

SEPTEMBER 16, 1987 - 7:30 P.M. CITY COURTROOM: PUBLIC HEARING ON GEORGIA  
POWER AND NORTH GEORGIA ELECTRIC CORPORATION PROPOSED  
FRANCHISE ORDINANCES

Present: Mayor John D. Meadows, III  
Councilman Tom Bond  
Councilman H.A. Oldfield, Jr.  
Councilman McEntire

Also Present: Tom Shanahan, City Attorney  
Joe Campbell, City Attorney  
Kelly Cornwell, Elec. Supt.  
Jim Hobgood, City Superintendent  
Cathy Harrison, City Clerk - Treas.

1. Mayor Meadows called the meeting to order and stated the purpose of the hearing. He asked that each person who wished to address the issue, give their name, address and not speak over two minutes.
2. Mr. Horace G. Joiner, Jr., Dalton, Georgia, Attorney for North Georgia Electric Membership Corporation stated his clients were opposed to the ordinance, stated it was unfair, and was a burden since they are currently paying City advalorem taxes.
3. Mr. Hugh Kemp, Dalton, Georgia, Attorney for North Georgia Electric Membership Corporation asked if the City levied any M & O advalorem taxes for the City? Mayor Meadows responded yes, last year was the first year and the rate was .90 mill following roll back, this year 3.05 mills following roll back. Mr. Kemp stated his clients were opposed to the passage of the ordinances.
4. Mr. Bud Graham, Ellijay, Georgia representing Gold Kist stated he and the company were opposed to the ordinance.
5. Mr. Ed Hall, Adair Street, Calhoun, Georgia stated he was opposed to the ordinance. He stated the ordinance would be a burden for those people on fixed income. He asked how many of those on the Council were on Georgia Power or North Georgia Electric Corporation power systems? Response, none on the Council, City Clerk, yes.
6. Mr. Richard Montanaro, Calhoun, Georgia, Astro Dye Works, Inc. stated his business was a tax payer and also purchased water/power from the City. He stated those customers, such as his company, were paying more than their share, but they were proud of the services provided, fire, police protection, excellent schools. He stated he felt the ordinances provided ways to equalize the pay for all services.
7. Mr. David Hammond, Calhoun, Georgia, Gold Kist Manager, asked about the amount of revenue the ordinances would provide? Mayor Meadows responded the Council was not looking at the current revenue as much as it was looking toward future revenues.
8. Mayor Meadows stated the Council had not made these decisions in a week, or two. He stated they were aware they would not be popular decisions, but there were few choices, one other being increased advalorem taxes. He stated he and the Council had hoped the electrical suppliers would not charge the cost back to their customers. He stated those customers who were affected would have reduced water rates which should help offset the charge back. He stated if the City didn't fund any of the general services with electric revenue the citizens would be facing a 9 or 10 mill M & O tax increase. He stated he felt most people had rather pay costs monthly than one annual payment in December.
9. Councilman Bond stated he had given the matter considerable thought. He stated the City needed the additional revenues to provide services. He stated the City had to maintain right-of-ways on all routes and there were additional costs to the City in working around other utility company lines. He stated the City was to the point of considering fees or tax revenue sources. He stated the revenue concept of these two ordinances was not new, but was used in other areas. He stated North Georgia Electric and Georgia Power paid very little toward City operations. He stated City customers on City electric power pay a fair share of City operations, and these proposed measures would be an equitable way of spreading the cost. It would increase cost to individual home owners at a modest rate, but industry would be hit the hardest.

10. Councilman McEntire stated the City was not only concerned with existing industrial opportunities, but those in the future. He stated he could remember when the young people of Calhoun had to leave to find work and he didn't want that situation to happen again. He stated if the town didn't grow it would die. He stated the proposed ordinances were not snap decisions, but the 4% would help to free funds for water/power/sewer extension to areas for growth.
11. Councilman Oldfield stated the franchise idea is not new. He stated Temple, Villa Rica, Carrollton, Whitesburg, Bowdon, Bremen, Ropville, Epehus, Franklin, and Nelson are a few cities which currently receive 4% franchise fees, in addition to advalorem taxes. He stated the City electric department currently supports 25% of the City's general budget for police, fire, streets and etc. and they provided 27% for the prior year. He stated most of the industrial plants were on City power and were paying for full services, while those on other systems were not. He stated the area was growing and monies for water /sewer and street extensions were needed.
12. Mayor Meadows stated he was in his second year as Mayor, but back to the time he served as an Alderman, he recognized the City could not grow and continue to provide the current level of services without other revenues. He stated the City had spent over a million dollars in the last few years to provide water/sewer and roads into areas which did not have City electricity. While these areas provided very little revenue for the City, they did provide jobs for City and County residents. Mayor Meadows stated the City had spent over \$300,000.00 this year to move utilities for DOT work, and there is another \$170,000.00 to be spent for a second fire station in the south end of the City due to growth.

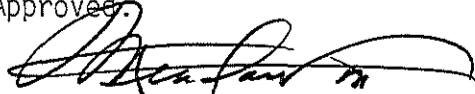
He stated the City could cut electric rates and raise taxes for all. He said the City had agreed earlier to eliminate the water rate deferential, and a 1st reading of the ordinance was held on September 14, 1987, with a 2nd reading and adoption scheduled for September 28, 1987.


Mayor Meadows stated the Council was not trying to be hard on any particular group, but was trying to look out for the stability of the City. He stated that at a recent meeting with engineers and bond people, the water and sewer facilities would need expansions of approximately \$23,000,000.00 according to twenty year surveys for both. He stated this would mean all the water/sewer revenues would be devoted to retirement of debt.

Mayor Meadows stated the City recently had declined possible extension of water/sewer services to an industry which would have a very large investment because of the cost and length of the extension.

He stated the City residents will not be paying the 4%, but they have been paying the rate all along. The Council is committed in the direction regarding the franchise fees.

13. Councilman McEntire stated the other power companies should look at their power bases in the Calhoun area for the past ten years and compare to their power bases today. He stated the City could not continue to fund all the growth for the community.
14. Mayor Meadows stated he wanted it to be a team effort. He stated he and the Council were not only concerned about now, but about twenty years from now. He stated he wanted the other utility companies and the City to work as partners for the future.
15. Mayor Meadows stated he appreciated everyone's time and thoughts. The hearing was adjourned.

Approved  
  
John D. Meadows, III,  
Mayor

Respectfully submitted:  
  
(Mrs.) Cathy Harrison  
City Clerk - Treasurer