

**YANCEYVILLE TOWN COUNCIL
MEETING MINUTES
Thursday, January 20th, 2022, at 1:00pm**

The meeting of the Town Council was held remotely in the Yanceyville Museum of Art at the Yanceyville Municipal Services Building and due to COVID-19 the meeting was also conducted electronically through WebEx on Thursday, January 20th, 2022, at 1:00 pm.

Council Members present in person: Mayor- Alvin Foster and Brian Massey and Keith Tatum

Council Member present electronically via WebEx: Mayor Pro Tem- Odessa Gwynn and Margie Badgett-Lampkin

Staff present in person: Kamara Barnett-Town Manager/Clerk, and Lee Farmer-Town Attorney

Staff present electronically: Bradley Davis, Planning and Zoning Services

1: Call to Order

Mayor Alvin Foster called the Town Council Meeting to order at 1:00 PM. The meeting opened with a prayer. He asked all to stand for the pledge of allegiance. Mayor Foster also stated that the Yanceyville Town Council rules and procedures reflect the revisions of the North Carolina open meeting law of the North Carolina General Statutes, a copy of the Yanceyville Town Council rules and procedures are available upon request. Yanceyville Town Council also has rules and procedures for electronic meetings that reflect the revisions of the North Carolina open meeting law of the North Carolina General Statutes, a copy of the Yanceyville Town Council rules and procedures are available upon request.

Item 2: Review and Adoption of Agenda – Mayor & Council

Mayor Foster asked Town Council to review the Agenda. After a short review, Mayor Pro Tem Gwynn made a motion to adopt the Agenda. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Item 3: Consent Agenda

- a. Town Council Meeting Minutes from December 7th, 2021
- b. Town Council Meeting Minutes from December 14th, 2021

Mayor Foster asked Town Council to review the Consent Agenda. After a short review, Mayor Pro Tem Gwynn indicated a grammatical error. Town Manager Barnett noted the change. Mayor Pro Tem Gwynn made a motion to adopt the Consent Agenda as presented. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Item 4: Public Comment

None

Item 5: Water and Wastewater Treatment Facilities Update- Gregory Ryland, Inframark, Regional Manager

Mayor Foster introduced Mr. Greg Ryland, Inframark Regional Manager. Mr. Ryland updated Town Council. Mr. Ryland presented the monthly update as follows:

Yanceyville Water Treatment Plant

- No excursions occurred for the month of December 2021
- Water flushing occurred for 16 hours this month on dead ends and MRTs around town (Dec. 2021)
- New Chlorine alarm and sensors were installed in the Chlorine room and hallway to lab

Yanceyville Wastewater Treatment Plant

- To date there has been no excursions for the month of December. We are still waiting on results for the last week of month
- Have started cross training water operators to operate wastewater plant.
- Continuing pumping down & washing Chlorine Contact Basins to help keep fecal under control.
- SBR 1 Mixer 2 was installed after repairs by Underwood & is back in service.

Mayor Foster thanked Mr. Ryland for a detailed report.

Item 6: Audit Report for Fiscal Year 2020-2021- Becky W. Loy, CPA Cobb Ezekiel Loy & Company, P.A

Mayor Foster introduced Becky Loy, Cobb Ezekiel Loy & Company P.A to Town Council to review and discuss the Town's 2020-2021 audit financial reports. Mrs. Loy thanked Town Council for allowing her to present information to them. Mrs. Loy stated that she would like to provide Town Council a summary of the report, and then answer any questions that Town Council may have. After giving a summary, Mrs. Loy informed Town Council that the Town received an unmodified opinion, which is the best and cleanest opinion that can be received. The procedures, policies, and the way that data is collected supports the information that you are getting in your financial statements. Mrs. Loy stated that there are a lot of numbers and combination of numbers and you as a Town Council want to have confidence that the numbers are correct, and that is what the audit is designed to do. Mrs. Loy asked Town Council to turn to page eleven the Government Wide Financial Analysis Report. She explained that the net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Yanceyville exceeded liabilities and deferred inflows \$15, 307,631 as of June 30, 2021. The Town's net position increased by 367, 057. However, the largest portion (72.25%) reflects the Town's net investment in capital assets (e.g., Land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the

outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities, an additional portion of the Town's net position, \$560,178 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,688,061 is unrestricted.

Mrs. Loy explained that she has no problems or disagreements with Town Management while performing the audit, but there were concerns. She indicated the following

Segregation of Duties

Criteria: The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled appropriately.

Condition: Key duties and functions are not segregated among Town personnel. This is especially a concern in the cash management, account receivable, purchasing, and payroll functions.

Effect: Transaction could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information.

Cause: There are a limited number of personnel for certain functions.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-01.

Recommendation: The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The governing board should provide some of these controls.

Excess of Expenditures Over Appropriations

Criteria: G.S 159-28(a) states that monies received and expended by a local government should be included in the budget ordinance.

Condition: The Town of Yanceyville expended funds in various departments for a total of \$130,429 that exceeded the budget set for the departments.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: There was a lack of review of transactions compared to the budget.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted. Prior to disbursing funds, the finance officer should review all funds and their budgets to ensure that expenditures are within budgetary limits.

Missing invoice approvals and documentation.

Criteria: G.S 159-28 states that obligations presented for payment must follow preaudit and approval requirements prior to disbursement.

Condition: The Town of Yanceyville expended funds that did not have a written pre-audit certification. They also expended funds that did not include documentation of approval and/or the relative invoice was not cancelled with the paid stamp. There were also several invoices that could not be located.

Effect: Moneys were spent that had not been pre-audited or approved prior to issuance. Moneys were spent that could not be supported by approved documentation.

Cause: There was a lack of pre-audit review and documentation of approval on the face of the invoice. The process for filing invoices was also not sufficient for ensuring that all invoices were properly retained.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to be approved for disbursement, it should be pre-audited to insure there are funds budgeted to support the expenditure. Approval should be noted on the face of the invoice and stamped paid to cancel the obligation. Prior to disbursing funds, the finance officer should review all invoices for pre-audit certification and approval and ensure that all invoices are appropriately maintained and retained.

Oversight.

Criteria: G.S 159 requires oversight of the duties of the Town manager and staff.

Condition: The Town of Yanceyville did not have a process in place to ensure appropriate oversight of all duties of each employee. It was communicated that the Town manager was not on-site during times that the approval stamp bearing his initials was continually being used.

Effect: While there were control procedures in place, it appears some of the controls were being handled by someone other than the assigned employee, thereby eliminating the effectiveness of the control. It also was noted that there was no verification of hours worked to maintain the amount of personal time being accumulated and / or paid for certain employees. It was also noted that prior to the departure of the finance officer, documents were being shredded. Subsequent to his departure, requested documents could not be located.

Cause: There was a lack of oversight from the Town Manager due to his absence from Town Hall – although possibly working remotely, it appears some of his duties were not appropriately being performed. Based on my inquiry, this situation was allowed to continue for an inappropriate amount of time. The Town Manager at the time had already taken a leave of absence several times and was again not consistently at Town Hall fulfilling his duties.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: It is recommended that each employee job be evaluated, the appropriate level of oversight be re-established, and additional internal controls be put into place to ensure this does not happen in the future.

Views of responsible officials and planned corrective actions: The Town agrees with this finding. The Town will be more attentive to the duties of each employee and provide additional oversight to the new Town manager. The new Town manager has already put into place new procedures to reduce the risks noted. Time sheets are now required documenting the time worked and the personal time earned or taken. An improved system of reviewing and approving invoices is in place with proper control of the approval stamp. An improved system of maintaining documentation and all records has been put into place to ensure the safekeeping of all Town documentation.

Ms. Loy thanked Town Council for allowing her company to be the auditors for the Town. Mrs. Loy thanked Town Council and Town Staff for their assistance during the audit. Mayor Foster thanked Mrs. Loy for her work.

Item 7: Coronavirus Policy Discussion

Mayor Foster indicated due to the rise of cases and public health concerns there needed to be a policy created to address Communicable Diseases- Covid -19. Regarding employees and Town Facilities.

After a brief discussion Town Manager Barnett indicated that she would compile data from the County Health Department, Centers of Disease Control and Prevention (CDC) and other relevant sources

Councilman Massey indicated that once a draft is created the bring back before Town Council for review and discussion.

Item 8: Town Attorney Report- Lee Farmer

None

Item 9: Town Manager Report

Town Manager Barnett announced that the Town has been appropriated a State Capital and Infrastructure Fund (SCIF) Directed Grant through the NC Office of State Budget and Management (OSBM) for \$350,000. She indicated that the NC Office of State Budget and Management (OSBM) will be communicating with the Town over the next several weeks giving directives on the process of receiving funds. If all steps are completed accurately and timely, we anticipate receiving the funds before the end of February.

Town Manager Barnett announced that she passed her Zoning Official Certification Exam through the North Carolina School of Government.

Town Manager Barnett invited Town Council to attend the Community Meeting regarding the Comprehensive Land Use Plan on Friday, January 26th at 1:00pm. She indicated the Mr. Richard Hails, Regional Planning Office Mr. Roger Waldon, Advisor, and Graduate Students from the UNC School Government would be reviewing a draft copy of the LUD plan from the response gathered from community members in November 2021.

Town Manager Barnett indicated that she was contact by Mr. Kevin Tatum regarding a streetlight being placed around or about 500 Kimbro Road. Mr. Tatum indicated that he was concerned with the area being dark. Town Manager Barnett that streetlight request is brought before Town Council for approval. Mayor Foster indicated that typically Town Council would approve placement of streetlights near intersections, Central Business District (CBD), along main throughfares, entrances to the Town, areas that the Lam Enforcement deemed potential Public Safety areas. Town Manager Barnett indicated that at this time the Town doesn't have a written policy. Mayor Foster also mentioned that Town Council needs to keep in mind that what is done for one resident must offered to all residents. Mayor Foster asked what's the pleasure of Council.

Councilman Massey asked how much does a streetlight cost monthly? Town Manager Barnett indicated that she would check. Council Massey suggested getting the cost of the streetlight monthly and bring back before Town Council at the time. Town Council agreed

Mayor Foster requested a five-minute recess

Item 10: Closed Session G. S. 143-318.11 Personnel, Contractual and Litigation

Mayor Foster asked Town Council for a motion. Councilman Massey made a motion to go into Closed Session General Statues 143-318.11 Personnel, Contractual and Litigation. The motion was seconded by Mayor Pro Tem Gwynn and passed with a unanimous vote.

After Town Council returned from Closed Session, Mayor Foster asked for a Town Council motion to come out of Closed Session. Councilman Massey made a motion to come out of Closed Session. The motion was seconded by Councilman Tatum and passed with a unanimous vote.

Mayor Foster asked Town Council for a motion to go back into Regular Session. Councilman Massey made a motion to go back to into Regular Session. The motion was seconded by Councilman Tatum and passed with a unanimous vote.

Mayor Foster noted that while in Closed Session Town Council addressed the Town Manager's Contract.

Mayor Foster asked Town Council for a motion. Councilman Massey made a motion to approve the Town Manager's Contract-Kamara Barnett. The motion was seconded by Mayor Pro Tem Gwynn and passed with a unanimous vote.

Mayor Foster Congratulated Mrs. Barnett, and Mrs. Barnett thanked Town Council for the appointment.

Item 11: Informal Discussion/Public Comment- Discussion & Comments must directly relate to agenda items

None

Item 12: Adjournment

Mayor Foster asked Council for a motion to adjourn. After no further discussion, Councilman Tatum made a motion to adjourn. Councilman Massey seconded the motion that passed with a unanimous vote. Meeting ended at 4:04pm

Kamara Barnett, Town Clerk prepared the above minutes. They represent a brief description of those matters that were addressed at this meeting.

Respectively Submitted:

Alvin Foster, Mayor

Kamara Barnett, Town Clerk