

**REGULAR COUNCIL MEETING
CITY OF SKY VALLEY, GEORGIA
FEBRAURY 25, 2014
TUESDAY, 10:00 AM
FELLOWSHIP HALL, 817 SKY VALLEY WAY**

AGENDA

CALL TO ORDER

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

- January 21, 2014 Regular Meeting

ADOPTION OF AGENDA

MAYOR'S REMARKS

COUNCIL REMARKS

CITY MANAGER & DEPARTMENT REPORTS – EXCEPTIONS AND QUESTIONS

OLD BUSINESS

- Approval of Mutual Aid Agreement

NEW BUSINESS

- Presentation from Sky Valley Club Regarding Geese
- Appointment of 2014 Committee Members
- RMA General Services Engineering Agreement
- Election Services
- Approval of Fiscal Year 2013 Audit Proposal
- Licensed Water Operator Agreement

PUBLIC FORUM AND GENERAL COMMENTS

EXECUTIVE SESSION

ADJOURNMENT

**ORGANIZATIONAL & REGULAR COUNCIL MEETING
CITY OF SKY VALLEY, GEORGIA
JANUARY 21, 2014
TUESDAY, 9:00 AM
FELLOWSHIP HALL, 817 SKY VALLEY WAY**

MINUTES

Mayor Martindale called the organizational meeting to order.

Those present: Mayor Martindale, Council President Howard, Councilors Carr, Larsen, Platt, and Whatley, Mayor Elect Goodgame, Councilor Elect Greene, City Manager Lapeyrouse, City Clerk Cantrell, and Chief Dills. Attorney Allan Ramsay is filling in for Attorney Dickerson.

Pam Spears gave the invocation. Mayor Martindale led the Pledge of Allegiance.

ORGANIZATIONAL MEETING

- Swearing in of Newly Elected Officials

City Clerk Cantrell administered the Oath of Office to Mayor Goodgame and Councilors Greene, Larsen, and Whatley.

- Passing of the Gavel

Jim Martindale presented Mayor Goodgame with the gavel.

- Special Presentation of Plaques

Council President Howard presented outgoing Mayor, Jim Martindale, and Councilor, Maureen Platt with plaques. He thanked Martindale for serving as mayor for six years and Platt for serving as a councilor for four years. Mayor Goodgame thanked Martindale for his help in making this a smooth transition.

- Nomination and Selection of 2014 Council President

Councilor Carr made a motion nominating Councilor Larsen, 2nd Councilor Greene, unanimously approved.

- Set 2014 Regular Meeting Dates

Mayor Goodgame said he would like to plan to meet on the fourth Tuesday of each month at 10:00 AM. Council President Larsen made a motion to set the regular meetings for the fourth Tuesday of each month at 10:00 AM, 2nd Councilor Carr, unanimously approved.

REGULAR MEETING

Councilor Howard made a motion to approve the minutes of the December 16, 2013 Regular Council Meeting, 2nd Councilor Greene, unanimously approved.

Councilor Carr made a motion to adopt the agenda, 2nd Councilor Howard, unanimously approved.

- **MAYOR'S REMARKS**

Mayor Goodgame said he is excited about the turnout at the meeting today, and he hopes to see the good attendance continue. He introduced Attorney Allan Ramsay, who is attending in place of City Attorney John Dickerson. He asked him to also serve as parliamentarian at the meeting. Ramsay agreed. Goodgame said we will be closely following the City's Rules of Procedure Ordinance, 13-03 and briefly explained the meeting procedure. He said he hopes everyone will notice a friendlier city hall and being greeted when they come in the building. He said that when you call or visit city hall, you may not always immediately be able to speak to the person you want to, however the person who greets you or takes your call will take care of you and forward your message to the appropriate person who will get back with you in a timely manner.

Many things came up during the election campaign that he and the Council will be working to address. He added that they will be asking many people in the community to help by serving on committees and asked people to attend as many meetings as possible. We will also have town-hall style meetings for public input. Priorities include a cell tower, marketing, nuisance abatement on the old lodge, the city park, and sewer funding and grant research. It is important to get involved and have a greater presence with Rabun County. He said he was nominated by the County Commission to serve on the Board of the Rabun County Industrial Development Authority and also nominated to the Executive Committee of the Board to serve as Treasurer. He also thanked Councilor Whatley and past councilors, Ray Becker and Helen Kleiber, who are very involved in working with the county.

- **COUNCIL REMARKS**

Councilor Carr thanked city staff for the water to drink at the meetings. She said people have asked her about being the only female councilor, but having six brothers, three sons, and being married to David Carr has given her the necessary experience to handle it.

Council President Larsen said the Club has a contract under works for a Club Manager. He said there is a trail at the top of Knob Drive that goes from Sky Valley to Rabun Bald. The trail connects to the Bartram Trail. His son and he have been working to keep the trail cleared out the last few years. He requested the City to help clean up at the trail entrance, and for trail markers to post on the trees.

Councilor Howard said that he is excited about the year ahead and said that Mayor Goodgame has some good ideas, and he encouraged the citizens to get involved to help move forward together.

Martin Greene said he wished he could thank everyone who voted for him, but he was unopposed. He said he wanted to serve because he loves Sky Valley and wants to work to make it a better community for everyone.

- **CITY MANAGER & DEPARTMENT REPORTS – EXCEPTIONS AND QUESTIONS**

Mayor Goodgame said that we will not be reporting on normal business activity, instead we will be reporting on exceptions and unusual transactions. We will also take any questions. Reports will be emailed and posted on the city's website along with the agenda before each meeting.

City Manager Lapeyrouse said that garbage collection will be on Monday only through Memorial Day.

City Manager Lapeyrouse said that if your primary residence is in Sky Valley, that you can file for a homestead exemption with Rabun County and Sky Valley to lower your ad valorem tax bill. Citizen Ed Morley asked how to apply for Sky Valley's homestead exemption. City Manager Lapeyrouse explained that you come to City Hall and fill out a form with the Tax Commissioner.

- **OLD BUSINESS**

- ❖ Approval of Mutual Aid Agreement with Macon County

Councilor Whatley made a motion to authorize Mayor Goodgame to sign the agreement once the amendments have been finalized and approved by Attorney Dickerson, 2nd Councilor Howard. Councilor Whatley thanked Chief Dills for working on this since 2009. Once the attorneys are finished with it, it will be signed by the Mayor and then sent to North Carolina to be signed into their State Laws.

Clifford Bell asked specifically what this agreement does. Councilor Whatley said that this agreement allows our police to assist in emergencies that happen in Macon County.

Councilor Carr asked if the State of Georgia will also have to approve. Councilor Whatley and Attorney Ramsay said that Georgia's law gives the city authorization to enter into this agreement on its own. The motion passed unanimously.

- ❖ Update on Lodge – Nuisance Abatement

Mayor Goodgame said the attorneys have given more information to us regarding abatement of the nuisance, and it is being worked on. Council President Larsen asked if there was a timeframe. Mayor Goodgame said he estimates that we should have the documentation ready to proceed within 60 days. City Manager Lapeyrouse said that the city has to file a complaint and have a hearing in municipal court for the judge to make an order. Citizen Helen Kleiber asked if there had been discussions with Merrill regarding saving the bench and the bear carving for the City or the Club. Former Mayor, Jim Martindale, stated that he had discussed it with the demolition contractors but not Merrill.

- ❖ Update on cell phone tower

Mayor Goodgame said that about nine months ago, Verizon hired an independent contractor to locate the best site for a cell tower and to negotiate a lease agreement. Their top location was behind the old dairy barn, but some people spoke out against a cell tower being placed in the valley. Former Mayor, Jim Martindale, worked with them to find a second location, which is on the Pearson property on Bald Mountain Road. Now, they are working to negotiate a lease with the property owner. Mayor Goodgame reported that as per the contractor, the Bald Mountain site will not provide as good of service as their preferred location behind the barn. The proposed site on Bald Mountain will take approximately 13 months to complete. There is a temporary tower, referred to as a C.O.W., cell tower on wheels, by cell phone companies. It is not easy to get a temporary tower, especially for that length of time. Several influential people have written letters to Verizon to request the C.O.W. He has asked the contractor to delay signing the lease until the City has time to work on possible locations. Citizen Jackie Bell asked what a C.O.W. looks like. Mayor Goodgame explained that it is a tower on the back of a truck. Citizen David Carr said that he and Councilor Carr would like to offer the use of their lot on Driver Lane at no charge if that is an acceptable location for the C.O.W. Citizen Pam Spears said there is a cell tower in the middle of Buckhead that looks like a tree adding that she didn't know it was a cell tower until someone pointed it out to her. Mayor Goodgame said he asked the contractor about the towers that look like trees, and the contractor explained that it is more expensive technology, that it

takes community financial participation, and that it does not provide as good of coverage. He asked if, by a show of hands, the audience would like to have a Town Hall meeting to discuss the cell tower. Most audience members raised their hands. Mayor Goodgame asked staff to schedule a meeting. Councilor Howard asked if Mr. Sanders, the contractor, can be available for the Town Hall meeting. Councilor Whatley said that we will need several pieces of information for the meeting such as costs for tower options, the C.O.W., and what is included in the lease agreement.

- **NEW BUSINESS**

- ❖ Approval of 2014 Agreement with SV/Scaly Fire Department

Councilor Whatley made a motion to approve the agreement, 2nd Councilor Greene. Councilor Whatley explained that this has to be renewed each year and when there are significant changes to the agreement. Councilor Howard asked if there were significant changes. Citizen Dee Moore asked if it is still funded with one mil. City Manager Lapeyrouse said that the contribution amount changes every year and is the main reason for the annual agreement. This year, it is equal to one mil. Last year, it was a little less than one mil. The motion to approve the agreement passed unanimously.

- ❖ Set Qualifying Fees for the 2014 General Election

City Manager Lapeyrouse explained that the qualifying fees must be set each year in January. The qualifying fee has been \$15 for the last few years. Council President Larsen made a motion to set the 2014 qualifying fee at \$15, 2nd Councilor Carr, unanimously approved.

- ❖ Nomination & Selection of one P & Z member

Mayor Goodgame said that Mr. Bob MacNair's term is up and Mr. Will Gurley has volunteered to serve on the Planning & Zoning Commission. Mr. Gurley has been in commercial real estate and has experience in dealing with planning and zoning issues. Council President Larsen made a motion to nominate Will Gurley, 2nd Councilor Carr, unanimously approved.

- ❖ Creation of 2014 Committees

Mayor Goodgame announced the committees and their council member liaisons. He encouraged participation in the city by serving on committees and being patient as we implement changes and pursue answers to our challenges.

- Mayor Advisory Committee – Council President Larsen and Councilor Howard
- Marketing Committee - Mayor Goodgame
- Beautification Committee - Councilor Carr
- Maintenance & Public Works Committee - Councilor Green
- Capital Projects Committee - Council President Larsen
- Public Safety, Emergency Response, & Crisis Management Committee - Councilor Whatley
- Special Projects Committee - Councilor Howard

Council President Larsen made a motion to approve these committees, 2nd Councilor Carr, unanimously approved.

- ❖ Discussion of waiving building permit fees for new construction in 2014

City Manager Lapeyrouse explained that permit fees for new construction have been waived for the last two years and explained that if the Council wants to waive the fee, it must be re-approved. Council President Larsen made a motion to approve waiving permit fees on new construction for 2014,

2nd Councilor Carr. Citizen Ray Brooker asked if this included the water tap-on fee. No, it does not. The motion passed unanimously.

❖ Approval of authorized signatures on bank accounts

Mayor Goodgame said that he would like to have himself and two Councilors authorized to sign checks so that there will always be someone available and recommended Councilor Greene and Council President Larsen. Councilor Whatley made a motion to authorize Mayor Goodgame and Councilors Greene and Larsen to be added to the checking accounts to sign checks, 2nd Councilor Carr, unanimously approved. City Manager Lapeyrouse and City Clerk Cantrell are also signers on the account. The City requires one staff member and one elected official signature on all checks.

❖ Liability Insurance Re-evaluation

Mayor Goodgame said that based on the insurance reappraisal this year, our property values increased by almost \$500,000, potentially costing an additional \$1,500 based on our 2013 rates. City Manager Lapeyrouse said that we could remove the water storage tanks to help offset the rate increase. Councilor Whatley said that he does not believe it is worth the savings to remove the water tanks from our coverage. Citizen Debbie McAfee asked if the insurance agent did the appraisal or if it was an independent appraisal. She said that she supports having the water tanks on the insurance policy. City Manager Lapeyrouse said the appraisal was done by an independent appraiser. Councilor Whatley made a motion to insure the tanks, 2nd Larsen. City Manager Lapeyrouse explained that only two of the tanks were listed on the appraisal. The City owns six tanks. Councilor Howard asked which tanks were most important. City Manager Lapeyrouse explained that each tank serves a particular area. Councilor Whatley made a motion to authorize Mayor Goodgame and City Manager Lapeyrouse to add all of the City water tanks and make sure no other property had been left out, 2nd Larsen, unanimously approved.

• PUBLIC FORUM AND GENERAL COMMENTS

Jim Martindale said that he does not want the C.O.W. in his back yard, that he believes the C.O.W. should be by the barn. Mayor Goodgame said that Milt Gillespie told him there is a very visible tower in the golf community where he is in the winter and it has an American flag at the top of it.

Ray Brooker asked how high the tower is supposed to be. Mayor Goodgame said the C.O.W. is 75-80 feet, and the permanent tower will be 190 feet. Council President Larsen said that at the Town Hall meeting, we can discuss options. Councilor Whatley said he would like to see the terms of the lease agreement and have a copy available at the meeting.

Truman Barber said that he appreciates how this meeting has been conducted, and said that he believes the community will be supportive.

• EXECUTIVE SESSION

- ❖ Meetings when discussing or deliberating upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer. O.C.G.A. § 50-14-3(6).

Councilor Whatley made a motion to move into executive session, 2nd Council President Larsen, unanimously approved.

Councilor Whatley made a motion to reconvene regular session, 2nd Councilor Howard, unanimously approved.

Councilor Whatley made a motion to keep employee Byron Godwin on payroll as our licensed water operator through the end of February, 2nd Councilor Howard, unanimously approved.

City Manager Lapeyrouse asked if the Council wanted to authorize Chief Dills to acquire the Federal Government surplus Hummer that is mentioned on the Chief's monthly report. Councilor Whatley made a motion to accept the Hummer and not spend any money for repairs, maintenance, or to add to the insurance until its uses can be determined, 2nd Councilor Greene, unanimously approved.

Councilor Whatley made a motion to adjourn, 2nd Councilor Howard, unanimously approved.

Respectfully submitted:

Hughel Goodgame, Mayor

Attested:

Mandi Cantrell, City Clerk

**Departmental Report by the
City Manager
February, 2014**



Announcements -

The City's e-mail distribution and Facebook page were used frequently to keep everyone informed during the last snow event. These are two of the ways the City tries to stay connected with its residents. If you are not on the e-mail list for the City, please contact City Hall or visit our web site and submit the information through our home page at www.skyvalleyga.com. The City's Facebook page increased in popularity by 32% over the last month. If you have not "liked" us on Facebook yet, please visit us at www.facebook.com/skyvalleyga. We have shared many snow pictures on Facebook and would love to have you share your favorite Sky Valley pictures on our page.

Public Works -

During the next month, the road crew will be focusing on drainage issues, cleaning ditches, culverts and check dams as well as right-of-way trimming. We are also planning to work on the city park area and the stream between the park and the postal facility.

This last month has been full of days of inclement weather, storm clean up and snow pre-treatment and removal. Overall, snow removal efforts have gone very well. We continue to analyze what went right, what went wrong, and how we can improve.

Main thoroughfares are concentrated on first followed by the remaining secondary roads. Remember... snow removal crews are able to clear the roads much quicker and safer when they don't have obstructions in the roadway.

Here are a few reminders of winter road hazards to consider for everyone's safety:

Please avoid parking on roadways or abandoning your vehicle on City roadways when road conditions make roads impassable. In order to ensure that the Sky Valley Police and city road crews are able to keep the roads open during inclement weather, any vehicle that is impeding snow removal efforts or is leading to the endangering of public safety will be removed by an approved wrecker service at the owner's expense. If you are forced to abandon your vehicle, you must leave it where it does not obstruct the roadway. Do not leave valuables inside and have the vehicle moved as quickly as it is safe to do so.

Motorists should make a reasonable effort to remove all ice and snow from their vehicles before traveling. Snow and ice left on a vehicle, in particular on the hood, windows and roof, can become a deadly projectile, creating a hazard for everyone on the road.

Snow left out in the road by homeowners or private snow plowers can be a road hazard. We have all come upon this situation where we are driving along and come across a wall of snow trailing out of a driveway across the road. Snow should never be plowed onto or across the roadway. The proper way to plow a driveway is to start at the mouth of the drive and plow in.

Make sure your children/grandchildren do not play in any large piles of snow located near the roadway. These piles of snow look appealing to children, but can be very dangerous when the plows are pushing snow.

The City strongly urges residents and motorists to exercise extreme caution and avoid making unnecessary road trips during a storm event. Be extremely cautious when driving or walking on slippery roadways.

Use common sense. If it looks and feels unsafe, it is. Plan ahead... run your errands before a storm arrives, don't get out if you don't have to, be patient, and know your vehicle's abilities. If you don't have 4WD or AWD, your chances of negotiating slippery streets and hills without problems are severely diminished. The City crews have 4WD, use snow chains, and still often find themselves in precarious situations. Driving on slippery roads is dangerous and should be avoided when possible.

Water –

Major water leaks were addressed this month to a line on Cedar Lane. The biggest of these leaks caused us to lose all of the water from our tanks on Alex Mountain and Sky High. Employees worked overnight trying to locate the water leak and continued to work until the leak was fixed and everyone was back in water. Thankfully, the problem happened during the night and most of you were never affected.

City Ordinance requires that all residences vacated during winter months shall be winterized to protect the plumbing from freezing. Under no circumstances may a water tap be left open to prevent freezing while you are away. This practice is prohibited and a violation of water use conservation by GA EPD. Any vacated residence detected using water by the City will be assumed to have faulty plumbing internally. Upon this assumption the City will turn off the water to prevent additional damage to the property and attempt to contact the property owner. With the frigid temperatures, several homeowners have experienced broken water lines and damages to their homes. We cannot emphasize enough that you should have your homeowner valve adjacent to the meter shut off when you are going to be away. If you are unable to turn off/on the valve by yourself, the City offers this service for \$10.00.

Solid Waste -

On days of inclement weather, the City may be unable to run the garbage route. Automated phone calls will be utilized to keep you informed of these circumstances. Don't forget that garbage should not be placed out for pick-up any earlier than the morning of the service. Trash must be out by 8 AM on the day of pick-up. Animals scatter garbage even when put in the underground cans. Our garbage collectors are not responsible for picking up any garbage that is not properly bagged once they arrive. The dumpster at the tractor barn on Knob Drive can be utilized when you need to take your garbage somewhere prior to a garbage collection day. This is especially important when your garbage contains food items. Recyclables and other household garbage can be taken to the recycle center on Kelly's Creek Road.

With the nation becoming more environmentally conscious, we need to recognize the importance of recycling. By the end of December 2013, we had hauled a total of 168.25 tons of garbage to the landfill. Last year, we hauled a total of 153.60 tons. That is approximately 9% more than last year but a 23% improvement since 2008 when we started tracking. Part of last year's increase is likely due in part to more people being here over the summer, however I know there is so much more that can be done. It is essential that we encourage ourselves and our neighbors to recycle.



Reduce... Reuse... Recycle...

Reduce the amount and toxicity of trash you throw away

Reuse containers and products

Recycle as much as possible and buy products with recycled content



SKY VALLEY POLICE DEPARTMENT

Fact Sheet for January 2014 Report

This Month

Medical: 1/05 Diabetic Emergency
 1/06 Difficulty Breathing
 1/10 Gunshot
 1/19 Fell and Hurt Head
 1/27 Subject Fell
 1/29 Chest Pains

Missing Person: 1/01 Missing Juvenile Girl
 1/30 Missing Male Afraid Wrecked in Snow

Suspicious: 1/13 Watch for White Vehicle on Hwy 246
 1/15 Two Vehicles at Overlook, Unknown Activity
 1/29 Resident is Being Followed from Dillard

Mutual Aid: 1/12 Domestic Dispute on Paradise Lane for Sheriff
 1/29 Stranded Vehicle in Snow Blocking Road for Sheriff
 1/30 Accident on Highway 246 in County for Sheriff

Animal: 1/22 DNR Requesting Go and locate a Possible Rabid Fox
 1/22 Complaint about Geese Being Shot Around Golf Course

Vehicle Assistance: 11 of the 14 Calls were Motorists Who were Transported Home or
 Other Locations due to Snow.

Mileage: 3998



SKY VALLEY POLICE DEPARTMENT MONTHLY STATISTICS

INCIDENT	MONTH	YTD 2014	MONTH	YTD 2013	STAT
Fire	0	0	0	0	
Medical Emergency	5	5	4	4	
Vehicle Accident	0	0	0	0	
Family Violence	0	0	0	0	
Fight/Assault	0	0	1	1	
Suicide/Death	1	1	0	0	
Missing Person	2	2	0	0	
Burglary	0	0	0	0	
Theft	0	0	1	1	
Suspicious Activity	1	1	1	1	
Suspicious Person	0	0	1	1	
Suspicious Vehicle	2	2	4	4	
Alarm	0	0	0	0	
Investigation	0	0	0	0	
DUI/ Public Drunk	0	0	0	0	
Drug Related	0	0	0	0	
Juvenile	0	0	0	0	
Stationary Patrol	0	0	0	0	
Traffic Control	0	0	0	0	
Traffic Stop	0	0	1	1	
Mutual Aid	2	2	0	0	
Animal	3	3	1	1	
Lost & Found	0	0	0	0	
Complaint	0	0	0	0	
City Ord. Violation	0	0	0	0	
All Others	2	2	0	0	
Assisting Residents	4	4	1	1	
Escorting Visitors	0	0	2	2	
Residential Check	18	18	49	49	
Discovered Unsecure	0	0	0	0	
Welfare Check	0	0	2	2	
Water/Tree/Infrastructure	13	13	3	3	
Vehicle Assistance	14	14	3	3	
Arrested	1	1	0	0	
Incarcerated	1	1	0	0	
Warning	0	0	0	0	
Citations	5	5	0	0	
Total Calls	47	47	25	25	
911 Calls	8	8	0	0	
Mileage	3998	03,998	4157	04,157	
January 2014					

Housing & Development Departmental Data Report	For month ending January 31, 2014		
	Jan. 2014	YTD	2013 YTD
New Residential & Commercial permits issued	0	0	0
All other addition, remodel and repair permits	6	6	11
Certificates of Occupancy issued	1	1	0
Total New Construction not yet finalized	0		2
Total Other Construction not yet finalized	5		14
Notices to Comply issued	0	0	1
Stop Work Orders issued	0	0	0
Tree Cutting permits issued	0	0	3
Code & Ordinance Violations cited	0	0	0
Fees Collected			
	Jan. 2014	YTD	2013 YTD
New Residential or Commercial Permits	\$0.00	\$0.00	\$0.00
Other Addition, Remodel, Repair Permits	\$58.00	\$58.00	\$524.40
Tree Cutting Permits	\$75.00	\$75.00	\$180.00
Land Disturbing Permits	\$0.00	\$0.00	\$0.00
Fines Collected for for Ordinance Violations	\$0.00	\$0.00	\$0.00

Totals Report For 2012 Taxes January 2014 Tax Commissioner

	Billed	Collected	Adjustments	Outstanding
2012 Ad Valorem Tax	834,170.00	829,525.89	238.19+	4,882.30
Interest	2,241.31	1,611.75		629.56
Penalty	3,089.91	2,606.78		483.13
Costs	5982.00	3,714.00		2,268.00
Totals	845,483.22	837,458.42	238.19+	8,262.99

Collected: 99.41%

Totals Report For 2013 Taxes January 2014 Tax Commissioner

	Billed	Collected	Adjustments	Outstanding
2013 Ad Valorem Tax	838,547.44	776,472.35	5,825.41-	56,249.68
Interest	494.12	25.94	0	468.18
Penalty	0	0	0	0
Costs	0	0	0	0
Totals	839,041.56	776,498.29	5,825.41-	56,717.86

Collected 93.25%

**City of Sky Valley
Balance Sheet
as of January 31, 2014**

General Funds	
General Fund Cash	1,280,092.58
Municipal Court	9,345.00
Petty Cash	300.00
Accounts Receivable	61,131.98
Due from Other Funds	24,981.11
Total Assets	1,375,850.67
Liabilities	
Deferred Revenue (Property Taxes)	0.00
Due to Other Funds	0.00
Total Liabilities	0.00
Fund Balances	
Restricted	
Funds Remaining in 2014 Budget	930,603.26
Admin & General Government	49,962.86
Roads	74,220.54
Police	0.00
Housing & Development	15,000.00
Total Restricted Funds	1,069,786.66
Current Unrestricted Funds	306,064.01
Enterprise Funds	
Combined Utility Fund Cash	696,689.46
Accounts Receivable	29,474.63
Total Current Assets	726,164.09
Liabilities	
Prepaid Accounts	7,813.59
Deposits for Water Service	800.00
Due to Other Funds	
Total Liabilities	8,613.59
Restricted Funds	
Funds Remaining in 2014 Budget	479,751.76
Water	928.00
Solid Waste	23,829.05
GEFA Debt Service Reserve	53,211.00
Current Unrestricted Funds	159,830.69
Hotel/Motel Tax Fund	
Accommodations Tax Received	1,071.16

CITY OF SKY VALLEY
General Fund Budget Performance
January 2014

	Jan 14	Budget	% of Budget
Income			
33.4000 · GA government grants/contracts	0.00	22,550.00	0.0%
33.9000 · Other Grants (GMA, GIRMA, etc)	0.00	3,000.00	0.0%
60110 · Ad valorem - property	833,339.97	832,140.00	100.14%
60120 · Ad valorem - vehicles	4,233.80	8,610.00	49.17%
60140 · Penalties, Fifa's, interest	2,908.50	5,000.00	58.17%
60210 · Insurance premium tax	0.00	13,000.00	0.0%
60220 · Beverage Excise tax	9.52	750.00	1.27%
60230 · Franchise tax	2,319.23	50,000.00	4.64%
60235 · Fines & forfeitures	718.45	4,000.00	17.96%
60240 · Business license	200.00	3,200.00	6.25%
60250 · Permits	133.00	9,950.00	1.34%
60270 · Zoning applications	0.00	100.00	0.0%
60271 · Sales of Reports, Copies, Etc.	105.00	500.00	21.0%
60280 · Real estate transfer tax	137.46	1,500.00	9.16%
60281 · Intangible tax	236.59	6,000.00	3.94%
69110 · Interest income	467.61	2,400.00	19.48%
69115 · Transfer from hotel/motel tax	0.00	1,000.00	0.0%
69150 · Refunds & Reimbursements	0.00	1,000.00	0.0%
69990 · Miscellaneous	1.06	500.00	0.21%
70000 · Sale of surplus property	0.00	4,000.00	0.0%
Total Income	844,810.19	969,200.00	87.17%
39.1000 · Interfund (Use of Fund Balance)	0.00	50,000.00	0.0%
Total Income/Use of Fund Balance		1,019,200.00	
Administration & General Government			
510000 · Personal Services	11,666.46	162,210.00	7.19%
520000 · Purchased / Contracted Services	1,907.38	53,100.00	3.59%
530000 · Supplies	972.20	28,450.00	3.42%
Total Expense	14,546.04	243,760.00	5.97%
Roads			
510000 · Personal Services	9,012.31	130,425.00	6.91%
520000 · Purchased / Contracted Services	2,768.62	36,075.00	7.68%
530000 · Supplies	1,590.97	46,500.00	3.42%
540000 · Capital Outlays	0.00	80,000.00	0.0%
Total Expense	13,371.90	293,000.00	4.56%
Police			
510000 · Personal Services	28,710.68	281,705.00	10.19%
520000 · Purchased / Contracted Services	4,301.90	31,045.00	13.86%
530000 · Supplies	189.37	25,750.00	0.74%
Total Expense	33,201.95	338,500.00	9.81%

CITY OF SKY VALLEY
General Fund Budget Performance
January 2014

	Jan 14	Budget	% of Budget
Housing & Development			
510000 · Personal Services	1,059.84	25,860.00	4.1%
520000 · Purchased / Contracted Services	35.09	6,940.00	0.51%
530000 · Supplies	27.98	3,100.00	0.9%
Total Expense	1,122.91	35,900.00	3.13%
Judicial			
510000 · Personal Services	163.94	2,470.00	6.64%
520000 · Purchased / Contracted Services	0.00	1,970.00	0.0%
Total Expense	163.94	4,440.00	3.69%
Executive			
520000 · Purchased / Contracted Services	0.00	3,125.00	0.0%
530000 · Supplies	0.00	75.00	0.0%
Total Expense	0.00	3,200.00	0.0%
Legislative			
520000 · Purchased / Contracted Services	190.00	11,200.00	1.7%
530000 · Supplies	0.00	300.00	0.0%
Total Expense	190.00	11,500.00	1.65%
Fire & Rescue	0.00	58,000.00	0.0%
Elections			
523300 · Advertising	0.00	400.00	0.0%
523301 · Printing and binding	0.00	200.00	0.0%
523850 · Contract labor	0.00	4,300.00	0.0%
Total Expense	0.00	4,900.00	0.00
Total Income	844,810.19		
Total Expenses	62,596.74		

**City of Sky Valley Enterprise Funds
Summary Budget Performance**

January 2014

Water	Jan 14	Budget	% of Budget
Income			
34.4210 · Water charges	30,084.17	325,000.00	9.26%
34.9000 · Other charges for services	20.00	280.00	7.14%
36.1000 · Interest revenue	128.52	1,500.00	8.57%
Total Income	30,232.69	384,000.00	7.87%
Use of Debt Service Reserve	0.00	57,220.00	0.0%
Total Income/Other	0.00	0.00	
Expense			
51.1000 · Personal Services - Wages	7,741.51	138,565.00	5.59%
52.1000 · Purchased profess & tech svcs	721.96	44,980.00	1.61%
53.1000 · Supplies	979.36	58,900.00	1.66%
54.0000 · Capital Outlay	0.00	15,000.00	0.0%
58.0000 · Debt Service	10,043.95	126,555.00	7.94%
Total Expense	19,486.78	384,000.00	5.08%
Net Income	10,745.91	0.00	100.0%

Solid Waste

Income			
34.4100 · Sanitation	9,260.00	112,000.00	8.27%
Total Income	9,260.00	112,000.00	8.27%
Expense			
51.1000 · Personal Services - Wages	4,951.25	64,545.00	7.67%
52.1000 · Purchased profess & tech svcs	105.99	34,700.00	0.31%
53.1000 · Supplies	437.09	12,755.00	3.43%
Total Expense	5,494.33	112,000.00	4.91%
Net Income	3,765.67	0.00	100.0%

CHESTER M. JONES
ATTORNEY AT LAW

www.ChesterJonesLaw.com

122 West Boulevard
Franklin, NC 28734-2927

Tel. & Fax.: (828) 369-7781
E-mail: cj@ChesterJonesLaw.com

January 9, 2014

Mr. John A. Dickerson
McClure, Ramsay, Dickerson & Escoc, LLP
38 Falls Road
P.O. Drawer 1408
Toccoa, GA 30577

RE: Mutual Aid Agreement

Dear John:

Thank you for your letter to me dated January 6, 2014, regarding the above-referenced matter. Upon receipt of the same, I attempted to call to discuss your questions raised but did not find you available. As a consequence, I thought I would just write to you regarding the same in an effort to explain to you the reasons for the manner in which this document drafted.

In the course of preparing to write to you, I reviewed my draft and first revision as well as the applicable North Carolina statutes. Upon doing so, I noted that when the NC State Legislature did some recent recodification of the Emergency Management Act, it did away with the defined term "disaster" and replaced it with the term "emergency" in the new codification. The definition of the term "emergency" is essentially the same as the old term "disaster" with some additional language added. As a consequence, I have revised Revision #1 of the Draft Agreement and taken out references to the term "disaster" and replaced them with the term "emergency". I have deleted the term "Disaster" from the Definitions section. I included the term "Emergency" in the Definitions section with the additional language for its definition. I revised the term "Emergency Management" to delete the term "disaster" and insert the term "emergency" in its place.

I am sending to you with this letter Revision #2 of the Draft Agreement for your consideration and that of your client.

For some background, in North Carolina, Counties are without authority to enter into mutual aid agreements with local governments in other states except where there is statutory authority for doing so. When the request for a Mutual Aid Agreement came from Sky Valley, I looked for some statutory authority in an effort to accommodate the request of Sky Valley. What I was able to find was our Emergency Management Act which allows for mutual aid agreements with out of state local governments for reciprocal emergency management aid and assistance and I believed that it was broad enough to address the needs of the parties as articulated to me and authorizes the County to

Mr. John A. Dickerson
January 9, 2014
Page Two

enter into such an agreement. See N.C. Gen. Stat. § 166A-19.72.

Our Emergency Management Act, as revised, contains a definitions section which includes the following definitions as well as others for terms used in the same:

- A. **Emergency.** An occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural, man-made accidental, military, paramilitary, weather-related, or riot related cause.
- B. **Emergency Management.** Those measures taken by the populace and governments at federal, State, and local levels to minimize the adverse effect of any type emergency, which includes the never-ending preparedness cycle of planning, prevention, mitigation, warning, movement, shelter, emergency assistance, and recover. See N.C. Gen. Stat. § 166A-19.3

A careful reading of these terms is needed to determine what can and cannot be covered by the draft Mutual Aid Agreement between our County and an out of state local government. It is my thought that these terms were defined in a sufficiently broad manner to allow for a mutual aid agreement between Macon County and Sky Valley to cover those situations where, as a result of any given "emergency" in question, there had been an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made accidental, military, paramilitary, weather related, or riot related cause.

In order to make sure that the draft mutual aid agreement was authorized by NC law, I wanted to stay as close to the definitions and terminology set forth in our Emergency Management Act as reasonably possible. Therefore I have used these terms, "emergency" and "emergency management" in the draft agreement and I have defined them in the draft agreement as those terms are defined by the Emergency Management Act.

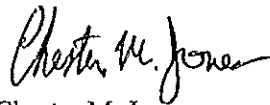
I am of the opinion that the enclosed draft agreement is sufficiently broad to cover responses by Sky Valley Police to traffic accidents in those areas of Macon County identified in the draft agreement when the accident results in severe damage, injury, or loss of life or property or where as a result of the accident, there is an imminent threat of widespread or severe damage, injury, or loss of life or property. Given the topography and road conditions in the areas of Macon County covered by this draft agreement, I would think that most traffic accidents in this same area could meet the definition of an "emergency".

Please feel free to call me at your convenience. I will look forward to working with you in connection with this matter.

Mr. John A. Dickerson
January 9, 2014
Page Three

With kindest regards.

Very truly yours,



Chester M. Jones

cc. Derek Roland, Macon County Manager, via email
David Key, Emergency Management Director, via email
James P. Tate, Macon County Commissioner, via email

STATE OF NORTH CAROLINA
MACON COUNTY

STATE OF GEORGIA
CITY OF SKY VALLEY

**EMERGENCY MANAGEMENT MUTUAL AID AND ASSISTANCE AGREEMENT
BETWEEN MACON COUNTY, NORTH CAROLINA, AND CITY OF SKY VALLEY,
GEORGIA**

THIS CONTRACT AND AGREEMENT, is made and entered into this the ____ day of December, 2013, by and between Macon County, North Carolina, a North Carolina County and body politic, hereinafter referred to as "Macon County", and the City of Sky Valley, Georgia, a Georgia City and body politic, hereinafter referred to as "Sky Valley", to be effective when fully executed on behalf of each of the parties hereto by their respective chief executive officers with the concurrence of their respective governing bodies and approved by the Governor of the State of North Carolina as required by the provisions of N.C. Gen. Stat. § 166A-19.72.

THAT WHEREAS, Macon County and Sky Valley share a common boundary as shown on Exhibit A which is attached hereto and incorporated herein by reference; and

WHEREAS, the road systems along the Common Boundary of Macon County and Sky Valley run in and out of Macon County, North Carolina, and Sky Valley, Georgia, through a steep mountainous area and are such that response in the event of a disaster an emergency can frequently be made more rapidly and easily to areas of one jurisdiction from officers or employees of the other jurisdiction; and

WHEREAS, officers or employees of both Macon County and Sky Valley, while performing duties and response for service can encounter disaster emergency situations involving the need for emergency medical assistance, emergency aid and traffic control to protect life and property while in an the jurisdiction of the other party hereto; and

WHEREAS, N.C. Gen. Stat. § 166A-19.72 recognizes that Macon County may enter into mutual aid agreements with Sky Valley for reciprocal emergency management aid and assistance, provided that such mutual aid agreement is consistent with the North Carolina State Emergency Program and Plans and approved by Governor of the State of North Carolina; and

WHEREAS, the Official Code of Georgia § _____ authorizes the Sky Valley to enter into mutual aid Agreements with Macon County; and

WHEREAS, Macon County and Sky Valley recognize that the telephone company central boundary offices do not coincide with the jurisdictional boundaries of Macon County and Sky Valley, and as a result of the same, a portion of the emergency calls for each jurisdiction may be inadvertently relayed by way of direct or cellular telephone, direct contact, and processed to or from the wrong jurisdiction; and

WHEREAS, Macon County and Sky Valley recognize the importance of coordination and cooperation between the governmental agencies, and the parties hereto do by this Agreement agree to allow mutual aid in the nature of reciprocal emergency management aid and assistance by the other to be rendered in accordance with this Agreement when disaster emergency situations are encountered or reported within those areas marked in *** and *** on Exhibit A which is attached hereto and incorporated herein by reference regardless of State and jurisdictional boundaries.

NOW THEREFORE, pursuant to executive action on behalf of the governing bodies of Macon County and Sky Valley and with the approval of the Governor of the State of North Carolina, Macon County and Sky Valley do hereby agree, subject to the terms of this Agreement contained hereinafter, to allow mutual aid in the nature of reciprocal emergency management aid and assistance by the other to be rendered in accordance with this Agreement when disaster emergency situations are encountered or reported within those areas marked in *** and *** on Exhibit A which is attached hereto and incorporated herein by reference regardless of State and jurisdictional boundaries.

Section I. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

1. **Authorized Representative:**

A party's employee who has been authorized in writing by the that party to request, offer or otherwise provide assistance under the terms of this Agreement. The list of Authorized Representatives for each party executing this Agreement shall be attached to the executed copy of this Agreement. (In the event of a change in personnel, unless otherwise notified in writing the presumption will be that the successor for the holder of that position will be the authorized representative for that party).

2. **Common Boundary:**

The legal and geographical boundary which is common to both Macon County and Sky Valley;

3. **DisasterEmergency:**

An occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made accidental, military or, paramilitary, weather related or riot related cause;

4. **Emergency Management:**

Those measures taken by the populace and governments at the Federal, State and local levels to minimize the adverse effect of any type of disaster emergency, which includes the never-

ending preparedness cycle of planning, prevention, mitigation, warning, movement, shelter, emergency assistance, and recovery;

5. Party:

A governmental entity which has duly adopted and executed this Agreement;

6. Provider:

The party hereto which is furnishing aid and assistance to the other party in the other's party's jurisdiction pursuant to the terms of this Agreement; and

7. Recipient:

The party hereto which is receiving aid and assistance in its jurisdiction from the other party pursuant to the terms of this Agreement.

Section II. Initial recognition of principle by all parties; Agreement provides no right of action for third parties.

It is mutually agreed that Macon County has the primary responsibility for emergency management in disaster emergency situations within the jurisdiction of Macon County and that Sky Valley has the primary responsibility for emergency management in disaster emergency situations within the jurisdiction of Sky Valley. The provisions of this Agreement shall not be construed to impose an unconditional obligation on either Macon County or Sky Valley to provide emergency management aid and assistance to the other in disaster emergency situations given that both Macon County and Sky Valley have finite resources and the potential for both Macon County and Sky Valley to be unavailable for aid and assistance due to the nature of emergency management and disasters emergencies. Accordingly, either Macon County or Sky Valley may in good faith withhold resources necessary and to provide reasonable and adequate protection for its own community by deeming itself unavailable to respond and by so informing the other after a request for emergency aid or assistance has been made. Nevertheless, both Macon County and Sky Valley recognize that there are highly meritorious reasons for entering this Agreement, and accordingly shall attempt to render emergency management aid and assistance to the other in disaster emergency situations and in accordance with the terms and conditions of this Agreement when either determines, in its sole discretion, that it may do so within the terms of this Agreement.

Pursuant to the provisions of N.C. Gen. Stat. § 166A-19.60 and as elaborated upon in Section IX of this Agreement, all functions and activities performed under this Agreement are hereby declared governmental functions. Functions and activities performed under this Agreement are carried out for the benefit of the general public and not for the benefit of any specific individual or individuals or any specific entity or entities. Accordingly, this Agreement shall not be construed as or deemed to be an agreement for the benefit of any third parties or persons and not third parties or

third persons shall have any right of action under this Agreement for any cause whatsoever. All immunities provided by law shall be fully applicable as elaborated upon in Section IX of this Agreement.

Section III. Assistance by Sky Valley with disaster emergency incidents within Macon County.

Subject to the terms and conditions of this Agreement, consent from Macon County to Sky Valley is implied for Sky Valley to render emergency management aid and assistance unto Macon County in disaster emergency situations which occur within that portion of Macon County shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. Subject to the terms and conditions of this Agreement, Sky Valley may render emergency management aid and assistance unto Macon County in disaster emergency situations which occur within that portion of Macon County shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. However, before rendering any emergency management aid and assistance unto Macon County in disaster emergency situations which occur within that portion of Macon County shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference, Sky Valley shall first notify Macon County regarding the same by immediately contacting Macon County Dispatch, advising in regards to the same, and requesting that the Macon County Emergency Management Director or his designee be so advised.

Notwithstanding the foregoing, Macon County authorities, agencies and units will possess primary emergency management authority for all disaster emergency situations located within the territorial boundaries of Macon County. Sky Valley will only function in the role of an assistant and provider at the scene of disaster emergency situations which occur within that portion of Macon County shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. After Macon County authorities arrive on the scene of disaster emergency situations which occur within that portion of Macon County shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference, Sky Valley will release all functions and controls unto Macon County. However, Sky Valley may continue to render emergency management aid and assistance unto Macon County in such disaster emergency situations if requested by Macon County. Sky Valley shall stand down upon request of Macon County.

The Authorized Representative for Sky Valley shall be its Chief of the Sky Valley Police Department. Sky Valley will render the emergency management aid and assistance unto Macon County in such disaster emergency situations through its police department. Sky Valley shall not render emergency management aid and assistance unto Macon County in such disaster emergency situations unless it is duly qualified to do so under the laws of the State of North Carolina.

Section IV. Assistance by Macon County with disaster emergency incidents within Sky Valley.

Subject to the terms and conditions of this Agreement, consent from Sky Valley to Macon

County is implied for Macon County to render emergency management aid and assistance unto Sky Valley in disaster emergency situations which occur within that portion of Sky Valley shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. Subject to the terms and conditions of this Agreement, Macon County may render emergency management aid and assistance unto Sky Valley in disaster emergency situations which occur within that portion of Sky Valley shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. However, before rendering any emergency management aid and assistance unto Sky Valley in disaster emergency situations which occur within that portion of Sky Valley shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference, Macon County shall first notify Sky Valley regarding the same by _____.

Notwithstanding the foregoing, Sky Valley authorities, agencies and units will possess primary emergency management authority for all disaster emergency situations located within the territorial boundaries of Sky Valley. Macon County will only function in the role of an assistant and provider at the scene of disaster emergency situations which occur within that portion of Sky Valley shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference. After Sky Valley authorities arrive on the scene of disaster emergency situations which occur within that portion of Sky Valley shown in *** upon Exhibit A which is attached hereto and incorporated herein by reference, Macon County will release all functions and controls unto Sky Valley. However, Macon County may continue to render emergency management aid and assistance unto Sky Valley in such disaster emergency situations if requested by Sky Valley. Macon County shall stand down upon request of Sky Valley.

The Authorized Representative for Macon County shall be its Emergency Management Director or his designee. Macon County will render the emergency management aid and assistance unto Sky Valley in such disaster emergency situations through its Emergency Services Department. Macon County shall not render emergency management aid and assistance unto Sky Valley in such disaster emergency situations unless it is duly qualified to do so under the laws of the State of Georgia.

Section V. Scope and extent of emergency management aid and assistance rendered under the terms and conditions of this Agreement.

Notwithstanding anything to the contrary contained herein, the parties hereto understand and agree that the mutual emergency management aid and assistance contemplated by this Agreement shall be limited in nature and shall only be rendered in disaster emergency situations for a period of twelve hours or less, per incident of disaster emergency situations.

Section VI. Reimbursements.

It is understood and agreed that the recipient of emergency management aid and assistance rendered under the terms and conditions of this Agreement shall not be required to pay any of the costs incurred by the provider of such emergency management aid and assistance rendered under the

terms and conditions of this Agreement.

Section VII. Rights and Privileges of Provider's Employees.

Pursuant to the provisions of N.C. Gen. Stat. § 166A-19.60 and applicable Georgia law, whenever Provider's employees are rendering emergency aid and assistance pursuant to this Agreement, such employees shall retain the same powers, duties, immunities and privileges they would ordinarily possess if performing their duties within the geographical limits of the Provider.

Section VIII. Providers employees are covered at all times by Provider's Workers Compensation Policy.

Recipient shall not be responsible for reimbursing any amounts paid or due as benefits to Provider's employees under the terms of the applicable Worker's Compensation Act, due to personal injury or death occurring during the period of time such employees are rendering emergency management aid and assistance under this Agreement. It is mutually understood and agreed that Recipient and Provider shall be responsible for payment of such worker's compensation benefits only to their own respective employees. Further, it is mutually understood and agreed that Provider will be entirely responsible for the payment of workers' compensation benefits to its own respective employees pursuant to the provisions of N.C. Gen. Stat. § 97-51.

Section IX. Immunity.

Pursuant to the provisions of N.C. Gen. Stat. § 166A-19.60, and applicable Georgia law, all activities under this Agreement are hereby declared governmental functions. Neither the parties to this Agreement, nor, except in cases of willful misconduct, gross negligence, or bad faith, their personal complying with or reasonably attempting to comply with this Agreement shall be liable for the death of or injury to persons, or for damage to the property as a result of any such activity.

Section X. Parties mutually agree to hold each other harmless from liability.

Each party (as indemnitor) agrees to protect, defend, indemnify, and hold the other party (as indemnitee), and its officers, employees and agents, free and harmless from and against any and all losses, penalties, damages, assessments, costs, charges, professional fees, and other expenses or liabilities of every kind and arising out of, or relating too, any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of indemnitor's negligent acts, errors and/or omissions. Indemnitor further agrees to investigate, handle, respond to, provide defense for, and defend any such claims, etc., at the indemnitor's sole expense and agrees to bear all other costs and expenses related thereto. To the extent that immunity does not apply, each party shall bear the risk of its own actions, as it does with its day to day operations, and determines for itself what kinds of insurance, and in what amounts, it should carry. Each party understands and agrees that any insurance protection obtained shall in no way limit the responsibility to indemnify, keep, and save harmless the other parties to this Agreement.

Notwithstanding the foregoing, to the extent that either party does not purchase insurance, it shall not be deemed to have waived its governmental immunity by law.

Section XI. Amendments.

This Agreement may be modified at any time upon mutual written consent of the parties with the approval of the Governor of the State of North Carolina.

Section XII. Initial Duration of Agreement; Renewal; Termination.

This Agreement shall be binding for not less than one (1) year from its effective date, unless terminated upon at least thirty (30) days advance written notice by a party as set forth below. Thereafter, this Agreement shall continue to be binding upon the parties in subsequent years, unless canceled by written notification served personally or by certified mail upon the other party. The withdrawal shall not be effective until thirty (30) after the notice thereof is has been served or sent to the other parties. A party's withdrawal from this Agreement shall not affect a party's liability or obligation under the terms of this Agreement incurred hereunder.

Section XIII. Headings.

The headings of the various section and subsections of this Agreement have been inserted for convenient reference only and shall not be construed as modifying, amending, or affecting in any way the express terms and provisions of this Agreement.

Section XIV. Severability.

Should any clause, sentence, provision, paragraph, or other part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement. Each of the parties declares that it would have entered into this Agreement irrespective of the fact that any one or more of this Agreement's clauses, sentences, provisions, paragraphs or other parts have been so declared invalid. Accordingly, it is the intention of the parties that the remaining portion of this Agreement shall remain in full force and effect without regard to the clause(s), sentence(s), provision(s), paragraph(s), or other part(s) invalidated.

Section XV. Effective date.

This Agreement shall take effect when fully executed on behalf of each of the parties hereto by their respective chief executive officers with the concurrence of their respective governing bodies and approved by the Governor of the State of North Carolina as required by the provisions of N.C. Gen. Stat. § 166A-19.72.

Section XVI. Notices.

Notices to served or mailed under the terms of this Agreement shall be addressed as follows:

1. If the notice is to Macon County:

Emergency Management Director
Macon County

Franklin, NC 28734

2. If notice is to Sky Valley:

Chief of Police
City of Sky Valley
3444 Highway 246
Sky Valley, GA 30537

The parties hereto have caused this Agreement to be duly executed in their names by their respective Chief Executive Officers, with their respective seals affixed as of the date set forth by their signatures contained below.

Macon County, North Carolina

By: _____
Kevin Corbin, Chairman, Macon County,
NC, Board of Commissioners

Date: _____

ATTEST:

Derek Roland, Clerk to the Macon
County Board of Commissioners

(Official Seal)

City of Sky Valley, Georgia

By: _____,
_____, Mayor of City of
Sky Valley, Georgia

Date: _____

ATTEST:

(Official Seal)

APPROVED this the ___ day of _____, 2014.

The Honorable Patrick Lloyd McCrory
Governor of the State of North Carolina

2014 Committees

Mayoral Advisory	Marketing	Beautification	Capital Projects
Robert Larsen	Laura Gurley	Christine LaMonte	Ray Becker
Neil Howard	Milt Gillespie	Liz Carr	John Temple
Clifford Bell	Sam LaMonte	Sally Shearon	Milner Lively
Dee Moore	Luke Fogerty	Gail Phillips	Robert Larsen
Steve Brett	Cathy Turner	Ed Morley	Will Gurley
Paula Jensen	Connie Hughes	Joe Routt	Tommy Tebeau
Helen Kleiber	Neil Howard	Rebecca Dean	John Hoppes
Hughel Goodgame	Hughel Goodgame	Hughel Goodgame	Hughel Goodgame

Maintenance & Public Works	Public Safety, Emergency Response, Crisis Management	Special Projects
Martin Greene	David Whatley	Ed Dean
John Hodges	Jimmy Beltley	Jesse Durham
John Maus	Sharon Hoppes	Jim Curtis
Ed Morley	Truman Barber	Pam Spears
Carolyn Burgess	Al Lee	Richard Butt
Helen Kleiber	Carl Lynn	David Carr
Bob MacNair	Pam Greene	Liz Morley
Ben Chitwood	Hughel Goodgame	Martin Greene
		Hughel Goodgame

**CITY OF SKY VALLEY
RABUN COUNTY, GEORGIA
ENGINEERING SERVICES AGREEMENT
WITH RINDT-MCDUFF ASSOCIATES, INC.**

This **ENGINEERING SERVICES AGREEMENT** (the "Agreement") is made and entered into this _____ day of _____, 2014 by and between the **City of Sky Valley, Rabun County, Georgia** (the "Client") and **Rindt-McDuff Associates, Inc.** (the "Engineer"). The purpose of this Agreement is for the Engineer to provide engineering support services to the Client as the Client may request.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements stated herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Client and the Engineer agree as follows:

1. Operation of this Agreement

This Agreement shall function as follows: Hourly Work - This Agreement provides for projects or activities that do not have a clearly defined scope-of-work or that may be considered to be short-term or miscellaneous ("Hourly Work"). Compensation for this Hourly Work will be invoiced monthly by the Engineer at the Engineer's Standard Rates (Attachment A). Compensation for Development Plan review will be invoiced monthly by the Engineer at the Engineer's Standard Rates (Attachment B). The Engineer's Standard Rates shall remain constant for the first year of this Agreement. After the first year and upon renewal date of this agreement, the Engineer may submit a cost increase for approval by the Client. Each Hourly Rate invoice will contain a detailed account of all time and expenses charged.

2. Anticipated Consulting Engineering Services.

The Engineer shall provide professional services to the Client in the form of project management and consulting engineering services, from time to time, as requested by Client. Examples of General Consulting Engineering Services may include, but are not limited to, the following:

- 2.1 Development plan review, transportation consulting, design of roadways, design of storm drainage and treatment facilities, design of water distribution, storage and treatment facilities, design of waste water collection, pumping and treatment facilities, design of recreational facilities, construction management, and other similar activities.
- 2.2 Technical advice and guidance to the Client.
- 2.3 Assistance in responding to request for assistance from Client staff.
- 2.4 Addressing of drainage problems, issues, and concerns.

- 2.5 Assistance with storm water management, including analyzing/implementing local regulations, staying familiar with Client, State, and Federal requirements, NPDES reporting, and other related items.
- 2.6 Design of water distribution, storage and treatment facilities.
- 2.7 Design of waste water collection, pumping and treatment facilities.
- 2.8 Design of recreational facilities.
- 2.9 Preparation of reports, concepts and/or preliminary designs for grant applications or projects.
- 2.10 Assistance with construction project management including, but not limited to, cost-estimating, preparation of construction documents, bid management, review of contractor qualifications, review construction for quality control and performance, review contractor invoices, and other related construction management activities.
- 2.11 Any other services that may be deemed necessary by the Client.

3. Engineering Team

The engineering team that has been assigned to provide the consulting engineering services include:

- Project Manager (Project Manager II): Robert M. Simmons, P.E.
The project manager will interface with the client and the engineering team to insure that the client's needs are satisfied. The project manager will prepare all reports, studies, project technical specifications, contract documents and will provide all necessary construction administration. Issues regarding non-technical aspects of the project should be directed to the project manager.
- Designer / CAD Specialist (CADD Designer II): Gil Cordle
The designer / CAD specialist will be responsible for the preparation of the project design/technical drawings and exhibits.

The engineering team will be invoiced on an hourly rate basis in accordance with the enclosed Attachment A.

4. Compensation

- 4.1 The Engineer will invoice monthly as described above. The Engineer's approved invoices will be paid by the Client within forty-five days of receipt.

- 4.2 The Engineer's labor category unit rates are included in Attachment "A." In addition to the customary overhead items, the following costs are specifically defined as an overhead charge, and therefore, there shall be no additional charge to the Client for these costs: telephone charges, computer expenses, and routine expendable/office supplies. Other expenses and mileage will be billed at the rate shown in Attachment "A."

5. Changes in Work and Extensions of Time

- 5.1 Client's Right to Order Changes. Changes in the Design Services or the Work within the general scope of a project, consisting of additions, deletions, revisions or any combination thereof, may be ordered unilaterally by Client without invalidating the Contract. Such changes shall be communicated by written notice. Engineer shall proceed diligently with any changes, and same shall be accomplished in strict accordance with the following terms and conditions as set forth in this Section. Change Orders may be initiated at the request of the Engineer.
- 5.2 Upon the occurrence of a change in Project scope or time as set forth in Subsection 6.1 above, the Price will thereafter include such Cost of the Work and Services attributable to such change. Any extension of the Contract Time requested by the Engineer for performance of any change in the Design Services or the Work ordered by the Client may be granted by mutual agreement and then set forth in writing. Otherwise, extensions of the Contract Time must be requested by the Engineer, and any such request for extension of the Contract Time shall be subject to all provisions of this Agreement.

6. Ownership of Documents

The Design Documents and the Contract Documents, including but not limited to, the drawings, specifications and other documents or things prepared by the Engineer for the Work, shall immediately become and be the sole property of the Client. Any documents furnished by the Client shall remain the property of the Client. The Engineer may be permitted to retain copies of the Design Documents and Contract Documents and any documents furnished by the Client for its records unless otherwise notified to the contrary in writing by the Client; provided, however, that in no event shall the Engineer use, or permit to be used, any portion or all of such documents on other projects without the Client's prior written authorization. The engineer shall provide an electronic copy and/or a hard copy of all work products, requested by the Client when requested to do so.

Any reuse by the Client, or by third parties at the Client's direction, of the Engineer's Design Documents and Contract Documents (for projects that were not originally contemplated by the Engineer) without the written approval of the Engineer, shall be prohibited.

7. Invoicing and Terms

The Engineer will invoice on a monthly basis based according to our standard rates detailed in Attachment A, as appropriate. Our invoices will describe, in general, the work done for that period. Standard Contract Conditions are described in Attachment B and attached to this proposal, as part of our contract.

Executed by the parties' duly authorized representatives as indicated by their signatures below:

CLIENT:
CITY OF SKY VALLEY

ENGINEER:
RINDT-McDUFF ASSOCIATES, INC.

BY: _____
Hughel Goodgame

BY: _____
Robert M. Simmons, P.E.

TITLE: Mayor _____

TITLE: Project Manager _____



ATTACHMENT A
RATE SCHEDULE - RINDT-MCDUFF ASSOCIATES, INC.

Admin/Clerical I	\$55.00
Admin/Clerical II	\$65.00
Environmental Specialist I	\$70.00
Environmental Specialist II	\$80.00
Environmental Specialist III	\$90.00
Environmental Specialist IV	\$100.00
Construction Inspector I	\$75.00
Construction Inspector II	\$80.00
Construction Inspector III	\$85.00
Construction Inspector IV	\$95.00
Construction Manager	\$125.00
CADD Designer I	\$80.00
CADD Designer II	\$85.00
CADD Designer III	\$100.00
Senior Designer	\$115.00
Engineer I	\$90.00
Engineer II	\$100.00
Engineer III	\$105.00
Engineer IV	\$115.00
Engineer V	\$125.00
Engineer VI	\$130.00
Project Manager I	\$120.00
Project Manager II	\$130.00
Project Manager III	\$145.00
Principal Manager	\$155.00
Senior Principal	\$165.00
Expenses	
Mileage	Current IRS Rates
Per Diem	\$35.00
Other Direct Charge Mark up	15%

Good Through Calendar Year 2014

**ATTACHMENT B
RINDT-MCDUFF ASSOCIATES, INC.**

STANDARD CONTRACT CONDITIONS

TRANSFER OF RIGHTS HEREUNDER

It is agreed that the Client and Rindt-McDuff Associates, Inc. (Consultant) each binds itself and themselves, its or their successors, executors, administrators and assigns to the other party to this Agreement and to its or their successors, executors and assigns in respect to all covenants of this Agreement. Neither of the parties hereto shall assign, sublet or transfer its or their interest in this Agreement without prior written consent of the other party hereto.

CREDIT APPROVAL, STOP WORK AND HOLDING WORK PRODUCT

Contract contingent upon credit approval. Consultant may "stop work" on Client's project if Consultant's invoices have not been paid within 45 days of the date of issuance. All of Consultant's Work Product may be held by Consultant until Consultant has been paid in full for the Work.

TERMINATION

This Agreement may be terminated in whole or part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party; provided, that no such termination may be effected unless the other party is given (a) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (b) an opportunity for consultation with the terminating party prior to termination. If the Client decides to terminate this Agreement, the Client shall reimburse the Consultant for all equipment, devices, and material installed at the Consultants cost plus interest (0.8% per month) since the date of installation.

REMEDIES

All claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this Agreement, including but not limited to breach thereof, shall be referred to mediation under the then current Construction Industry Mediation Rules of the American Arbitration Association prior to any recourse to arbitration or a judicial forum.

CONSULTANT'S STANDARD OF CARE

The consulting services provided on this project will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No additional warranties are provided either express or implied unless agreed to in writing.

LIMIT OF LIABILITY

The Client agrees to limit the Consultant's liability on the project, including its agents and employees, due to the Consultant's negligent acts, errors or omissions, such that the total aggregate liability of the Consultant shall not exceed \$50,000 or the Consultant's total fee for services rendered on this project, whichever is less. However, at Client's discretion, the Consultant's limit of liability may be increased to \$1,000,000. The consideration to the Consultant for such increase will be a ten percent (10%) increase in the fee(s) proposed herein. If the Client desires to have the \$1,000,000 limit of liability, along with the increased fees, please initial the box at the end of this paragraph.

HOLD HARMLESS

The Client agrees to indemnify and hold harmless the Consultant, its principals, employees and agents against any claims arising out of the project based in whole or in part by the conduct or actions of the Client. The Consultant agrees to indemnify and hold harmless the Client against the negligent acts of the Consultant to the extent provided above. To the extent that the proposed services of the Consultant are for design which does not include construction phase services such as the review or site observation of the contractor's work or performance and the review of shop drawings, then the Client agrees to defend, indemnify and hold harmless the Consultant from any claim or suit whatsoever, including but not limited to all payments, expenses or costs involved, arising from or alleged to have arisen from the contractor's performance or the failure of the contractor's work to conform to the design intent and the contract documents.

PAST DUE PAYMENTS

Payment is due upon the presentation of invoice and is past due thirty (30) days from the invoice date. Client agrees to pay a finance charge of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, whichever is less, on past due accounts.

SAFETY

Should the Consultant provide observations or monitoring services at the job site during construction, Client agrees that, in accordance with the generally accepted construction practice, the contractor will be solely and completely responsible for working conditions on the job site, including safety of all persons and property during the performance of the work, and compliance with OSHA regulations.

EXCLUSIONS

Specifically excluded from the Consultant's responsibility are the following:

- Actual, alleged or threatened pollution damages; that being damages caused by the release of solids, liquids or gases which cause environmental damages or require cleanup.
- Fines or penalties.
- Consultant's advice on bonds or insurance.
- Damages arising from handling or disposal of asbestos, asbestos containing materials, or hazardous waste in any of its various forms, as defined by the Environmental Protection Agency.
- Project cost estimates.

**CONTRACT FOR CONDUCT OF
THE CITY OF SKY VALLEY ELECTIONS**

This Agreement, entered into this ____ day of _____, 20____, by and between the City of Sky Valley, Georgia (hereinafter "the City") and Rabun County Board of Elections, Georgia (hereinafter "the County"), witnesseth that:

WHEREAS, the City has ordinance authorized the County to conduct the City of Sky Valley Elections, until either party dissolves said contract.

WHEREAS, the City has requested the County to perform the functions imposed by O.C.G.A. Section 21-2-45 on the City with reference to such elections;

NOW, THEREFORE, in consideration of the mutual covenants, promises, conditions and agreements contained herein, the parties hereto do mutually agree as follows;

(1)

The city agrees to pay to the County, for the service of its Board of Elections and Registration, in the conduct of the City of Sky Valley Elections held on the Tuesday next following the first Monday in November in each year, all actual costs incurred in conducting said election. Said costs to include, without limitation, costs of publication; use of election equipment; cost of sample, absentee, provisional and duplicator ballot cards; costs of printing of said ballots; area supervisor's salaries; election night personnel compensation; absentee voting staff salaries; advance voting space and staff salaries (if applicable); cost of training and compensation for poll workers.

(2)

The County shall perform, through its Board of Elections and Registration, the following functions with reference to the conduct of the aforesaid election: (a) election planning; (b) ballot layout for absentee and provisional ballots; (c) hiring of personnel; (d) special instructions to poll workers; (e) programming of election equipment; (f) preparation of elections list; (g) election day coverage; (h) election managers meeting; (i) auditing of election results; (j) certification and consolidation of returns; (k) absentee voting; (l) advance voting (if applicable); (m) ordering and packing of supplies; (n) qualifying candidates; (o) training of poll workers and (p) such other reasonable and necessary duties and services as are required.

(3)

The City hereby agrees to release, indemnify and hold harmless the County, its Board of Elections and Registration, and their Agents and employees from and against any and all loss, damage, injury, claims, expenses (including attorneys fees and expenses of litigation) and demands arising out of or connected in any way with the conduct of the election, which are not occasioned by any gross negligence on the part of the County or its Board of Elections and Registration.

NOTES & OPTIONS

- Qualifying can either be done at City Hall or Rabun County (Clayton).
 - Mountain City, Clayton, Dillard have the County do their qualifying
- Early Voting – 3 weeks prior to Election Day would be held in Rabun County
- On Election Day, voters can either vote in City Hall or at Rabun County – it is up to the City where we want voting on Election Day
- Each city sets the pay rate for the poll officers
 - Other cities pay \$8.00 per hour for poll workers and \$9.00 per hour for the Election Manager
 - Each poll worker is paid for receiving training – approximately one hour – recommended pay is \$10 for training time
 - The cost is split between each city who has an election that year
 - The years that Sky Valley is the only city conducting an election, the City will be responsible for the entire cost
- Each City can also choose to have Campaign Reports filed at the County instead if at City Hall
 - Mountain City, Clayton, and Dillard have their reports filed at the County

Estimated Expense for County Conducting Elections

Training Poll Workers – 4 people @ \$10 each	\$ 40.00
Early Voting – 2 people @ \$8 per hour for 15 days	\$ 1,920.00
Early Voting – 1 person @ \$9 per hour for 15 days	\$ 1,080.00
Election Day – 2 people @ \$8 per hour & 1 @ 9 per hour for 14 hour day	\$ 350.00
Estimated Costs for Supplies, food for poll workers on Election Day, advertisements, ballots, & administrative fee	<u>\$ 900.00</u>
Total Estimated Cost	\$ 4,290.00

- For the 2011 General Election, the City of Dillard's actual cost was \$2,344.65.
- The County Conducted the 2013 General Election for Clayton – actual cost _____
- For the 2013 General Election, our actual expenses were \$1,538.65

Jack P. Green, Jr.

CERTIFIED PUBLIC ACCOUNTANT

37 WEST DOYLE STREET
POST OFFICE BOX 342
TOCCOA, GEORGIA 30577
PHONE: 706/886-7143
EMAIL: jaycpa@windstream.net

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

February 3, 2014

City of Sky Valley
SR 1 Box 25
Dillard, Georgia 30537

I am pleased to confirm our understanding of the services I am to provide City of Sky Valley for the year ended December 31, 2013. I will audit the financial statements of City of Sky Valley as of and for the year ended December 31, 2013. I understand that the financial statements will be presented in accordance with the financial reporting model in effect described in GASB Statement No. 34.

AUDIT OBJECTIVE

The objective of my audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such an opinion. If my opinion on the financial statements is other than unqualified, I will fully discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

MANAGEMENT RESPONSIBILITIES

Management is responsible for making all financial records and related information available to me. I understand that you will provide me with such information required for my audit and that you are responsible for the accuracy and completeness of that information. I will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records

and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

AUDIT PROCEDURES-GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements (whether caused by errors or fraud) or illegal acts may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, immaterial illegal acts, or illegal acts that do not have a direct effect on the financial statements. However, I will inform you of any material errors that come to our attention and any fraud that comes to our attention. I will also inform you of any illegal acts that come to our attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to matters that might arise during any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement. At the conclusion of my audit, I will also require certain written representations from you about the financial statements and related matters.

Identifying and ensuring that City of Sky Valley complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of City of Sky Valley's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

AUDIT PROCEDURES-INTERNAL CONTROL

In planning and performing my audits, I will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing my opinion on City of Sky Valley's financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, I will inform the governing body or audit committee or any matters involving internal control and its operation that consider to by reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Based on my initial review that there are no significant changes in the operations and controls for the City of Sky Valley, your staff and I do not believe a Single Audit will be required this your so we propose to complete this year's audit for \$ 6,000.00. If there are significant changes or problems or the state or federal grant agencies require a Single Audit, I will discuss any changes with the City before continuing with the work.

Accounting standards now require that we include a copy of our most current peer review with this proposal which we are very pleased to do.

I appreciate the opportunity to be of service to City of Sky Valley and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign copy and return it to me. This letter will continue in effect until canceled by either party

Very truly yours,



Jack Green, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Sky Valley.

By: _____

Title: _____ Date: _____



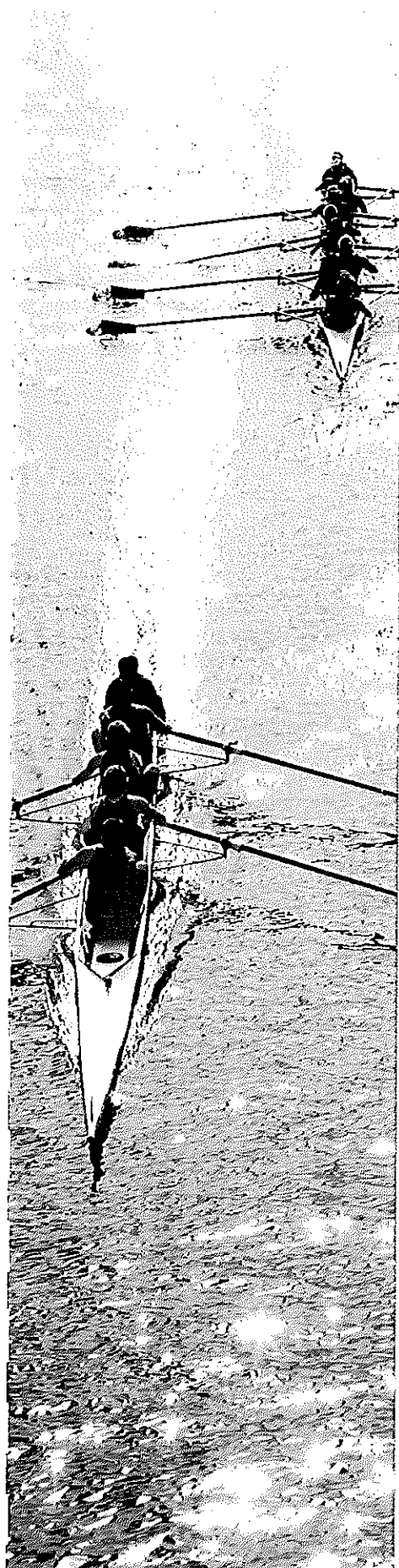
PROPOSAL TO PROVIDE AUDIT SERVICES FOR

CITY OF SKY VALLEY, GEORGIA

FOR THE YEAR ENDING DECEMBER 31, 2013

BATES, CARTER & COMPANY, LLP
ELIZABETH "BETH" B. GRIMES, CPA
EMAIL: bgrimes@batescarter.com

January 10, 2014



TECHNICAL PROPOSAL

January 10, 2014

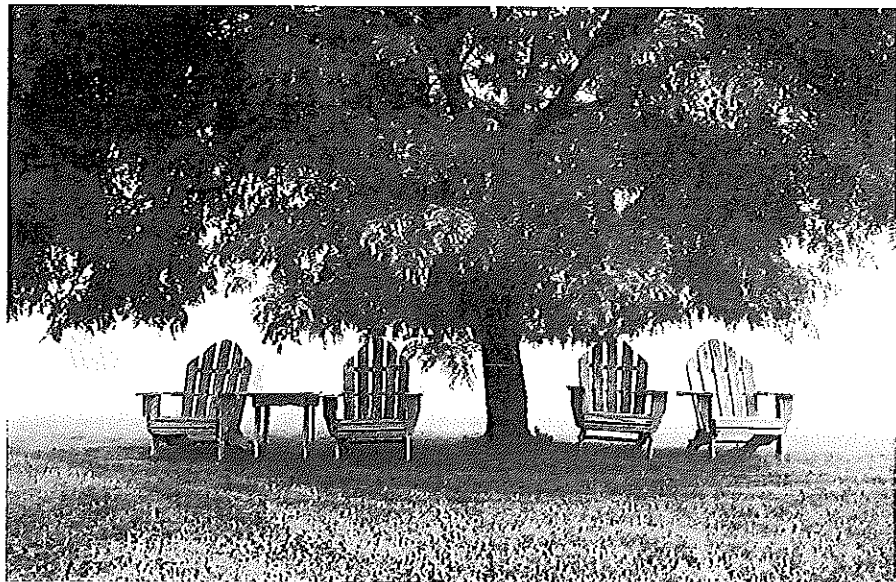
Selection Committee
CITY OF SKY VALLEY, GEORGIA

1. GENERAL REQUIREMENTS

We, at BatesCarter, appreciate the opportunity to provide services to the CITY OF SKY VALLEY, GEORGIA (the City) and look forward to a strong business relationship with the City in the future. BatesCarter's specialized governmental practice can help those in the public sector better manage their programs, protect their assets, and plan for the future. At BatesCarter, we focus on your success! As your independent accountants and auditors, we will provide a range of professional services that extend beyond the basic audit function while maintaining a strong position of independence. We would like to address those areas we feel are key factors in choosing a public accounting firm. These are areas in which our strengths would most benefit your government.

RESPONSIVENESS

Our firm's reputation has developed because of our demonstrated ability to sense, serve, and satisfy our client's needs. Our success relies heavily on recurring engagements with satisfied clients. We view timely and responsive service as not just desirable, but as an absolute necessity. The experience of our professionals will enable us to provide prompt responses to your accounting questions. **You will be given e-mail addresses and cell phone numbers at the beginning of the audit to ensure timely contact with members of the audit team.**



LOOKING OUT FOR YOUR BEST INTEREST. ALWAYS.

INVOLVEMENT WITH MANAGEMENT

We expect to maintain contact with key management personnel throughout the year to more fully understand changes in your operations and to respond to your service requirements on a timely basis. Our services are designed to stress not only the fair presentation of financial statements, but also to provide timely advice in a meaningful, in-depth management letter. We feel that as experts in the field of accounting, systems, and internal control, our reports on compliance and internal controls as well as our management letter will be a significant aid to the management of the City.

GENERAL ENGAGEMENT APPROACH

Our approach to audit engagements is team based, involving our professional personnel, as well as support from other firm resources, depending, of course, on the needs of the particular client. It is based upon a basic understanding of the environment in which the City operates and its goals, objectives, systems, accounting policies, and financial position. This understanding is obtained as part of the engagement by interviewing appropriate personnel; conducting independent testing to confirm knowledge of transactions, document flow, and controls; and by probing analysis to evaluate the adequacy of systems and controls.

The purpose of a financial statement audit, in our opinion, is not fulfilled solely with the submission of the conventional report of the financial statements. We are in a unique position in that we have the best opportunity to independently review the financial transactions that occur during the year. We also have the ability to become an invaluable advisor and consultant to management and the City's Council Members.

2. FIRM QUALIFICATIONS AND EXPERIENCE

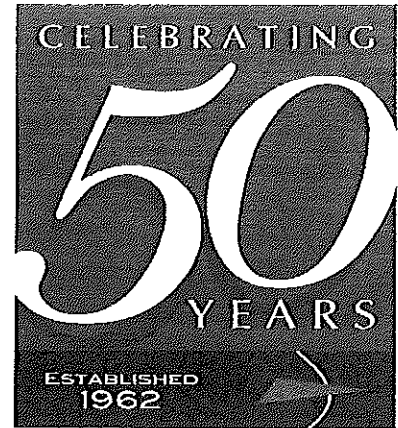
The ability of any firm to provide professional services depends on the firm's commitment to quality and its personnel through which it provides those services. We believe we are best qualified to perform your audits because of our PEOPLE - TRIED AND TRUE!

- **Trained** - We average over 50 hours per year in teaching and attending continuing education courses.
- **Responsive** - We understand the pressures on local government officials.
- **Insightful** - We apply our experience to improving your efficiency and accuracy.
- **Experienced** - Our firm has performed governmental audits for over 45 years.
- **Dedicated** - We have the resources and desire to stay on your job until its done.

- **Technology** - We use some of the latest technology and operate in a paperless environment.
- **Reliable** - We have the highest ethical and professional standards.
- **Understanding** - We are easy to work with, personable, and understanding.
- **Effective** - We know what to do and how to do it.

Our firm consists of approximately 24 people (4 which are heavily involved in governmental audits) with a proper mix of partners, professional staff, administrative staff, and support staff. Our size enables us to provide a sophisticated level of service of the highest quality, while also providing a personal service that is so important to many governments.

During 2012, the accounting firm of BatesCarter, located in Gainesville, celebrated its 50th year of service. During that time, the firm has maintained a solid commitment to high standards of quality in the services it provides. This assurance of quality has been made available to the general public as a result of the firm having successfully passed the peer review examination of the Division of CPA Firms of the American Institute of Certified Public Accountants (AICPA) with an unqualified report. Our audits have been accepted by federal and state agencies that have performed desk reviews during the last three years. There is no disciplinary action taken or pending against the firm during the past three years with state regulating bodies or professional organizations.



FIRM EXPERIENCE WITH LOCAL GOVERNMENTS

BatesCarter has established itself as a leading audit firm in North Georgia. About one-third of our practice is in auditing and another third is in tax. The remaining third is a variety of consulting and other accounting services, including valuations and litigation support. Among the consulting programs offered to our clients are bond issue consulting, millage rate consulting, and efficiency studies, as well as fraud and forensic auditing.

Our experience in auditing public utilities, fee sources, and internal governmental transactions not only enables us to quickly and efficiently complete our work, but also gives us the foundation for assisting in revenue projections and other projects as needed. Perhaps the greatest indicator of our reliability as a professional service provider to local governments is our experience. **Local governments that we have audited or are in the process of auditing are listed below:**

- | | |
|---|--|
| 1. City of Baldwin | 19. Lumpkin County Development Authority |
| 2. City of Commerce | 20. Lumpkin County Water & Sewer Authority |
| 3. Coweta County | 21. City of Maysville |
| 4. Dawson County | 22. Morgan County |
| 5. Development Authority of Dawson County | 23. Newton County Library System |
| 6. Forsyth County | 24. City of Nicholson |
| 7. Forsyth County Public Library | 25. North Georgia Waste Management Authority |
| 8. Greene County | 26. City of Pendergrass |
| 9. Gainesville/Hall County Development Auth. | 27. Screven-Jenkins Regional Library System |
| 10. Georgia Firefighters' Pension Plan | 28. Sequoyah Regional Library System |
| 11. Hall County | 29. Superior Court Clerks' Retirement Fund Georgia |
| 12. Hall County Library System | 30. Three Rivers Regional Library System |
| 13. Habersham County Public Library | 31. Towns County |
| 14. City of Hoschton | 32. Uncle Remus Regional Library System |
| 14. Jackson County | 33. Union County |
| 16. Jackson County Water & Sewerage Authority | 34. Union County Development Authority |
| 17. Jackson County Industrial Development Auth. | 35. Walton County |
| 18. Lumpkin County | 36. Walton County Water & Sewerage Authority |

3. PARTNER, SUPERVISORY, AND STAFF REQUIREMENTS AND EXPERIENCE

QUALIFICATIONS OF THE AUDIT TEAM

Our team will consist of the following senior and higher level personnel:

Elizabeth (“Beth”) B. Grimes, C.P.A.

Audit Partner



Beth has over 20 years experience with a heavy concentration in government audit and non-profit entities. Beth graduated from North Georgia College and State University in 1993 with a degree in accounting. She has taught courses for the Georgia Government Finance Officers Association and the Georgia Society of CPAs in the area of audit. Beth has taught various courses at the Georgia Government Finance Officers Association’s annual conference. She has provided instruction and training for BatesCarter and its clients on various government accounting and reporting topics. Beth is active in her community as well in her professional organizations (see list below). She is also a 2002 graduate of the Georgia Society of CPAs first Leadership Academy. Beth serves on council and various committees of

the Georgia Society of CPAs. Additionally, she currently serves as a board member for the Northeast Georgia History Center.

- Training finance staff for various accounting functions
- Training finance staff for audit preparation
- Assistance with preparation of information for Official Statements
- Review of operating budgets
- Revenue and expense projections

Professional Affiliations

Member, American Institute of Certified Public Accountants

Member, AICPA's Government Audit Quality Center

Member, Georgia Society of Certified Public Accountants

Member, Georgia Society of CPAs Education Foundation

Past President of the Northeast Georgia Chapter of the Georgia Society of CPAs

Member, Government Finance Officer's Association

Member, Georgia Government Finance Officer's Association

Kristi L. Griffin C.P.A.
Quality Control Partner

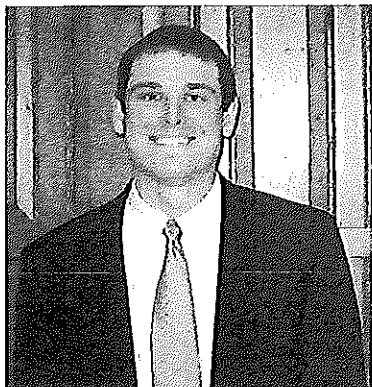


Kristi Griffin joined BatesCarter in 2002 and has been a partner since 2008. She graduated from Presbyterian College in 1995, receiving magna cum laude and Valedictorian honors. She has a Bachelor of Science in Business Administration and Accounting. She has more than 17 years of experience in public accounting, including a position with a regional accounting firm as well as serving as an accounting manager for a regional bank. Since joining BatesCarter, she primarily works with non-profit organizations, closely-held businesses, and employee benefit plans. While away from the office you will find Kristi spending time with her husband, Chris, and 7-year old twins, Katie and Connor.

Kristi's professional and community activities include:

- 2004 Graduate of the Leadership Academy - sponsored by the GSCPA
- 2009 Graduate-Leadership Hall County
- Treasurer, Gateway Domestic Violence Center
- Member, Georgia Mountain Food Bank Board of Directors
- Member, American Institute of Certified Public Accountants (AICPA)
- Member, Georgia Society of CPAs (GSCPA)
- Member, Northeast Georgia Chapter of GSCPA
- Member and Finance Committee volunteer, Chestnut Mountain Church
- Past Treasurer, Northeast Georgia Chapter American Red Cross

Zachary T. Propes, MBA
Audit Senior



Zach has over four years experience with a heavy concentration in the government audit area and non-profit entities. He received a Bachelor's of Business Administration, majoring in accounting from North Georgia College and State University and a Master's of Business Administration from Georgia Southern University. Zach is actively involved in professional and civic organizations, including the Northeast Georgia Society of CPAs, the Georgia Government Finance Officer's Association Annual Conference Committee, Leadership Hall County Class of 2014, United Way of Hall County's Young Leader Society, Junior Achievement of North Georgia, and the Gainesville Jaycees. He currently serves as treasurer and council member for the Gainesville First United Methodist Church.

ABILITY TO COMPLETE THE AUDIT

Our firm employs approximately 24 professional and support staff with a wide range of experience. Most of our staff have worked in all aspects of audit engagements. We also use computer software packages to assist our audit staff during the audit and in preparing financial statements. We will import much of your accounting system's information directly into our computers. Employing the latest technology will ensure the efficiency and accuracy of data transfers and allows us to spend more time actually auditing. This ability would apply not only to the audit process itself, but also to those day-to-day problems that every government faces in today's complex business environment. We expect to have three people assigned to this engagement full-time.

We would expect to begin planning of the audit in January/February 2014 and fieldwork to begin mid March. We would expect to issue our reports by May 30, 2014. We can certainly tailor this timeline to assist the City with meeting its goals if need be.

4. REFERENCES

City of Baldwin	Hall County
Prepare Annual Financial Report	CAFR-Received certificate
Jerry Neace	Vickie Neikirk
Mayor	Finance Director
Phone # (706) 778-6341	Phone # (770) 718-5724

City of Commerce	Jackson County
Prepare Annual Financial Report	CAFR-Received certificate
James Wascher	Logan Propes
Finance Director	Finance Director
Phone # (706) 335-3277	Phone # (706) 367-6343

Coweta County	Morgan County
CAFR-Received certificate	CAFR-Received certificate
Hans Wilson	Lori Sayer
Finance Director	Finance Director
Phone # (770) 254-2607	Phone # (706) 342-0725

We have been the independent accountants for several of these counties for over 25 years, even through several changes in administrations, because those clients have recognized and appreciated the quality and responsiveness of our firm. The knowledge of the government's operations and the consistency we provide are invaluable to the government's management.

We believe the true measure of an accounting firm's quality is through the involvement of its owners with the engagement. On each of the engagements noted above, the partners play a significant role in planning, performing the audit, and reporting the financial results. The City Council and staff would deal primarily with the owners and senior staff of BatesCarter.

5. FEE ESTIMATES

Our fees for these services will be \$8,000 - \$10,000 and will be billed every two weeks. Additionally, BatesCarter will prepare the City's Department of Community Affairs report. Services for completion of this form will be \$500. Payment is due when bills are rendered. This fee includes all reporting required by funding and state agencies. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Sincerely,

Bates Carter Co, LLP

Bates, Carter & Co., LLP

Enclosures

CERTIFIED WATER SYSTEM OPERATOR CONTRACT
(FOR CONTRACTUAL OPERATION OF PUBLIC WATER SUPPLY)

WHEREAS, the City of Sky Valley, hereinafter designated as the Supply, is desirous to employ a Class I, II or III water operator; and

WHEREAS, Arthur Moody Barrick, License #W2-010965, State of Georgia, hereinafter designated as Independent Contractor, is capable of performing the duties required of a licensed Class III water system operator in the State of Georgia, and

WHEREAS, said City of Sky Valley and Independent Contractor have entered into an agreement for employment for such position of licensed water system operator on the following terms and conditions:

1. That said Independent Contractor, Arthur Moody Barrick, is the holder of an Georgia Class II License as a public water supply operator and that the said City of Sky Valley requires the services of such a person in the operation of its' water system.
2. That said parties herein agree that said Independent Contractor will be responsible for operations of the Sky Valley Water System and the Sky Valley Winding Ridge Water System in accordance with the rules and regulations of the Georgia Environmental Protection Division..
3. Said Independent Contractor hereby agrees to act as the Licensed Water Operator on a contractual basis for said City of Sky Valley.
4. It is further agreed among the parties herein that Arthur Moody Barrick is an Independent Contractor and is not an employee of the City of Sky Valley and is not subject to employee provisions of employment by said City.
5. It is further agreed that this Contract shall be effective on March 1, 2014 and shall be fully operative and binding on all parties to this Contract until _____, 2014 or canceled by either party by giving _____ days notice in writing by certified U. S. Mail, postage prepaid.
6. That said parties agree to the requirements set forth in the addendum to this agreement in regard to the responsibilities of both parties.

This Contract entered into this _____ day of February, 2014 by the parties hereinbelow mentioned.

CITY OF SKY VALLEY

ARTHUR MOODY BARRICK, Contract Operator

ATTEST:

CITY CLERK

ADDENDUM TO CONTRACTUAL PUBLIC WATER SUPPLY AGREEMENT

1. Information Regarding Parties Involved:

Community Water Supply Information:

Name of Supply: Sky Valley Water System
System ID #: 2410053
Name of System Contact: Linda Lapeyrouse
Mailing Address: 3444 Highway 246, Dillard, GA 30537
Phone: System Contact: 706-746-2204
Emergency Contact: 706-746-5893
Email: svcitymanager@windstream.net

Name of Supply: Sky Valley Winding Ridge Water System
System ID #: 2410134
Name of System Contact: Linda Lapeyrouse
Mailing Address: 3444 Highway 246, Dillard, GA 30537
Phone: System Contact: 706-746-2204
Emergency Contact: 706-746-5893
Email: svcitymanager@windstream.net

Certified Public Water Supply Operator

Name of Certified Operator: Arthur Moody Barrick
Operator License number: W2-010965
Mailing Address: 231 Moonridge Drive, #167, Dillard, GA 30537
Phone: 706-746-2173
Emergency Contact: 706-490-4104

2. Starting Date of Agreement:

Starting Date: March 1, 2014

3. Expiration Date of Agreement:

Expiration Date: _____, 2014.

4. Minimum number of visits the contract operator must be on-site each month to the community water supply:

5. The Duties and Responsibilities of Each Party Involved:

Community Water Supply Duties and Responsibilities will include but not be limited to:

- A. Provide help with manpower, if needed, to maintain proper day-to-day operation of the community water supply.
- B. Provide labor, if needed, for correcting any maintenance and/or operational problems.
- C. Party will ensure that the community water supply remains in compliance.
- D. Provide supervision for the collection of all required samples and submission of these samples to a certified laboratory for analysis.
- E. Must submit in a timely matter to EPD all required operating records and reports.

Contractor operator duties and responsibilities will include but not be limited to:

- A. Performing the required number of visits (or hours) as specified in this agreement.
- B. Maintaining proper records of the specified visits.
- C. In addition to the specified visits, the contractual operator must also ensure a means of communication for the community water supply and/or regulatory agencies in the event of routine or emergency operational problems.
- D. Ensure by personal action or by directives to system personnel that system is being operated in a manner that provides for the safe and proper production and distribution of potable water.
- E. Ensure by personal action and by directives to system personnel that all necessary and required routine operational control testing is being performed.
- F. Issue boil orders (when required). This includes notification of affected water system customers by appropriate means, the Georgia Environmental Protection Division regional office, and the local and/or county public health department, per regulatory guidelines.
- G. Issue public notices (when required). This includes notification of affected water system customers, the Georgia Environmental Protection Division, and local and/or county public health department. The Georgia Dept. of Public Health must almost be notified in certain situations.
- H. Responding to EPD requests for information, site visits, or any other requested data.

6. Compensation:

The City of Sky Valley agrees to pay Arthur Moody Barrick _____ per month for the services described herein. If Contractor is required by the City to respond more than the _____ mandatory visits described above, the City agrees to pay Contractor _____ per visit.