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MEMORANDUM

To: The City of Blue Ridge—Mayor and City Council

From: Ken E. Jarrard, Esq.; Megan N. Martin, Esq.; and Jeffrey J. Costolnick, Esq.

Date: June 14, 2016

Subject: City of Blue Ridge Investigation: Phase Two Findings

On November 10, 2015, the Blue Ridge City Council appointed Jarrard & Davis, LLP (Jarrard & Davis) to undertake a review of the City of Blue Ridge's (the "City's") policies and practices with respect to governmental operations, to identify areas where the City is not or may not be complying with pertinent local or state law, to identify any elected officials that are acting in a manner inconsistent with pertinent local or state law, and to otherwise make recommendations regarding the improvement of City operations. Jarrard & Davis, LLP proposed a two-phased approach to performing this review.

The first phase of the investigation ("Phase I") consisted of a series of interviews with senior staff and officials for purposes of issue spotting. On February 2, 2016, Jarrard & Davis, LLP, through attorney Ken Jarrard, presented the findings from Phase I to the City, along with a "Master List" of recommendations for further scrutiny during the proposed second phase of the investigation ("Phase II"). See, Exhibit A, pg. 7. The "Master List" identified the following issues as warranting investigation:

1. The financial accountability of a City Department regarding reported, irregular liquidation of City assets and accounting of cash transactions;
2. The ongoing questions regarding the Mayor's legal place of residence – to include permitting – in order to definitively conclude that matter; and
3. A review of whether City officials are (or have in the recent past) utilized City resources for personal gain or the betterment of their friends and families. Id.

Phase II of the investigation was authorized by the City Council and involved a thorough investigation of each of the issues identified in the Phase I "Master List." During Phase II, Jarrard & Davis attorneys met with the following individuals, either in-person, by telephone, or both, between the dates of April 14, 2016 and May 25, 2016:

- Finance Director Alicia Stewart;
- Police Chief Johnny Searce;
- Mayor Donna Whitener;
- Council Member Angie Arp;
- Police Lieutenant Gary Huffman;
- Council Member Rodney Kendall; and
- Former City Administrator Bill Sowers.¹

Additionally, Jarrard & Davis attorneys spoke individually via telephone conference with several additional individuals outside of the City government who were reported to have additional information regarding issues on the "Master List," based on their business relationships with the City or general knowledge of the facts. The identities of non-City personnel contacted in the course of this investigation are not included in this report due to privacy considerations.

Similar to Phase I, during the Phase II interviews, the Interviewees were advised that Jarrard & Davis, LLP has not entered into an attorney-client relationship with the City or the individuals being interviewed. Each Interviewee was asked a pre-set list of questions and provided the opportunity to explain any relevant information regarding the issues on the "Master List." Some Interviewees also chose to share correspondence, photographs, or other documentation with the Jarrard & Davis, LLP attorneys relating to their personal knowledge regarding the issues addressed. It is worthy of emphasis that Jarrard & Davis did not have the subpoena power as part of this investigatory process. Therefore, while we were able to interview witnesses and ask very direct and probing questions, we could not compel individuals to cooperate nor were individuals placed under oath during the course of providing their responses.

Phase II Investigation Findings

I. Report of irregular liquidation of City assets and improper accounting of cash transactions by the City Police Department.

The first issue on the "Master List" provided that "[f]urther investigation into the financial accountability of a City Department regarding reported, irregular liquidation of City assets and accounting of cash transactions should be undertaken." This involved questions of possible financial irregularities implicating the liquidation of Police Department handguns, with

¹ Zoning Administrator Roy Parsons was unwilling to meet with the attorneys from Jarrard & Davis, LLP during Phase II of the investigation when contacted for that purpose.

no accounting for the disposal of said property or receipt of revenue related to their disposal. Furthermore, questions were raised during Phase I regarding whether the Police Department may have received revenue from the sale of annual Police Department calendars and/or the sale of advertising space within those calendars wherein that revenue was not accounted for.²

During Phase II of the investigation, Jarrard & Davis, LLP conducted a review of the underlying financial transactions relating to the Police Department to verify whether all such transactions were performed in accordance with applicable law and best practices. Below is a summary of the information obtained and documentary evidence acquired during the investigation.

a. Police Department Handguns

In 2014, the Police Department received fund raising donations from several local citizens for purposes of purchasing new equipment for the Department, including new handguns, which amounted to a total donation of approximately \$3,916.00. See, Exhibit B. The Police Department, through Lieutenant Gary Huffman, contacted Smyrna Police Distributors, in Smyrna, Georgia, to arrange to purchase new handguns with a combination of funding from those donations as well as revenue from the Police Department “confiscated asset fund” maintained by the City Finance Department.³ On November 26, 2014, a sales representative for Smyrna Police Distributors provided a written quote for the purchase of twelve (12) GLOCK 22 Gen 4 .40 caliber handguns in the amount of \$4,908.00. See, Exhibit C. Based upon that quote and purchasing order, the City arranged to fund the remaining purchase amount of \$992.00 with revenue from the Police Department “confiscated asset” fund. The City Finance Director credited the donation checks into the appropriate City maintained “confiscated asset” public fund account and issued a single check in the amount of \$4,908.00 to Smyrna Police Distributors, on November 20, 2014, for the total purchase price of the handguns. See, Exhibit D.

Additionally, as part of the same transaction, the sales representative for Smyrna Police Distributors provided a written “trade-in” quote for the Department’s existing ten (10) GLOCK 22 Gen 3 .40 caliber handguns, in the amount of \$2,700.00. See, Exhibit C. While the City chose to trade-in the original Department handguns to offset the purchase price for the new handguns, the City police officers opted to individually purchase their former service weapons for personal reasons. Therefore, the sales representative established an “Officer Buyback” program and quoted a sales price of \$315.50 per weapon for the officers to purchase their weapons. Id. Each of the officers participated in that buyback program and individually

² It is important to remember that Jarrard & Davis’ Phase I Master List was simply a list of topics raised that were worthy of additional investigation. No inference of wrongdoing or impropriety should arise by a topic being identified on the Master List – as no investigation was associated with compiling it.

³ On June 9, 2009 the City Council voted unanimously to establish a bank account for the Police Department to maintain revenue donated to the Department and revenue seized or confiscated during City law enforcement operations. See, Exhibit E (June 9, 2009 Regular City Council Meeting Minutes).

purchased their service weapon from Smyrna Police Distributors with individual cashier's checks following the trade-in.

On December 19, 2014 Smyrna Police Distributors issued a check in the amount of \$2,700.00 to the City, labeled as "Credit for Department Trades." See, Exhibit F. Upon receipt, the City credited \$992.00 back to the "confiscated asset fund" to replenish the purchase debit for the new handguns, and was left with a balance of \$1,708.00. Due to reported confusion regarding the basis for the payment from Smyrna Police Distributors, that balance was distributed as partial "reimbursement" to each of the officers who participated in the handgun buyback program on January 8, 2015, through Police Chief Johnny Scearce ("Chief Scearce"). See, Exhibit G.

At the time those funds were distributed to the police officers the City Finance Department and City Council were reportedly aware of, and in agreement with the decision. However, while preparing the 2015 City audit the decision to reimburse the police officers was subsequently determined to be improper and the City Finance Department recognized that all of the funds should have been deposited into the Police Department fund. When the Finance Department discovered the error and brought it to the attention of the Police Department, the police officers, through Chief Scearce, returned the money to the City on June 11, 2015, and the funds were placed into the appropriate City account. See, Exhibit H.

Our investigation has revealed that City financial policies were either lacking or otherwise inadequate prior to 2015, which resulted in poor record keeping, a confusing expenditure policy and, in this instance, an inappropriate distribution of City funds. It is that uncertainty that likely caused this financial error, which was promptly remedied upon its discovery. This error occurred prior to the City's adoption of new comprehensive purchasing policies which were implemented in the summer of 2015 to govern and regulate these types of transactions. Under the current policy, any purchase over \$3,500.00 must be pre-approved by vote of the City Council, then processed by the Finance Department. While the reimbursement of the \$1,708.00 to the officers was improper, the facts do not lead us to conclude it was the product of an improper motivation. Moreover, it was promptly remedied.

b. Police Department Calendars

The next issue involved the accounting of revenue from the sale of Police Department calendars and calendar advertisements. For approximately the past twenty (20) years, Chief Scearce has reportedly worked with a national printing solutions company out of Vidalia, Georgia by the name of The Police & Sheriff's Press, Inc. ("The Press"), to produce police department calendars that are distributed throughout the communities in which he has served in a law enforcement capacity. Those calendars raise funds from local businesses through the sale of advertising space within the calendar. Chief Scearce initiated this program as a Blue Ridge

fundraiser, and the Department produces at least one calendar per year.⁴

These calendars are given away at no charge to citizens and businesses within the City. The sole form of revenue generated through this program comes from the sale of advertisements in the calendar. The advertising sales are handled by representatives from the Press and no money is received or maintained by the City, the Police Department, or its officers. The calendar advertising revenue is accounted for and maintained by the Press, and a portion of the revenue is reportedly reserved for the purchase of law enforcement equipment for the City Police Department, upon the City's request. The Press reportedly maintains a separate account for the City of Blue Ridge Police Department's portion of revenue from the advertising sales and, when the Police Department is in need of certain equipment, the Press provides the necessary funding directly to the City Finance Department, as long as funds remain available. See e.g., Exhibit I.

Through the course of this investigation, Jarrard & Davis, LLP found no evidence of financial malfeasance or impropriety on the part of the Police Department with regard to this calendar program. However, the business practice as described does not fully protect the City's interests and it is recommended that the business model be amended to more appropriately reflect present-day best management practices. There is no written agreement of any kind between the City and the Press and there is no system in place by which the Press provides an accounting report to the City to identify the revenue received from the Police Department calendars and/or what is allocated to the City.

Unfortunately, while this sort of informal financial relationship may have been customary when this relationship was conceived (roughly 20 years ago), we now live in an environment where transparency and accountability are foundational in government institutions. It is likely that there are mixed motives by the business owners in making contributions to become part of the calendar program. First, the businesses are likely interested in having their business advertised for singularly self-motivated reasons. However, another reason is because they are of the belief that the calendars serve as an income generator for the City of Blue Ridge Police Department. In other words, many of these businesses are likely providing funding to this calendar program, at least in part, based upon their civic-minded sense of community. Consequently, it is both appropriate and a best practice to memorialize this relationship in an agreement between the Press and Blue Ridge in order to definitively understand (1) the amount of total contributions made for the calendar, (2) the offset the press charges with respect to administrative costs for production of the calendars, as well as any overhead or profit they retain for themselves, (3) the amount of expected revenue that will be provided to the City of Blue Ridge from the calendar sales, and (4) confirmation that all funds will be tendered to the City of Blue Ridge for retention and drawdown from the City Finance Department – in order to ensure the funds are part of the City's annualized audit. While this will in fact constitute a greater level of formality that has heretofore accompanied this program, these funds are being provided by businesses with the expectation that they will inure to the benefit of the City of Blue Ridge, and

⁴ The Press reportedly maintains similar business relationships with more than 400 governmental entities throughout the State of Georgia, and many more nationally; including law enforcement, judicial districts, prosecuting offices, attorney generals, and more.

therefore it is appropriate that a heightened degree of accountability and transparency accompany this transaction.

II. Report that the Mayor does not maintain her legal place of residence within the City limits.

The second issue on the "Master List" considered worthy of further investigation was "[t]he ongoing questions regarding the Mayor's legal place of residence – to include permitting . . .", which relates to allegations that the current City Mayor, Mayor Donna Whitener ("Mayor Whitener"), does not reside within the City limits. Section 2.10(b) of the City Charter provides as follows:

(b) The mayor and councilmembers shall serve for terms of four years and until their respective successors are elected and qualified. No person shall be eligible to serve as mayor or councilmember unless he shall have been a resident of this city for 12 months immediately preceding the election of mayor or councilmembers; each such person shall continue to reside within the city during said period of service and shall be registered and qualified to vote in municipal elections of this city. No person's name shall be listed as a candidate on the ballot for election for either mayor or councilmember unless such person shall file a written notice with the clerk of said city that he desires his name to be placed on said ballot as a candidate either for mayor or councilmember. No person shall be eligible for the office of mayor or councilmember unless such person shall file above said notice within the time provided for in Chapter 3 of Title 21 of the O.C.G.A., the "Georgia Municipal Election Code."

City of Blue Ridge Charter of 1989, 1989 Ga. Law 3823 (Section 2.10(b)). Accordingly, this issue is threefold—whether Mayor Whitener: (1) was a resident of the City for 12 months immediately preceding her election; (2) continues to reside within the City during her period of service; and (3) is registered and qualified to vote in the City.

Mayor Whitener has acknowledged that she is aware of these allegations and has provided documentation to this office as part of her efforts at aiding in the investigation. Mayor Whitener was elected to office in 2010. She currently owns property at 266 Orvin Lance Drive (previously numbered as 169 Orvin Lance Connector), which is within the boundaries of the City, and in 2006, constructed a 65,000 square foot (approx.) home furnishing outlet business on that property, with several tenant spaces. Above the aforementioned furnishing business, on the mezzanine level within the same structure, exists a two bedroom 1,650 square foot (approx.) residential apartment.

The City Building Inspector confirmed that the building was built in accordance with the City zoning requirements and, on March 10, 2006, Mayor Whitener was issued a certificate of

occupancy for that structure. See, Exhibit J. The general contractor who reportedly constructed this structure has confirmed verbally and in writing that “[i]n the plans for [the 266 Orvin Lance Drive] property with Donna Whitener & Clyde Fortner we discussed and confirmed that an apartment was to be included in the building. We also confirmed that the apartment was to be used as a residence for Donna Whitener.” See, Exhibit K. On January 30, 2006, a site inspection and building evaluation was performed in connection with that property, which revealed “[t]he small residence located in the mezzanine level appeared to have full interior finishes.” See, Exhibit L, pg. 2.

According to the Fannin County Board of Elections, Mayor Whitener has been registered to vote in Fannin County since 1992, and registered to vote in the City, under the 266 Orvin Lance Drive address, since at least 2008 (her last voter registration “status change” being shown as March 4, 2008). Therefore, the third question regarding voter registration has clearly been met and the primary focus of the investigation into this matter involved the first and second questions, regarding “residency.”

The legal definition of what constitutes “residency” is by its very nature a somewhat amorphous legal concept. For guidance, we turn to the Georgia elections statute, O.C.G.A. § 21-2-217, which sets forth a defined index of “rules for determination of residence” with regard to voter registration and qualification, and provides, in relevant part, as follows:

(a) In determining the residence of a person desiring to register to vote or to qualify to run for elective office, the following rules shall be followed so far as they are applicable:

- (1) The residence of any person shall be held to be in that place in which such person's habitation is fixed, without any present intention of removing therefrom;*
- (2) A person shall not be considered to have lost such person's residence who leaves such person's home and goes into another state or county or municipality in this state, for temporary purposes only, with the intention of returning, unless such person shall register to vote or perform other acts indicating a desire to change such person's citizenship and residence;*
- (3) A person shall not be considered to have gained a residence in any county or municipality of this state into which such person has come for temporary purposes only without the intention of making such county or municipality such person's permanent place of abode;*
- (4) If a person removes to another state with the intention of making it such person's residence, such person shall be considered to have lost such person's residence in this state;*

- (4.1) *If a person removes to another county or municipality in this state with the intention of making it such person's residence, such person shall be considered to have lost such person's residence in the former county or municipality in this state;*
- (5) *If a person removes to another state with the intention of remaining there an indefinite time and making such state such person's place of residence, such person shall be considered to have lost such person's residence in this state, notwithstanding that such person may intend to return at some indefinite future period;*
- (6) *If a person removes to another county or municipality within this state with the intention of remaining there an indefinite time and making such other county or municipality such person's place of residence, such person shall be considered to have lost such person's residence in the former county or municipality, notwithstanding that such person may intend to return at some indefinite future period;*
- (7) *The residence for voting purposes of a person shall not be required to be the same as the residence for voting purposes of his or her spouse;*
- (8) *No person shall be deemed to have gained or lost a residence by reason of such person's presence or absence while enrolled as a student at any college, university, or other institution of learning in this state;*
- (9) *The mere intention to acquire a new residence, without the fact of removal, shall avail nothing; neither shall the fact of removal without the intention;*
- (10) *No member of the armed forces of the United States shall be deemed to have acquired a residence in this state by reason of being stationed on duty in this state;*
- (11) *If a person removes to the District of Columbia or other federal territory, another state, or foreign country to engage in government service, such person shall not be considered to have lost such person's residence in this state during the period of such service; and the place where the person resided at the time of such person's removal shall be considered and held to be such person's place of residence;*
- (12) *If a person is adjudged mentally ill and is committed to an institution for the mentally ill, such person shall not be considered to have gained a residence in the county in which the institution to which such person is committed is located;*

- (13) *If a person goes into another state and while there exercises the right of a citizen by voting, such person shall be considered to have lost such person's residence in this state;*
- (14) *The specific address in the county or municipality in which a person has declared a homestead exemption, if a homestead exemption has been claimed, shall be deemed the person's residence address; and*
- (15) *For voter registration purposes, the board of registrars and, for candidacy residency purposes, the Secretary of State, election superintendent, or hearing officer may consider evidence of where the person receives significant mail such as personal bills and any other evidence that indicates where the person resides.*

O.C.G.A. § 21-2-217(a); see also, Cook v. Board of Registrars of Randolph County, 320 Ga. App. 447, 449, 740 S.E.2d 223, 225 (2013) (“[w]herever a form of the word “reside” occurs either in the statutes or in the constitution of Georgia with respect to voting, it should be construed to mean “domicile.”). Accordingly, one’s tacit or explicit *intention* concerning his/her place of domicile is a largely determinative factor in discerning residency. Id. In Cook, the Court of Appeals held that where an individual does not take up an actual residence elsewhere with the “avowed intention” of making a change in domicile, he/she will not be considered as having changed their domicile. Cook, supra, 320 Ga. App. at 453.

Mayor Whitener disclosed that she owns several other properties within the State of Georgia, which are not located within the City, and that on occasion she spends time at those properties. However, she maintains that her primary residence is the 266 Orvin Lance Drive address. She declares that she receives her personal mail at that address, and this investigation has revealed no evidence to the contrary. She declares that she has never filed for a homestead exemption regarding any of her properties, and our review of property tax records support that assertion.

Based upon the documentary evidence that we have obtained and reviewed, as well as our interviews with the Mayor, we find nothing to suggest that the Mayor’s residence is any place other than 266 Orvin Lance Drive. Does that mean that we have exhausted every possible means of ruling out that another location could serve as the actual residence? No; however, the ability to prove otherwise would involve an evidentiary undertaking that is beyond the scope of this investigation. The only way we believe it would possible to discount the considerable documentary evidence establishing that 266 Orvin Lance Drive is the Mayor’s residence would be (1) the recruitment of private investigators to literally “stake out” and determine where the Mayor appears to reside in the evenings, and/or (2) interviews with family, friends, and acquaintances (none of whom would have to cooperate with Jarrard & Davis given the absence of the subpoena power) to determine via sworn testimony whether the Mayor actually resides at a location other than 266 Orvin Lance Drive. In the absence of those very invasive investigatory techniques, we believe the findings we have made above constitute the best readily available evidence with respect to this residency issue. We are comfortable with the conclusions yielded

therefrom and believe for all practical purposes this matter should be put to rest.

III. Report of City officials having utilized City resources for personal gain or the betterment of their friends and families.

During Phase I of the investigation several issues were raised concerning City officials having potentially utilized City resources for personal gain or the betterment of their friends and families. Therefore, the third and final issue on the “Master List” considered worthy of further investigation was “whether City officials are (or have in the recent past) utilized City resources for personal gain or the betterment of their friends and families (e.g., Council Members allegedly providing gravel or other City-provided improvements to family members or friends) . . .”. The individual allegations and information obtained through the course of this investigation regarding each are summarized below.

a. Giving Away or Gifting of City Property

In 2009, the City voted to give away property at the end of West Main Street to a City resident at no cost to that resident. Section 6.32 of the City Charter (“Sale of Property”) provides as follows:

(a) The city council may sell and convey any real or personal property owned or held by the city for governmental or other purposes as now or hereafter provided by law.

(b) The city council may quitclaim any rights it may have in property not needed for public purposes upon request by the mayor and adoption of a resolution, both finding that the property is not needed for public or other purposes and that the interest of the city has no readily ascertainable monetary value.

(c) Whenever in opening, extending, or widening any street, avenue, alley, or public place of the city a small parcel or tract of land is cut off or separated by such work from a larger tract or boundary of land owned by the city, the city council may authorize the mayor to execute and deliver in the name of the city a deed conveying said cut-off or separated parcel or tract of land to an abutting or adjoining property owner or owners in exchange for rights of way of said street, avenue, alley, or public place when such exchange is deemed to be in the best interest of the city. All deeds and conveyances heretofore and hereafter so executed and delivered shall convey all title and interest the city has in such property, notwithstanding the fact that no public sale after advertisement was or is hereafter made.

City of Blue Ridge Charter of 1989, supra, p. 3855 (Section 6.32).

Accordingly, pursuant to Section 6.32(b) of the City Charter, the City may quitclaim any rights it may have in a piece of property for which the City determines there is no public need

and for which there is no readily ascertainable monetary value. However, such action must be done pursuant to request by the Mayor and adoption of a Resolution. This investigation has revealed that during a public meeting on June 9, 2009 the City Council voted unanimously in favor of abandoning a right-of-way that ran through a resident's property, which the City reportedly had no need or purpose for, and conveying that property to the resident at no cost. See, Exhibit M. The deed for this exchange was reportedly executed by the City Attorney; however, this office has not received that document (i.e., the deed) to review prior to the drafting of this report. On December 17, 2009, the City Council voted unanimously to "authorize the Mayor [Robert Greene] and City Clerk to sign [the] Quit Claim Deed" for this transaction. Id.

While this transaction appears to have been conducted in accordance with the City Charter, the procedure raises separate concerns regarding compliance with state law—particularly, with respect to the "gratuities clause" of the Georgia Constitution and state statutes governing procedures for abandonment of real property. Georgia law plainly prohibits a government from granting "gratuities," which are ordinarily defined as "something given freely or without recompense; a gift." Rabun Cty. v. Mountain Creek Estates, LLC, 280 Ga. 855, 859, 632 S.E.2d 140, 145 (2006), quoting Garden Club of Ga. v. Shackelford, 266 Ga. 24, 24, 463 S.E.2d 470 (1995). Furthermore, to the extent that the City gave away a right-of-way that ran through a resident's property, there should have been compliance with the State of Georgia property abandonment procedures. In accordance with O.C.G.A. § 32-7-1, *et seq.*, the only way for local governments to relinquish a right-of-way is by abandoning it, which would require a determination by the City Council that the piece of property, as a matter of law, no longer served any "substantial public purpose" or that the City's interest demanded the road be abandoned. Among other requirements set forth by statute, any roadway abandonment must be initiated by a written request of an applicant, and would include a public hearing and proper notice, along with a certification of abandonment recorded in the minutes. The minutes of the June 9, 2009 and December 17, 2009 City Council meetings during which this matter was voted upon make no reference to any application or certification of abandonment. If the state abandonment procedures were not complied with there may be concerns with the validity of the transfer.⁵

As a general matter, if a city charter conflicts with state law, then the charter must yield to state law. See, City of Atlanta v. Shafer, 248 Ga. App. 518, 520, 546 S.E.2d 565, 567 (2001) ("powers which the legislature sets out in city charters 'are subject to limitations and preemptions imposed by general law.'"), quoting, Peacock v. Georgia Mun. Ass'n, Inc., 247 Ga. 740, 742, 279 S.E.2d 434, 437 (1981). Therefore, to the extent that the City Council followed the Blue Ridge Charter, but did not comply with state law in this area, the action may be improper. As such, it is recommended that this conveyance of property be reviewed by the City Attorney to ensure compliance with Georgia law.

b. Council Member Rodney Kendall's Driveway

In or about 2012, the City paved a portion of Council Member Rodney Kendall's previously unpaved driveway at his personal residence, at no cost to Council Member Kendall.

⁵ It should be noted that even following abandonment, a disposition of the property should occur – but that is beyond the scope of this analysis.

Section 2.16 of the City Charter (“Prohibitions”) provides that:

(c) No elected official, appointed officer, or employee of the city or any agency or entity to which this charter applies shall use property owned by such governmental entity for personal benefit, convenience, or profit, except in accordance with policies promulgated by the city council or the governing body of such agency or entity.

City of Blue Ridge Charter of 1989, supra, p. 3837 (Section 2.16).

Our investigation revealed that the paving project in question was performed pursuant to the direction and authority of the acting City Administrator at the time, Bill Sowers. Reportedly, the City Water & Sewer Department was tasked with installing an 18 inch water main along Ava Street, at or near Council Member Kendall’s property. As part of that project, the Water & Sewer Department was required to connect the water main to an adjoining 2 inch waterline nearby, which required the City to dig across Council Member Kendall’s driveway and place an exposed water valve in the driveway. Due to concerns that personal vehicles and the City garbage truck (which accesses that driveway weekly), may cause damage to the unprotected valve upon entering and exiting the driveway, the decision was made by Mr. Sowers to “form up and pour concrete to reinforce” the area surrounding the valve. Pursuant to instructions from Mr. Sowers, the City paved approximately the first eight (8) feet of the driveway, and covered the valve. See, Exhibit N (Photograph depicting driveway repair and valve placement). Council Member Kendall declares that he was out-of-town at the time of the project and that he did not request nor authorize work to be done. Mr. Sowers has confirmed that information.

As City Administrator, Mr. Sowers was authorized to perform such repair work with an estimated cost of \$1,000 or less, without obtaining pre-approval from the City Council. Mr. Sowers declares that this project was estimated to cost less than \$1,000. Mr. Sowers further confirmed that the paving project was ordered by him and on the basis of his concern for protecting the City’s water main valve, and to avoid further repair costs in the event of the valve’s potential damage by passing vehicles. This investigation has revealed no evidence to suggest that Council Member Kendall’s driveway was paved at his request or by his order for his own benefit.

While our findings do not suggest any impropriety related to this improvement involving Council Member Kendall’s driveway, the very fact that questions have swirled around this transaction for some time serve to support the notion that all in government must give heightened considerations to transactions which raise the appearance of impropriety. A best practice would be that if there is going to be an expenditure of City funds that serve to benefit elected officials or even employees, that some disclosure in a public forum be provided such that the public can know that there is no improper or self-interested dealing forming the basis for the transaction.

c. City Cell Phone Carrier Agreement

In or about 2011, the City voted to change its cell phone service provider from Verizon to

AT&T. This was raised as an issue of concern during Phase I of the investigation because two of the sitting Council Members at the time of that vote, Rodney Kendall and Michael Eaton, had reported ties to AT&T and potentially stood to benefit financially from the AT&T transaction. Council Member Kendall's wife was a manager at the AT&T store from which the sale originated, and Council Member Eaton was an AT&T employee, at a different store. Section 2.16 of the City Charter ("Prohibitions") further provides as follows:

(a) No elected official, appointed officer, or employee of the city or any agency or political entity to which this charter applies shall knowingly:

(1) Engage in any business or transaction or have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his official duties or which would tend to impair the independence of his judgment or action in the performance of his official duties;

(6) Vote or otherwise participate in the negotiation or in the making of any contract with any business or entity in which he has a financial interest.

(b) Any elected official, appointed officer, or employee who has any private financial interest, directly or indirectly, in any contract or matter pending before or within any department of the city shall disclose such private interest to the city council. The mayor or any councilmember who has a private interest in any matter pending before the city council shall disclose such private interest and such disclosure shall be entered on the records of the city council, and he shall disqualify himself from participating in any decision or vote relating thereto. Any elected official, appointed officer, or employee of any agency or political entity to which this charter applies who shall have any private financial interest, directly or indirectly, in any contract or matter pending before or within such entity shall disclose such private interest to the governing body of such agency or entity.

City of Blue Ridge Charter of 1989, supra, p. 3835 (Section 2.16).

According to the May 12, 2009 Regular City Council Meeting Minutes, Council Member Eaton abstained from that vote; while Council Member Kendall voted in favor. See, Exhibit O. Therefore, the limited issue presented is whether Council Member Kendall had a financial or other personal interest in the transaction that was incompatible with the proper discharge of his official duties, such that he should have abstained from the vote as well.

This investigation revealed that the transaction in question was handled by a sales representative for AT&T, and no evidence was found to indicate that Council Member Kendall's wife—and indirectly Council Member Kendall—stood to directly benefit from the transaction. The offer was structured by an individual sales representative for AT&T and was presented to the City Council during an open meeting for consideration. The contracts were negotiated and

executed by the sales representative and former City Administrator Bill Sowers, and we have obtained no evidence to indicate that any other AT&T employee received a commission or financial benefit of any kind from that deal, including Council Member Kendall's wife. Our discussions with the AT&T sales representative have verified this assertion.⁶ Based on the information provided to our Firm during this investigation, there is no evidence to indicate that Council Member Kendall was obligated to abstain from that vote. Furthermore, Council Member Kendall advises that he discussed this issue with the City Attorney prior to his vote and that, based on the information provided to the City Attorney, Council Member Kendall was advised that he need not recuse himself from the vote.

Given that Council Member Kendall reports that he conferred with the City Attorney prior to casting his vote on this issue, this office is hard-pressed to conclude there was any impropriety associated with his voting on same. One of the reasons for having city and county attorneys is to run ethical issues by a lawyer and secure guidance for future conduct. Matters of ethical impropriety must be determined on a case by case basis. The most clear-cut example of when an elected official must recuse from a matter is when their interest is conflicted based upon some sort of financial or material gain or benefit arising out of their official action. A more difficult ethical conundrum arises when there is no financial or material gain to be derived by an elected official taking official action on a matter; but the circumstances by which you are asked to vote could lead an ordinary citizen to believe there is the appearance of impropriety associated with the activities. This can be a terribly challenging ethical matter to address and should be handled on a case by case basis. The best guidance we can provide is that if you believe that your official action may carry with it the appearance of impropriety, you should give serious consideration to recusal, obviously in tandem with consultation with the City Attorney. That appears to have been done here.

d. Graveling Resident's Parking Lot

In January 2014, the City graded and graveled a parking lot for a private business in the City at no cost to the business owner. This investigation has revealed that in the latter portion of 2013, a street paving project was performed by the City which resulted in the removal of a curb-cut from one area of the subject business property and replaced at another part of the property. Due to the newly located curb-cut, the business owner reported excessive water runoff onto her property that allegedly resulted in physical damage to the property. The business owner presented her complaints to the City Council during a regularly scheduled public meeting, and requested that the City repair the damage by grading and graveling the lot. During a subsequent public meeting on January 14, 2014, the City Council voted in favor of repairing the lot as requested. See, Exhibit P. Council Members confirmed that there was a perceived threat of litigation and that this was a business decision deemed to be in the City's best interest to avoid potential costly litigation. Our investigation has revealed no evidence to suggest this was an improper use of City funds.

If there is any criticism that could be leveled at this transaction; it would go back to the

⁶ Our discussions with AT&T were terminated when specific financial information was sought.

issue of accountability and transparency. If a local government is going to spend funds on private property to address a condition created by the government that may lead to litigation, that is certainly appropriate. Taking decisive and prompt action to remediate areas that could lead to litigation may in fact serve the interest of the taxpayer as it leads to an immediate (but lower) expenditure that will likely forgo a much larger expenditure if litigation is required. However, in order to foster transparency and accountability (and from a risk management standpoint), it would be appropriate to have secured a release from any storm water runoff claims associated with this event, given that apparently the threat of litigation is what occasioned the improvement on private property in the first place. In the future, I would recommend that if the City is going to engage in unilateral improvements on private property as a means to avoid litigation – again, an appropriate pursuit – it secure a settlement agreement as a product of its efforts.

e. Personal Transactions By Council Member Angela Arp

The final issue of concern identified during Phase I of the investigation involved allegations that Council Member Angela Arp may have utilized information obtained in the course of her role as a Council Member to further her own interests when acquiring property in the City. The specific allegations against Council Member Arp suggest that through her role as a City Council Member, she learned of a future land use development project adjacent to property that was for sale within the City, and that she took advantage of that confidential information to acquire the property at less than the “anticipated future fair market value.” Section 2.16 of the City Charter (“Prohibitions”) provides:

(a) No elected official, appointed officer, or employee of the city or any agency or political entity to which this charter applies shall knowingly:

(3) Disclose confidential information concerning the property, government, or affairs of the governmental body by which he is engaged without proper legal authorization or use such information to advance the financial or other private interest of himself or others;

Our investigation has revealed that in September 2014, Council Member Arp purchased property located on Main Street, within the City. Council Member Arp asserts that the purchase was a business decision motivated by a need for an in-town property to be utilized by her private business, and denies any separate motivation. She further denies any “anticipated” increase in the future fair market value based on information obtained from any third party developer. Obviously, absent tangible evidence declaring otherwise, it is very challenging to contradict an individual’s declarations as to their subject motivations for taking action. Therefore, we will confine our review to the objective facts. The key evidence with regard to any alleged impropriety involving this real estate transaction is the chronology of events.

Discussions with the former property owner (the “Seller”) during the course of this investigation revealed that the subject property had initially been placed on the market in or about March 2014. At the time of the purchase agreement, approximately six (6) months later, there were two pending offers on the property—one from Council Member Arp and another from

a third party. Reportedly, Council Member Arp presented the *higher* offer and that was accepted by the Seller. While Council Member Arp has confirmed that – sometime in the summer of 2015 subsequent to this purchase – information became available regarding a potential development project in the adjacent area, she asserts that she was not privy to any such information prior to the September 2014 purchase. It is our understanding that the first time the subject development plans were presented to the City Council was during a regularly scheduled City Council meeting on October 6, 2015 (more than one year after the purchase/closing date). See, Exhibit Q.

Currently, the property is still owned by Council Member Arp. The Fannin County Tax Assessor records indicate that the subject property was purchased in September 2014 for \$210,000, and that property has a current assessed value of \$127,596. Although the “previous value” for this property is identified as \$46,600, the 2014 purchase price still remains considerably higher than the current estimated value, which suggests that there has not been a financial windfall on the part of Council Member Arp as a result of the purchase of this property, at this time.

Based on the results of this investigation, no evidence was found to suggest this purchase was anything other than an arm's length transaction on the public real estate market, which was subject to negotiations with multiple parties. The Seller confirmed that Council Member Arp offered to purchase the property at the listing price as set by the Seller (at or a price reasonably close thereto), and this investigation has revealed no evidence to suggest that Council Member Arp had an unfair advantage based on confidential information or otherwise reaped a windfall related to same.

Conclusion

During the course of this six (6) month investigation, it has become clear that personality conflicts and relationship struggles have stymied the City's primary purpose of providing municipal services to the residents of the City of Blue Ridge. This lack of professionalism has created fissures within the government that has impeded the City's ability to function most effectively. However, during our Phase II investigation, it was noted by Mayor Whitener and Council Member Arp that the Phase I findings shed light on how these interpersonal conflicts have negatively impacted their abilities to serve as elected officials. Both elected officials confirmed that they have worked to follow the Phase I findings delivered on February 2, 2016 and have worked to set aside their differences. They report improved relations and a related improvement of their service as elected officials for the City of Blue Ridge and its citizens.

With regards to the Phase I “Master List” of issues for further consideration, the Phase II investigation led to the following conclusions:

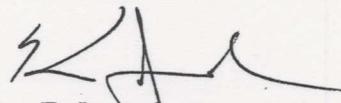
- Although improperly handled, the Police Department transaction involving the replacement of Department handguns, as well as the Police Department calendar program, do not appear to be illegal, gratuitous, or otherwise in violation of pertinent local or state law. It should be noted that Finance Director Alicia Stewart provided a thorough overview of these transactions to the Jarrard & Davis investigators during the

course of the investigation;

- The investigators' review of property tax records, loan financing records, permitting documents, Board of Elections records, and various personal statements during the course and scope of the Phase II investigation have yielded no evidence to contradict Mayor Whitener's claims of residency within the City of Blue Ridge; and
- Lastly, with regard to allegations that elected officials have used their role(s) as City officers for personal gain, no evidence was found to substantiate those accusations.

It has been a pleasure working with the City of Blue Ridge. This office considers this investigation closed.

JARRARD & DAVIS, LLP



Ken E. Jarrard

Exhibit A



JARRARD & DAVIS, LLP

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OF COUNSEL:
LARRY W. RAMSEY, JR.
ELIZABETH M. WHITWORTH

MEMORANDUM

To: The City of Blue Ridge—Mayor and City Council
From: Ken E. Jarrard, Esq. and Megan N. Martin, Esq.
Date: February 2, 2016
Subject: Investigation: Phase One Findings

On November 10, 2015, the Blue Ridge City Council appointed the law firm of Jarrard & Davis, LLP to undertake a review of the City of Blue Ridge's policies and practices with respect to governmental operations, to identify areas where the City of Blue Ridge is not or may not be complying with pertinent local or State law, to identify any elected officials that are acting in a manner inconsistent with pertinent local or State law, and to otherwise make recommendations regarding the improvement of City operations.

Jarrard & Davis, LLP proposed a two-phased approach to performing this review. The first phase consisted of a series of interviews with senior staff and officials for purposes of issue spotting. Phase Two, if authorized, will consist of a thorough investigation of the issues identified in Phase One that were considered worthy of additional inquiry. This report will serve as a summary of the efforts undertaken during Phase One along with recommendations and the "Master List"—a distilled list providing the scope of the recommended topics warranting further inquiry. During Phase One, Jarrard & Davis, LLP, through attorneys Ken Jarrard and Megan Martin, met individually on December 1, 2015 with the following individuals:

- Council Member Rodney Kendall;
- Council Member Angie Arp;
- Council Member Bruce Pack; and
- Council Member Harold Herndon.

Additionally, Ken Jarrard and Megan Martin met individually on December 2, 2015 with the following individuals:

- Police Chief Johnny Scarce;
- Council Member Rhonda Thomas;
- Office Manager Barbie Gerald;
- City Clerk Kelsey Ledford;
- Finance Director Alicia Stewart;
- Zoning Administrator Roy Parsons; and
- Mayor Donna Whitener

During these interviews, the Interviewees were advised that Jarrard & Davis, LLP has not entered into an attorney-client relationship with the City or the individuals being interviewed. Each Interviewee was asked a pre-set list of questions and provided the opportunity to identify any specific concerns regarding improper or problematic operations within the City of Blue Ridge's government. To ensure fairness and consistency in the interview process, all Interviewees were read the same preamble statement and asked the same list of pre-set questions. Some Interviewees also chose to share documents or other information with the Jarrard & Davis, LLP attorneys relating to their personal concerns regarding the City's operations and the actions of City officials. It must be emphasized that not all complaints or issues raised during the interviews are distilled into the Master List; as many of these issues are more properly characterized as personality disputes, political disagreements or other like matters that do not merit investigation or inquiry. Such issues, though perhaps unfortunate, are nonetheless not suggestive that the implicated City official or employee is acting in a manner inconsistent with pertinent local or State law. Those sorts of issues exist in every government. Furthermore, we acknowledge at the outset that certain matters relating to allegedly improper actions by former and current officials are being investigated by the Fraud Investigation Division of the Office of Commissioner of Insurance. Any allegations relating to this matter are, therefore, subject to review by a State agency and will not be considered as part of the investigatory process undertaken by Jarrard & Davis, LLP.

Most, if not all, Interviewees reported a strained environment within the City due to personality conflicts between the Mayor and City Council members. Although not illegal and not subject to further investigation as part of the contemplated "Master List", it is this office's opinion that many of the problems identified with the City of Blue Ridge's government stem from a breakdown in professionalism and courtesy amongst the City's elected officials. City employees reported feeling that the personality conflicts amongst leaders made their jobs difficult to perform and that this oftentimes led to confusion in knowing which tasks to perform – and the associated priority of tasks - due to different guidance being provided by the separate factions within the local government's current slate of elected officials. Many Interviewees indicated that they felt the City of Blue Ridge faces significant challenges to being efficiently and professionally run due to the lack of communication and/or hostile communication amongst Council Members and the Mayor. We strongly recommend that the City's officials come together and work diligently to ensure that discourse is handled in a professional and respectful manner, irrespective of the form of communication. Council Members and the Mayor are reminded that they are the face of the City of Blue Ridge's government and that name calling,

personal attacks, improper insinuation of misdeeds, and unfounded accusations should have no place in the operation of a local government. These behaviors appear to have significantly disrupted the City's ability to provide quality municipal services to the citizens of the City of Blue Ridge and are an impediment to this City's success.

A recurring theme observed during Phase One of the inquiry was that a considerable amount of the City's business is being conducted solely by the Mayor who – it is alleged – does not provide timely updates and reports about the City's business to the Council. It became apparent during the interviews that all of the functions currently being managed by the Mayor may be too burdensome for any one individual to handle and certainly too much to administer while otherwise endeavoring to manage and run a demanding personal business. This preliminary observation should not be interpreted as suggesting that the Mayor is not attempting to perform the duties she has assigned to herself—in fact; the opposite appears to be true. However, neither the Mayor nor any other City official can simultaneously fill all the roles for which are currently assigned to the Mayor – irrespective of who is responsible for so much being assigned to one person. This is especially true given that the Mayor and all of the Council Members have obligations outside of their roles as elected officials. Moreover, because City staff appear to be routinely engaged by (and receiving directives from) certain elected officials, this has resulted in City staff being placed in the middle of what appears to be an ongoing power struggle between the competing Council factions. It is strongly and emphatically recommended that the City of Blue Ridge implement a City Manager or City Administrator recruitment process. The City of Blue Ridge needs a professional, full time executive employee to carry out the policies established by the City Council and to oversee the City of Blue Ridge's day-to-day business operations. This individual should report directly to the Mayor and City Council, and should serve as a liaison between the City's Departments (including employees), the Mayor and Council. Additionally, this individual should be charged with ensuring the opening of communication lines between Council and the Mayor. The appropriate individual should be experienced in building consensus in a fractious government environment wherein that government is struggling due to a breakdown in communication amongst elected leadership. It cannot be stressed enough that a professional municipal staff – reasonably buffered from political considerations - is the gold standard for good government. It is our opinion that the City of Blue Ridge should promptly make an investment in a professional City Administrator or City Manager. Though there is a cost associated with creation of such a position, we believe it will more than pay for itself with the greater office-place efficiencies and increase in morale it will create.

In the context of bringing forward a strong executive to run the City's day-to-day business operations, a review of the City's structure and the role of Council Members as leaders of particular City Departments should be addressed. It is apparent that many of the current City Council members sought elected office because they believed they would oversee certain City Departments in "Commissioner" roles. For example, Council Member Pack expressed a very strong desire to work with the City's Park programming and in fact ran for office as the Parks Commissioner. However, since taking office he has been stripped of these duties and the Mayor as the Chief Executive has assumed the liaison role for all City Departments. A review of the City's history reveals that this is inconsistent with past administrations and years of political

history in Blue Ridge. This centralization of all responsibilities appears to have harmed the collegiality of Council Members who feel that they are not being allowed to fulfill their duties and obligations to the citizens who voted for them. This has led to low morale amongst Council Members and to the Mayor being consumed with too many duties and obligations. It is recommended that Council Members again be assigned as liaisons or "Commissioners" to the City's Departments and provide feedback to the Mayor and the appointed City Manager/Administrator regarding their work with the Departments on a routine basis. Each Commissioner should be charged with the obligation to report about the state of affairs in each of their Commissioner roles on a timetable that is to be mutually agreed upon. We recommend a return to the "Commissioner" structure as follows:

- Council Member Harold Herndon (Police Commissioner);
- Council Member Rodney Kendall (Water and Sewer Commissioner);
- Council Member Rhonda Thomas (Streets Commissioner);
- Council Member Angie Arp (Office Commissioner); and
- Council Member Bruce Pack (Parks Commissioner).

Likewise, it is imperative that the Mayor provide regular reporting of the state of affairs of the City of Blue Ridge. This need for information should not be used as a bludgeon against the Mayor; being raised only to point out deficiencies in the Mayor's performance. Instead, this regular reporting should be done because otherwise the remaining Council members have no means to understand the issues the City is facing – and the agenda items they are being asked to vote on. Currently, there is no regular process by which the Council receives updates from the Mayor as to her efforts on behalf of the City. Candidly, this need for written reports by the Mayor would be lessened if not removed if a City Administrator/Manager were retained. Until such time, a written policy indicating the frequency for such reporting, the required content of the reporting (e.g., meetings with local officials, state of financial affairs, communications from local authorities) and the format that such reporting should take (written report or verbal report) should be formalized. It is also imperative that the Mayor's report be presented in Open Meetings so that the citizens can understand the work being undertaken by the Mayor on the City's behalf and be able to stay abreast of current affairs. Council Members may question the Mayor about the report during said meeting to elicit information about the City's operations; however, it should be stressed that the manner in which Council Members and the Mayor interact when discussing these items should be civil, professional and based on factual inquiries that serve no purpose other than to understand the City's day-to-day business and pending or future agenda items.

Certain Interviewees complained that the Mayor has acted in a manner inconsistent with the City's Charter on various occasions. We have reviewed the City's Charter and those actions that allegedly violated the Charter's provisions (e.g., failure to provide regular updates as to the City's state of affairs to Council). We recommend that legal counsel for the City of Blue Ridge undertake a review of the Charter to update this document so that it is consistent with current practices within the City of Blue Ridge. Like all other municipalities in Georgia, the City of Blue Ridge has home rule power and may modify its own Charter – or – solicit the assistance of the General Assembly to implement certain changes. We recommend the Council give strong

consideration to doing so. The Charter needs to be updated to reflect the changing face of municipal government given that the current version was substantively drafted in 1989 (over a quarter century ago). Upon revision of the Charter, it is the obligation of all Council Members and the Mayor to gain an understanding of the Charter's provisions and to rely on legal counsel for interpretative guidance of this foundational document that serves as the bedrock for the City of Blue Ridge's government. It should be noted that the City is represented by capable legal counsel. Certain Interviewees complained that the Mayor often chose to not follow legal counsel's direction. This failure to follow advice of counsel was alleged to show a pattern of waste of money on legal fees for opinions or recommendations that were not heeded by City officials. As with any attorney-client relationship, the City is not bound to follow the advice of legal counsel. No local government attorney in Georgia has the power to force their will on the elected officials they serve; moreover, oftentimes a local government attorney will make recommendations among multiple lawful options. Which option the local government chooses is up to it. The Council is the City's legislative and policy-making body. Council can make the decision to follow advice of legal counsel or to not follow advice of legal counsel. Likewise, the Mayor may choose to follow advice of legal counsel or to not follow advice of legal counsel relating to areas for which she is responsible. The key is whether the legal advice given best serves the City and not the individual elected officials who seek legal advice. The City Attorney ultimately represents the City and all officials should be reminded of this when considering the advice provided. As public officers, each and every City official serves as a trustee and servant to the citizens of Blue Ridge and must remain accountable to the citizenry in their individual decision making. With that being said, based upon the information presented by the Interviewees, we cannot recommend further inquiry into allegations that an elected official is "not following the City Attorney's advice;" as moving in that direction – and becoming mired in the intricacies of the attorney-client relationship (as it relates to the City of Blue Ridge) - could generate more problems for the City than it solves. Ultimately, the citizens of the City of Blue Ridge will determine whether its elected officials are acting in the best interests of the City – and will vote accordingly. That is where the power and authority on that issue should remain.

Another recurring allegation against the Mayor is that she does not live in the City of Blue Ridge and that her apartment/loft residence above her furniture store was improperly permitted. Furthermore, it has been noted that the Mayor cast the tie breaking vote in changing the City's zoning code to allow apartment/loft homes above retail spaces. Arguably, the Mayor should have recused from this vote due to the appearance of impropriety as her own loft/apartment was implicated by her vote. However, "having the appearance of impropriety" is not illegal, per se, though a conflicted vote on a zoning matter may render the approved zoning void. We have made informal inquiry as to any available permitting records relating to the Mayor's residence; however, thus far those attempts have not revealed any documentary evidence to support or disprove the allegations made against the Mayor on this issue. The City's Zoning Administrator was unable to find any documentation regarding the permitting of the Mayor's apartment/loft. The Mayor candidly acknowledged that she is aware of these allegations and has documentation showing that her loft was properly and legally permitted. This office did not, however, receive these documents to review prior to the drafting of this report. Issues pertaining to the Mayor's residence and loft permitting are not resolved, are worthy of resolution, and are in need of some degree of closure.

While it does appear that financial policies were largely non-existent or incomplete in years past, the City's current Finance Director Alicia Stewart has worked to implement purchasing policies that are compliant with the law. In fact, during the summer months of 2015 comprehensive policies were enacted that addressed spending limits and purchasing authority. It should be noted that the City's Finance Director displayed a strong understanding of local government finance and many issues brought up by other Interviewees (e.g., hotel/motel tax issues, spending thresholds, and competitive procurements) have been addressed by Ms. Stewart since she has assumed the Finance Director role. Specific accusations of financial improprieties related to paving projects appear to have occurred more than seven years ago and other than vague, generic allegations of impropriety - no evidence has been brought forth demonstrating systemic and ongoing financial malfeasance in capital improvement projects undertaken by the City. At this point in the inquiry process, the only area of alleged financial improprieties warranting further investigation does not relate to the Council or the Mayor. Instead, we were advised of potential financial irregularities involving a City Department and particularly matters pertaining to the liquidation of certain pieces of City property and the use of proceeds from certain annual sales events. We do recommend that a review of certain, discrete financial transactions relating to this Department be undertaken to ensure that all transactions are properly recorded in accordance with applicable law. We are not making a finding here. Far from it. We are suggesting that an allegation be further reviewed.

This office heard much discussion by and between Council Members and the Mayor involving zoning matters. Currently, one such matter is being litigated and has been the source of much discord amongst the Council and the Mayor. We note that much of the discord regarding zoning could have likely been avoided through adherence to generally recognized principles that apply to land use decisions and through consistent application of the City's zoning ordinances. The City's officials must attempt to reach compromise and work in accordance with the City's zoning policies and procedures. Heavy handed actions that have forced matters to litigation could have been avoided had Council and the Mayor expressed a willingness to work together in reviewing petitions. This should not occur. Divisiveness such as this leads to litigation and public distrust. A focus on education and conflict resolution must be a priority for the City of Blue Ridge moving forward.

It is highly recommended that all current Council members and the Mayor obtain additional training on ethics and professionalism in local government. This training should address basic precepts of ethics and also touch on issues that were highlighted during the inquiry conducted by this office:

- Conflicts of interest in all matters with special attention given to the importance of transparency and fair dealings in zoning and land use matters;
- An understanding of the mandatory conflict of interest rules under the Zoning Procedures Act, including mandatory abstention in certain situations;
- Refraining from utilizing information obtained during one's work as

- an elected official for personal gain due to “insider information;” and
- Conflict resolution. The City’s interests must be first priority; personal interests or score-settling have no place in government service.

Lastly, it is imperative that a clear chain of command for employee instruction and supervision be formed and followed. Many employee Interviewees admitted they were not sure who ultimately was the “boss” for their work assignments. In fact, many of these same individuals recounted having been provided contradictory instruction by different City elected officials and feeling that they did not have clear direction on how to best perform their jobs. This is regrettable and has led to low morale and will almost certainly lead to the loss of valuable talent if not addressed immediately.

Recommendations

1. The City’s Charter should be reviewed and updated to ensure that it reflects the modern municipal structure for the City of Blue Ridge;
2. A City Administrator/City Manager should be hired to take charge of the City’s day-to-day business operations;
3. The Council and the Mayor should immediately seek dedicated ethics training provided by the Georgia Municipal Association or similar organization;
4. Council Members should be returned to their previously held “Commissioner” roles; and
5. Council Members and the Mayor should act immediately to improve their communication with each other and to put the City’s best interest first while putting aside and resolving the personal “rifts” that have developed between them. Updates on City business to the Council – in open session - by both the Mayor and, in the future, the City Manager should be routine and thorough.

Master List

1. Further investigation into the financial accountability of a City Department regarding reported, irregular liquidation of City assets and accounting of cash transactions should be undertaken;
2. The ongoing questions regarding the Mayor’s legal place of residence – to include permitting - should be further investigated to definitely conclude the matter once and for all; and
3. A review of whether City officials are (or have in the recent past) utilized City resources for personal gain or the betterment of their friends and families (e.g., Council Members allegedly providing gravel or other City-provided improvements to family members or friends) warrants further review

Conclusion

It must be noted that the efforts undertaken to date show regrettable levels of unbecoming behavior by certain City’s elected officials. Whether it be in threatening and abusive emails or

by allowing inappropriate comments to be made in open meetings, this lack of professionalism should be immediately discontinued so that the citizens of Blue Ridge can have renewed trust and confidence in their elected officials. At the core of good government is the belief by the citizens that elected officials are making decisions based upon the public good, and not affected by personal vendettas, personal agendas, personal gain, or other personal interests that have no place in the running of an efficient and ethical local government. Other elected officials have chosen to remain silent as the City's operations have faltered - so as to avoid getting involved in the "rifts" or disagreements. This failure to act has likewise harmed the City's government. The fissures that have festered between the City's officials should be addressed through better communication and a commitment to come together for the good of the community.

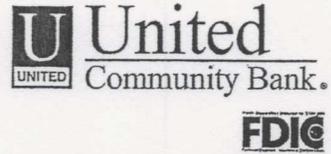
Exhibit B

UNITED COMMUNITY BANK (45)
4000 APPALACHIAN HWY
BLUE RIDGE GA 30513

000 00045 01
ACCOUNT:
DOCUMENTS:

PAGE: 1
11/28/2014
2

TELEPHONE: 706-632-6000



CITY OF BLUE RIDGE
480 W FIRST ST
BLUE RIDGE GA 30513

30
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2

Grow your revenue by expanding your payment possibilities. United Community Payment Systems offers a variety of products and services that allow you to handle any customer payment type. Talk to a business banker today about our cost-efficient payment solutions for your banking needs.

BUSINESS PUB FUNDS ACCOUNT

MINIMUM BALANCE	289.16	LAST STATEMENT 10/31/14	1,481.16
AVG AVAILABLE BALANCE	1,903.01	1 CREDITS	3,916.00
AVERAGE BALANCE	1,903.01	2 DEBITS	5,108.00
		THIS STATEMENT 11/28/14	289.16

- - - - - OTHER CREDITS - - - - -			
DESCRIPTION		DATE	AMOUNT
BUSINESS ONLINE XFER FROM 105956 ON 11/20/14		11/20	3,916.00

- - - - - CHECKS - - - - -					
CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT			
502 11/10 200.00	503 11/25 4,908.00				

- - - - - DAILY BALANCE - - - - -					
DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE			
11/10 1,281.16	11/20 5,197.16	11/25 289.16			

Exhibit C

Invoice # 17147

Smyrna Police Distributors

Ship To: CITY OF BLUE RIDGE
3101 EAST FIRST ST.
BLUE RIDGE, GA 30513

Smyrna Police Distributors
630 Windy Hill Road
Smyrna, GA 30080
770-434-1986

Bill To: CITY OF BLUE RIDGE
3101 EAST FIRST ST.
BLUE RIDGE, GA 30513

Mail #: [REDACTED]

11/4/2014 2:32:00 PM

AR Acct #: [REDACTED]

PO #: LETTERHEAD

Order #: 15336

Page 1

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Ship Date 11/4/2014	FOB	Ship Via	Terms Prepaid	Packages 0	Weight 0	Clerk # 100
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Item #	Description 1	Style	Order Qty	Ship Qty	Price	Net Sale
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
[REDACTED]	GLOCK PISTOL G-23 GEN 4 40S&W FIX SIGHTS 13RD	[REDACTED]	1	1	399.00	399.00
001	FET OUT DISCOUNT ***** Used for Approved Depts Only !		12	12	-42.00	-504.00
NS65G24	GLOCK 6.5 N/S FRONT&REAR(SET) 17,19,22,23,26,27,33,34,35,37	NS65G24	12	12	52.00	624.00
FREE RANGE TIME	1 YEAR FREE RANGE TIME EACH FIREARM PURCHASED	FREE RANGE	1	1	0.00	0.00

inued...

Invoice # 17147
Smyrna Police Distributors

Ship To: CITY OF BLUE RIDGE
3101 EAST FIRST ST.
BLUE RIDGE, GA 30513

Smyrna Police Distributors
630 Windy Hill Road
Smyrna, GA 30080
770-434-1986

Bill To: CITY OF BLUE RIDGE
3101 EAST FIRST ST.
BLUE RIDGE, GA 30513

Mail #:

AR Acct #:

PO #: LETTERHEAD

Order #: 15336

Page 2

Fold Here

Ship Date	FOB	Ship Via	Terms	Packages	Weight	Clerk #
11/4/2014			Prepaid	0	0	100

Description 1	Style	Order Qty	Ship Qty	Price	Net Sale
---------------	-------	-----------	----------	-------	----------

0

Units: 37

Subtotal	4908.00
Sales Tax	0.00

Total Charge	4908.00
--------------	---------

Search

Search Mail

Search Web



Home



gary



Compose

Inbox (9999+)

Drafts (2)

Sent

Spam (2209)

Trash

Smart Views

Unread

Starred

People

Social

Travel

Shopping

Finance

Folders

Recent

Sponsored



Mature Quality Singles
Better Than Online Dating!

Navigation icons: back, forward, delete, move, spam, compose, print, refresh, close

Quote request (10)

[Redacted] Lt, I will gladly Sep 17, 2014

+ 8 more messages

[Redacted] Nov 26, 2014

To gary huffman

Gary,

No inconvenience at all, I have broken this down and maybe it will be easier this way.

Cost of 12 Glock 22 Gen 4 .40 caliber handguns at \$409.00 if purchased outright is \$4908.00

Value given for the 10 Glock 22 Gen 3 .40 caliber trade in handguns is \$270.00 for total of \$2700.00

Total cost for Blue Ridge Police Department AFTER receipt of trade in firearms or Officer buyback program is completed will be \$2208.00. Whether the Officer buys back the firearm or we take physical possession of the gun does not matter, Blue Ridge Police Department still get the listed Department Trade in price credited towards the cost of the new gun.

The Officer Buyback price paid to Smyrna Police Distributors by the Officer purchasing his issued duty weapon is \$315.50 (price includes state sales tax).

If the worry is regarding the Officer Buyback program we can simply take possession of the trade in guns and will hold them for your Officers for 10 days at our retail store and they may come there to purchase their previously issued duty gun. This takes any responsibility to the city out of the equation.

Our retail store is Adventure Outdoors and is located [Redacted]

If I may assist in any way please contact me.

[Redacted]
Law Enforcement Sales
Smyrna Police Dist.
[Redacted]

----- Original Message -----
Subject: RE: Quote request
From: gary huffman [Redacted]
Date: Mon, November 24, 2014 11:12 am
[Redacted]

Good morning mr.alexander i think the easiest way for me on this gun deal would be for you to shoot me an email with a summary of what we owe and tje details on buying back our guns tthat way i can show the others and they might understand better the total money summary is the most important part sorry for any inconveince this may be causing

zulily DAILY DEALS up to 70% OFF

shop for SUN!



SHOP

Exhibit D

CITY OF BLUE RIDGE
480 W FIRST ST
BLUE RIDGE, GA 30513

503

11-20-14

Date

Pay to the Order of **SMYRNA POLICE DISTRIBUTORS INC**

\$ 4,908.00

FOUR THOUSAND NINE HUNDRED AND EIGHT AND 00/100

Dollars



Security Features Details on Back

U **United**
COMMUNITY Community Bank.

12 GLOCK PISTOLS

For INV #17147

Barbie Gerald
Bill Bowen

MP

Hand Clarification

FOR DEPOSIT ONLY
SMYRNA POLICE
DISTRIBUTORS, INC
2501393

DR. LIC. _____ DOB _____
ST. OF DR. LIC. _____
BUS. PHONE _____

Exhibit E

Special Called Council Meeting
May 22, 2009
7:00 P.M.

Purpose: Adopt Pouring License Ordinance, Stiles Property Rezoning, Workshop meetings

Present: Mayor Robert Greene, John Pearson, Rodney Kendall, Michael Eaton

The meeting was called to order by Mayor Greene.

A motion was made by John Pearson to approve the Beer & Wine Pouring License as written. Seconded by Rodney Kendall. All yea. Motion carried.

A motion was made by John Pearson to amend the City's Land Use Map for the Stiles Property. Seconded by Rodney Kendall. All yea. Motion carried.

A motion was made by Rodney Kendall to approve the Planning Commission's recommendation to rezone the Stiles Property to C-2 with buffers as required. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by Rodney Kendall to have a workshop meeting once a month the day of the Regular Council Meeting. Seconded by Michael Eaton. All yea. Motion carried.

~~A motion was made to adjourn by John Pearson. Seconded by Michael Eaton. All yea. Meeting adjourned.~~

Mayor


City Clerk

Regular Council Meeting
June 9, 2009
7:00 P.M.

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton

The meeting was called to order by Mayor Greene.

A motion was made by Reid Mathis to approve the minutes from the previous meetings as printed. Seconded by Rodney Kendall. All yea. Motion carried.

Mr. Dennis Martin was present to dispute water usage at a cabin that he and his wife have located in Lake Forest Subdivision. He asked the Mayor and Council to adjust bill as he had had problems that was not his fault. After a time of discussion Rodney Kendall made a motion to adjust his bill to \$15.00. Seconded by John Pearson. All yea. Motion carried.

City Administrator reported that he had gotten cost of what garbage trucks would cost the City if they decided to purchase. The cost was \$102,000.00 each.

Ordinances were introduced to the Mayor and Council concerning the renewal of Franchises for the Blue Ridge Telephone Co./TDS; Community Television Company and ETC Communications, LLC. These ordinances will be voted on at a later meeting.

A first reading of an ordinance to amend City Charter to decrease the salaries of the Mayor and Council. This ordinance will be voted on at the regular Council Meeting held in July.

A recommendation from the Planning Commission for the Mark Watson rezoning application was made to the Council. The Planning Commission recommended to Deny the application of Mark Watson for the reason that the applicant was not present at the meeting. A motion was made by John Pearson to accept the recommendation. Seconded by Reid Mathis. All yea. Motion carried.

Rodney Kendall had met with Bill Bivins about a web site for the City. The cost will be around \$3,000.00. A motion was made by Rodney Kendall to go ahead with this project. Seconded by John Pearson. All yea. Motion carried.

A motion was made by John Pearson to hire April Grizzell as City Clerk and to start her pay at \$11.00 per hour. Seconded by Reid Mathis. All yea. Motion carried.

A motion was made by John Pearson to set up a bank account for the Police Department to keep monies that have been donated to the department and monies received from drug bust, etc. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by Rodney Kendall to allow ETC & TDS to each give a bid for the City's telephone service. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by John Pearson to give to Dwight F. Early a street right of way that runs through his property. Seconded by Reid Mathis. All yea. Motion carried.

A motion was made by Rodney Kendall to send someone from the Building Permitting Department around to the businesses inside the City and if they do not have a current business license then to give them 10 days to get a license, then send the police around to write citations. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by John Pearson to go into executive session. Seconded by Reid Mathis. All yes. Meeting adjourned into executive session.

Meeting was called back to order by Mayor Greene who stated that nothing was discussed but personnel matters during the executive session.

A date was set to have a workshop meeting at 9:00 AM on the morning of July 14th.

A motion was made to adjourn by Rodney Kendall. Seconded by John Pearson. All yes. Meeting adjourned.

Robert Greene
Mayor

Bill Bowen
City Clerk

Special Called Council Meeting
June 25, 2009
9:00 AM

Purpose: 1) Telephone Service for City. 2) Probation Department

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton.

The meeting was called to order by Mayor Greene.

The Mayor asked for a motion to leave the telephone service with TDS. Reid Mathis made a motion to leave the telephone service with TDS. There was no second and the motion dies from lack of second.

A motion was then made by Rodney Kendall to award the telephone service for the city to ETC and to use TDS as a backup. Seconded by Michael Eaton. John Pearson, Michael Eaton, Rodney Kendall voted yes. Reid Mathis abstained from voting. Motion carried.

A motion was made by John Pearson to go ahead with the probation department. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made by John Pearson to accept the recommendation from the Zoning Board to rezona North Georgia Radio, LLC. property from R/A to C-2. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made to adjourn by John Pearson. Seconded by Reid Mathis. All yes. Meeting adjourned.

Robert Greene
Mayor

Bill Bowen
City Clerk

Regular Council Meeting
July 14, 2009
7:00 P.M.

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton, Wayne Huffman

The meeting was called order by Mayor Greene.

A motion was made by Reid Mathis to approve the minutes from the last council meeting. Seconded by John Pearson. All yes. Motion carried.

A motion was made by John Pearson to adopt the ordinance to amend the city charter and reduce the pay of the Mayor and Council. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made by Rodney Kendall that the council hire Brenda Seacree to be the Assistant Water Clerk. Seconded by John Pearson. John Pearson, Rodney Kendall, Michael Eaton voted yes. Reid Mathis and Wayne Huffman abstained. Motion carried. Dub Joiner of the News Observer asked Rodney Kendall if this wouldn't be the same thing as they had before? Rodney Kendall stated "She'll be helping Becky. That will be her primary job. She will be like the rest of the girls. She'll be taking various rolls in City Hall but her main job will be to help Becky with the Water & Sewer." John Pearson stated "It's very difficult when you get involved in something and have to jump up and run to the window when every 15 minutes a car comes in. You loose your train of thought." Rodney Kendall stated "The position of the salary is a lot less than what we were paying when we had the receptionist." Ms. Seacree will be starting out at \$10.00 per hour.

A motion was made by John Pearson for the City to purchase their own water coolers and then to purchase water for them from a company. This would be to purchase 4 coolers. Seconded by Michael Eaton. All yes. Motion carried.

A motion was made to hire the firm of Stevenson & Palmer to represent the City with EPD and try to get EPD to let the Wastewater Permit to renew the same as it is now concerning the effluent regulations. The reason for getting this firm is because they are the ones who designed the plant and have been helping with the plant at times over the years as matters came up needing an engineer firm to help. This motion was made by Rodney Kendall. Seconded by Reid Mathis. All yes. Motion carried.

Michael Eaton made a motion to stop all roadblocks for donations inside the city limits until the City Attorney has time to draw up an ordinance that will allow the City to regulate this and try to make more safety as groups do this to raise monies. Seconded by Reid Mathis. All yes. Motion carried.

Exhibit F

SMYRNA POLICE DISTRIBUTUT, INC.
630 B WINDY HILL RD.
SMYRNA, GA 30080
(770) 434-1986

VININGS BANK
Smyrna, GA

4380

12/19/2014

\$*2,700.00

PAY TO THE ORDER OF City of Blue Ridge

Two Thousand Seven Hundred and 00/100***** DOLLARS

City of Blue Ridge
3101 East First St
Blue Ridge, GA 30513

Cecily Walker

MEMO Credit for Department Trades

[REDACTED]

4380

City of Blue Ridge

12/19/2014

2,700.00

Credit for Department Trades

DEPOSIT TICKET

64-1284/611

CITY OF BLUE RIDGE
480 W FIRST ST
BLUE RIDGE, GA 30513

2700.00

CASH
CHECKS

DATE 12/22/14

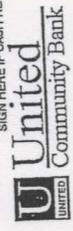
CHECKS OR TOTAL FROM OTHER SIDE

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

TOTAL ITEMS

SUB TOTAL

SIGN HERE IF CASH RECEIVED FROM DEPOSIT



LESS CASH

2700.00

NET DEPOSIT

DO NOT USE DEPOSIT TICKET ROUTING # FOR AUTOMATIC PAYMENTS. USE VOIDED CHECK.

009

VININGS BAN

2,700.00

* 2011 INITIUM INC. #785 1-800-433-5810

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT.

Exhibit G

CITY OF BLUE RIDGE
480 W FIRST ST
BLUE RIDGE, GA 30513

JAN 08 15 1/8/15

507
64-128/811

Pay to the
Order of

Johnny Searce

\$ 1,708.00

one thousand seven hundred + eight + 00/100 Dollars

 **United**
Community Bank.

For gun purchase reimb.

Bobbie Gerald [Signature]

[Redacted] 0507

01/08/2015 CHECK# 507 \$1,708.00

Exhibit H

CHECKS AND OTHER ITEMS ARE RECEIVED PER DEPOSIT ONLY BY THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT.

DEPOSIT TICKET

CITY OF BLUE RIDGE
480 W FIRST ST
BLUE RIDGE, GA 30513

DATE 6-11-15
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

SIGN HERE IF CASH RECEIVED FROM DEPOSIT


DO NOT USE DEPOSIT TICKET ROUTING # FOR AUTOMATIC PAYMENTS. USE VOIDED CHECK.

CASH -

C
H
E
C
K
S

1708.00

CHECKS OR TOTAL FROM OTHER SIDE -

TOTAL ITEMS SUB TOTAL -

LESS CASH -

NET DEPOSIT \$

1708.00

[Redacted]

009

THIS DOCUMENT CONTAINS A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

OFFICIAL CHECK

M16779 40236534

5007333797

ISSUING BRANCH 741210-COPPER BASIN - BLUE RIDGE

DATE JUNE 11, 2015

68-236/514

TO THE CITY OF BLUE RIDGE
ORDER OF _____

BB&T 91,708.00 DOLLARS

\$ ** \$1,708.00 **
DOLLARS

BB&T

AUTHORIZED SIGNATURE

Opahella Cole

MEMO/PURCHASER * _____

[Redacted]

Exhibit I

CASH RECEIPT

Date 1-29-13

018645

Received From

Police & Sheriff's Press

Address _____

Dollars \$ 2400⁰⁰

For

MC REN

CITY OF BLUE RIDGE
General Fund
BLUE RIDGE, GA 30513

CRB 111-3

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID	<u>240000</u>	<input checked="" type="checkbox"/> CHECK	<u>14625</u>
BALANCE DUE		<input type="checkbox"/> MONEY ORDER	
		<input type="checkbox"/> CREDIT CARD	

By

Kelanya

Exhibit J

THE CITY OF BLUE RIDGE

Donna Whitener

CERTIFICATE OF OCC

Having inspected the premises,
169 ORVIN LANCE
CONNECTOR to determine that co
has been undertaken, in complia

required application, and in conformity with
the zoning, housing and building ordinances
and other pertinent ordinances, an occupancy
permit authorizing use of the building for

the purpose listed above is hereby granted

to DONNA WHITENER
TOWN & COUNTRY FURNITURE BLDG.

Date MARCH 10, 2006

Signed Clyde Foster (BUILDING & BLDG DEPT.)
Director of Building and Housing

Building Permit # 387

City of Blue Ridge

3404 E. First Street

Blue Ridge, Georgia 30513

(706) 632 - 2094

May 9, 2006

Jennifer Whorton
NGCDC, Inc.
503 W. Waugh Street
Dalton, GA 30720

Dear Ms. Whorton:

This is to confirm that the Town and Country Home Furnishings Outlet project building located at 169 Orvin Lance Connector, Blue Ridge, Georgia 30513 has been built according to the zoning requirements for the City of Blue Ridge. The asphalt parking area for the subject building has also been configured to meet approval from the City of Blue Ridge Zoning Office in relation to required parking spaces for a retail building.

Clyde Fortner

Clyde Fortner
Building Inspector
City of Blue Ridge

Exhibit K

This letter is to confirm the fact that the building at 266 Orvin Lance Drive and the owner of said property was done properly and in order. In the plans for the said property with Donna Whitener & Clyde Fortner we discussed and confirmed that an apartment was to be included in the building. We also confirmed that the apartment was to be used as a residence for Donna Whitener. It was built with the proper plumbing and electrical needed for a residence and was up to code as was the entire building.

David Allen

Exhibit L

LIMITED PROPERTY CONDITION REPORT

ON

**A-1 STOP SHOP TOWN & COUNTRY HOME FURNISHINGS
BLUE RIDGE, GEORGIA**

FOR

**UNITED COMMUNITY BANK
BLUE RIDGE, GEORGIA**

BY

**CONSTRUCTION LOAN MANAGEMENT
ATLANTA, GEORGIA**

FEBRUARY, 2006

Limited Property Condition Report

I. INTRODUCTION: CLM was retained by [REDACTED] of United Community Bank to perform a one time site inspection and building evaluation in connection with the property known as A-1 Stop Shop Town & Country Home Furnishing Outlet located on the Orvin Lance Connector in the City of Blue Ridge, Georgia

II. GENERAL PROJECT INFORMATION: Briefly, the property consists of an approximately 65,000 GSF pre-engineered metal building with exterior stucco and rear metal siding containing several tenant spaces including the A-1 Stop Shop anchor space. The building and its associated site improvements are situated on an approximately 3 acre site located at the corner of Georgia Hwy. 515 and Orvin Lance Connector in the City of Blue Ridge, Georgia. At the time of our walk through on Monday, January 30, 2006, construction appeared to be approximately 90% complete with partial interior build-out of the A-1 Stop Shop and several tenant spaces. The exterior of the building, site utilities and paving appeared to be substantially complete.

Based on our visual inspection, to date implemented improvements appeared to generally be in good condition. It should be noted however that CLM had not performed any prior site visits in connection with the implemented improvements and that our comments are based on visual inspection of unconcealed elements of the structure. It is not clear whether any monitoring by a geotechnical engineering firm was implemented during the construction phase. See Test Reports on page (3) of this Report.

Owner: Donna Whitener

Contractor: David Allen

Progress: Satisfactory.

Project Safety: Satisfactory.

Project Security: The building can now be locked.

Condition of Stored Materials: Satisfactory.

General Compliance with Contract Documents: No contract documents were made available to CLM for review nor were any submitted with exception to the As-built Survey dated 11, 04, 2005. See General Remarks on page (3) of this Report.

Implementation of Corrective Measures: N/A at this time.

III. CONSTRUCTION STATUS AND REVIEW:

General Requirements: CLM had not obtained a copy of the building permit as issued by the governing building authorities.

Site Work: All site utilities appeared to be installed and connected to building. Spotting observed on the asphalt topping is indicative of some possible underground seepage. Condition should be monitored for possible needed remedial work in the near future. See attached photos.

Concrete: Concrete surface cracks were observed running east-west along the building's northern most end. The concrete cracks should be closely monitored in the next 12 months for possible subgrade or foundation settlement problems.

Masonry: Minimal or no masonry was utilized in the planned construction.

Metals: The building superstructure appeared to be mainly composed of a pre-engineered metal building with underside blanket insulation and a typical metal joist supported elevated slab. Testing of the bolted and welded connections was recommended.

Carpentry: Rough interior framing and build-out appeared to be nearing completion at the time of our site visit.

Thermal & Moisture Protection: A prefabricated insulation blanket appeared on the underside of the roofing metal element.

Doors, Windows and Glazing: All exterior doors, overhead doors and windows appeared to be in place.

Finishes: The A-1 Stop Shop administrative offices in the ground and mezzanine levels appeared to have received the appropriate wall, floor & ceiling finishes. The small residence located in the mezzanine level appeared to have full interior finishes. At least one of the building's approximately 1600 GSF tenet spaces appeared to be fully finished and occupied. Additional finishes are currently being installed in the A-1 Stop Shop open mezzanine space.

1650 sq. ft.
*

Specialties: No specialties observed.

Mechanical: The building appeared to be sprinkled. No indication however, of a final sprinkler inspection by the building authorities as some of the sprinkler heads were missing in areas of the building. A passenger elevator appeared to be installed. However, it does not appear to be certified by the state regulators to date. All other plumbing and mechanical systems were reported to be operational at the time of our walk through.

Electrical: The building's permanent power is currently supplied through a pad mounted power company transformer located in the rear alley. The majority of the electric fixtures and devises appeared to be installed in the A-1 Stop Shop. Future tenant electric fixtures to be installed at a later date.

IV. CONSTRUCTION EVALUATION AND ANALYSIS

Quality of Construction: Satisfactory.

Commencement date; Unknown.

Schedule Completion Date: Unknown

Exhibit M

Special Called Council Meeting
May 22, 2009
7:00 P.M.

Purpose: Adopt Pouring License Ordinance, Stiles Property Rezoning, Workshop meetings

Present: Mayor Robert Greene, John Pearson, Rodney Kendall, Michael Eaton

The meeting was called to order by Mayor Greene.

A motion was made by John Pearson to approve the Beer & Wine Pouring License as written. Seconded by Rodney Kendall. All yea. Motion carried.

A motion was made by John Pearson to amend the City's Land Use Map for the Stiles Property. Seconded by Rodney Kendall. All yea. Motion carried.

A motion was made by Rodney Kendall to approve the Planning Commission's recommendation to rezone the Stiles Property to C-2 with buffers as required. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by Rodney Kendall to have a workshop meeting once a month the day of the Regular Council Meeting. Seconded by Michael Eaton. All yea. Motion carried.

~~A motion was made to adjourn by John Pearson. Seconded by Michael Eaton. All yea. Meeting adjourned.~~

Mayor


City Clerk

Regular Council Meeting
June 9, 2009
7:00 P.M.

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton

The meeting was called to order by Mayor Greene.

A motion was made by Reid Mathis to approve the minutes from the previous meetings as printed. Seconded by Rodney Kendall. All yea. Motion carried.

Mr. Dennis Martin was present to dispute water usage at a cabin that he and his wife have located in Lake Forest Subdivision. He asked the Mayor and Council to adjust bill as he had had problems that was not his fault. After a time of discussion Rodney Kendall made a motion to adjust his bill to \$15.00. Seconded by John Pearson. All yea. Motion carried.

City Administrator reported that he had gotten cost of what garbage trucks would cost the City if they decided to purchase. The cost was \$102,000.00 each.

Ordinances were introduced to the Mayor and Council concerning the renewal of Franchises for the Blue Ridge Telephone Co./TDS; Community Television Company and ETC Communications, LLC. These ordinances will be voted on at a later meeting.

A first reading of an ordinance to amend City Charter to decrease the salaries of the Mayor and Council. This ordinance will be voted on at the regular Council Meeting held in July.

A recommendation from the Planning Commission for the Mark Watson rezoning application was made to the Council. The Planning Commission recommended to Deny the application of Mark Watson for the reason that the applicant was not present at the meeting. A motion was made by John Pearson to accept the recommendation. Seconded by Reid Mathis. All yea. Motion carried.

Rodney Kendall had met with Bill Bivins about a web site for the City. The cost will be around \$3,000.00. A motion was made by Rodney Kendall to go ahead with this project. Seconded by John Pearson. All yea. Motion carried.

A motion was made by John Pearson to hire April Grizzell as City Clerk and to start her pay at \$11.00 per hour. Seconded by Reid Mathis. All yea. Motion carried.

A motion was made by John Pearson to set up a bank account for the Police Department to keep monies that have been donated to the department and monies received from drug bust, etc. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by Rodney Kendall to allow ETC & TDS to each give a bid for the City's telephone service. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by John Pearson to give to Dwight F. Early a street right of way that runs through his property. Seconded by Reid Mathis. All yea. Motion carried.

A motion was made by Rodney Kendall to send someone from the Building Permitting Department around to the businesses inside the City and if they do not have a current business license then to give them 10 days to get a license, then send the police around to write citations. Seconded by Michael Eaton. All yea. Motion carried.

A motion was made by John Pearson to go into executive session. Seconded by Reid Mathis. All yes. Meeting adjourned into executive session.

Meeting was called back to order by Mayor Greene who stated that nothing was discussed but personnel matters during the executive session.

A date was set to have a workshop meeting at 9:00 AM on the morning of July 14th.

A motion was made to adjourn by Rodney Kendall. Seconded by John Pearson. All yes. Meeting adjourned.

Robert Greene
Mayor

Bill Lowe
City Clerk

Special Called Council Meeting
June 25, 2009
9:00 AM

Purpose: 1) Telephone Service for City. 2) Probation Department

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton.

The meeting was called to order by Mayor Greene.

The Mayor asked for a motion to leave the telephone service with TDS. Reid Mathis made a motion to leave the telephone service with TDS. There was no second and the motion dies from lack of second. A motion was then made by Rodney Kendall to award the telephone service for the city to ETC and to use TDS as a backup. Seconded by Michael Eaton. John Pearson, Michael Eaton, Rodney Kendall voted yes. Reid Mathis abstained from voting. Motion carried.

A motion was made by John Pearson to go ahead with the probation department. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made by John Pearson to accept the recommendation from the Zoning Board to rezone North Georgia Radio, LLC. property from R/A to C-2. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made to adjourn by John Pearson. Seconded by Reid Mathis. All yes. Meeting adjourned.

Robert Greene
Mayor

Bill Lowe
City Clerk

Regular Council Meeting
July 14, 2009
7:00 P.M.

Present: Mayor Robert Greene, Reid Mathis, John Pearson, Rodney Kendall, Michael Eaton, Wayne Huffman

The meeting was called order by Mayor Greene.

A motion was made by Reid Mathis to approve the minutes from the last council meeting. Seconded by John Pearson. All yes. Motion carried.

A motion was made by John Pearson to adopt the ordinance to amend the city charter and reduce the pay of the Mayor and Council. Seconded by Rodney Kendall. All yes. Motion carried.

A motion was made by Rodney Kendall that the council hire Brenda Seacra to be the Assistant Water Clerk. Seconded by John Pearson. John Pearson, Rodney Kendall, Michael Eaton voted yes. Reid Mathis and Wayne Huffman abstained. Motion carried. Dub Joiner of the News Observer asked Rodney Kendall if this wouldn't be the same thing as they had before? Rodney Kendall stated "She'll be helping Becky. That will be her primary job. She will be like the rest of the girls. She'll be taking various calls in City Hall but her main job will be to help Becky with the Water & Sewer." John Pearson stated "It's very difficult when you get involved in something and have to jump up and run to the window when every 15 minutes a car comes in. You loose your train of thought." Rodney Kendall stated "The position of the salary is a lot less than what we were paying when we had the receptionist." Mr. Seacra will be starting out at \$10.00 per hour.

A motion was made by John Pearson for the City to purchase their own water coolers and then to purchase water for them from a company. This would be to purchase 4 coolers. Seconded by Michael Eaton. All yes. Motion carried.

A motion was made to hire the firm of Stevenson & Palmer to represent the City with EPD and try to get EPD to let the Wastewater Permit to renew the same as it is now concerning the effluent regulations. The reason for getting this firm is because they are the ones who designed the plant and have been helping with the plant at times over the years as matters came up needing an engineer firm to help. This motion was made by Rodney Kendall. Seconded by Reid Mathis. All yes. Motion carried.

Michael Eaton made a motion to stop all roadblocks for donations inside the city limits until the City Attorney has time to draw up an ordinance that will allow the City to regulate this and try to make more safety as groups do this to raise monies. Seconded by Reid Mathis. All yes. Motion carried.

Building Inspector Clyde Fortner informed the Mayor and Council of the progress being made on the dilapidated houses within the City of Blue Ridge.

City Administrator Bill Sowers asked Mayor to call for a vote authorizing the Mayor and Bill Sowers to sign an extension of the interim water and sewer revenue bond that was issued in 2008 for water plant improvements. Extension will mature 12/11/2010. Motion was made by Rodney Kendall to give authorization. Motion seconded by Reid Mathis, and carried by all.

Mayor Greene and City Council discussed the Boundary Line Agreement on West 2nd Street. A decision was made to further look into the issue and call a special meeting at a future date.

Mrs. Marie Herndon spoke to the Mayor and Council, thanking them for the work that had been done to the sidewalks of Main Street.

Mayor Greene called for a motion to adjourn meeting. Motion made by Rodney Kendall, seconded by Reid Mathis.

Meeting adjourned.

MAYOR

April Sizemore
CITY CLERK

Special Called Council Meeting
December 17, 2009
9:00 A.M.

Present: Mayor Robert Greene, Reid Mathis, Rodney Kendall, Michael Eaton, Wayne Huffman

The meeting was called to order by Mayor Robert Greene

Rodney Kendall made a motion to authorize Mayor and City Clerk to sign Quit Claim Deed for Dwight Earley - Property located at West First Street and West Main Street. Motion seconded by Reid Mathis. Motion carried by all.

Mayor Robert Greene appointed 2 new members to the Housing Authority Board: Lisa Crane to replace Jim Bass, and Billy Tilley to replace Billy Collie. Motion made by Rodney Kendall, seconded by Wayne Huffman. Before a vote was taken, Jim Bass spoke, reading Georgia Code Annotated O.C.G.A. 8-3-53 referring to the removal of Commissioners from Housing Authority Boards. He stated that Georgia Code allowed removal or Commissioners by Mayor for "inefficiency or neglect of duty or misconduct of office," but only after being "given a copy of the charges at least 10 days prior to the hearing thereon, and shall have had an opportunity to be heard in person or by council." Jim Bass asked if "The Mayor is saying that he is going to ignore the stated code section of Georgia law that governs the replacement or removal of Commissioners of the Housing Authority." Mayor Greene stated, "We have already sent you a notice." Mr. Bass added that Mayor Greene "did not state any charges." "Mayor, you have to do that." Mayor Greene stated, "You told me you was wanting off the Board." Jim Bass stated, "I did not tell you that." Mayor Greene told him, "You're a damn liar, you did do it." Jim Bass asked, "So now you're calling me a damn liar?" Mayor Greene answered, "That's right, you said I might stay til the first of the year." Jim Bass replied, "I told you I was going to serve out my term." Mayor Greene stated, "I am not here to argue with you." Jim Bass said, "All I can tell you is that this afternoon I will be filing a complaint for injunctive relief to enjoin this action by the Mayor. It is illegal, and a violation of state law, and cannot stand." Mayor Greene told him, "File whatever you want to file." Mayor Greene then asked again for a motion to replace Jim Bass with Lisa Crane. Motion was made by Wayne Huffman, seconded by Reid Mathis. Motion carried. Vote was as follows: Yay - Reid Mathis, Rodney Kendall, Wayne Huffman. Michael Eaton abstained from voting.

Mayor Greene asked for a motion to replace Billy Collie with Billy Tilley. Motion was made by Wayne Huffman, seconded by Reid Mathis. Jim Bass restated his objection. Motion carried. Vote was as follows: Yay - Reid Mathis, Rodney Kendall, Wayne Huffman. Michael Eaton abstained from voting. Jim Bass told Mayor Greene, "You just made an illegal motion and it is a violation of state law. I will have an injunctive relief action filed today." He was told by Mayor Greene, "Prove it if you can." Mayor Greene asked for a motion to adjourn. Motion made by Rodney Kendall, seconded by Reid Mathis.

Meeting adjourned.

Mayor

April Sizemore
CITY CLERK

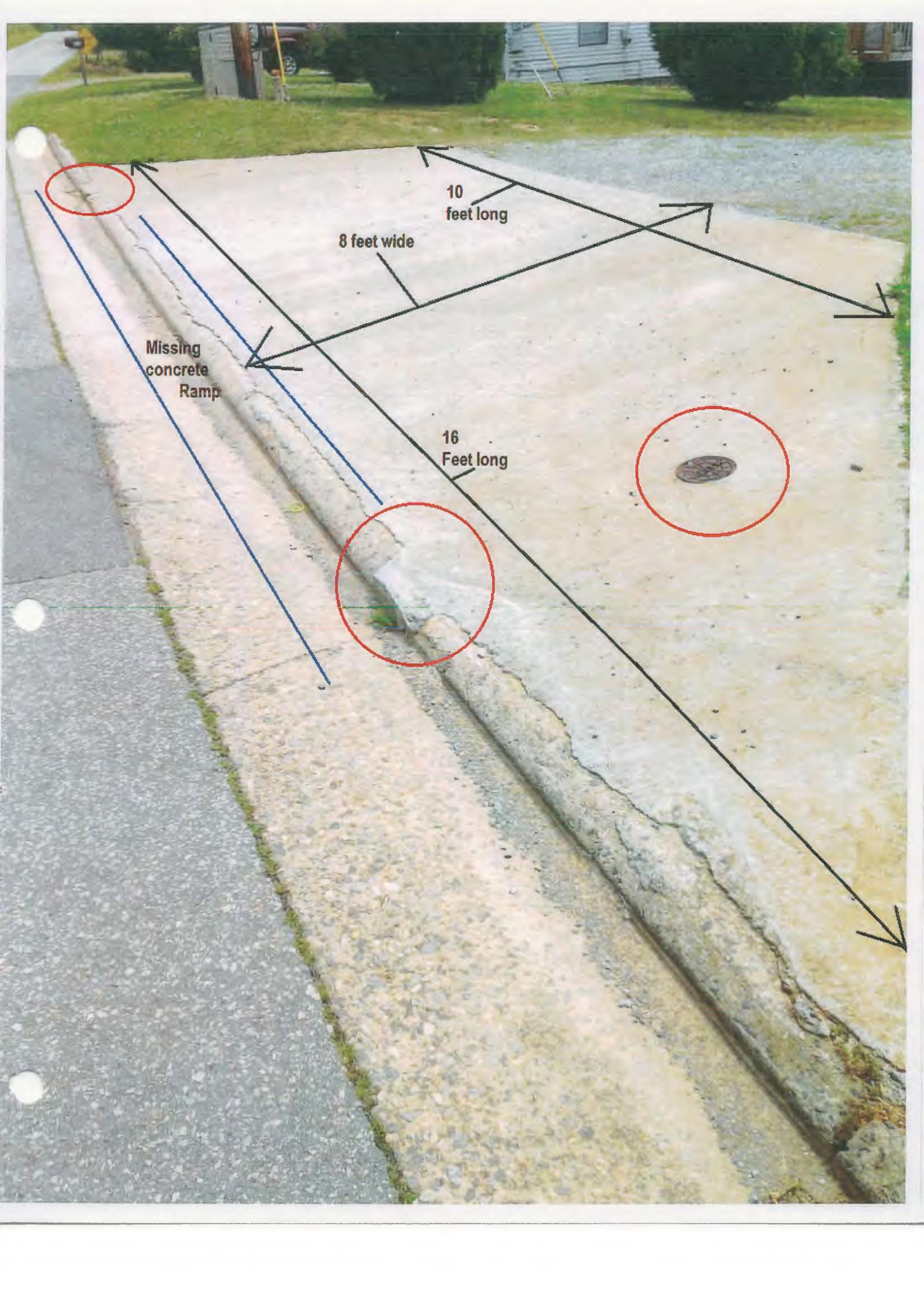
Special Called Council Meeting
January 5, 2010
7:00 P.M.

Present: Mayor Robert Greene, Reid Mathis, Rodney Kendall, Michael Eaton, Wayne Huffman

The meeting was called to order by Mayor Greene.

City Attorney David Syfan explained that the hearing was called by the Mayor, as opposed to the City Council, in accordance with Georgia Code 8-3-53. He stated that general Georgia statutory law controls what the Housing Authority does, as well as how Housing Authority Board Members are appointed. He explained that under Code Section 8-3-53, the Mayor of a city with a Housing Authority can call for a hearing as of removal of Commissioners that govern Housing Authority. According to City Attorney, under said Section of Georgia Law, the Mayor can remove a Commissioner for inefficiency,

Exhibit N



10
feet long

8 feet wide

Missing
concrete
Ramp

16
Feet long



Exhibit O

Regular Council Meeting
 May 12, 2009
 7:00 P.M.

Present: Mayor Robert Greene, John Pearson, Reid Mathis, Rodney Kendall, Michael Eaton

The meeting was called to order by Mayor Greene.

A motion was made by Reid Mathis to accept the minutes from the previous meetings. Seconded by John Pearson. All yea. Motion carried.

John Pearson made a motion to place David Chapman on as permanent Employee and to give him a .25¢ raise in pay. Seconded by Rodney Kendall. John Pearson, Rodney Kendall, Michael Eaton voted Yea. Reid Mathis abstained. Motion carried.

Joy Still told the Mayor and Council that the Phase I of Street scapes was finished. Phase II construction plans were approved by GDOT and that the right of way plans were being reviewed at this time. Public review starts and goes thru June first. Hopefully bids by November and construction by December 2009.

Phase III (Dapot) M.O.U. has been approved and a lot of interest has been shown. \$250,000 has been approved from GDOT this will help with HVAC, Electrical, plumbing, internal face lift. RFQ's are due thursday at 8:00 AM. Will give recommendation to council after that time.

There will be a ribbon cutting on May 15th at 1:00 P.M. for Phase I on the corner of Church & E. Main.

A recommendation from the Planning Commission was read to the Mayor and Council for the rezoning request of Robert Stiles to rezone the Stiles property formerly owned by Louise Stiles from R-1 to C-2. There were stipulations that the property that joined other residential property would have to have buffers placed as stipulated in the recommendation from the Planning Commission.

Michael Eaton asked that this matter be tabled until he had time to look over information. Council agreed to wait till the next council meeting before making a decision.

City Attorney David Syfan gives an overview of the new Beer & Wine Pouring Ordinance to the Council. After this time of discussion John Pearson made a motion to approve the first reading of this Ordinance. Seconded by Rodney Kendall. All yea. Motion carried. Final vote will be at a later meeting.

Rodney Kendall said that it would be good to combine the city's verizon service with AT&T. A motion by John Pearson to go ahead with the change over. Seconded by John Pearson. John Pearson, Rodney Kendall, Reid Mathis voted yea. Michael Eaton abstained.

Rodney Kendall made a motion to have the City Attorney draw up ordinance that would cover using an agency for debt collection. After some discussion it was determined that the City could do this without an ordinance.

Sarah Verner was at meeting to ask about the vendor fees for Arts in the Park. A motion was made by John Pearson to waive 1/2 the fee. Seconded by Reid Mathis. All yea. Motion carried.

John Pearson made a motion to give each girl that worked in the office \$25.00 for Secretary Day. Seconded by Reid Mathis. All yea. Motion carried.

John Pearson stated that he would like to check on what it would take to set up a probation department for the City. A motion was made by John Pearson that the City proceed with this matter. Seconded by Michael Eaton. All yea. Motion carried.

John Pearson stated that the City pays the garbage collectors a little over \$400,000.00 per year. He would like the City to look about doing this. A motion was made by John Pearson to have the City Administrator to look at prices that it would cost to start garbage collection. Seconded by Michael Eaton. All yea. motion carried.

A motion was made by Rodney Kendall to adopt the use of an standard agenda that was drawn up by the City Attorney. Seconded by John Pearson. All yea. Motion carried.

Tom Striker was present and wanted to know when the water line replacement project was going to be completed. City Administrator told that if workers could remain on the job without being pulled off it would be thru in about 30 days.

A motion was made by John Pearson to adjourn. Seconded by Michael Eaton. All yea. Meeting adjourned.

 Mayor

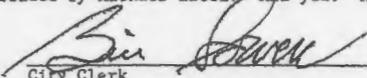

 City Clerk

Exhibit P

City of Blue Ridge

480 West First Street

Blue Ridge Georgia 30513

(706) 632 - 2091

Regular Council Meeting Minutes
January 14, 2014
6:00 PM

City Clerk, Bill Sowers administered the Oaths of Office to the Mayor and City Council. After the Administering of Oaths took place, then the Meeting was turned over to the Mayor and City Council to conduct.

Present: Mayor Donna Whitener, Rhonda Thomas, Rodney Kendall, Angie Arp, Bruce Pack, Harold Herndon.

The Mayor asked for a Motion to call the Meeting to order. Rodney Kendall made a Motion to call the Meeting to order. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

Bill Sowers led in the Prayer, and then Mayor Whitener led with the Pledge to the Flag.

Mayor Whitener recommended to the Council that the following be appointed:

1. City Clerk - Bill Sowers. A Motion was made by Rodney Kendall to appoint. Seconded by Bruce Pack. All voted Yea. Motion carried.
2. Chief of Police - Johnny Searce. A Motion was made by Rodney Kendall to appoint. Seconded by Harold Herndon. All voted Yea. Motion carried.
3. City Attorney - David Syfan. A Motion was made by Rodney Kendall to appoint. Seconded by Angie Arp. Harold Herndon, Angie Arp, Bruce Pack and Rodney Kendall voted Yea. Rhonda Thomas did not vote. Motion carried.
4. City Judge - Robert Sneed. A Motion was made by Rodney Kendall to appoint. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

A Motion was made by Angie Arp to Appoint Rodney Kendall as Mayor Pro-Tem. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

A Motion was made by Rodney Kendall to approve the Minutes from the previous Meeting as presented. Seconded by Bruce Pack. All voted Yea. Motion carried.

A Motion was made by Rodney Kendall to table the introduction of the Sunday Sales Ordinance until details for the election are worked out on who will handle the election, Cost of election, etc. Seconded by Bruce Pack. A time of discussion was requested by some of the Restaurant owners present. They felt that the Ordinance should be introduced so that there would not be a hold up in getting the election scheduled for the referendum for Sunday Sales.

After a time of discussion between the Council and the owners a vote was taken by the Council on the Motion. Rodney Kendall, Harold Herndon, Angie Arp and Bruce Pack vote Yea. Rhonda Thomas voted Nay. Motion carried.

A Motion was made by Rodney Kendall to introduce the Ordinance allowing Distilleries. Seconded by Rhonda Thomas. All voted Yea. Motion carried. A vote to adopt this Ordinance will be taken at a later meeting.

A Motion was made by Rodney Kendall to approve the purchase of (3) three Mast Meters to be placed in various places on the water mains. He stated that he will talk to the Finance Director to see if the money is in the account to pay for the meters before ordering. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

A Motion was made by Rhonda Thomas to approve the purchase of weights to be placed on the new tractors that the City purchased. These will make the tractors more stable on slopes while mowing. The cost will be around \$1,250.00. Seconded by Rodney Kendall. All voted Yea. Motion carried.

The resignation of Angie Arp from the Zoning Board of Appeals was presented to the Council. A Motion was made by Rodney Kendall to accept the resignation. Seconded by Bruce Pack. All voted Yea. Motion carried.

A Motion was made by Rodney Kendall to appoint Nancy Wehunt to replace Angie Arp and to serve the remainder of her term. Seconded by Angie Arp. Harold Herndon, Rodney Kendall, Bruce Pack and Angie Arp voted Yea. Rhonda Thomas voted Nay. Motion carried.

A Motion was made by Rodney Kendall to reappoint Donnie Gilliam to another four year term to the Planning Board of Directors. This term will expire in December 2017. Seconded by Bruce Pack. All voted Yea. Motion carried.

Rodney Kendall brought the matter of Chad Clemmons probation period was over, and that he wanted to go ahead and recommend that he be placed on Permanent Employee Status. A Motion was made by Rodney Kendall to approve. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

Rodney Kendall made a Motion to take Summit Lane out of the CDBG Project on Summit Street. Seconded by Bruce Pack. Rodney Kendall, Bruce Pack, Angie Arp, Harold Herndon voted Yea. Rhonda Thomas voted Nay. Motion carried.

A Motion was made by Rodney Kendall to approve the purchase of three new computers for the Office and one for the Water Plant. Seconded by Rhonda Thomas. All voted Yea. Motion carried.

A Motion was made by Rhonda Thomas to cover the caution light at intersection of Mountain Street and East Main Street and see how this works. Also remove the traffic parking space to the East of this intersection. Seconded by Rodney Kendall. All voted Yea. Motion carried.

A Motion was made by Rodney Kendall that the changes that were made on 1-13-14 of personnel in the office be placed on hold until they are looked at by the City Council. The Mayor stated that she had administrative power to the moving around of employees. She said that the changes were in the best interest for the City. Seconded by Angie Arp. Angie Arp, Bruce Pack, Rodney Kendall, Rhonda Thomas voted Yea. Harold Herndon abstained. Motion carried.

A Motion was made by Rodney Kendall to allow a curb cut on the lot owned by Jan Eaton located on East Main Street. Also, the City will gravel the entire lot to repair where water has been running across the lot. The curbing will also be fixed on the Messer Street side of lot so that the water problem will be resolved. Mayor Whitener reads statement to the Council which consisted of a construction and maintenance easement that signed by Jan & Steve Eaton giving the City the right to do whatever they needed to construct Streetscape Project. Rhonda Thomas then stated that the City had spent thousands of dollars on the plans for this project, and that these changes will create safety hazards.

on this area of the street. Plus these changes will also take away three parking spaces along Ease Main Street. The Motion was then Seconded by Angie Arp. Harold Herndon, Rodney Kendall, Angie Arp, Bruce Pack voted Yea. Rhonda Thomas voted Nay. Motion carried.

A Motion was made by Rodney Kendall to adjourn the Meeting. Seconded by Rhonda Thomas. All voted Yea. Meeting adjourned.

Exhibit Q

City of Blue Ridge

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City of Blue Ridge
Council Meeting Minutes
City Hall
480 West First Street
October 6, 2015 at 10:00 am

Present: Mayor Donna Whitener
Council Members Angie Arp, Harold Herndon,
And Rhonda Thomas
City Clerk Kelsey Ledford

Absent: Council Members Rodney Kendall,
And Bruce Pack

1) Call Meeting to Order:

Council Member Rhonda Thomas made a motion to call the meeting to order. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

2) Prayer and Pledge of Allegiance:

Mayor Whitener stated that since Council Member Bruce Pack was not present to offer a word of prayer that everyone will take a moment of silence. The Pledge of Allegiance followed.

3) Council Meeting Rules of Procedures:

Mayor Whitener stated that the council meeting rules of procedures were available at the Council desk. She also stated that a revision to the policy is up for approval from the Council. Council Member Rhonda Thomas made a motion to approve the revision (attached). The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

4) Approval of Minutes:

- a) Council Member Rhonda Thomas made a motion to approve the minutes from the September 8, 2015 Council Meeting. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.
- b) Council Member Rhonda Thomas made a motion to approve the minutes from the September 21, 2015 Special Called Council Meeting. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

5) Waste Water Treatment Plant Quotes:

Waste Water Treatment Plant Supervisor, James Weaver discussed three quotes (attached) each bidder's quote included the aerator, soft starter, local disconnect, and necessary electrical and mechanical installation in their proposal. After some discussion Mr. Weaver stated that he recommended the Council approve the quote from Dwight Oliver Electric. Mayor Whitener

City of Blue Ridge

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asked Mr. Weaver to forward the three quotes to Carter & Sloope and allow them to confirm which quote is the better for the City before the Council approves a quote. Council Member Rhonda Thomas made a motion to table the topic until the Council Meeting scheduled for October 13, 2015. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

6) Cross Country Flag Day:

Mayor Whitener spoke briefly and provided an update. Council Member Rhonda Thomas made a motion to pass a resolution declaring April 29, 2015 as Cross Country Flag Day (attached). The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

7) Appalachian Pretrial Probation Program Contract:

Mayor Whitener provided a brief update and summary of the services offered by Appalachian Pretrial Probation Program (APPP). The Council discussed the topic until it was decided to not take action until the entire Council is available. Council Member Harold Herndon made a motion to table the topic. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

8) Carter & Sloope SRF Contract:

Mayor Whitener discussed the SRF contract with the Council and asked Utility Billing Supervisor Rebecca Harkins to give a brief presentation on the last SRF grant the City received. Council Member Rhonda Thomas made a motion to table the topic until the next meeting. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

9) Blue Ridge Municipal Planning Commission Recommendation:

Mayor Whitener read the recommendation of the Planning Commission regarding the annexation of Lake Blue Ridge Marina (attached). Council Member Rhonda Thomas made a motion to accept the recommendation of the Planning Commission and to annex the 1.87 acres of land and that it be zoned C-2 (General Commercial). The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

10) Lake Blue Ridge Marina Annexation Ordinance (First Reading):

Mayor Whitener read the first paragraph of the Lake Blue Ridge Marina Annexation Ordinance. Council Member Rhonda Thomas made a motion to accept the first reading of the Lake Blue Ridge Marina Annexation Ordinance. The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

11) Lake Blue Ridge Marina Zoning Ordinance (First Reading):

Mayor Whitener read the first paragraph of the Lake Blue Ridge Marina Zoning Ordinance. Council Member Rhonda Thomas made a motion to accept the first reading of the Lake Blue

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Ridge Marina Zoning Ordinance. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

12) First Budget Hearing for the 2016 Budget for the City of Blue Ridge:

Mayor Whitener asked if there were any questions pertaining to the proposed budget before asking for a motion. Council Member Rhonda Thomas made a motion to approve the budget. The motion was seconded by Council Member Harold Herndon. Council Member Angie Arp stated that she hoped Council Members Rodney Kendall and Bruce Pack have looked at the budget. Mayor Whitener stated that they should have since everyone got it a couple of weeks ago. The Council voted 3-0. Motion carried.

13) Millage Rate Ordinance (First Reading):

Mayor Whitener read the first paragraph of the Millage Rate Ordinance. Council Member Rhonda Thomas made a motion to accept the first reading of the Millage Rate Ordinance. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

14) Solar Ordinance:

The Mayor, Council and City Clerk discussed the need for the City to adopt an ordinance that addressed the issues of solar panels. Council Member Rhonda Thomas made a motion to allow Roy Parsons to work with the City Attorney in moving forward with writing a solar ordinance for the City of Blue Ridge. The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

15) Snow Plow Quotes:

Shop Supervisor Tony Byrd was present to give his recommendation as to which type of snow plow the Council should purchase for the Street Department. Council Member Rhonda Thomas made a motion to approve the quote from O.G. Hughes & Sons, Inc. in the amount of \$3,550.00. The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

16) Waste Disposal Services at the Shop:

Shop Supervisor Tony Byrd was present to give his recommendation as to which company the Council should choose in regards to waste disposal (chemicals, cleaner, etc.) at the City shop. Council Member Rhonda Thomas made a motion to approve the quote from Tri-State Government Services, Inc. in the amount of \$7,986. The motion was seconded by Council Member Harold Herndon. The Council voted 3-0. Motion carried.

17) Propane Gas Quotes:

The Mayor and Council reviewed and discussed the quotes from Appalachian Propane and Ferrellgas. Council Member Rhonda Thomas stated that she would be abstaining from this vote. Council Member Angie Arp asked if the Council could still vote. Mayor Whitener stated yes we

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can and asked for a motion to approve. Council Member Angie Arp asked "so just two of us can vote". Mayor Whitener stated well you do have a quorum, you have three people here, you have to have two votes though. Council Member Angie Arp made a motion to accept the quote from Appalachian Propane. The motion was seconded by Council Member Harold Herndon. The Council voted 2-0 with Council Member Rhonda Thomas abstaining. Motion failed from a lack of a quorum voting.

18) Monumental Equipment Inc. Quote:

A quote was presented to the Mayor and Council from Waste Water Treatment Plant Supervisor James Weaver for Monumental Equipment Inc. to service the pumps. This service is done annually and is in the budget every year. Council Member Rhonda Thomas made a motion to approve the service quote from Monumental Equipment Inc. in the amount of \$4,140. The motion was seconded by Council Member Angie Arp. The Council voted 3-0. Motion carried.

19) Mayor Reports:

Mayor Whitener stated that she didn't have anything other than Jim Sisson's property acquisition request. She stated that she guessed everyone had seen the email from the City Attorney that said that Mr. Setser's attorney has called him stating that Mr. Setser is not willing to sign anything in order for the City to sell Mr. Sisson the piece of property. Council Member Rhonda Thomas stated that it's a really good idea to look at this lease. Council Member Thomas continued to discuss the lease issue briefly. Council Member Angie Arp stated that the Council needed to get the advice of the City Attorney. Mayor Whitener stated that she suggested that the Council do that so that the City can tell Mr. Sisson whether or not he can buy the property and build his building. Mayor Whitener stated that according to the attorney the City was at an impasse. Both Council Member Angie Arp and Rhonda Thomas stated that they would speak with Mr. Syfan prior to the October 13, 2015 Council Meeting.

20) Nancy Caulder—Project on 50 & 209 West Main Street:

Relator, Nancy Caulder with Berkshire Hathaway was present to discuss a poll she conducted of the community and stated that the results showed that the majority of the community wanted property that had both residential and retail combined. Ms. Caulder introduced developer Brendan Walsh.

21) Brendan Walsh with Lehigh Development—Project on 50 & 209 West Main Street:

Developer, Brendan Walsh with Lehigh Development was present to discuss a proposed development on West Main Street. Mr. Walsh gave a brief biography of himself and the history of Lehigh Development. Mr. Walsh presented a slideshow presentation of past developments. He stated his recommendations for an amendment to the Zoning Ordinance in regards to loft dwellings. The five minute time limit ran out. Mayor Whitener stated that he was making a huge investment in this City and asked that the Council give him more time to speak. There were no objections from the Council. Mr. Walsh continued with his presentation. Mr. Walsh asked that

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the Council allow residential units on the third and fourth floors. He also stated that he really liked the existing ordinance in regards to the fire safety and parking regulations. Mr. Walsh discussed the concept of a live, work, play environment. Mr. Walsh thanked the Mayor and Council for their time and stated that he would be at the next meeting to discuss the proposed project in greater detail. Jim McKnight spoke from the audience. He reminded the Council of his similar request to amend the zoning ordinance and asked for an update. Mayor Whitener, Council Members Rhonda Thomas and Angie Arp commented. Mayor Whitener and Council Member Angie Arp discussed the proposed zoning ordinance amendment as well as the procedure to follow when amending the zoning ordinance. Council Member Arp stated that she would like for Roy Parsons to attend the next meeting.

22) Elma Ettman—"Friends of the Mineral Springs Walking Trail":

Elma Ettman was unable to attend the meeting but submitted a letter for the Mayor and Council to review. Ms. Ettman along with others desire to create a 501(c) 3 organization called the "Friends of the Mineral Springs Walking Trail". Council Member Rhonda Thomas suggested the City purchase a sign to place at Mineral Springs and Church Street to indicate that it is a walking trail. Mayor Whitener stated that she might could get in touch with Ms. Thompson and have her provide a few sign designs. The Council asked the City Clerk to request that Ms. Ettman or Kathy Thompson attend the next meeting to discuss the topic.

23) Bill Ryan—Storm Water & Property Nuisance:

Bill Ryan did not attend the meeting.

24) Ron Long (Blue Ridge Scenic Railway)—Depot, Sign, and Robert's Way:

Ron Long discussed a list of items that need to be completed at the Depot that was given to the Mayor and Council at a previous meeting. Mayor Whitener stated that Street Supervisor, Mark Clemmons has the list but has not made anything happen. Mr. Long informed the Mayor and Council of some of his concerns with traffic on Robert's Way and people parking on the tracks. Mr. Long also informed the Mayor and Council of people climbing on the fall display in front of the Depot. The time limit ran out at this time. Mr. Long discussed a sign proposal with the Council.

25) Patrick Crain—Mayor Qualifications:

Patrick Crain was present to discuss his concerns of the qualifications of the Mayor. He asked that the Council conduct an investigation to determine if the charter or state laws have been violated by Mayor Whitener. Mayor Whitener asked Mr. Crain what she has violated. After some discussion Mr. Crain stated that he would present the Council with a list of violations.

After public comment, Brian Pritchard spoke from the audience. He questioned a concern with the Council Meeting Rules of Procedure.

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26) Executive Session—Authorize negotiations to purchase, disposal of, or lease of property:

Council Member Angie Arp stated that she would like to discuss this topic with the entire Council. Therefore, the Council did not go into an executive session.

27) Adjournment:

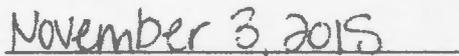
Council Member Angie Arp made a motion to adjourn the meeting. The motion was seconded by Council Member Rhonda Thomas. The Council voted 3-0. Meeting adjourned at 11:42am.



Mayor Donna Whitener



City Clerk Kelsey Ledford



Approved