For the Six Months Ended December 31, 2018

OPERATING REVENUES	BUDGET	ACTUAL	% USED
Indirect Cost Allocations - Service Fees - General	\$ (462,066)	\$ (231,033)	50%
Indirect Cost Allocations - Service Fees - Utilities	(2,835,389)	(1,417,694)	50%
Miscellaneous	(39,600)	(20,083)	51%
Total Operating Revenues	<u>(3,337,055)</u>	<u>(1,668,810)</u>	50%

OPERATING EXPENSES			
Utilities Administration	350,651	164,104	47%
Finance	670,297	342,710	51%
Utility Tellers	209,723	113,075	54%
Purchasing	120,672	57,150	47%
Engineering	509,125	253,625	50%
Work Order Dispatch	102,523	53,590	52%
GIS	205,633	109,197	53%
Customer Service	224,358	92,206	41%
Meter Reading	384,835	170,732	44%
Billing	379,308	188,081	50%
Total Operating Expenses	<u>3,157,125</u>	<u>1,544,470</u>	49%

Net Income Before Non-operating Items	(179,930)	(124,340)
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NON-OPERATING REVENUES & EXPENSES:			
Principal Expense	75,301	37,556	50%
Interest Expense	5,029	2,609	52%
Capital Expense	60,000	25,074	42%
Transfers In	-	(102)	-
Transfers Out	39,600	19,800	50%
Total Non-Operating Revenues & Expenses	<u>179,930</u>	<u>84,937</u>	47%

NET INCOME	<u>\$ -</u>	<u>\$ (39,403)</u>
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Notes on 2nd Qtr. 2019 Financial Statements -

General:

- 1 Licenses & Permits - Plumbing permits, Building permits, sign permits and NPDES permits are all coming in well above budget. We are coming close to budget on the various types of alcohol permits.
- 2 Intergovernmental - We have fully accrued revenues for the GSAR and the LMIG grant.
- 3 Other Revenues - This includes reimbursements from Peachtree Recovery of \$9k for damage to property. It also includes almost \$14k for an insurance reimbursement.
- 4 Depot - A new fire and security system was installed at the Depot for \$3,500.
- 5 Police & Fire Dispatching - These amounts were accrued based on 4th qtr. of 2018 as no bills have been received.
- 6 Investment Income/Loss - All investments had a great second quarter & are showing a net income.
- 7 Transfers In - As mentioned previously, we do not budget the transfers in on the transfers within a fund. This is true for all funds.

Water/Sewer:

- 1 Cost Recovery/Installation - This is usually budgeted conservatively and we have continued to experience growth.
- 2 Permits/Fees/Fines - This increase over budget is primarily fire hydrant permits and installation fees.
- 3 Grant Proceeds - A Section 319 grant was awarded, but no contract has been executed. Most of the grant will likely fall into next year.

Electric:

- 1 Miscellaneous Revenues - We had a \$25k reimbursement for damaged property received.