

Edenton Town Council Minutes  
Special Meeting  
January 28, 2019

The Edenton Town Council met in special session on Monday, January 28, 2019. The following members were present: Mayor Pro Tem Steve Biggs, Councilman Elton Bond, Councilman Samuel Dixon, Councilman Craig Miller, and Councilman Jimmy Stallings. Absent Mayor Roland Vaughan and Councilman Roscoe Poole.

Mayor Pro Tem Steve Biggs called the meeting to order.

The first item was a follow up to the January 8<sup>th</sup> NC Local Government Commission Meeting where the Town's application for approval of the USDA Loan was reviewed and approved.

Mayor Pro Tem Biggs welcomed Sharon Edmundson, Susan McCullen, David Erwin and Ann Cutler, from the NC Local Government Commission and Donna Winborne and Cortney Riddick, with Donna Winborne CPA, the Town's auditors, all to the Council meeting.

Ms. Knighton stated the during this LGC meeting a number of questions were raised by the Commission members and a great deal of frustration was directed at Edenton regarding findings in the Town's FY 2017 and 2018 Audit. Later it was clarified by NC Treasurer Follwell that the anger and frustration was not solely directed at Edenton. The LGC is concerned about municipalities and counties and wants to make sure local governments are following all of the rules and regulations and in particular the statues that regulate the NC Fiscal Control Act.

Ms. Knighton stated that the Commission ultimately voted to approve the Town's application for debt. She stated that over the last few weeks since the meeting, she has done some follow up to address the State Auditor's frustration by reaching out to the NC League of Municipalities and also by providing follow up information regarding the LGC's concerns to the Chowan Herald. Ms. Knighton invited the LGC staff to the meeting this evening to give the Council a broader view of the concerns and to review with the Council the work the Town's staff has done with the LGC's Coach Team to address concerns.

Ms. Sharon Edmundson, Director of Fiscal Management for the LGC spoke with the Town Council about the Local Government Commission's approval process. She said the LGC staff visited twice with Town staff over the last eight months and saw improvements. She said the turnover the Town experienced in the finance officer position definitely contributed to the findings in the audit, however Virginia Smith has been in place for over a year now and has brought stability to the position and has been and will continue to participate in training and professional development classes for new finance officers.

Ms. Edmundson also said natural disasters, the long deep recession and the uneven economic recovery and the many challenges facing rural communities have put a lot of fiscal pressure on a number of the state's local governments. These challenges also make it difficult for local governments to recruit and retain finance officers. And she noted that auditing standards have become stricter, and auditors are required to do more testing which has led to an increase in audit findings. She concluded that the LGC is concerned about the fiscal viability of approximately 115 units of government. Edenton is not one of those units. She thanked the Council for the opportunity to meet with them, and extended her team's assistance to Edenton. Ms. Edmundson said the Coach Team would be making a visit to Edenton again

the spring in anticipation of the Town's upcoming applications for debt approval for street repairs and resurfacing and water system improvements.

Mayor Pro Tem Biggs thanked Ms. Edmundson for her comments and thanked her and her staff for making the visit to Edenton.

Mayor Pro Tem Biggs stated that the second item was the potential conflict of interest-Town Manager & Hardys Hill Homeowners Association.

Ms. Knighton stated that she and her husband live in the Hardy's Hill subdivision of Edenton Bay and this subdivision is serviced by a large septic system and all homeowners share ownership of this large septic system. This system has reached its useful life and the homeowners association is looking to have to expand or make a repair.

Ms. Knighton explained that the Town was contacted because there is underground electric and a portion of the Town's underground will have to be relocated. This may or may not have to be funded by the homeowners association or the Town. She contacted the Town Attorney about a potential conflict of interest and Mr. Ellis recommended she step away from the project and Council appoint someone to act as the Town Manager for this project. She recommends Bud Powell, Purchasing Agent. He is extremely skilled is dealing with contractors and homeowners. Ms. Knighton also recommended Mr. Powell be authorized to deal directly with the Town Attorney.

Ms. Knighton said if there is action required by the Town Council, Bud Powell will report directly to the Town Council.

Councilman Stallings made a motion to appoint Bud Powell, acting Town Manager for the Hardys Hill project. Councilman Miller seconded the motion. The motion carried unanimously.

Mayor Pro Tem Biggs stated that the last item was the Destination Downtown Edenton board appointment.

Mayor Pro Tem Biggs stated that the Destination Downtown Board is requesting that Karen Riviera, Manager of Peebles be appointed to fill the vacant seat on the board.

Councilman Miller made a motion to appoint Karen Riviera to the vacant seat. Councilman Dixon seconded the motion. The motion carried unanimously.

There being no further items on the special meeting agenda, the meeting was adjourned.