

May 7, 2012

The Mayor and Council of the City of Calera met on May 7, 2012 at 7:00 p.m. at Calera City Hall with the following present:

Mayor: Jon G. Graham

Council Members: Ernest Montgomery, Mike Roberson, David Bradshaw, Chris Bunn, Ed Gentry

Absent: Bobby Joe Phillips

Department Heads: Chris Pappas, City Engineer  
Sean Kendrick, Fire Chief  
Matt Worthen, IT Manager  
Sean Lemley, Police Chief  
Mike Wood, Building Official  
Roy Hadaway, Finance Director  
Doug Smedley, Director of Sewer Operations  
David Jones, Public Works Director  
Janet Greathouse, Librarian

Guests: Harold Cole, Barbara Gray, Jasper Levio, Randy and Rebecca Krueger, Bill Davis,

Joe Sizemore called the meeting to order and opened with a Word of Prayer and the Pledge of Allegiance.

Council Member Bradshaw made a motion to approve and dispense with the reading of the following minutes:

Regular Meeting – April 16, 2012  
Work Session – April 16, 2012

Council Member Montgomery seconded said motion which was carried unanimously.

#### **DEPARTMENT HEAD REPORTS:**

Roy Hadaway, Finance Director submitted budget adjustments for approval. (See Attached)

Council Member Bunn made a motion to approve the budget adjustments. Council Member Gentry seconded said motion which was carried unanimously.

Sean Lemley, Police Chief reported that he had made contact with CSX Railroad concerning the length of time CSX is blocking the railroad crossings. Chief Lemley is working with CSX on a solution.

#### **COUNCIL MEMBER REPORTS:**

Council Member Montgomery requested an update on the Community Storm Shelter Project. Mayor Graham reported that the city is still moving forward in the grant process and hopes the grant will be awarded soon.

Council Member Gentry reported he was out of town during the 2<sup>nd</sup> Annual Strawberry Festival since his return he has heard nothing but great comments on the event.

**MAYOR REPORT:**

No report given

**OLD BUSINESS:**

Chris Pappas, City Engineer updated the Mayor and Council on the status of the City taking legal action against John Reamer, developer of Waterford. City Attorney, Butch Ellis advised the City is not responsible as the streets have not been accepted for maintenance, even though they became public when the plats were recorded. The City can take action against the developer, although there are no Alabama cases directly on point. We would be relying on a Connecticut and Tennessee case where the courts found that a developer makes an implied contract to complete improvements when he requests plat approval. The developer is liable over and above the bond amount. We can also call on any bonds available.

**NEW BUSINESS:**

Mayor Graham introduced the following Ordinance:

ORDINANCE NO. 2012-12

**Amending City Code to Exempt Certain “Covered Items” from the Municipal Sales and Use Tax During the First Full Weekend of August, 2012, as Authorized by Act 2006-574, Generally Referred to as the State Sales Tax Holiday Legislation**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CALERA, ALABAMA, as follows:

Section 1. The Code of Ordinances of the City of Calera is amended by adding a new section, designated as Section 5-26, as follows:

**Sec. 74-233. Sales tax holiday.**

(a) In conformity with the provisions of Act 2006-574, enacted by the Alabama Legislature during the 2006 Regular Session, providing for a State Sales Tax Holiday, the City of Calera exempts “covered items” from municipal sales tax during the same period, beginning at 12:01 a.m. on the first Friday in August 2012 (August 3, 2012) and ending at twelve midnight the following Sunday (August 5, 2012).

(b) This section shall be subject to all terms, conditions, definitions, time periods, and rules as provided by Act 2006-574, except that the time period shall only be

as specified in subsection (a) and not for all years thereafter.

Section 2. The Code of Ordinances of the City of Calera is amended by adding a new section, designated as Section 5-27, as follows:

**Sec. 74-263. Use tax holiday.**

(a) In conformity with the provisions of Act 2006-574, enacted by the Alabama Legislature during the 2006 Regular Session, providing for a State Sales Tax Holiday, the City of Calera exempts “covered items” from municipal use tax during the same period, beginning at 12:01 a.m. on the first Friday in August 2012 (August 3, 2012) and ending at twelve midnight the following Sunday (August 5, 2012).

(b) This section shall be subject to all terms, conditions, definitions, time periods, and rules as provided by Act 2006-574, except that the time period shall only be as specified in subsection (a) and not for all years thereafter.

Section 3. This ordinance shall become effective on July 3, 2012.

Council Member Roberson moved that unanimous consent of the Council be given for the immediate action upon said Ordinance. Council Member Bradshaw seconded said motion and upon vote the results were:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

The Mayor declared said motion carried and unanimous consent given.

Council Member Montgomery moved that Ordinance No. 2012-12 be adopted, which motion was seconded by Council Member Bunn and upon vote the results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

Adopted this 7<sup>th</sup> day of May, 2012.

Mayor Graham declared Ordinance No. 2012-12 adopted.

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Connie B. Payton, City Clerk

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Jon G. Graham, Mayor

Mayor Graham introduced the following Resolution:

**RESOLUTION NO. R-2012-12**

**BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF  
CALERA, ALABAMA**

**BUDGET MANAGEMENT POLICY**

That City of Calera, Alabama (“the City”) establishes budget policies which guide the development of the City’s budget. The purpose of the budget policies are to:

- (a) Ensure the City maintains a financial base sufficient to sustain a consistent level of municipal services;
- (b) Ensure the City is able to withstand local and regional economic variations;
- (c) Adjust to changes in the service requirements of the community; and
- (d) Maintain a good credit rating with the rating agencies so that borrowing costs are minimized and access to credit is preserved.

The following presents a summary of the policies which guide the budget development process:

- (1) The City will prepare a budget annually; budgets will be reviewed on at least a quarterly basis for amendment of revenue and expense expectations based upon actual results to date.
- (2) The City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets. It is the City’s intent to maximize the level of public goods and services while minimizing the level of debt.
- (3) Annual projected expenditures in any budget should not exceed 90% of the annual projected revenue.
- (4) The City will maintain a minimum unreserved General Fund balance of no less than 10% of annual operating expenditures. The purpose of this fund is to provide a means for the City to respond to potential adversities such as public emergencies, natural disasters, or similarly unanticipated events.

**DEBT MANAGEMENT POLICY**

The purpose of this Debt Management Policy is to establish guidelines for the issuance and management of the debt of the City of Calera, Alabama (“the City”). The City is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of the City, as well as the full and timely repayment of all borrowings. The City views debt as a means to distribute and equalize improvement costs to both present and future citizens, and as a means to address the near-term cash flow impact of undertaking certain public improvements.

To further the directives set forth above and to promote long-term stability and strategic thinking, the City Council hereby adopts the following policies:

- 1) The City will prepare and adopt a five–year Capital Budget, updated every year, to identify capital project needs, estimated cost per year, and possible funding sources to finance the plan.
- 2) City Council approval is required prior to the issuance of debt.
- 3) Capital projects financed through the issuance of bonds are financed for a period not to exceed a conservative estimate of the useful life of the facility or equipment to be financed.
- 4) The City will not use long-term debt to support current operations.

- 5) The City will use refunding bonds when appropriate to restructure its current outstanding debt.
- 6) The City will conduct its debt management functions in a manner designed to maintain or enhance its existing credit ratings, so that borrowing costs are minimized and access to credit is preserved.

### **INVESTMENT MANAGEMENT POLICY**

The purpose of the City Calera's Investment Management Policy is to provide guidelines and limitations for the responsible management of the City's funds that are available for investment. The investment policy applies to the cash management and investment activities of the City, except for the debt service funds, reserve funds, and other financial assets held by various fiscal agents and trustees as provided by the appropriate bond ordinance or indenture. The financial assets of all other funds shall be administered in accordance with the provisions of this policy.

It is the policy of the City to invest public funds in a manner which will provide maximum security of principal consistent with a market rate of return while meeting the cash flow needs of the City and conforming to all applicable State, County, and City statutes governing the investment of public funds.

The primary objectives of the City shall be:

- (1) **Safety**: Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital.
- (2) **Liquidity**: The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- (3) **Return on Investment**: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

The standard of prudence used by the City shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The prudent person rule is restated below:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The City is empowered to invest in any securities as defined by the Code of Alabama 11-81-21.

**BE IT FURTHER RESOLVED**, that upon the adoption and execution of this resolution, that a copy of this policy be kept on record by the City Clerk.

Council Member Bradshaw made a motion to adopt Resolution No. R-2012-12. Council Member Bunn seconded said motion and upon vote, results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

The Mayor declared Resolution No. R-2012-12 adopted this the 7th day of May 2012.

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Jon G. Graham, Mayor

ATTESTED BY:

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Connie B. Payton, City Clerk

Mayor Graham introduced the following Resolution:

**RESOLUTION NO. R-2012-13**

**MUNICIPAL WATER POLLUTION PREVENTION (MWPP) PROGRAM**

**Resolved** that the City of Calera informs the Department of Environmental Management that the following actions were taken by Calera City Council.

1. Reviewed the MWPP Annual Report which is attached to this resolution.
2. Set forth the following actions and schedule necessary to maintain effluent requirements contained in the NPDES Permit, and to prevent the bypass and overflow of raw sewage within the collection system or at the treatment plant:
  - (a) Continue to seek out and eliminate sources of inflow and infiltration.

Council Member Bradshaw moved that unanimous consent of the Council be given for immediate action upon Resolution No. R-2012-13. Council Member Gentry seconded said motion and upon vote, the results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

Council Member Bunn moved that Resolution No. R-2012-13 be adopted. Council Member Gentry seconded said motion and upon vote, the results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

Mayor Graham declared Resolution No. R-2012-13 adopted.

Adopted this 7th day of May, 2012.

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Jon G. Graham, Mayor

ATTEST:

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Connie Payton, City Clerk

Mayor Graham introduced the following Resolution:

**RESOLUTION NO. R-2012-14**

**MUNICIPAL WATER POLLUTION PREVENTION (MWPP)  
PROGRAM**

**Resolved** that the City of Calera informs the Department of Environmental Management that the following actions were taken by Calera City Council.

3. Reviewed the MWPP Annual Report which is attached to this resolution.
4. Set forth the following actions and schedule necessary to maintain effluent requirements contained in the NPDES Permit, and to prevent the bypass and overflow of raw sewage within the collection system or at the treatment plant:
  - (b) Continue to operate the collection system and treatment plant at its current efficiency and treatment level.

Council Member Roberson moved that unanimous consent of the Council be given for immediate action upon Resolution No. R-2012-14. Council Member Gentry seconded said motion and upon vote, the results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

Council Member Bradshaw moved that Resolution No. R-2012-14 be adopted. Council Member Gentry seconded said motion and upon vote, the results were as follows:

AYES: Montgomery, Roberson, Bradshaw, Graham, Bunn, Gentry

NAYS: None

Mayor Graham declared Resolution No. R-2012-14 adopted.

Adopted this 7th day of May, 2012.

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Jon G. Graham, Mayor

ATTEST:

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Connie Payton, City Clerk

**Guests:**

Rebecca Krueger reported a great turn out for the 2<sup>nd</sup> Annual Strawberry Festival. Mrs. Krueger thanked the Mayor and Council for having the Park and Recreation Staff prepare for the festival.

There being no further business, Council Member Roberson made a motion to adjourn the meeting at 7:15 p.m.

Approved this 15<sup>th</sup> day of May, 2012.

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Jon G. Graham, Mayor

ATTEST:

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Connie B. Payton, City Clerk