



**CITY OF FAIRBURN
CITY HALL
56 Malone Street
Fairburn, GA 30213
June 12, 2017
7:00 P.M.**

The Honorable Mayor Mario Avery

The Honorable Lydia Glaize
The Honorable Elizabeth Hurst
The Honorable Hattie Portis-Jones

The Honorable Alex Heath
The Honorable Pat Pallend
The Honorable James Whitmore

Stephen Hood
Stephanie Tigner
Randy Turner

Interim City Administrator
Interim City Clerk
City Attorney

I. MEETING CALLED TO ORDER: by Honorable Mayor Mario Avery.

II. ROLL CALL: All members were present which constituted a quorum.

III. INVOCATION: was provided by Council Member James Whitmore.

IV. PLEDGE OF ALLEGIANCE: was recited in unison.

V. PRESENTATION:

1. Proclamation in Recognition of Mr. Lamar Norton, Executive Director of Georgia Municipal Association.

Mayor Avery read the proclamation recognizing Mr. Lamar Norton.

Whereas, the Georgia Municipal Association (GMA) began in 1933 and is the only state organization that represents municipal governments in Georgia and it provides legislative advocacy, educational, employee benefits and technical consulting services to its more than 500 members; and

Whereas, Lamar Norton began his career with GMA as the Director of Government Relations in 2002 and directed GMA's lobbying efforts at the Georgia General Assembly to focus on strengthening cities as strong economic centers in Georgia; and

Whereas, Lamar Norton, became the fifth full time Executive Director of the Georgia Municipal Association on January 1, 2012 to head a staff of more than 80 employees that assist Georgia cities in becoming more innovative, effective and responsive; and

Whereas, Lamar Norton has been a servant to communities across Georgia for more than 40 years in various positions that increased Georgia's ability to experience economic growth statewide; and

Whereas, Lamar Norton received a Bachelor of Science degree from Brenau University in Gainesville, Georgia and is an active member of a number of professional associations and their boards to include the American Lung Association, the Georgia Department of Community Affairs, the Georgia Academy for Economic Development and the Regional Leadership Foundation; and

Whereas, Lamar Norton was named one of the most "Notable Georgians" by Georgia Trend magazine for 2016 and as one of the "100 most influential Georgians" by Georgia Trend magazine in 2017; and

Whereas, Lamar Norton is retiring from the Georgia Municipal Association, he will continue in his most important role as husband to Carol, a father of four and a grandfather of five.

NOW, THEREFORE, I, Mario B. Avery and the six members of the City Council for the City of Fairburn do honor and recognize the legacy of Lamar Norton who committed his career to service by strengthening Georgia cities and as a result, the state of Georgia as a whole this 12th day of June, 2017.

2. Forensic Audit Results Presentation- Michael Forsythe, Banks, Finley, & White

Forensic Auditor Michael Forsythe provided Mayor and Council with an overview of the Forensic Audit Results. You may review the Forensic Audit in its entirety by visiting the link>>>>>>>> <https://www.fairburn.com/507/Forensic-Services-Audit>.

Mr. Forsythe requested the Council to review the document in the "brightest of light" and that is to make the City stronger. He said there are a lot of fraudulent activities that is occurring. He said it is not possible to stop "all fraud" or misappropriation etc. but you can try". Mr. Forsythe said that I spoke to as many people as I could.

Council Member Glaize interjected and asked if the meeting was being recorded.

Interim City Clerk Stephanie Tigner stated "yes".

Purchasing:

Mr. Forsythe reviewed the purchasing activities of the City. He said he has reviewed the City Charter, Council Minutes and the Organizational Chart. He said the projects were older projects from 2014-2016. He said the people involved are no longer with the City;

engineers that signed or did not sign off on projects. Mr. Forsythe said I can not provide any comments on reoccurring projects. The General Ledger was used along with payment estimates and checks to ensure the checks that were cut were for the appropriate parties. I did not see any issue with payments; it was authorize and for the vendor that was selected.

Task Orders:

Mr. Forsythe stated we really concentrated on the different “red flags”. Red flags typically will draw your attention to look at something because there is some type of weakness in internal controls. The Vendors were compliant with the City policies. He said we looked at (2) specific projects and there were some issues there. We saw a lot of weakness with your internal controls. He said when you award contracts a purchase order should be generated automatically; that was not happening. Mr. Forsythe said “I am not sure if staff read and clearly understood the policies. There is supposed to be a signed document that states that took place; we found some missing. When you award a contract a purchase order should be generated automatically. He said purchase orders were being generated based on an invoice received by the vendor. A vendor is provided a purchase order. Mr. Forsythe provided an example; he said “I can not bill you unless I receive a purchase order from the City”. It means that it was approved; it went through the system and ok to bill the system. He said it was not happening in that order. On the purchase order, only the department name was being used. He recommended that a supervisor or the Finance Director initial off on all purchase orders; just in case you have questions you do not have anyone to turn to.

Liquidated Damages:

Mr. Forsythe went on to state that paperwork is not present to determine imposition of liquidated damages. He said there was a specific project that was overdue; late. There should have been a late fee. I had a lot of problems with trying to compute it. He suggested making the policies stronger; the policy is very weak.

Task Orders Inadequacies:

I could not find a summary of task orders. He said the vendor performed management and construction services. He said the vendor performed 5-6 projects a year. He said after the review most of the documentation was ok, with a few exceptions. The total invoices went over the authorized amount. He said if there was an official summary of all task orders that would require a signature that would not happen. I could not locate a summary of task orders that was provided by the governing body to disclose the project status.

Mr. Forsythe recommended updating the purchasing policy. He said the policy is dated

2008.

Mr. Forsythe said the City Administrator at the time was on the selection committee as a grader; which I never seen that high of a level position into the grading system. He said the filing system for bidded documents should be reviewed and updated. Mr. Forsythe said I was provided boxes, but I had to dig through them. He suggested having a better filing system. A checklist should be required.

He said the City needs a strategic plan for capital projects. You may have one, but I have not been able to connect with it. The body should be prepared to plan for (5) years in order to plan your budget.

Purchase Card System:

Mr. Forsythe stated the City has a very good summation and reconciliation that had been done. However, there can be some improvements. He said the Finance Director did not administer or monitor the purchase card program. I do not know if he signed anything that I saw. I believe that is a very crucial area in responsibility; there was no second review. The Purchase Card manual is out dated. He said I found were you all were paying sales tax; the City is exempt. After review, I started to think is the purchase really for the City if sales tax is being paid; that is a “red flag”. Purchase Card Agreements were not located for some of the employees. I was told that the Finance Director had these documents, but of course that person is no longer with the City. I think you are very fortunate because there were no second approval. I did not see any straight out misappropriation of funds. The system was not there. He said maybe with the person that was overlooking these things I can’t tell if fraud occurred or not; it would have popped out. Fraud is not only committed on books; it is committed off the books. It can happen in the pre bid stage so all of that would be very hard to find with an audit such as this. I would have to speak with the vendors and interview the vendors. He reiterated to Mayor and Council to use the recommendations to build a proper system. In addition, Mr. Forsythe suggested stopping using a “signature stamp”. He said you must keep the employees well trained.

2011 G.O. Bond:

Mr. Forsythe stated everything went through the bond was approved by the Council. I did find different presentation presented to the Council that I questioned. Exhibit A lays out your source of the fund. He said there were transfers from General fund and a transfer from Hotel/Motel. He said this is what was spent, and not what was planned or presented to the Council. He said you are supposed to have over \$1M remaining; that should beg for a question. He said there was money a fire station that was \$2M but it dropped to \$1.4M. I want to ensure that you see the money you have and the money that was spent.

Exhibit B:

Mr. Forsythe starts off with Exhibit A. He stated you were given a summary and by the way there is a state law that allows it. You are changing how you spend the bond money. I wanted to check to see if the information provided to you in the resolution was accurate. He said there is a problem; one major problem in the spreadsheet is the transfer did not occur of \$1.2M that was supposed to go to the G.O Bond. When the transfer of one fund does not happen that means the other fund is being overstated. Of course, there was the use of funds and I found payment different by category. In the 4th column (activity per city) it indicated the remaining fund was \$5.7M. Even if you go to the bank recs' only \$4.5M was there. He said the resolution was incorrect and the transfer did not occur; this is a weakness also. An authorized transfer should occur. Single Management- He said there was one signature on purchase orders and requisitions and contracts. You must set up a system where this does not happen. I have seen Mrs. Walker's signature on projects, which is a good sign. If an engineer does not sign off on projects that would say something to me. If you transfer \$1M you will need to include a memo that states which project the transfer for. Transfers should have an assigned project.

Mr. Forsythe went on to review the City's checking account for emergency payroll adjustments. I recommend to place with the Finance Department. You do not want payroll to control this.

He then stated he crossed referenced vendors with employees; there were (4) that matched. Mr. Forsythe said there were (2) that were not employed with the City when the services were rendered. Another one was for a previous council member.

Mr. Forsythe stated he had an opportunity to review all of management resumes and found the City Administrator was the Chief Financial Officer that is an upfront conflict of interest. He recommended restructuring or removal of the responsibility from the City Administrator. Mr. Forsythe said the Treasurer duties were removed from the City Clerk and Human Resources will have to document all of this. The decision you all make need to flow down into the institution; your government oversight should be improved. He said he heard that terminated employees came back into the building and moved files. Once you terminate someone they should not be allowed back into the building. The City will need to strengthen your termination policy. He said this is hearsay and I can not prove it, but due to some things that I could not find, supports what was said.

Risk Management: Management should be more involved in risk management.

Internal Controls:

Mr. Forsythe stated segregation of duties should be institutionalized. The Finance Director should be apart in reviewing all financial activities. He should designate overseeing and monitoring the purchasing process. He then stated cameras should be placed in the cashier area. He suggested instituted a fraud hotline. You would be surprised of what some people will know. You will have to protect them. A lot of small cities have a line. You will have to consider who will control the line.

Governance:

Mr. Forsythe suggested establishing a Budget and or Finance Committee with (3) members to enhance financial oversight.

Council Member Heath wanted to know who the council member who received the refund check was.

Mr. Forsythe said I can not remember the name; I think it was a lady. I can get the information to you tomorrow.

Council Member Heath why was she provided a reimbursement.

Mr. Forsythe said I believe the individual used her personal funds and requested a reimbursement.

Council Member Hurst said let me start by saying that I am the council person who initiated the request to conduct a forensic audit back in January. There has been a lot of discussion about why the forensic audit was being done. I asked because when new people come on board they should know exactly what has been done in the past whether it is right or wrong or a good or bad procedure. She said the Mayor asked for a forensic audit when he came on as Mayor I asked as a council member for the City of Fairburn. It was not my intention to accuse anyone but I want to know where we stand. She said we thought the transfer was done and it was not done. I am a little disappointed that did not happen. I am on board 100% with the recommendations. She then reiterated her concerns with terminated employees returning to the City. She said terminated employees should not be allowed to remove boxes or files. She said this has happened in the past; this is something we have to correct. The audit was well needed and put a lot of ideas to rest. I say to the citizens that are with us tonight, when I took my oath of office I took my oath to make sure that I maintain and watch your funds. If feelings got involved; feeling got involved, but it is about doing the work of the people. She then thanked Mr. Forsythe for the work he has done these last several months. I know you ran into a lot of hick ups.

Council Member Glaize directed Mr. Forsythe's attention to page 13in the document contained in the council notebooks regarding \$1.18M. She wanted to know if the money was the balance listed in the account.

Mr. Forsythe said when money comes in to the cash pool of the G.O. Bond some of the money is taxed and used for the debt service. What I found was the debt service number was too high by \$140K and the capital project fund was under by \$140K. So, the books are overstated by \$140K.

Council Member Glaize said we were told we were under budget by \$1.2M. Is the 1.1 included in the information?

Ed Holloway said the \$1M is being compared to actual dollars. His calculations of the funds are being done another way; his calculation of the \$1.2M is in cash. The calculation when you close the books is looking at revenues versus (expenditures/expenses). These two are related, but they are not the same. Revenues were higher than expenditures; that number is \$1M. The \$1M resides in the balance sheet in the fund balance.

Council Member Glaize addressed her concerns with moving the decentralized purchasing to centralize purchasing. She said she requested for Mr. Holloway to bring this before the council for approval to implement internal processes.

Council Member Whitmore thanked Mr. Forsythe for his report. He said he is grateful for Councilwoman Hurst bringing the forensic audit. I think it is important for the citizens to know what has happened in the past. He spoke on the City having over 1000 vendors. He said there was one vendor that was a repeat. I know there are other vendors that can perform that same function. We never put anything in place to advertise to get those individuals to submit bids. For the record, I recall when I brought that to the attention of the individual I asked the one question "Out of 1000 vendors how many of them perform this one function". At that point, there was no response. He again thanked Mr. Forsythe, Mayor and Council and staff for work on the project.

Council Member Portis-Jones thanked Mr. Forsythe and the firm for doing the extensive review. It is a review to let us know how we can do our business better. She asked about the electronic process and I.T. System and vulnerabilities.

Mr. Forsythe said that is an additional request. He said we do have experts that can come out to perform this service. He then explained the I.T. audit process. He suggested having an audit of I.T.

Council Member Portis-Jones asked if most of the processes are manual or do we maximize the technology that we have.

Mr. Forsythe said I do not think that you maximize; journal entries are done manually most of these things should be done automatically with the computer.

Ed Holloway said Chief and I have initiated the automation process. The first phase is to get an RFP out.

Council Member Portis-Jones discussed implementing policies and procedures. She requested to have these items be prioritized.

Council Member Pallend said policies and procedures should be reviewed. He reiterated a statement made by Mr. Forsythe. He said you did not see any misappropriation of the funds.

Mr. Forsythe said on the books I did not see anyone receiving funds they should not have.

Mayor Avery said I vetoed the item based on not receiving clarification. He asked Mr. Forsythe to explain a forensic audit. He said the word forensic it automatically or insinuates criminal activity.

Mr. Forsythe said the word forensic means that it has to do with the law. I look at this as you are preparing to answer a legal question. You have to come in with some accusations you are trying to prove; this is a pre forensic with a lot of “red flags”.

Mayor Avery stated for the record, I spoke to (inaudible) partner after this was approved and the first question I was asked is who stole money? Who mismanaged money in government; I said nobody. He then asked if there was any fraudulent activity found.

Mr. Forsythe said you have to be careful fraud occurs off the books; fraud does not just happen on the books. I did not find anything.

Mayor Avery said you need a purchasing director or manager to manage this area. He then thanked Mr. Forsythe for his report.

Council Member Hurst said we have completed (2) audits; the management for the police department and the forensic audit. She requested to place the audits on the website.

Council Member Heath asked if a regular audit would have turned up the same findings.

Mr. Forsythe said probably not. I was given specific items to research.

Council Member Heath asked for the definition of the forensic audit

Mr. Forsythe said it is a preparation of a legal challenge. He then spoke on past audit and the results.

Council Member Glaize spoke on the weakness identified in previous audits. She said I have requested the City Administrator to come forward with how we can strengthen these items being identified.

2. Recognition of City Employee Mr. Danny Dodson (Utilities)

Utilities Director Tom Ridgway recognized Mr. Danny Dodson for his 28 years of service with the City of Fairburn Utility Department. Mr. Ridgway stated a reception will be held at the office from noon to 2 pm. He invited everyone to come out.

VI. PUBLIC COMMENTS:

1. Andre Louvas, 342 Fairview Drive, spoke on various concerns. He addressed his concerns about the lot at the campus and the yard sale at the campus. He said the street department was at the campus at 4 am on a Saturday morning. He wanted to know who authorized the overtime and why. He wanted to know if the City has a real estate agent aggressively marketing the vacant building at the campus.

2. Tony Smith, 6634 Virlyn B. Smith, thanked Interim City Administrator Stephen Hood for his leadership. He said Mr. Hood is a good man; the City is blessed to have him in the leadership position. Mr. Smith said his hope is that the City would hire a more qualified individual moving forward.

VII. ADOPTION OF THE COUNCIL AGENDA:

Council Member Hurst made a motion to adopt the Council Agenda with items #1 Final Plat 17P-006 – 98 & 100 Howell Avenue and #2 Final Plat 17P-007-Coventry Phase 2 on the Consent Agenda and to remove item #7- Discussion Only of A Landscaping and Design Installation Agreement for Old Campbell Courthouse (Building & Property) and to add Item #8 Discussion of Home Rule as It Relates to Mayor and Council Terms with Council Member Glaize providing the second. **The motion carried.**

VIII. CONSENT AGENDA:

1. Final Plat 17P-006 – 98 & 100 Howell Avenue (Planning)

Council Member Hurst made a motion to approve Consent Agenda Item #1 Final Plat 17P-006 – 98 & 100 Howell Avenue with Council Member Heath providing the second. **The motion carried.**

2. Final Plat 17P-007-Coventry Phase 2 (Planning)

Council Member Whitmore made a motion to approve Consent Agenda Item #2

Final Plat 17P-007-Coventry Phase 2 with Council Member Glaize providing the second. **The motion carried.**

IX. APPROVAL OF CITY COUNCIL MINUTES: City Council Minutes of May 22, 2017; Special Called Meeting Minutes of June 5, 2017; and Special Called Meeting Minutes of June 6, 2017.

Council Member Portis-Jones made a motion to approve the City Council Minutes of May 22, 2017, with Council Member Heath providing the second.

Mayor Pro Tem Hattie Portis-Jones indicated the use of present tense in her council comments regarding the Girl Scouts and Brownies. The correction was noted and has been corrected.

Council Member Whitmore made a motion to approve the Special Called Meeting Minutes of June 5, 2017, with Council Member Glaize providing the second.

Council Member Lydia Glaize had (1) correction to add her last name on page 1 under number *II. Roll Call*. **The motion carried.**

Council Member Heath made a motion to approve the Special Called Meeting Minutes of June 6, 2017 with Council Member Whitmore providing the second. **The motion carried.**

X. AGENDA ITEMS:

3. Ordinance to Adopt and Enter Into a Contract with Fulton County to Conduct the 2017 Election (City Clerk)

Council Member Heath made a motion to approve the Ordinance to Adopt and Enter into a Contract with Fulton County to conduct the 2017 Election in the amount of \$24,011.90 with Council Member Pallend providing the second. **The motion carried.**

4. Designation of a Voting Delegate and Alternate for GMA Savannah & Designee to Carry the Flag (City Clerk)

Council Member Glaize made a motion to approve with Council Member Heath providing the second. Council Member Hurst was designated as the Voting Delegate, and Council Member Glaize nominated as the Alternate. Council Member Heath was nominated as the Designee to Carry the Flag. **The motion carried.**

5. Expedited Enforcement Compliance Order (Utilities)

Utility Director Tom Ridgway provided an overview of the Expedited Enforcement Compliance Order.

Council Member Pallend made a motion to approve the Expedited Enforcement Compliance Order in the amount of \$5,000 with Council Member Heath providing the second.

Council Member Glaize wanted to know “for the roofs, grease, and debris, what has been implemented to help ensure we are working through those issues.”

Utility Director Tom Ridgway stated when we find blockages, we go out and jet them and do the best that we can with the equipment that we have. He said I am going to bring before the Council a request to purchase a new *Jet Vac* machine. It will perform much better than the equipment that we have now. The equipment that we have is really inadequate.

Council Member Glaize asked how often staff would keep those areas clean. She wanted to know if there is a time table or a schedule.

Utility Director Tom Ridgway said the *Jet Vac* would probably be used daily. He said Planning & Zoning will be paving 18 miles of street. He said those streets would need to be camera (sic) first. **The motion carried.**

6. Discussion of the Debt Instrument Reports (Council Members Glaize and Portis-Jones)

Council Member Glaize requested to bring the item back to the July 10, 2017, City Council Meeting for discussion and to include all of the attachments submitted to Mayor and Council.

8. Discussion of Home Rule as It Relates to Mayor and Council Terms (Council Member Glaize)

Council Member Glaize suggested a (3) term limit for Mayor and Council.

Council Member Whitmore said term limits should be considered and enacted upon. He said when you look at other cities, there are term limits.

Council Member Heath said the citizens have the ability to vote for who they want to serve. He said at one time there was a discussion at GMA meeting to place the half a clover leaf. I want to see that happen; to bring jobs. I would love to see this happen. There may be other people that have these visions to get things done, but it takes a

long time in government.

City Attorney Randy Turner said the City Charter could provide the term limits for Mayor and City Council Members. He said “the question is whether or not this can be accomplished by Home Rule amendment opposed to going back to the General Assembly and have them to amend the Charter. He said I will get an answer to the question as soon as possible”.

Mayor Avery asked Council Member Glaize if she wanted the discussion to come back before the Council.

Council Member Glaize asked the body if they wanted to speak in regards to bringing the discussion back before the Council. She said we do not want to bring it back if there is no interest.

Council Member Hurst said I would like the discussion to come back to the Council for a full discussion. She said the new City of South Fulton’s Charter. The City of South Fulton began with staggered terms certain council members in their district will have a (2) year term, and the others will have a (4) year term.

City Attorney Randy Turner said I will provide you with an answer as quickly as possible for what is the proper mechanism for implementing term limits; if that is what you choose to do. One thing that will affect how you proceed is if you are going to reinitiate the idea of adopting a new City Charter in its entirety.

Council Member Portis-Jones said I think that is the appropriate strategy.

Mayor Avery said in summary “this item will be placed on the next council agenda as a discussion item.”

XI. COMMENTS FROM COUNCIL:

Council Member Whitmore said I think we covered a lot of grounds tonight. I am really appreciative for my colleague Council Member Hurst for asking, and this body voting on and having a forensic audit same as Council Member Portis-Jones for the Management Audit. He said I think there is a lot of valuable information coming out of these reports. Now we just need to take the next steps and to make sure we act on the recommendations from both reports. Council Member Whitmore said as we make those adjustments and strengthening our policies and procedures in the City we are checking them off and ensuring that things are being done. That is not the responsibility of one person; it is the responsibility of all of them. We have to make sure we are following through. Council Member Heath had no comment.

Council Member Hurst thanked Mr. Forsythe for performing the forensic audit. She said the audit was performed not to accuse anyone, but to see exactly where the City stood financially; where we could improve and where we needed to improve. I think that has been provided to us tonight. She said, "I believe that was done." Council Member Hurst wished everyone a good evening.

Council Member Glaize said it is always an honor to serve in this position. She said I believe we have enough information over these last several audits Police and Forensic audit and hopefully as we look forward to hiring a new City Administrator, Chief Hood has done a super fantastic jobs in these last (12) months. I would hope he would have some suggestions as to improve processes and the review of the structure of our City. I would like to ask my colleagues to look into holding a session to develop a Strategic Plan, and I think we need to do that sooner than later before the next budget. She said I am appealing along with Council Member Whitmore to have a retreat. Council Member Glaize recognized Harvey Stokes and his crew for the new signage at Highway 29. She said as you come into the City the signs make the City look great. Council Member Glaize referred to the gentleman who spoke in the public comment who addressed the campus parking lot area. She mentioned that a grant is in place to complete the Streetscape Project.

Council Member Palled had no comment.

Council Member Portis-Jones thanked Harvey Stokes and his crew for the gateway signs on Highway 29. She said we have talked about the project for quite some time. Council Member Portis-Jones said she was out last evening, and she said she stopped and looked; the signs are so impressive. She encouraged everyone to take a look at the signage. Council Member Portis-Jones thanked Mayor Avery for the pleasant surprise for recognizing Mr. Lamar Norton of the Georgia Municipal Association on his retirement and bringing him here. She said she appreciated the Forensic Audit. The purpose was to know where we stand, what are our strengths and weaknesses; we can always improve. There was a lot of information provided to us. I would like to echo the comments to hold a session to develop a Strategic Plan. Council Member Portis-Jones congratulated Mr. Dodson on his retirement after 28 years.

Mayor Avery thanked Council Member Portis-Jones for acknowledging Mr. Norton, of Georgia Municipal Association for the recognition. Mayor Avery said the governing body here is well known and established at GMA so I thought I could kill two birds with one stone. He said, "we are giving honor where honor is due."

XII. ADJOURN:

Council Member Glaize made a motion to adjourn into Executive Session for (1) Personnel Matter with Council Member Heath providing the second. **The motion**

carried. The meeting adjourned at 10:16 pm.

XIII. EXECUTIVE SESSION:

Council Member Portis-Jones made a motion to exit Executive Session for (1) Personnel Matter with Council Member Heath providing the second. **The motion carried. The meeting concluded at 10:17 pm.**

Interim City Clerk, Stephanie Tigner

Mayor, Mario Avery