

**Town of Hertford
Town Regular Session Minutes
Monday, September 13, 2021
6:00PM**

Town of Hertford Community Center/ZOOM & Facebook

The Town of Hertford's Town Council held its Regular Session on Monday, September 13, 2021. Mayor Earnell Brown called the meeting to order at 6:01 pm.

COUNCIL MEMBERS PRESENT

Mayor Earnell Brown

Mayor Pro Tem Ashley Hodges, Councilman Frank Norman, Councilman Jackson, and Councilman Jerry Mimplitsch.

STAFF PRESENT

Town Manager Pamela Hurdle, Town Clerk Olga Simpson, and Attorney Ben Gallop.

QUORUM

With five (5) members, a quorum was confirmed.

The invocation was offered by Councilman Mimplitsch.

Mayor Brown handed the gavel over to Mayor Pro Tem Hodges. 6:05pm.

ADJUSTMENT/APPROVAL OF AGENDA

Mayor Pro Tem Hodges confirmed the agenda in front of him was the agenda being used. Councilman Norman stated the Clerk was asked to take June 14 off the agenda. Councilman Norman stated the correct way to do this is at an official meeting. Councilman Norman made the motion to add August 9, 2021, closed session meeting minutes back on the agenda. Councilman Jackson asked for the question. Councilman Jackson asked Manager Hurdle who does the agenda. Manager Hurdle replied collaboratively, the Clerk, Manager, and the Mayor get together and discuss the agenda and it may be adjusted several times before the meeting. Councilman Jackson read the adopted rules and procedure, page 25, Part VI, Rule 13(1). Agenda, written by Trey Allen formerly of UNC-SOG. Mayor Brown read a Resolution 03.082021-2, adopted by Council on March 8, 2021. The resolution states the Mayor plays a major role in preparing the draft agenda, then the agenda is forwarded to the entire Council to include their inputs, comments, deletions, and adjustments (Rule 13, Agenda, page 25).

Mayor Pro Tem Hodges asked Councilman Norman to restate his motion. Councilman Norman stated the motion: August 9, 2021, closed session minutes be placed back on the agenda to be adopted in closed session which is agenda item 14. The motion was seconded by Councilman Jackson.

Additional Discussion- None.

The vote:

Mayor Brown	yay
Mayor Pro Tem Hodges	yay
Councilman Jackson	yay

Councilman Norman yay
Councilman Mimplitsch yay

Vote 5-0.

Council voted to approve August 9, 2021, closed session minutes, be placed back on the agenda to be adopted in closed session which is agenda item 14.

Mayor Pro Tem Hodges asked if there are other adjustments or comments on the agenda.

Mayor Brown stated she would like to make a motion of the following adjustments to the agenda. The agenda will be adjusted to only include:

Agenda Item 1. Schedule Business (FY2020 Audit presentation),

Agenda Item 2. Citizen Concerns,

Agenda Item 3. Closed Session, (to approve June 14, 2021 Closed Session Minutes §143.318(11)(a)(1) and add Personnel §143.318(11)(a)(6)

Agenda Item 4- Personal Matters

Mayor Pro Tem Hodges restated the adjustment- Adjustment of the Agenda #5, Scheduled Business (Jeff Best), Citizens Concerns #9, Closed Session. Mayor Pro Tem stated he assumed the Mayor wanted August 9, 2021, closed session minutes added. Councilman Jackson inserted the Mayor did not say that in her motion. Councilman Jackson told Mayor Pro Tem Hodges; he cannot change the Mayor's motion.

Mayor Pro Tem Hodges stated the Mayor's motion will strike Manager Hurdle, Mayor Brown, Councilmen Jackson, and Councilman Norman's agenda items. Mayor Pro Tem Hodges restated the Mayor's motion—Scheduled Business (Jeff Best), Citizens Concerns, Closed Session (approval of June 14, 2021, closed session minutes), add another item §143.318 (11)(a)(6) Personnel, and add another item Personal Matters.

Mayor Brown restated her motion:

Currently at Agenda Item 5. Adjustment/Approval of Agenda The new agenda items are:

Agenda Item 8. Schedule Business (FY2020 Audit presentation),

Agenda Item 9. Citizen Concerns,

Agenda Item 14. Closed Session, (to include approval of the minutes and a personnel matter)

Adding:

Agenda Item 15. Personal Matters.

Councilman Jackson seconded the motion.

Councilman Jackson called the question. Councilman Norman seconded the call of the question. Discussion- None.

The vote: (voting on whether to vote or not to vote on Mayor Brown's motion)

The vote:

Mayor Brown yay

Mayor Pro Tem Hodges yay

Councilman Jackson yay

Councilman Norman abstain

Councilman Mimplitsch yay

Vote 5-0.

Motion passed to vote on Mayor Brown's motion.

The vote:(Mayor Brown's motion)

Discussion- None.

The vote:

Mayor Brown	nay
Mayor Pro Tem Hodges	nay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimlitsch	nay

Vote 3-2.

Motion did not pass to accept Mayor Brown's agenda.

Councilman Jackson made the motion to approve the agenda as presented. The motion was seconded by Councilman Norman.

Discussion- None.

The vote:

Mayor Brown	nay
Mayor Pro Tem Hodges	nay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimlitsch	nay

Vote 3-2.

Motion did not pass to approve the agenda as presented.

Councilman Jackson made the motion to adjourn the meeting. The motion was seconded by Councilman Norman.

Discussion- Mayor Pro Tem Hodges stated there is town business that needs to be taken care of.

The vote:

Mayor Brown	nay
Mayor Pro Tem Hodges	nay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimlitsch	nay

Vote 3-2.

Motion did not pass to adjourn the meeting.

Mayor Pro Tem Hodges stated clearly all the five board members want the meeting to move forward and there is no agreement of what the agenda is going to be. Attorney Gallop stated twice, the Mayor's adjustment to the agenda she stated was appropriate.

Councilman Norman called for a point of clarity-

The clarity to Mayor Pro Tem Hodge's statement-If the agenda is a bridge in the manner it is trying to be a bridge, then he does not want to have a meeting. Mayor Pro Tem Hodges stated all five board members wanted to have a meeting with a complete agenda. If there is not a complete agenda he rather adjourn the meeting.

Mayor Brown stated the agenda is adjusted because there is a lot of business that needs to be taken care of. The work session was eliminated because of the length of the session and items being redundant, irrelevant. rhetorical information. Mayor Brown stated her motion, instead of using include A, B, and C, she stated what the agenda will be. The audit from Jeff Best has been waiting to be presented to the Town. Mr. Best is an employee because the Town pays him and he is a guest. Citizen concerns period, the citizens are allowed five (5) minutes to speak. There is a personnel issue that needs to be taken care of. The Town Manager has provided read-ahead

information on agenda items. If the Board was a functioning Board, the Town Manager's items could be consent agenda items.

Councilman Jackson rebuttal.

Councilman Norman called Point of Clarity-

Mayor Brown cannot have the gavel while discussing her motion. Point of Clarity and Point of Order stops all conversations. Councilman Norman spoke on Mayor Brown's comments. Councilman Norman wanted clarity on the two items Mayor Brown stated on redundancy. Mayor Brown stated the two items are Continued item 4- E. Academy Street Plumbing and Item 5- Substandard Housing. Councilman Norman stated the Board voted to continue these items.

Mayor Brown has the gavel.

Mayor Pro Tem Hodges made a motion to adjust the agenda as follows:

Approval of Minutes (#6)-

Strike Item 6,

Keep Items 8 and 9

Continued Business (#10)-

Strike Items 1-3

Keep 4

Strike 5.

New Business (#11)-

Strike 1-1,

Council Concerns (#12)-

Strike

Announcements (#13)-

Strike

Closed Session (#14)-

Approval of Closed Session minutes June 14, 2021,

Adding §143.318(11)(a)(1) August 9, 2021, Closed Session minutes,

Adding §143.318 (11)(a)(6) Personnel,

Adding

Other Business (#15)-

Personal Matter

Adjournment (#16)-

The motion was seconded by Councilman Mimplitsch.

Discussion-

Councilman Jackson commented about the agenda items of Councilman Jackson and Councilman Norman being removed from the agenda., work session elimination, read-ahead items, Managers' agenda item, monitors in the boardroom, bills not being paid on time last month, check signers, TDA appointment, ABC appointment, and a working agenda.

Mayor Pro Tem Hodges stated why he made the motion to amend the agenda. The Council is not prepared to have a meeting.

Councilman Norman stated the problem with the agenda is because the Mayor makes adjustments to the agenda.

Loud voice discussion.

Councilman Jackson asked when will the Special Call meeting will be.

Substantial Motion made by Councilman Jackson to table and was seconded by Councilman

Norman.

The vote:

Mayor Brown	nay
Mayor Pro Tem Hodges	nay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimlitsch	nay

Motion did not pass to table.

Vote for Mayor Pro Tem Hodges' adjustments to the agenda

The vote:

Mayor Brown	yay
Mayor Pro Tem Hodges	yay
Councilman Jackson	nay
Councilman Norman	nay
Councilman Mimlitsch	yay

Vote 3-2.

Motion passed to approve Mayor Pro Tem Hodges' adjustments to the agenda.

7:18 pm.

SCHEDULED BUSINESS

FY2020 AUDIT JEFF BEST CPA

Councilman Jackson called for question-

The Auditor should have five (5) minutes as previously scheduled visitors.

Gavel passed on to Mayor Pro Tem Hodges.

Mayor Brown made a motion the Mr. Best to be allowed time to give a presentation of the FY2020 audit. The motion was seconded by Councilman Mimlitsch.

Councilman Norman- Point of Order

Tony Riddick was on agenda under Scheduled Business and was allowed five (5) minutes and is not a debate.

Mayor Pro Tern Hodges stated the rule will be suspended for Mr. Best only.

The vote:

Mayor Brown	yay
Mayor Pro Tem Hodges	yay
Councilman Jackson	nay
Councilman Norman	abstain
Councilman Mimlitsch	yay

Vote 4- 1.

Motion passed to allow Mr. Best time to present the FY2020 Audit.

Mr. Jeff Best's presentation:

Page 1-3—Independent Auditor's Report

Page 4-11 -Management's Discussion and Analysis

Page 12-22-- Basic Financial Statements

Page 16—Statement of Revenues, Expenditures, and Changes in Fund Balance

The net change in Fund Balance was \$732,494

Mayor Tem Pro Hodges asked about the prior period adjustment and the net change in fund balance. Prior period adjustment was \$ 168,124 (911 Bill for FY 2018-2019 that was not recorded. Mr. Best stated that the 911 Bill was not booked in 2018 or 2019, meaning it was not showing as a debt.

Page 18—Budget to Actual

Revenue were \$196,607 more than budgeted

Expenditures were \$334,577 less than budgeted

Councilman Jackson explained the renovation of the Municipal Building cost.

Page 18—Water, Sewer, and Electric Fund

Depreciation funds come from the Golden Leaf Grant.

Mayor Pro Tem Hodges asked on Page 20, was the depreciation shown in previous years? Mr. Best answered, yes, and he thinks it was around \$700,000. The income is grant funds and the access depreciating over time.

Councilman Norman asked for a clear understanding. the increase in revenue from grants (\$724,000) becomes an asset and the assets depreciate.

Mr. Best stated that this is a point that the Town should think about.

Councilman Noman wanted it stated that this does not mean mismanagement. Mr. Best stated that it does not.

Page 22-42—Footnotes

Page 23—Explain Operations of the Town

Page 34—Capital Assets

Page 35—Water/Sewer/Electric

A significant amount of depreciation because of grants

Page 36-41—Pension Plan Obligations

Several options of retirement to Town's employee

Page 47—Long Term Obligations

Page 49-50 – Revolving Loan

Page 51--Changes in Long-Term Liabilities

Page 59-67--Supplemental Schedule

A more detailed explanation of the audit.

Page 62-- King Street Project Revenue

\$210,000 of Powell Bill revenue transferred to General funds for this project

Page 67--Golden Leaf fund

\$509,675 grant funds and Town match of \$50,459

Councilman Norman asked a question on Page 61-for Mr. Best to elaborate on the obligations. Mr. Best stated he would get back to Councilman Norman on this via email.

Page 69--Analysis of Current Tax Levy

The current tax collection percentage is 95.46

Councilman Jackson made a statement that 95.46% of taxes in Hertford are collected and 4.54% is not but the Town wants to take people's houses.

Page 70-80—Compliance

State single audit—Projects expending over \$500,00 have to have a separate audit.

Separation of Duties (limited number of employees for certain functions)

Timely Financial reporting (staffing turnover caused delays in reporting)

Bank Reconciliation (not prepared in a timely manner)

Prior Period Adjustments (911 bill not posted)

Mr. Best ended his presentation.

Questions from Council:

Councilman Mimplitsch- Does it show a breakdown of the freeze on spending? Councilman Jackson stated the freeze was on Governing Body spending. Manager Hurdle stated the freeze was on Governing spending and later on all other budgets.

Mayor Pro Tem Hodges-Why the audit took so long and how did we get here. What transpired? Mr. Best answered asked for full trial balance, check/cash reconciliation. tax season- he does not work on audits and waiting on the State Audit

Councilman Jackson- Each year you send each Council questions. Did you get any questionnaires back? Mr. Best answered, yes. Councilman Jackson stated the State Auditors sent the same questionnaire. Did you find anything? Mayor Brown- Stated, no employees knew of any fraud. The State Auditors allowed her to respond alone.

Questions from Citizens (3-minutes each and one question)

Matthew Cyr- Questionable expenditures from a Councilman, who reconciles those allegations? Mayor Brown answered the state audit was a standalone audit.

Murielle Harmon- When you get the information you needed and it has been contracted out, was this always the case? Mr. Best and Manager Hurdle answered that this is 2 years of contracted services.

Sara Winslow- When will the audit be on the webpage? Mr. Best stated Manager Hurdle has to answer the findings and the audit will be sent to LGC for approval.

Councilman Jackson stated a Finance Committee was formed to keep the citizens aware of the finances of the Town. Mayor Brown stated the meetings ended because of the lack of purpose and logistics. After four meetings and no guidance, no other meetings were scheduled.

Mayor Brown called for a five-minute recess. 8:25pm. The meeting resumed at 8:32 pm.

CITIZEN CONCERN

Matthew Cyr-Mr. Cyr thought there will be a discussion on Allison Platt's project. Mr. Cyr expressed support and concerns for the project. Mr. Cyr stated it is hard to see disrespect for the Mayor and councilman cannot get up for the Pledge of Allegiance to the flag.

Art Honeycutt- Mr. Honeycutt was representing the Community and Waterfront Project Advisory Committee. Mr. Honeycutt read a letter from the Committee to the Council. Mr. Honeycutt stated he implore Town Council to immediately approve the Community and Waterfront Plan submitted by Allison Platt to ensure grant funds.

Tim Brinn- Mr. Brinn spoke about happenings in the General Assembly, Senate Bill 437. The reason of interest, this bill resulted from a state audit. Fraud was discovered in another municipality. Secret meetings without the attendance of full council, \$3,000 was allocated for legal fees and did not recall anyone voting to the approval of transactions.

Sara Winslow- Ms. Winslow spoke on the state auditor report, questioned expenditures, and lack of approval. Funds should be repaid. Ms. Winslow spoke on lack of minutes.

Connie Brothers- Thanked all that participated in the cleanup along Railroad Avenue. Ms. Brothers had concerns about the Roadside Cemetery. Ms. Brothers asked for a written response in 30 days.

Martha Borders-Thanked Councilman Mimplitsch, Mayor Pro Tem Hodges, Mayor Brown for setting up credit card procedures. Thank them for the long budget meetings which were very educational. Asked if laws have been broken, what can Council do so Council will not be above the law? Has Councilman Jackson paid back the funds stated on the state audit? Ms. Borders stated she is very concerned about 2019 travel and needless expenses and someone running around in the Tahoe.

Quentin Jackson- Jackson showed the audience the State Auditor's report. Mr. Jackson stated he did not have an attorney but had a court-appointed attorney. Mr. Jackson said everything listed in the report, he was accompanied by other Council members at these meetings. Mr. Jackson stated that nowhere in the audit report states he had done something wrong.

Frank Norman- Mr. Norman stated he has talked multiple times about the clerk having local access. The clerk is not recording, only Mayor Pro Tem Hodges. Mr. Norman stated that the Mayor starts the meeting before everyone gets set up. Mr. Norman stated no citizen has to stand up for the Pledge Allegiance.

CONTINUED BUSINESS

E- Academy Street Plumbing

Councilman Norman stated he had talked to the owner and the owner was pleased with the explanation and help given by the Town staff.

CLOSED SESSION

A motion to go into closed session was made by Mayor Pro Tem Hodges and seconded by Councilman Mimplitsch §143.318(11)(a)(1) and Personnel §143.318(11)(a)(6).

The vote:

Mayor Brown	yay
Mayor Pro Tem Hodges	yay
Councilman Jackson	nay
Councilman Norman	nay
Councilman Mimplitsch	yay

Vote 3-2

Motion passed to go into closed session §143.318(11)(a)(1) and Personnel §143.318 (l)(a)(6).

Back into open session. 11:20pm

PERSONAL MATTER

A motion was made by Councilman Jackson and seconded by Councilman Norman to adjourn the meeting.

The vote:

Mayor Brown	nay
Mayor Pro Tem Hodges	nay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimplitsch	nay

Motion failed to adjourn the meeting, 3-2.

A motion was made by Mayor Brown and seconded by Councilman Mimlitsch to terminate the employment of the Town Clerk immediately. The vote:

Mayor Brown	abstain
Mayor Pro Tem Hodges	abstain
Councilman Jackson	nay
Councilman Norman	nay
Councilman Mimlitsch	abstain

Vote 3-2.

Motion passed to terminate the employment of the Town Clerk immediately.

A motion was made by Councilman Jackson and seconded by Mayor Pro Tem Hodges to adjourn the meeting. The vote:

Mayor Brown	yay
Mayor Pro Tem Hodges	yay
Councilman Jackson	yay
Councilman Norman	yay
Councilman Mimlitsch	yay

5-0.

Motion passed to adjourn the meeting. 11:52 pm