

North Georgia News

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Board apologizes to BRMEMC members; actions taken and considered

Minor Report: 'Taylor breached duty of loyalty; Akins made false reports to Internal Revenue Service'

By Charles Duncan
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A \$30,000 report on the long over due debt of former BRMEMC Board President shows Terry Taylor violated his duty of loyalty as a board officer.

The report by attorney Steven Minor and obtained by the *North Georgia News* and *Towns County Herald* shows Taylor breached his duty of loyalty, similar to an oath of office, by allowing himself to receive an undisclosed, improper benefit from BRMEMC.

Also, the report shows that Taylor was not eligible to serve as a director during his debt crisis because to be a director "compliance with payment obligations is required to be a member in good standing."

"Mr. Taylor's eligibility as a director was predicated upon his individual membership based on service to his home. This account also began to have unpaid bills between March 2009 and March 2011, reaching a maximum total of \$4,267.18," Minor wrote in his report.

According to Minor, the legal duties of an EMC director are to discharge his or her duties as a director, including duties as a member of a committee - in good faith, and with the care an ordinary prudent person in a like position would exercise under similar circumstances. The statutory



Terry Taylor

outline of two different duties commonly associated with a director's fiduciary duty is the duty of loyalty and the duty of care, the former was violated by Taylor, Minor reported.

Meanwhile, Minor's report shows that Taylor's debt should have been disclosed on IRS Form 990.

"The debt on Mr. Taylor's residential account... should probably have been disclosed on (IRS) Form 990 as a loan," Minor reports. "Additionally, because Taylor (Taylor and Taylor Construction) was a disqualified person as defined in (IRS) Form 990 for these years, (and possibly others)...it should have been treated as 'others receivables,' and this would still require disclosure on Part X items 5 and 6 of (IRS) Form 990.

"This would have required the exact amounts of the debts to have been item-



ized in Schedule L, Part II of the form."

According to Minor's report, an omission on the Internal Revenue Service Form 990 can result in a fine of \$100 per day during which such failure continues, with the maximum fine not exceeding \$50,000.

"Mr. Akins is listed as signing all three Form 990s (years ending 2012, 2011 and 2010) that are on GuideStar. The signature block states 'under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.' Mr. Akins had full knowledge of the outstanding account at the Quarry, and thus signing the (IRS) Forms 990 as submitted,

violated his oath to the IRS," Minor reported.

Minor suggested that the Board of Directors consult a Certified Public Accountant to correct the errors.

The EMC Board of Directors have taken some actions to address the incidents involving Taylor's debt.

They have accepted Taylor's resignation from the Board of Directors, reprimanded GM Akins, and entered into a repayment agreement with Taylor.

Starting in June, the Board of Directors' Finance Committee began following the terms of Board Policy and began reviewing a delinquent list of consumers, and the Finance Committee also is now including a review of "Aged Accounts Receivables" that



Matthew Akins

shows all active residential accounts with a past due balance of \$1,000 and all active commercial industrial accounts with a past due balance that exceeds \$5,000, according to Minor's report.

Minor's report also recommends the Board revise the Whistleblower Policy to allow more flexibility in reporting and possibly to engage an independent, third party vendor of whistleblower reporting services to allow that an anonymous report can always be filed with an independent party who is in a position to address concerns.

The long overdue debt of Taylor and Taylor Construction was first reported to board member Greg Owenby by former EMC Director of Operations Chris Kelley.

Kelley's reward was a demotion, a significant pay cut and personnel reprimands

that included being cited for insubordination, the newspapers have learned.

Kelley resigned his position at BRMEMC last week, the newspapers have learned.

Board Member Owenby recalls a vague reference about the debt in August 2013 from Kelley, according to Minor's report.

"Mr. Owenby didn't recall being informed of the specifics until a meeting with Mr. Kelley sometime subsequent to March 13, when Mr. Kelley presented Mr. Owenby with a document, which specifically showed the existence of the debt," Minor reported.

"This led Mr. Owenby to contact (Board member) Mr. (Bill) Prather, who contacted Mr. Akins. Mr. Akins confirmed the existence of the debt and this ultimately resulted in the disclosure to the entire Board of Directors at the next board meeting (April 8)," Minor reported.

Prather recalled a meeting with Kelley sometime in 2011 or 2012, where Kelley apparently made "some vague reference" to Akins not informing the board of certain "bookkeeping matters," Minor reported.

"Mr. Prather said that he didn't believe this was a reference to the incidents (Taylor's debt)," Minor reported.

Kelley told Minor he didn't remember speaking with Prather "in which he discussed, expressly or implic-

See EMC, 2A

DDA to purchase up to \$40,000 in stream credits

By Shawn Jarrard
North Georgia News
Staff Writer

Blairsville's Downtown Development Authority called a meeting Friday to discuss the latest update on the Haralson Development Project.

The U.S. Army Corps of Engineers has granted the DDA the ability to secure the proper mitigation credits from a bank outside of the state if no credits are available in its primary watershed.

"We've got one in the bag right now from Oostanaula that will grant us the 1,400 stream credits for the cost of



The Downtown Development Authority will buy up to \$40,000 in stream credits to satisfy DOT requirements for the stream crossing in the Haralson Development Project. Photo/Lowell Nicholson

\$40,000," said Chairman Paul Thompson.

This total from the Oostanaula Creek Mitigation Bank

in McMinn County, Tenn., is far and away lower than nearby mitigation banks located within Georgia, which could run into the six-figure mark.

As for what to do next, the board discussed the need to create a non-binding letter of commitment to show its willingness to spend up to \$40,000 to secure the mitigation credits in order to satisfy the DOT for the stream crossing.

There is a possibility that another bank, Alacusus, would sell the credits cheaper. But drafting a commitment

See DDA, 2A

Paris explains county's property tax increase

By Shawn Jarrard
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Staff Writer

Union County Sole Commissioner Lamar Paris made a good case for increasing property taxes last week.

The proposed increase would raise the county millage rate from 5.408 to 5.890, and Paris admits that the information can be confusing.

"Property taxes are basically paid in arrears," said Commissioner Paris. "The tax bill you'll hopefully be getting the first of September, it will be for the 2014 year taxes, but they fund the 2015 year budget."

Paris created packets complete with colored charts for citizens to review, favorably comparing Union County to similarly sized counties in the area. Various types of charts, including bar graphs and pie charts, helped to bridge the gap between ease of understanding and the bureaucracy of the numbers.

"Everything is done in terms of millage rates, so that's how we determine property tax," said Commissioner Paris. "If your taxes are



Lamar Paris

5 mills, you're going to multiply that times 0.005 times the value of your property to actually get your property taxes." The reason for the proposed increase in property taxes is the increase in operating expenses throughout the county. Commissioner Paris listed as examples the increase in the price of fuel, gravel, tar and asphalt, and tires and the costs of operating vehicles.

"Everything in the county does has gone up in the last several years," said Commissioner Paris.

See Taxes, 3A

Lacey nabs a Fannin County fugitive in Union

By Charles Duncan
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Union County K-9 Bloodhound Lacey once again proved to be the deciding factor when Sheriff Mack Mason and his department needed to search for a fugitive on the run from the Fannin County Sheriff's Office.

On Friday evening, Union County Sheriff's deputies arrived at a location on McClure Lane to a report of a fight, Staff Sgt. Shawn Dyer said.

"Two deputies responded and prior to their arrival at the scene, one of the persons involved in the dispute took



Union County K-9 Bloodhound Lacey brought a Fannin County fugitive to justice last week. Photo/Charles Duncan

off on foot," Sgt. Dyer said. "As the deputies arrived, they learned the person's name, and that name was run through our GCIC and determined to be wanted in Fannin County.

"She had multiple warrants that included theft by conversion, criminal damage to property and she was wanted on other miscellaneous traffic warrants," Sgt. Dyer said.

"I arrived on the scene along with Sheriff Mason," he said. "We set up a perimeter of where she ran through and Sheriff Mason summoned

See Fugitive, 3A

Ledford, Stokes plead guilty to Adams' murder

By Charles Duncan
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Hiwassee - Two women indicted for the June 17, 2013 murder of a former Union County resident have pleaded guilty to one count of malice murder each, Towns County Superior Court records show.

Rebecca Stokes, 33, and Brittany Ledford, 22, will serve 30 years to life for the murder of 53-year-old Diane "Dee Dee" Adams-Donaldson.

In November, a Towns County Grand Jury handed up



Rebecca Stokes

a 13-count indictment against the two Hiwassee women accused of murdering Adams-



Brittany Ledford

Donaldson on June 17, 2013. Ledford, and her reported lover, Stokes, were

originally charged with felony murder, malice murder, two counts each aggravated assault, tampering with evidence, and removal of a body from the scene of death, according to the November indictment.

Stokes also was accused of terroristic threats for pointing a gun at Adams-Donaldson and firing it in her direction, the indictment shows.

The murder, according to arrest warrants, occurred on June 17, 2013 at 500

See Plea, 3A

UCFD asks locals not to forget the 'Ride to Remember'

By Charles Duncan
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Union County Fire Department Lt. Jeff Fortenberry says the fire department is asking for the public's help to welcome the annual Ride To Remember, which pays homage to the heroes of the 9/11 terrorist attacks from Sept. 11, 2001.

"The Ride to Remember is a motorcycle ride through the North Georgia Mountains to include Union County," Lt. Fortenberry said.

"Riders will enter Union County on Sunday, Sept. 14 at approximately 1:30 p.m. on U.S. 129 at Blood Mountain,"

Lt. Fortenberry said. "The route will turn left on Owl-town Road, traveling to Mully Gap Road, where the riders will make a right turn. They will travel to the intersection of Blue Ridge Highway and make a left turn and travel on the Blue Ridge Highway to Nottely Dam Road, where they will be turning right and traveling to their destination at Copperhead Lodge.

"The ride organizer and the Union County Fire Department is asking all public safety personnel and their families for attendance and support along the route," Lt.

See Ride, 3A

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