

**CITY OF CALHOUN
SPECIALLY CALLED MEETING
CITY COUNCIL and
CALHOUN BOARD OF EDUCATION
DEPOT COMMUNITY ROOM
700 WEST LINE STREET CONFERENCE ROOM
FEBRUARY 27, 2002, 6:45 P.M.**

MINUTES

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

BD. OF ED PRESENT: **George Crowley, Chairman**
 Al Edwards, Vice Chairman
 Amy Atkinson
 Ed Moyer
 Marc Ethridge

ALSO PRESENT: **William P. Bailey, City Attorney**
 Jim Pannell, Bond Attorney
 Bryce Holcomb, Salomon Smith Barney
 Judy Neal, City School Superintendent
 Don Hood, City School Finance Director
 Beverly Primmer, City School Board Secretary
 Cathy Harrison, City Administrator

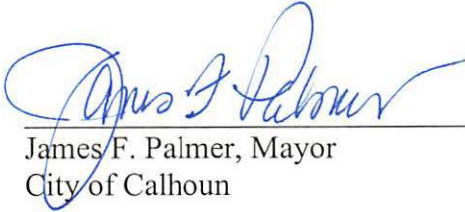
1. Mayor Palmer called the joint meeting of the City Council and Board of Education to order.
2. Mayor Palmer stated the first item of business would be solely a city matter. He stated the telecommunications department of the city is in the process of installing a fiber-optics line to Dalton to link the two fiber-optic systems together. He stated it will be necessary to cross CSX Railroad and the city's telecommunications department needs the authorization of the City Council to enter an agreement with CSX Railroad for the line crossing and authorization for the Mayor to sign the necessary documentation. Councilman Woods made a motion to adopt the appropriate resolution authorizing the agreement and authorizing the Mayor to sign. The motion was seconded by Councilwoman Potts, with Councilman Woods, Councilwoman Potts, Councilman Denmon and Mayor Pro Tem Shelton voting affirmatively, motion carried.
3. Mayor Palmer turned the meeting over to Bryce Holcomb, with Salomon Smith Barney and to Jim Pannell, Bond Attorney.
 - a. Bryce Holcomb reviewed the city's GO Bond series 2002 for the City Board of Education. He reviewed the final cash flows for the project and the price of the bonds that were sold on the morning of February 26, 2002. He stated the city had saved approximately \$167,000.00 on the life of the bonds by marketing on

February 26, 2002 as opposed to the original date of January 24, 2002. He stated the average arbitrage yield on the bonds was 4.31% and that the total amount of the bonds would remain under \$15 million, which allowed the city and Board of Education to earn more than the current interest rate without any necessary filings or return of interest due to arbitrage. He stated the board had estimated a total borrowing of \$20 million and this would be the first series, with a second series to be issued the following year. Mr. Holcomb reviewed pricing comparisons of bonds issued in January in other school systems, stating the city was very fortunate to have received some of the lowest school bond ratings at this time. Mr. Holcomb stated he had worked closely with city staff and school board staff during this process and commended everyone for their excellent attitudes and work ethics. He stated the City of Calhoun and the City Board of Education were some of his best clients and he appreciated the opportunity to have been able to work with them since the early 1990's.

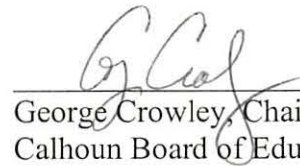
- b. Mr. Jim Pannell stated if the Mayor and Council and the Board of Education approved the pricing as explained by Mr. Holcomb, it would be necessary to adopt three resolutions. He stated Attorney Bailey had the bonds validated in January and at this time, it would be necessary to adopt a Master Resolution, a Supplemental Resolution and an Intercept Resolution, only by the Board of Education. He stated the Master Resolution would set the terms for a total of \$20 million issue and would allow for a supplemental resolution for a portion of the bonds. He stated the Master Resolution would cover bond rates, and would allow for redemption of the bonds, terms and conditions and would authorize execution of a Bond Purchase Agreement. The Supplemental Resolution would have similar terms and conditions but would be for the first series of bonds, up to \$15 million. Both the Master and Supplemental Resolutions would need to be adopted by both the City of Calhoun and the Board of Education. The Intercept Resolution would be only for the Board of Education to adopt and would be regarding the authorization of the state to withhold their monthly allotment should they fail to make bond payments.
 - c. Following discussion of the three resolutions that would need to be adopted, Councilman Woods made a motion for the City of Calhoun Council to adopt the Master Bond Resolution and the Supplemental Bond Resolution as it pertains to the General Obligation Bonds for the city school system, Series 2002. The motion was seconded by Councilman Denmon, with Councilman Woods, Councilman Denmon, Councilwoman Potts and Mayor Pro Tem Shelton voting affirmatively, motion carried.
 - d. Al Edwards made a motion to adopt the Master Bond Resolution, the Supplemental Bond Resolution and the Intercept Bond Resolution, second by Amy Atkinson, with Al Edwards, Amy Atkinson, Ed Moyer and Marc Ethridge voting affirmatively, motion carried.
4. Councilman Woods made a motion to adjourn the Mayor and Council, second by Councilwoman Potts, with Councilman Woods, Councilwoman Potts, Councilman Denmon and Mayor Pro Tem Shelton voting affirmatively, motion carried.

5. Al Edwards made a motion to adjourn the Board of Education, second by Marc Ethridge, with Al Edwards, Marc Ethridge, Amy Atkinson and Ed Moyer voting affirmatively, motion carried.

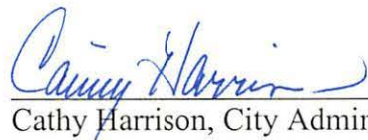
Approved:


James F. Palmer, Mayor
City of Calhoun

Approved:


George Crowley, Chairman
Calhoun Board of Education

Submitted:


Cathy Harrison, City Administrator

NOTE: The original Bond Resolutions are on file in the vault of City Hall, with all permanent copies of all current and past bond issues.

**CITY OF CALHOUN
GEORGIA**

RESOLUTION

WHEREAS, the City of Calhoun telecommunications department has been authorized to construct a fiber-optic line from Calhoun to Dalton; and


WHEREAS, it is necessary for the fiber-optic line to cross the CSX Railroad; and

WHEREAS, the CSX Railroad is agreeable to a line crossing under certain terms and conditions;

NOW, THEREFORE, BE IT RESOLVED the Mayor and Council of the City of Calhoun authorize the city to enter into an agreement regarding the line crossing over the CSX Railroad at a specific location as identified in the agreement, and further authorize the Mayor and City Administrator/Clerk to sign all necessary documents associated with the agreement.

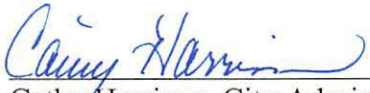
ADOPTED and made effective this 27th day of February 2002.

City of Calhoun, Georgia



James F. Palmer, Mayor

Attest:



Cathy Harrison, City Administrator