

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
JUNE 9, 2003, 7:00 P.M.**

MINUTES

**PRESENT: James F. Palmer, Mayor
John D. Shelton, Jr., Mayor Pro Tem
Ronald H. Woods, Councilman
Lorene Potts, Councilwoman**

ABSENT: Ray M. Denmon, Councilman

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

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
 - a. Mayor Palmer gave the invocation.
2. Mayor Palmer led the group in the Pledge of Allegiance to the United States Flag.
3. Minutes of the May 26, 2003 regular City Council meeting were approved as written.
4. Mayor's comments:
 - a. Mayor Palmer reminded the Council and public in the change in the June 23 regular City Council meeting to June 16, 2003 at 7:00 p.m. He stated this meeting had been rescheduled due to the GMA Business Conference, which is scheduled for June 21-24, 2003.
 - b. Mayor Palmer reminded the Council that the annual budget will be scheduled for adoption on June 16, 2003.
 - c. Mayor Palmer reminded the Council and public that Councilman Ray Denmon was absent due to military duty for the week in Savannah, Georgia.
 - d. Mayor Palmer reminded the Council and public of a hearing scheduled for a beer package license request by Sidney Collins for a business at 767 Highway 53 East on June 16, 2003 at 7:00 p.m.
5. Council Comments:
 - a. Mayor Pro Tem Shelton stated:
 - 1) The police department made 1213 cases in the month of May 2003, including 459 warrants, 114 speeding cases and 644 other violations. They anticipated fines of \$137,807.50. They actually collected \$85,428.50 on previous cases. There were 14 DUI's cases. They issued 295 warning tickets, responded to 78 highway accidents and 29 private property accidents, with 6 injuries. They provided 85 escorts, completed

2,121 incident reports, responded to 174 alarms, and drove 53,845 miles on patrol. They received 7,171 calls for service via E-911.

- 2) Chief of Police Therrell Goswick reported on an incident on June 5, 2003 in which there was a home invasion in Park Place. Officers responded and the perpetrator was killed after making threatening advances toward police officers. He stated the officer is currently on administrative leave but is scheduled to return to work at the end of the week. The incident is being reviewed by the Georgia Bureau of Investigation. It was handled according to departmental standard operating procedures. He stated the police department had no doubt that the elderly lady in the home would have suffered from the planned attack or would have been killed.
- 3) The fire department responded to a total of 73 calls during the month of May, with estimated fire damages of \$114,000.00. They completed training during the month on buildings sprinkler systems and alarms, continued medical first-responder recertification training for all shifts through the Gordon County ambulance service. They participated in the downtown tour by students from Calhoun Elementary, gave tours and safety classes to 20 scouts at Station #1 and completed all station and vehicle maintenance.
- 4) The fire inspector conducted 36 inspections, a public safety program on fire extinguisher use at Highland Rivers Facility for 40 individuals, and participated in 16 hours of training on commercial cooking hood systems and building sprinkler systems.

b. Councilman Woods stated:

- 1) During the month of May, the electric department provided maintenance rebuild and new conductor installation on Red Bud Road. The electric crews were slowed by the heavy rainfall and approximately resagged for pulling clearance and many poles were reconfigured for reliability. The primary electrical construction on Brian Wright's South Wall Street commercial project is complete. Transformers are in the process of being installed. The park project's electrical system, lighting, clock and chimes are in service, with the chime sounds being distributed throughout the downtown area. They connected service for the Play Zone on Jones Road and the strip mall on West Belmont. Projects in engineering and design phase include: a proposed electrical substation now planned for the 2004-2005 budget year which will support load growth in the eastern part of the system; the electric department is in the process of updating the long-range power supply plan. Work orders in process or completed during May include 49 street and security lighting; 41 new business and maintenance; 20 after-hour callouts.
- 2) The telecommunications department finished a construction of a new underground internet connection for Civil South; completed IP connections to Calhoun MEAG power substation #3 for supervisory communications. All substations are now connected. They started configuration and testing new switch equipment to increase reliability and capacity. They started construction on two internet customers: Kittrich Corporation and Calhoun Sporting Goods.

- 3) The generator is being prepared for the season. At this time, natural gas prices remain high and the strike price has not been reached by the city system.
 - 4) During the month of May, electric department issued 10 permits, provided 100 inspections and set 11 meters. During the month of April, they purchased 29,299,001 kWh of wholesale power.
- c. Councilman Denmon: In the absence of Councilman Denmon, Mayor Palmer gave the water and sewer reports:
- 1) The water treatment plant pumped 368,450,000 gallons of water, with a daily average of 11.837 million gallons per day (MGD.)
 - 2) The waste treatment plant treated an average flow of 12.929 MGD. The average BOD effluent was 10, the average suspended effluent was 17 and the average COD effluent was 68.
 - 3) The water and sewer construction department completed 57 water taps, 6 sewer taps, and made one 6-inch tie in for a new development off of Jolly Road. The department installed new fire hydrants for Gordon County on Pleasant Hill Road at Taylor Town Road, replaced hydrant locations on McDaniel Station Road and Highway 136 in Sugar Valley. They installed a new fire hydrant on Marine Drive. They responded to 56 water leaks, repaired 21 water meters, changed out 6 water meters, responded to 75 calls, installed 31 new meters and responded to 7 sewer calls.
 - 4) The building inspection department issued 59 permits in the month of May for total construction estimated at \$5,682,350.00, with all the construction being residential except for \$1,300,000.00 in commercial construction.
- d. Councilwoman Potts stated:
- 1) The street sweeper cleaned 44 miles of curb and gutter. The street department hauled 70 loads of stone and put in 10 new street signs and completed 40 shop work orders. They bush hogged and sprayed all rights-of-way and water tank sites. They dug out and patched roads on Curtis Parkway and Dews Pond Road utilizing 13.16 tons of asphalt. They continued work at the old industrial landfill on Beamer Road, bringing in 124 loads of fill dirt and provided grading. They built a 36 x 36 storm water box on Spring Valley Drive. They ran the storm water maintenance plan on May 21, checking all the pipes and grates inside the city. They finished laying sod and sewing grass at the new downtown park. They worked on Bernstein Ball Park, installing a handicap ramp and putting down sand to correct some water problems. There were two heavy wind and rain storms in May that kept city crews busy on drainage problems and brush and debris pickup.
 - 2) The sanitation department ran their commercial trash routes and serviced vehicles. They gained two 4-yard commercial dumpster accounts and supplied and serviced 14 dumpsters for the annual Battle of Resaca.
 - 3) The parks department provided their routine maintenance on city property, water tank sites and right-of-ways, raking leaves and picking up litter. They built two redwood sign frames for the walking trail, worked at Fain Cemetery on drainage problems at the new shop building and installed fixtures in the bathrooms at the new Downtown Park.

- 4) The cemetery department marked and supervised the opening and closing of 8 gravesites and performed routine maintenance at Fain and Chandler cemeteries. They sold 7 burial spaces. They assisted contractors with the installation of 2 new monuments. They performed routine maintenance at both Fain and Chandler Cemeteries.
- 5) The safety committee inspected the police department. There were 2 workers' comp accidents and 3 vehicle accidents during the month.
- 6) Animal control housed 22 dogs and 27 cats during the month. They issued 3 first warning, 2 third warnings for leash law violations. They responded to 47 customer calls.
- 7) The Downtown Development Authority met on June 3, 2003 and elected new officers. Suzanne Hutchinson is the new chairperson; Al Edwards is vice-chair; Angela Hammond is Secretary-Treasurer. Eddie Peterson was a guest and gave an update on Streetscape and the parking ordinance. The Starry Night concerts are under way. The first concert in May was a success despite threatening weather. The next is June 20 at 7:30 p.m. The Island Trio will be available with "Sounds of the Caribbean." Attendees are to dress Hawaiian and get ready to "Limbo." Great food will be available from Tommy Jones.

6. Public Hearings and Comments:

- a. Mayor Palmer opened a public hearing and introduced members of the Calhoun Board of Education: George Crowley, Chairman; Al Edwards, Vice-Chairman; and Ed Moyer. He also introduced Judy Neal, City School Superintendent and Don Hood, City School Finance Director.
 - 1) Mr. Crowley gave a slide presentation on the tough past year the school system has had, due to 2.5% cutbacks by the state during the year. He stated the school system implemented a spending freeze in February 2003, which would allow the school system to end the budget year in a decent position. He stated it also allows the school board to move forward with a restricted budget for the coming year. He stated the budget would not include any salary increases across the board. However, there would be increases for change in status of employees regarding additional certificates received or due to step increases of employees. He stated next years school budget will result in no changes in instruction for the next fiscal year. However, the total expenditures for the fiscal year 2004 will be in the neighborhood of \$16,832,000.00, with approximately \$7.5 to be derived from the local governments, with a portion being funded from the prior year savings that it had on its SPLOST funds, which will be used for rollback in the amount of \$380,000.00. He stated the additional tax contribution for the year would be \$250,033.00. He stated the school board would also utilize a portion of its reserves to assist with the reduced funding from the state for the next fiscal year budget. He commended the school staff and personnel for their due diligence in responding to two years of restricted activity in expenditures.
 - 2) Mayor Palmer and the Council members also concurred in their complements to the staff and personnel, as well as the city school board for their diligence in handling a very tight current year and for also planning for a very tight fiscal year 2004.

- 3) There were no additional comments and the public hearing on the city school board's activities for the fiscal year 2004 was closed.
- b. Mayor Palmer opened a public hearing and stated at this time, the City Administrator would provide information on the city's annual budget for July 1, 2003 through June 30, 2004.
 - 1) Harrison presented the following review of the fiscal year 2003-2004 budget, indicating the city also would have an extremely tight budget. However, there were several capital projects which are continuing from the prior year and which are being funded through low-interest loans from the Georgia Environmental Facilities Authority. Harrison's comments may be reviewed in "Exhibit A." There were no comments and the hearing was closed.
- c. Mayor Palmer stated 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. Each person speaking would be required to have filed a Financial Disclosure Statement five days prior to the hearing, and each person would be required to give their name and address before speaking. An inquiry was made to determine if any of the elected officials had filed a disclosure statement regarding ownership or special interest in the agenda items. The response was negative. Mayor Palmer reviewed the Standards Governing the Exercise of Zoning Power, as follows:

STANDARDS GOVERNING THE EXERCISE OF ZONING POWER

- (1) Whether the zoning proposal will permit a use that is suitable in view of the use and development of adjacent and nearby property.
- (2) Whether the zoning proposal will adversely affect the existing use or usability of adjacent or nearby property.
- (3) Whether the property to be affected by the zoning proposal has a reasonable economic use as currently zoned.
- (4) Whether the zoning proposal will result in a use which will or could cause an excessive or burdensome use of existing streets, transportation facilities, utilities or schools.
- (5) Whether there will be capital costs for capital improvements to serve the area. Capital costs shall include water mains, sewer mains, new street pavement or widening, new fire stations or equipment, new police stations or equipment, and other like costs.
- (6) Whether the zoning proposal is in conformity with the policy and intent of the land use plan.
- (7) Whether there are other existing or changing conditions affecting the use and development of the property which give supporting grounds for their approval; or disapproval of the zoning proposal.
- (8) Whether there are other factors relevant to balancing the interest in promoting the public health, safety, morality or general welfare against the right to the unrestricted use of property.

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 or topography.
- (b) The application of this ordinance to the particular piece of property would create an unnecessary hardship.
- (c) Such conditions are peculiar to the particular piece of property involved.

- (d) Relief, if granted, would not cause substantial detriment to the public good or impair the purposes and intent of this ordinance, provided, however, that no variance may be granted for a use of land or building or structure that is prohibited by this ordinance.

1) Mayor Palmer gave a third reading of a zoning variance request by Dr. Box and Associates of Northwest Georgia Medical Park at 400 Timms Road for a 60-inch high by 120-inch wide sign for their business office located on site.

- a) A public hearing was opened.
- b) Harrison reported signs had been placed on the property, notices had been published in the local legal organ, and notices had been mailed to the adjoining property owners.
- c) Councilwoman Potts stated the Zoning Advisory Board had met again on this item on June 5, since the May meeting also heard the matter but did not have all of the notices mailed to the adjoining property owners. She stated Dr. Box had reported to the Board that the sign would be set into the hillside itself and would not provide any impediment to the sight distance for either street bordering the property. It would be aesthetically pleasing and would provide sufficient information for the general public to locate their offices and to understand the services provided within. Councilwoman Potts stated the Zoning Advisory Board had determined the proposed sign would be located on a parcel of property that is bound by two streets and it is within 500 feet of a highly commercial area that does allow for larger street signs on site. She stated the Zoning Advisory Board recommended approval of the request based on the following:

- (a) On reviewing the property, the only exceptional conditions would be the fact that the property is bound by streets on two sides and that it is less than 500 feet from a main highway artery that does allow signs of double the size of the sign that is approved in the zoning ordinance for their property.
- (b) The application of the zoning ordinance to this property would create an unnecessary hardship for the complex and for patients.
- (c) N/A
- (d) Relief, if granted, would not cause substantial detriment to the public good or impair the purposes and intent of the ordinance based upon a sign of their request being eligible without a variance within less than 500 feet.

- d) Mayor Palmer asked if there were any comments by the applicant.
- e) Dr. Box stated he had no further comments but he would be available to respond to questions.
- f) Mayor Palmer asked if there were any comments or questions by the Council members or the public. There were none and the public hearing was closed.

- g) Councilwoman Potts made a motion to waive the fourth reading and approve the request, second by Councilman Woods, with Councilwoman Potts, Councilman Woods and Mayor Pro Tem Shelton voting affirmatively, motion carried.

- 2) Mayor Palmer gave a third reading of a request by Paul Lusk for rezoning from Industrial-H to R-2 of property at the corner of Edmond Street and Pine Street, the site of the old medical arts building, for conversion to apartments.
 - a) A public hearing was opened.
 - b) Harrison reported that notification to adjoining property owners had been completed, signs had been placed on the property and notices had been published in the local legal organ.
 - c) Councilwoman Potts stated the Zoning Advisory Board received a written request from Mr. Lusk requesting an additional 30 day continuance, since his plat of the property had not been received from the surveyor. She stated it was the recommendation of the Zoning Advisory Board to continue the matter.
 - d) Mayor Palmer asked if there were any questions. There were none and the public hearing was closed.
 - e) Councilwoman Potts made a motion to continue the matter until the July 14, 2003 Council meeting, second by Councilman Woods, with Councilwoman Potts, Councilman Woods and Mayor Pro Tem Shelton voting affirmatively, motion carried.

- 3) A third reading was given of a request for zoning of PRD and annexation of over 15 lots in the Blackwood Subdivision across from the Outlet Mall, by Russell Owen.
 - a) A public hearing was opened.
 - b) Harrison reported that notification to adjoining property owners had been completed, signs had been placed on the property and notices had been published in the local legal organ.
 - c) Councilwoman Potts stated the Zoning Advisory Board had also reheard this item on June 5, 2003 and Mr. Owen had presented a large scale drawing of his proposed activity, which had been amended to include 156 condominium units on the site. The majority of the property would be for green space, with amenities in some areas. The construction would be held in three phases and the units in Phase I should be completed in approximately 2 years, with Phases II and III scheduled for later, with an overall development time of approximately 5 years. The complex would be fenced. Public roads would be developed according to current city policy. Councilwoman Potts also stated the applicant understood any deviation from the plans would require a variance from the Zoning Advisory Board. She stated the Zoning Advisory Board recommended approval of the request based on the following:

- (1) The zoning proposal would permit a use that is suitable in view of adjacent and nearby property;
- (2) The proposal will not adversely affect the use or usability of nearby property.
- (3) The property in question does have economic use as currently zoned. However, the proposed zoning change would allow a more reasonable economic use of the property.
- (4) The proposed change in zoning would not cause an excessive burden on existing streets, facilities or schools, since the developer will pay full infrastructure costs and the numbers of school students from condominiums is lower than from single-family residential homes.
- (5) The capital costs for improvements would be borne by the developer.
- (6) The rezoning request is in conformity with the policy and intent of the land use plan.
- (7) N/A
- (8) N/A

- d) Mayor Palmer asked if there were any comments by the developer.
- e) Mr. Owen stated he resides at 210 Calhoun Avenue and he was available to respond to any questions. He stated his comments had been reported earlier by Councilwoman Potts.
- f) There were no additional comments or questions and the public hearing was closed.
- g) Councilwoman Potts made a motion to zone the complex PRD and annex the property for development of condominiums, with the full understanding that should any deviation from the current plans be needed, it would require a variance, and the 1.06 acres listed as future development, if used for anything other than residential, would also require rezoning or a variance. The motion was seconded by Councilman Woods, with Councilwoman Potts, Councilman Woods and Mayor Pro Tem Shelton voting affirmatively, motion carried.

7. Old business:

- a. Mayor Palmer stated the Council members had heard a presentation at the last meeting in May from John Meadows and Jennifer Beason regarding the City of Calhoun's group health insurance program. He stated during the past two weeks, they have continued to review additional amendments to the proposals from the vendors but had not found a lower priced plan that would not dramatically alter the out of pocket expense to be paid by city employees. He stated the recommendation he would make to the Council would be the adoption of the Blue Cross/Blue Shield Point of Service Plan 202, which is closely related to the city's current plan at an increased cost of slightly over 32%. Following discussion, Councilman Woods made a motion to adopt the Blue Cross/Blue Shield Point of Service Plan 202 based upon the fact that it is very closely related to the city's current plan and will allow a small portion of the increased funding to be provided

by the employee, whose share of cost will be increased from \$15.00 per month to \$20.00 per month and with the city providing the additional cost for the plan. The motion was seconded by Mayor Pro Tem Shelton, with Councilman Woods, Mayor Pro Tem Shelton and Councilwoman Potts voting affirmatively, motion carried.

- b. Mayor Palmer stated the life insurance currently provided by Southern Insurance and long term disability for key employees has had its first increase in the past three years and the increase was slight, but he would recommend approval of the product. Councilman Woods made a motion to approve the Southern Insurance proposal, second by Mayor Pro Tem Shelton, with Councilman Woods, Mayor Pro Tem Shelton and Councilwoman Potts voting affirmatively, motion carried.

8. New business:

- a. Mayor Palmer stated the City Council had been provided with copies of the utility charge-off list for them to consider on June 16. He asked that they be aware that in July 2002, the accounts started off at approximately \$100,000.00 for charge-offs and are currently down to \$75,000.00 due to excellent collection efforts by the customer service department. He commended them for the fact that at this current balance, the proposed charge-off list is 1/22nd of 1% of the total amount billed during the prior year.
- b. Mayor Palmer stated each member of the Council had received several policy amendments which will be necessary to update policy and to adopt one new policy for risk management as had been recommended by the city's insurance vendors. He asked that each member review each of the policies and be prepared for action on June 16.
- c. Mayor Palmer gave a first reading of a utility rate schedule resolution which includes water rate increases after the minimum to \$1.03 in the city and \$1.66 in the county. Sewer rates in the city would go to \$1.75 after the first 2,000 gallons and current county customers who have been customers for several years will be a rate of double the city rate, while the outside city rate for new customers will remain at the \$4.60 level per thousand gallons after the first 2,000 gallons, as per the rate that was determined in February 2003. The Mayor and Council can consider for adoption on June 16, 2003
- d. Mayor Palmer gave a first reading of a fee schedule of various fees that will increase as a result of the budget.
 - 1) First are two categories of building permit fees: \$164.00 for the first \$50,000.00 of construction plus \$3.00 for each additional \$1,000.00 or fraction thereof, up to and including \$100,000.00 in construction; and \$314.00 for the first \$100,000.00 in construction plus \$2.00 for each additional \$1,000.00 or fraction thereof.
 - 2) He stated the grading permit fees have been revised to be based upon acres rather than cubic yards with a minimum of \$25.00 for the first acre and \$5.00 for each additional acre for residential development; for commercial development it would be \$50.00 for the first acre and \$10.00 for each additional acre.
 - 3) The soil and sedimentation fees would be a minimum of \$75.00 for up to 5 acres and all additional acres would be \$12.00 each.

- 4) The plumbing fees for HVAC would be the same as building permit fees for commercial and industrial, with additional inspections being \$25.00 each. Residential HVAC would be \$50.00.
 - 5) The schedule for permit fees for plumbing would be \$50.00 for residential and \$25.00 for additional inspections.
 - 6) The sprinkler system fee would be \$50.00 for each inspection for construction of \$1,001.00 up to \$50,000.00. It would be \$50.00 for the first \$1,000.00 plus \$5.00 for each additional \$1,000.00 or fraction thereof. For construction of \$50,000.00 to \$100,000.00 it would be \$295.00 for the first \$50,000.00 plus \$5.00 for each additional \$1,000.00 or fraction thereof. Construction of \$100,001.00 to \$500,000.00 would be \$545.00 for the first \$100,000.00 plus \$5.00 for each additional \$1,000.00 or fraction thereof. Construction of \$500,000.00 and above would be \$2,545.00 for the first \$500,000.00 plus \$5.00 for each additional \$1,000.00 or fraction thereof.
 - 7) Electrical fees will be a \$10.00 administrative fee, a \$60.00 temporary connection fee, \$25.00 for re-inspection, a fee of \$25.00 for 100 amp service and a \$25.00 fee for each 100 amp increment.
 - 8) The occupation tax schedule would be based upon staggered number of employees, with a starting point of \$69.00 for one employee and with an ending price of \$3,875.00 for over 750 employees.
 - 9) Mayor Palmer stated the water taps for the next fiscal year for those **inside the city** without water line extensions would be \$1,100.00 for a ¾-inch tap, \$1,150 for a 1-inch tap, \$1200 for a 2-inch tap plus the cost of a backflow preventer, and 4, 6, 8 and 12-inch taps would be priced at cost plus 10% plus cost of back flow preventer. For those **in the county**, the cost would be \$1,200 for ¾-inch tap, \$1,250 for a 1-inch tap, with all others being the same as city taps.
 - 10) For sewer taps **in the city** a 4-inch residential tap would be \$1,200.00; **in the county** it would be \$1,300.00. A 4-inch for multi-family residential development **in the city** would be \$1,200.00 for the first two units and \$1,100.00 for each unit thereafter; **in the county** it would be \$1,300.00 for the first two units and \$1,200.00 for each unit thereafter.
 - 11) These amendments will be considered for approval by the Mayor and Council on June 16, 2003.
- e. Mayor Palmer stated the city would review as a first reading a proposed Municipal Court probation contract amendment. Harrison reviewed the proposed amendments, stating there were areas in reporting which would be improved; also, the process of handling the collection of fines and remitting to the city was confirmed as to current operations. The contract amendment would be for one year, with the possibility of being renewed automatically if both parties agree. The contract would also allow the Probation Services to receive current fees, as opposed to the fees under the original contract of 1998. Mayor Palmer stated the contract amendment would be available for adoption on June 16, 2003, effective July 1, 2003.
- f. Mayor Palmer gave a first reading of the three pension plan resolutions being considered by the City of Calhoun through the Georgia Municipal Association services area as follows:

- 1) The first is the defined benefit plan that covers all full-time city employees (30 hours weekly or more) who have been employed for one year or more, plus current elected officials. The plan would go forward for covering service from July 1, 2003, plus it would cover employees with service prior to July 1, 1981. Normal retirement age would be 65, with 5 years of credited service or early retirement at age 55, with 10 years of credited service. However, these benefits would be lower. There would be a 5-year vesting schedule for employees and 4-years for elected officials. The benefit formula for regular employees would be 1.5% and the benefit level for elected officials would be \$50.00 per year of service, with a cap not to exceed 100% of final base wages. The plan will be funded 100% by the city. The defined benefits plan is not eligible for roll-over.
 - 2) The second is the defined contribution, which would allow roll-over of the current defined contribution plan administered by AmSouth Bank in Birmingham, Alabama. The employees would not make any contributions after July 1, 2003. However, the city would make one additional contribution after July 1, 2003 to provide the employer match for the prior fiscal year. The new defined contribution plan would be effective July 1, 2003. However, the AmSouth funds would be actually transferred between July 1, 2003 and August 30, 2003, as both parties have the accounts ready for transporting and receiving. The funds will be invested at GMA in the Citistreet Program with investments being directed by the employee. No new funds, other than the earnings, will go into the plan. The plan will accept the current life insurance policies and GMA will administer these as a part of the plan. The plan is eligible for rollover at termination or retirement. GMA and the city will investigate the possibility of allowing individual defined contribution funds being directed to buy back years of service in the defined benefits plan between July 1, 1981 and July 1, 2003.
 - 3) The third plan is the 457(b) plan of deferred compensation that will be 100% funded by employees. The plan calls for volunteer contributions up to the levels allowed by IRA. The cost of the plan will be borne by the participating employees. The funds will be invested under the Citistreet Program at GMA, with the investments being directed by the employee. The employee will have a “one time” opportunity to buy whole life insurance without a physical when joining the plans. The plan is portable, eligible for rollover.
 - 4) Mayor Palmer stated these will be considered for adoption on June 16, 2003.
- g. Mayor Palmer gave a first reading of a zoning variance request by the Gordon County Board of Education for additional mobile classrooms at Ashworth Middle School, Gordon Central High School and at the central office. The earliest date for a public hearing would be July 14, 2003 at 7:00 p.m. Councilwoman Potts made a motion to set the public hearing for that date and time, second by Councilman Woods, with Councilwoman Potts, Councilman Woods and Mayor Pro Tem Shelton voting affirmatively, motion carried.
- h. Mayor Palmer gave a first reading of a zoning variance request by Tyron Johnson for a 6-foot variance to allow construction of a garage at 310 Fain Street. The variance will allow an older oak tree with a diameter of 30 inches to be saved.

This is in keeping with the historic aspects of the 99 year old home site. Mayor Palmer stated the earliest date for a public hearing would be July 14, 2003 at 7:00 p.m. Councilman Woods made a motion to set the public hearing for that date and time, second by Mayor Pro Tem Shelton, with Councilman Woods, Mayor Pro Tem Shelton and Councilwoman Potts voting affirmatively, motion carried.

- i. Mayor Palmer stated the city had received the certificate of ownership and agreement from the Department of Transportation regarding the city's LARP allocation for resurfacing of city streets for the next fiscal year totaling approximately 1.6 miles. This would include parts of the Dews Pond Road, Holley Avenue, Jones Road and Beamer Road. Following discussion, Mayor Pro Tem Shelton made a motion to approve the agreement and authorize the Mayor to sign agreement and the certificates of ownership, second by Councilman Woods, with Mayor Pro Tem Shelton, Councilman Woods and Councilwoman Potts voting affirmatively, motion carried.
- j. Mayor Palmer gave a first reading of the amendment of the alcohol and drug abuse ordinance, stating that the primary changes would be to expand the service-sensitive areas that are allocated in the ordinance. He stated a public hearing would be scheduled for June 16, 2003 at 7:00 p.m.
- k. Mayor Palmer gave a first reading of the amendment to the personnel policy ordinance. He stated the primary areas of change relate to a clearer definition of who reports to whom and also, to better define the infractions that require disciplinary action. It also includes bringing the comp time area up to meet current law. Mayor Palmer stated the public hearing for this ordinance amendment would be held on June 16, 2003 at 7:00 p.m.

9. Other written items not on the agenda:

- a. Mayor Palmer stated that David Heramb had requested R-1 zoning and annexation of one and a half lots in the Spring Valley Subdivision that is currently in the county. Mayor Palmer stated the earliest date for a public hearing would be July 14, 2003 at 7:00 p.m. Councilwoman Potts made a motion to set the public hearing for that date and time, second by Councilman Woods, with Councilwoman Potts, Councilman Woods and Mayor Pro Tem Shelton voting affirmatively, motion carried.

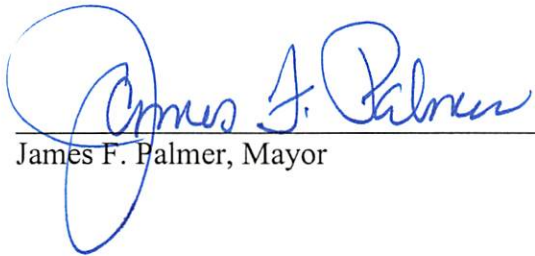
10. Work Reports:

- a. Kelly Cornwell, Director of Utilities, stated:
 - 1) The well project is 99% complete and the city has received its permit for the project from the Georgia Department of Natural Resources.
 - 2) He stated the water and sewer rehab in the downtown area, which is being handled in conjunction with the Streetscape work, is making good progress and is being done at night in order to alleviate any congestion for the merchants during the day. He stated he is hopeful the entire project will be finished with water and sewer work by the end of July.
 - 3) The Mill Village Project is 90% complete, with a small portion of that project scheduled to be completed in the following year.
 - 4) The north interceptor sewer project is 55% complete and should be completed within the next fiscal year. He stated both of the last projects mentioned have had some delays because of the heavy rain.
- b. Eddie Peterson, Director of Public Safety and Public Works: **no report.**


11. Attorney Bailey stated it was not necessary for the Council to go into executive session.
12. Councilman Woods made a motion to adjourn, second by Councilwoman Potts, with Councilman Woods, Councilwoman Potts and Mayor Pro Tem Shelton voting affirmatively, motion carried.

Approved:

Submitted:



James F. Palmer, Mayor



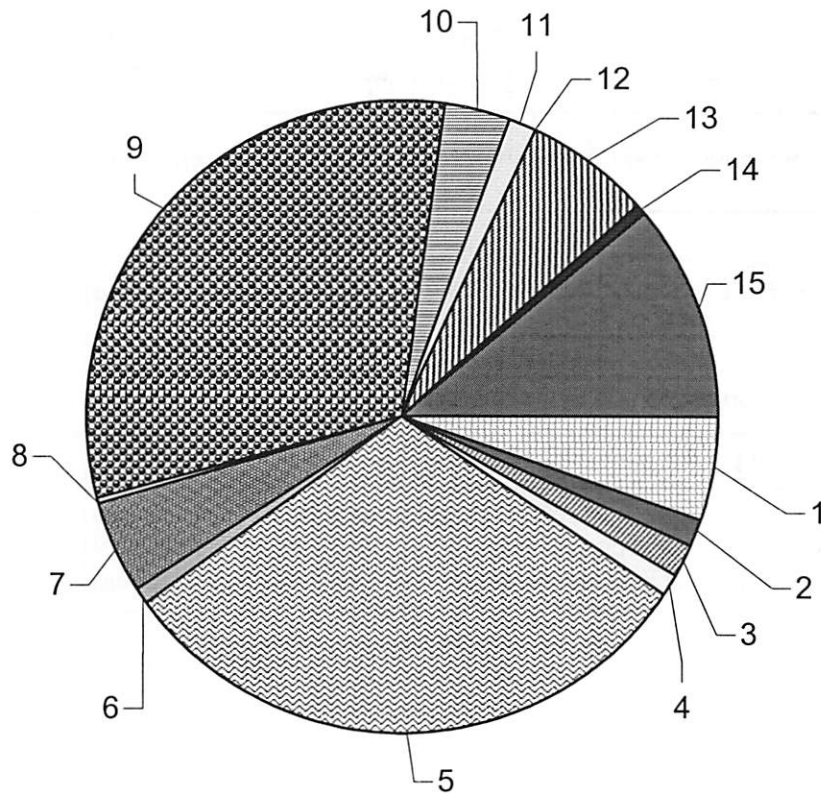
Cathy Harrison, City Administrator

"Exhibit A"

City of Calhoun

Budget

July 1, 2003 to June 30, 2004



#	DEPARTMENT	BUDGET
1	Administrative	\$ 4,626,550.00
2	Municipal Court	1,201,500.00
3	Recreation	1,442,263.00
4	Solid Waste	853,886.00
5	Electric	26,532,427.00
6	Telecommunications	693,872.00
7	Bond Debt	3,913,197.00
8	Economic Development	283,500.00
9	Water & Sewer System	27,162,750.00
10	Public Works	2,821,720.00
11	Golf	1,130,391.00
12	Library	182,721.00
13	Public Safety (Fire & Police)	5,459,305.00
14	Airport	356,105.00
15	School - Including Transfer of SPLOST funds for debt and rollback.	9,715,005.00
Total Budget (Excluding School)		\$ 86,375,192.00

NOTES:

1.	Electric System - Sales of 365,286,790 kilowatt hours (kWh) of electricity; 4,500 customers; 155 miles of distribution lines; 17 employees.
2.	Water and Sewer Systems - 592 miles of water lines; 102 miles of sewer lines; water storage capacity of 21,550,000 gallons; average gallons of raw water treated yearly of 4,015,000,000; average sewer treated yearly of 2,737,500,000; 17,000 water customers; 4,900 sewer customers; 29 water employees; 31 sewer employees.
3.	Telecommunications - 48.2 miles of fiber-optic lines; 4 employees; 193 customers.
4.	Recreation and Golf - 337 acres of parks and golf course in four locations; Tennis courts; pool; walking trails; basketball, soccer, baseball, softball and football fields; 33,000 rounds of golf annually.
5.	Public Works - Maintain 86 miles of public streets, sidewalks, drainage system; 834 street lights; maintenance shop for vehicles and equipment; maintain right-of-ways on streets and public properties; 28 employees; maintain 2 public cemeteries with 2,000 spaces available for sale.
6.	Solid Waste - Provide commercial waste service; contract for residential pick up and disposal waste service; recycling drop-off center; 5 employees.
7.	Public Safety - Police patrol 13 square miles daily; respond to 6,500 calls monthly; make 12,000 cases annually for traffic and ordinance violations; operate joint city-county drug and gang task forces; provide traffic control for daily influx of approximately 60,000 vehicles to industrial and commercial areas of the city; 48 employees.

2003-2004 Major Income Changes

1.	A 10¢ rate increase per 1,000 gallons of water is projected to cover the debt service for the purchase of Big Springs. This would be a 50¢ per month increase for a family using 7,000 gallons of water.	
2.	A 15¢ rate increase per 1,000 gallons of water is projected to cover the debt service costs. This would be a 75¢ per month increase for a family using 7,000 gallons of water.	
3.	Water and sewer tap prices will increase by \$300.00 for each size of tap.	
4.	Grading fees changed based on acres rather than cubic yards.	
5.	Sprinkler inspections changed as follows:	
	TOTAL VALUATION	FEE
	\$1,000.00 or less	No fee unless inspection required, in which case a \$50.00 fee for each inspection shall be charged.
	\$1,001.00 to \$50,000.00	\$50.00 for the first \$1,000.00, plus \$5.00 for each additional thousand or fraction thereof, to and including \$50,000.00.
	\$50,001.00 to \$100,000.00	\$295.00 for the first \$50,000.00, plus \$5.00 for each additional thousand or fraction thereof, to and including \$100,000.00.
	\$100,001.00 to \$500,000.00	\$545.00 for the first \$100,000.00, plus \$5.00 for each additional thousand or fraction thereof, to and including \$500,000.00.
	\$500,001.00 and up	\$2,545.00 for the first \$500,000.00, plus \$5.00 for each additional thousand or fraction thereof.
6.	Business license taxes will increase as follows:	

Number of Employees	Current Price	Proposed Price
1	\$ 55.00	\$ 69.00
2	110.00	138.00
3 to 5	200.00	250.00
6 to 9	360.00	450.00
10 to 19	600.00	750.00
20 to 29	800.00	1,000.00
30 to 49	900.00	1,125.00
50 to 99	1,200.00	1,500.00
100 to 199	1,500.00	1,875.00
200 to 399	2,000.00	2,500.00
400 to 499	2,300.00	2,875.00
500 to 750	2,800.00	3,500.00
Over 750	3,100.00	3,875.00

Major Expense Changes

1.	No wage increases except for promotions, are projected for an average annual savings of \$300,000.00.
2.	Pension changes are projected which will increase cost by approximately \$125,000.00 annually.
3.	Water plant improvements and erection of two water tanks are planned for a cost of over \$5,500,000.00, with funding through the Georgia Environmental Facilities Authority (GEFA) for a loan at 3% interest.
4.	Sewer plant renovation regarding updating of the older section of the plant continues with an annual cost of approximately \$3,900,000.00. Funding will be through GEFA at a rate of 3% interest.
5.	Road and recreations improvements are projected from the SPLOST for approximately \$1.5 million.
6.	The Street Scape Project for the downtown area is projected to be funded by a \$460,000.00 grant.
7.	The Mill Village, Phase II Project is projected to be completed for approximately \$193,000.00 with a grant. The city will provide street and drainage improvements in the area from SPLOST funds.
8.	The sewer interceptor project is projected to be completed for a cost of \$2.4 million funded by a GEFA loan at 3% interest.
9.	Full-time employment will increase by 4 new employees and loss of one part-time employee. This includes two temporary construction jobs.

Service Improvements

1.	City Hall Business Hours - 7:30 a.m. until 6:00 p.m. on Monday, Tuesday, Thursday and Friday and from 7:30 a.m. until 5:00 p.m. on Wednesday, for a total of 51.5 hours per week open to the public.
2.	Customers with only water service will have meters read every other month and estimated every other month for a service cost savings of \$24,700.00 annually.
3.	Public Safety will incorporate fire and police services for an additional 266 acres annexed in the past twelve months; Police will continue to improve traffic patrols to reduce accidents and save lives; improve responsiveness to hazardous calls regarding spills, bomb threats, etc.; improve public communications and provide service 24 hours a day, seven days a week.
4.	Water, Sewer, Electric and Telecommunications will improve policies for coordinating increased development of the community, both public and private.
5.	Street department and building inspection will improve supervision of development projects, providing a better finished product for the public.
6.	Main Street Partnership will coordinate sponsored activities for the new community park and Depot area, designed to bring people to downtown Calhoun.