

TOWN OF NEWLAND

11/5/2024

BOARD MEETING



ATTENDING:

MAYOR PRO TEM: Kenan Foxx

ALDERMAN: James Johnson, Gail Haller, Christie Hughes, Dave Calvert

GUEST: Vicki Caraway, Kenny Caraway, Drema Hayes, Susan Rash, Nancy Davis, Catherine Anderson, Michella Vivian, Vanessa Angrisani, Ronnie Warren, Susan Johnson, Edward Dean, Dave Atkins, Beverly Hoyle, Larry Hoyle, Faith Lacey, Christy Ray, Chris Bohan, Hartley, Suzannah Gittner

STAFF: Interim Town Manager/Finance Officer Sandy Lewis, Police Chief Michael Fields, Police Captain Chris Clark, Public Works Director Gary Lewis, Town Clerk Jessica Buchanan, Town Attorney Gerald McKinney, LPA Agent Julie Banner

Mayor Pro Tem Foxx called the meeting to order at 6:00 p.m. and led the assembly in the Pledge of Allegiance. Sandy Lewis asked everyone to please silence their cell phones. Alderman Johnson made a motion to approve the September minutes. Alderman Haller seconded the motion. All agreed by a show of hands and stating aye. MPT Foxx asked if any changes or additions needed to be made to the agenda. Alderman Johnson made a motion to adopt the agenda as stated. Alderman Haller seconded the motion. All agreed by a show of hands and stating aye. Alderman Johnson motioned to skip the Mayor's report this month since he was absent from the meeting. Alderman Haller seconded the motion. All agreed by a show of hands and stating aye.

CINDY RANDOLPH – FY 2023 AUDIT

Cindy gave each board member a copy of the audit, explaining this was for the year ending 6-30-23. The audit has been submitted and accepted by the local government commission. She issued an unmodified opinion on the financial statements, the standard opinion you want to see. She identified budgetary violations in the general fund for general government. The general government was over what had been budgeted by \$25,258, and public safety was over \$72,000. The water/sewer fund exceeded the authorized appropriations for administration by \$59,000, and debt service was over \$2,200. Cindy stated that Sandy must respond to the LGC on these issues. The Town's unassigned fund balance for the general fund was \$896,347, a decrease of \$109,159 from the previous year. The unassigned fund balance represents 59% of the total general fund expenditures for the fiscal year. The fund balance available for appropriation is an essential reserve for local governments to provide cash flow during declining revenues and be used for emergencies and unforeseen expenditures. As of June 30th, 2023, the Town had a 61% fund balance available. When the audit is submitted, the

auditor must fill out a data input worksheet so the LGC can compare the units about Newland's size. The average for that year was 63%, so the Town was very close to meeting that percentage rate. The current property tax collection percentage was 94.7%, and general fund revenues increased by \$111,000. Sales tax revenue increased by over \$32,000, and property taxes increased by over \$21,000. Another finding, similar to what was found during the 2022 audit, which will need to be addressed to the LGC, was that the governing board is responsible for ensuring the audited financial statements are available to the public on time. The 2023 audit was due October 31st, 2023, and submitted September 12th, 2024. Material weaknesses were identified, which included a lack of segregation of duties, bank reconciliations, and day-to-day transactions. The board thanked Cindy for her time.

RESOLUTIONS

Attorney McKinney stated that one of the resolutions goes back to Sandy taking over the town manager position, and Gary, her spouse, would generally be under her management. We have a resolution drawn up for Public Works to report directly to the Board instead of reporting to Sandy. The first item on this resolution states that the Town Administrator is now the Town Manager, which we did when we changed the Charter. The designated Town official may be hired or elected irrespective of whether such official has an immediate family member who is an existing employee of the Town. All Municipal Affairs of the Town, except the Public Works department, which the Board shall manage, shall be placed in the Town Manager's charge. Alderman Johnson motioned to accept the resolution for the Public Works department to report directly to the Board. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye. *(See the adopted resolution attached with the minutes).*

Sandy stated the following resolution is to appoint a deputy finance officer, as suggested by the LGC when they visited back in August. This is to help fulfill one of the things we failed on the last two audits regarding the segregation of duties. It states that the Board of Aldermen of the Town of Newland has appointed a finance officer who will sign all checks or drafts on an official depository. Or properly designate a deputy finance officer and countersign by another official of the LGC or public in authority. It has been recommended that the Board properly designate and duly appoint a deputy finance officer to sign checks or pre-audit when the finance officer is unavailable. Alderman Gail Haller is designated and appointed as the deputy finance officer to sign checks and pre-audit certificates only in the absence of the finance officer. Alderman Johnson motioned to appoint Alderman Haller as the deputy finance officer. Alderman Calvert seconded the motion. All agreed by a show of hands and stating aye. *(See the adopted resolution attached with the minutes).*

PROCUREMENT POLICY FEDERAL AWARDS

Sandy stated that the federal government requires the procurement policy for the town to receive federal grant awards. She told the Board that we have already received the \$3.2 million grant for water and wastewater, so this policy needs to be adopted, or we cannot proceed further with the process. Alderman Johnson motioned to accept the procurement policy for federal awards. Alderman Calvert seconded the motion. All agreed by a show of hands and stated aye. *(See the adopted policy attached with the minutes.)*

GRANT PROJECT ORDINANCE – HELENE

Sandy stated any time a municipality has any grant money coming in, they have to have a grant project ordinance. This is our initial grant project ordinance for our FEMA public assistance. The numbers on page two may need to be amended because we have not identified everything that needs to be done. Alderman Johnson motioned to adopt the grant project ordinance for Helene Disaster

Response and Recovery. Alderman Hughes seconded the motion. All agreed by a show of hands and stated aye. *(See the adopted ordinance attached with the minutes.)*

DONATION ACKNOWLEDGEMENT LETTER

The Mayor got the Town a 4x4 UTV donated by Lowe's Hardware in Banner Elk and it is in the garage right now. Sandy needs the Board to vote to ratify acceptance of the donation. You may also consider delegating the authority to the Town Manager to accept donations without coming to the Board and you can put a cap on the amount. Alderman Johnson made a motion to accept the donation of the UTV donated from Lowe's Hardware as well as making the motion to allow the Town Manager to accept donations up to the amount of \$15,000. Alderman Haller seconded the motion. All agreed by a show of hands and stated aye. *(See the donation letter attached with the minutes.)*

EMAIL ETHICS

Alderman Calvert stated he would also like to speak on this at next month's meeting since everyone was not present tonight. He believes some of the verbiage in the emails that go back and forth needs to improve, which he believes it certainly has within at least the past thirty days.

LAND SWAP – NEWLAND AND CHURCH

Attorney McKinney stated this had been in the works for quite a while, and then the hospital was sold to UNC, so the process was delayed. The old playground behind and near the church, they would like to build a gymnasium there and would like to swap some land in front of the church near the river with us. The land we own has a restriction on its use, saying if we do not use it as a public park, then it goes back to the hospital. We had to ask the hospital to release that restriction, and they agreed. Attorney McKinney needs to draft the restriction release and send it to them for execution, and then we can move forward.

PUBLIC WORKS REPORT

Gary stated some of the numbers on his charts may need to be more accurate because he has several open work orders due to Helene. He said we had been having some issues with Well One. However, it has straightened itself out. After fixing all the lines, there were three 811 tickets for High School Road. All of the breakers on the Riverwalk lights have been turned off, that could be found. Gary said he measured what looked like the water line over at the duck pond, and it looked like there was water at least 78 inches deep there. Another issue that will need to be discussed with FEMA is the wastewater treatment plant. A Republic dumpster is sticking out up there, and usually, that River is only knee-deep. He has called Republic to let them know where it is. The dog park fence has been picked up and is hopefully salvageable, thanks to the help of Ruth Shirley. The sidewalk at PackRats is washed out; however, that is a DOT highway. All of the bricks are falling out from the church on TiTi Street, and the gentleman from the church is anticipating having to tear down the front part of the building, which is where our water meter is. Gary believes we will have to move our meter out to the street where it should have been in the first place.

POLICE REPORT

Chief Fields reviewed notable October calls, including seven ongoing investigations, ten calls to assist the County, and one unattended death that is still being investigated. He said that considering all our traffic, Treat Street was a success, and nobody was hurt. Next year, we could think about doing it down Park Street and around the courthouse. Chief said his department has five shotguns and some ammo that the Land Harbor Police Department would like to purchase from them for \$1,000. He said they are in a safe in the department and never get used. Attorney McKinney told Sandy she and Chief had the authority to proceed with the transaction. Alderman Johnson asked Chief if the

shotguns would be something he would need in the future. Chief stated, no, this is equipment they never use, and it sits in the safe. He said he had spoken with other departments and that nobody carried shotguns anymore. They still carry rifles, and they have their handguns as well.

FINANCE OFFICER REPORT

Sandy told the Board that our sales and use tax would decrease due to damages from Helene. She has already seen it for September, which is \$3,800 less than August. We will also see a difference in our property tax revenue next year due to homes being damaged during the storm. Our commercial insurance policy renewal this year costs \$46,500 and we did not budget enough for this. We will need to add an additional \$8,600 to this budget line. The policy increased due to litigations against the Town and Helene, and we can no longer get flood insurance. Sandy explained her financial reports to the Board, and she would probably have to take money from the NC Capital Trust fund to pay some bills. We will get that money back from our FEMA public assistance grant; however, it will take time. She has also applied for an NCDEQ 20-year, zero-percent interest loan.

TOWN MANAGER'S REPORT

Sandy asked the Board if they would change her from hourly to a salary-exempt employee. She asks Jessica to enter the system and take out her overtime during every payroll period. Alderman Johnson motioned to make the Town Manager a salaried employee. Alderman Hughes seconded the motion. All agreed by a show of hands and stated aye. Sandy said she wanted to report some voting mishaps that occurred at the most recent election. Newland citizens received the wrong ballot, which did not have the option to vote for liquor by the drink on it. She had to call the supervisor of elections to ensure Town of Newland citizens were given the correct ballot. One of our employees went to vote after the Board of Elections was contacted, and she was given the wrong ballot. She had to go back and ask for a provisional ballot, which could take up to ten days after the election to be counted. The Town's employee stated there was confusion when voting and difficulty returning to get a provisional ballot. Sandy explained the Town had our FEMA exploratory visit. Gary assisted with answering questions about the water and wastewater repairs. They will have another meeting in the near future. Mike Lacey called and said he has ten acres on Wes Brewer and would like to put a dormitory there. He asked if the Town could provide water and sewer or if we would like him to annex. Sandy said we don't have the money to do anything right now. However, it was something we could talk about in the future. Alderman Johnson asked if we already had water and sewer going up that way. Gary stated that there was no fire hydrant at the beginning of Wes Brewer. However, the sewer is on the side coming down from the high school. Sandy wanted to let everyone know she would need to have surgery and would be out of work for a while. This was another reason for appointing Gail as deputy finance officer.

FEMA

Sandy introduced three individuals from FEMA that she and the Mayor met with. If anyone has any questions pl, please feel free to ask. Catherine Anderson introduced herself from FEMA Intergovernmental Affairs and was appointed to Avery County. Her job is to go out and meet with all elected officials. She wanted to introduce herself and answer any questions anyone may have. She said that they had received 3,607 registrations and issued \$553,000 in individual household program funds as of today. If anyone has applied and has not heard back, please go to the FEMA Disaster Recovery Center. Ronnie Warren, the division supervisor for FEMA, explained how several search and rescue teams had been deployed after the storm. He stated under the Army Corps of Engineers, they can help with private property debris removal in waterways and off of private property. He noted that the town needed to think about future flooding and wildfires in our mitigation plan because there is a lot of fuel on the ground. Individuals and businesses are eligible to apply for loans

right now through FEMA. Households are eligible for \$750 PER household if you apply and are eligible. Sandy has their information, and if anyone has questions, please let her know so she can reach out.

CITIZEN COMMENTS

Drema Hayes told the Board she came to the meeting tonight as a concerned citizen of Newland. She stated she hoped the aldermen had read the town ordinances and that they would be held to a higher standard as elected officials. She wanted to touch on a few of the ordinances, with the first being the animal/fowl within town limits. She said ordinances can be changed; however, they should be followed. The second one she touched on was an employee supervising another employee who is a relative, which was changed tonight. As a citizen, she asked if she had to follow the Town ordinances. And if so, shouldn't they? Lastly, an anonymous social media post was discussed, which has caused issues within the town, and Ms. Hayes said she believed the mayor was trying to stop rumors by posting videos.

Suzzannah Gittner thanked Alderman Hughes for getting candy for Treat Street. She thanked Mayor Roberts because, since the storm, he had practically shut down his business to gather supplies and ensure everyone had them. She said that our Town has been getting much attention and that our image matters. Mrs. Gittner said last month's meeting, and after the meeting, was very upsetting with all the yelling and screaming at each other. She addressed Alderman Johnson, stating how upset she was to see Chief Fields have to step in between him and Mayor Roberts. Alderman Johnson stated three minutes were up. Mrs. Gittner continued to tell Alderman Hughes how she made a rude comment to some individuals at the last meeting. She asked Alderman Johnson if the ordinance for chickens was written when he was on the Board and if he took an oath to abide by the ordinances. He asked if he was the only one with chickens in Town, and Mrs. Gittner said no. Ms. Hayes asked again if the aldermen read the ordinances when elected. Mrs. Gittner stated that if they wanted to allow chickens, they would change the ordinance. She said an apology should be given to the mayor, and Alderman Johnson said no. He asked if she had heard what the auditor said about being over budget, and she stated yes, but it is the Board's job to run the TTown. Alderman Johnson motioned to remove 'fowl' from the livestock ordinance (81.09). Motion tabled with no second.

Alderman Johnson asked Mrs. Gittner if all permits were collected for all the work they had done. She stated yes. Alderman Haller asked Mrs. Gittner to please not yell. Sandy said that, as town manager, she would like to table this issue, and a public hearing will be scheduled later. Alderman Haller motioned to table the discussion. Alderman Johnson seconded the motion. All agreed with a show of hands and stated aye. Mrs. Gittner passed out personal information concerning an alderman. Nancy Davis told the Board they needed to manage the Town's money better and rudely commented towards Alderman Haller, Hughes, and Johnson. Sandy Lewis said this is very disrespectful and would like this to stop. Alderman Calvert told Mrs. Gittner her time was up.

Mr. Hoyle asked if the Town was responsible for Watauga Street's closure. Sandy said we were, and as soon as we received funding, we could fix that. Nancy Davis asked how the search for a Town Manager was going. Alderman Hughes said we already have one.

COUNCIL COMMENTS

Alderman Calvert asked when the Christmas Parade was moved from December 7th to November 30th. Sandy said it was a discussion during the September meeting. An citizen made the comment it was also because it was the same day as the Christmas Tree Festival. Alderman Calvert said there will be a Toys for Tots drive at Carolina BBQ on December 7th.

Alderman Johnson motioned to adjourn. Alderman Haller seconded the motion.

Meeting adjourned at 7:20 PM.

Town Clerk, Jessica Buchanan

Mayor, Derek Roberts



RESOLUTION APPOINTING DEPUTY FINANCE OFFICER

WHEREAS, the Board of Aldermen of the Town of Newland, pursuant to North Carolina General Statute (NCGS 159-24) of The Local Government Budget and Fiscal Control Act, appointed a Finance Officer who currently serves the Town with the powers and duties enumerated in NCGS 159-25; and

WHEREAS, NCGS 159-25 (b) states: "Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer and countersigned by another official of the local government or public authority designated for this purpose by the governing board."; and

WHEREAS, it has been recommended that the Board property designate and duly appoint a Deputy Finance Officer to sign checks or preaudit certificates when the Finance Officer is unavailable.

NOW, THEREFORE BE IT RESOLVED by the Board of Aldermen of the Town of Newland that Alderman Gail Haller is hereby designated and appointed as Deputy Finance Officer to serve the Town with the power to sign checks and preaudit certificates only in the absence of the Finance Officer.

This action is effective upon adoption of this resolution. Adopted this 5th day of November 2024.

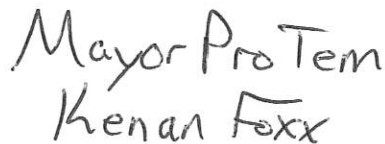


Derek A. Roberts, Mayor

Attest:



Jessica Buchanan, Town Clerk


Mayor Pro Tem
Kenan Foxx



RESOLUTION

Whereas, in order to balance the budget of the Town of Newland the positions of Town Manager and Finance Officer of the Town must be combined such that the salary of the Finance Officer need not be paid; and

Whereas the person appointed as Town Manager/Finance Officer is the spouse of the head of the Town Public Works Department; and

Whereas, Title II, Section 4 of the Town Code prohibits the employment into a regular position who is an immediate family member of an individual holding the position of Mayor, Town Council, Town Administrator or Town Attorney; and

Whereas, the Board of Aldermen recognize that the intent of this Section is to prevent nepotism with respect to the hiring of immediate family of Town Officials, but not in the appointment of Town official who may already have immediate family in the employ of the Town; and


Whereas, said Section goes on to prohibit employment that results in a relative supervising relatives, which would be the case if the Town Manager were to have the Public Works Department placed in her charge.


NOW, THEREFORE, by majority vote of the Board of Aldermen at which a quorum was present, BE IT RESOLVED:

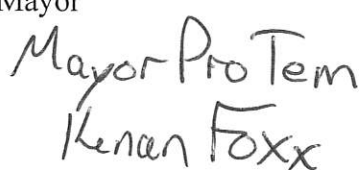
1. The term "Town Administrator" shall now be the "Town Manager".
2. The designated Town Official may be hired or elected irrespective of whether such Official has an immediate family member who is an existing employee of the Town.
3. Pursuant to N.C.G.S. §160A-148(a), all municipal affairs of the Town, with the exception of the Public Works Department (which shall be managed by the Board) shall be placed in the Town Manager's charge.
4. Title II, Section 4 of the Town Code shall be amended to reflect this Resolution.

This 5th day of November 2024.

ATTEST:


Jessica Buchanan
Town Clerk



Derek A. Roberts
Mayor

Mayor Pro Tem
Kenan Foxx

**Grant Project Ordinance
Town of Newland
Helene Disaster Response and Recovery**

BE IT ORDAINED by the Board of Alderman for the Town of Newland, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to establish a budget for projects related to the Helene Hurricane Disaster Response ([FEMA Disaster 4827](#)) that will be reimbursed by the Federal Emergency Management Agency (FEMA) Public Assistance Program. Through its [Public Assistance Program](#) (PA), FEMA provides Federal grant assistance for debris removal, emergency protective measures, and the restoration of disaster-damaged, publicly owned facilities. [Although FEMA typically covers 75% of the eligible costs, the federal government has [increased the cost share in North Carolina for the Helene disaster to 100% for the first 180 days of the incident period.](#)]

Expenses may be eligible for FEMA reimbursement in the following categories:

Emergency Work

Category A: Debris Removal -- Expenses related to clearing debris from public property, including roads, parks, and other infrastructure.

Category B: Emergency Protective Measures -- Costs for actions taken to protect public health and safety, such as: search and rescue operations; sheltering and evacuation; and medical care and emergency response.

Permanent Work

Category C: Roads and Bridges -- Repairs and restoration of transportation infrastructure, including highways, streets, and bridges.

Category D: Water Control Facilities -- Restoration and repair of drainage systems, levees, and other flood control measures.

Category E: Public Utilities -- Restoration of water, wastewater, electrical systems, and other essential public utilities.

Category F: Parks, Recreational Facilities, and Other -- Repair or replacement of parks, recreational areas, and public spaces.

Category G: Buildings and Equipment -- Repairs or replacements of public buildings, such as schools, community centers, and related equipment.

Administrative Work

Category Z: Management Costs -- Administrative costs related to the overall management of disaster response and recovery efforts, which are capped at a certain percentage of eligible project costs.

Emergency Loan from State Revolving Fund* \$ 0
**expected to be paid with FEMA reimbursement funds*

Total: **\$357,313**


Section 5: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant terms and conditions.

Section 6: The Finance Officer is hereby directed to report the financial status of the projects to the governing board on a quarterly basis.

Section 7: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to Town Council.

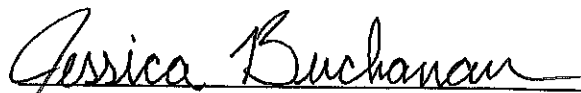
Section 8: This grant project ordinance expires when final FEMA reimbursements are received related to FEMA Disaster 4827.

Duly adopted this 5th day of November 2024.



Derek A. Roberts, Mayor

Mayor Pro Tem
Ikeran Foxx



Attest: Jessica Buchanan, Town Clerk