

**MINUTES OF SPECIAL MEETING HELD  
WEDNESDAY, OCTOBER 21, 2009 – 7:00 P.M.  
COLONIAL BEACH TOWN CENTER**

**MAYOR:  
VICE MAYOR:  
COUNCIL:**

**FREDERICK C. RUMMAGE  
TRISH KING  
DAVID COOMBES  
STEPHEN KENNEDY  
BURKETT LYBURN - *Tardy*  
KAREN PAYNE  
RONALD RIDGELY  
VAL FOULDS  
ANDREA ERARD  
JOAN GRANT  
BARBARA A. GOFF**

**TOWN MANAGER:  
TOWN ATTORNEY:  
CHIEF FINANCIAL OFFICER:  
TOWN CLERK:**

Mayor Rummage called the Special Meeting of Town Council to order at 7:00 p.m. Wednesday, October 21, 2009 at the Colonial Beach Town Center and called for a motion to go into Closed Meeting pursuant to Virginia Code Section 2.2-3711 (A) (7) for consultation with legal counsel regarding specific legal matters – federal and state laws pertaining to fiscal management/legal advice.

Mayor Rummage announced that Mr. Lyburn would be late.

Mr. Ridgely asked Mayor Rummage if this motion could be tabled for a few minutes so that Ms. Miller, the Town's Auditor could give the Town Council a brief overview.

Mayor Rummage assumed she would be in the Closed Meeting.

Mr. Ridgely responded she will be in the Closed Meeting also, but she wanted to give us a brief overview beforehand.

With no objection from Town Council, Ms. Miller stated we have been working on the audit for the last month or so and we thought it would be appropriate to speak given some of the issues that have come up. We also felt a mid-audit status would be appropriate. We are more or less finished with the Town's field work with the exception of any work related to fixed assets. I have been in conversation with the consultants who are working on the fixed asset information. We have given them a deadline of Monday to get us what we need to finish that up. I believe that they can meet that deadline. If we can get that resolved, I think we are in pretty good shape with the Town. We have had very significant issues with the School audit in terms of trying to get information and being able to move forward with that. In fact, there are very serious concerns on how it is going to impact opinions related to the School and the impact with the federal grants and compliance issues. Furthermore in performing the audit related to FY 09, some things have come to our attention in the current fiscal year, that create concerns for me about how progress is being made on resolving a number of issues and in fact we have come

upon a couple of problems where we feel there may be potential legal issues related to that and basically we wanted to come before Council today and talk about the potential legal problems.

Mr. Ridgely stated are you talking about the School?

Ms. Miller agreed.

Motion was made by Mr. Ridgely to convene to Closed Meeting pursuant to the appropriate Virginia State Code, second by Mr. Kennedy. Mr. Coombes **aye**, Mr. Kennedy **aye**, Ms. King **aye**, Ms. Payne **aye**, Mr. Ridgely **aye**, Mayor **present**. I really don't think we should conduct this in closed meeting, but I will go along with it. I guess that is the way to operate in a Democratic way. Motion carried and the Town Council convened to Closed Meeting. ***Mr. Lyburn was not present at this time. Motion Carried.***

Ms. Erard asked Mayor Rummage for clarification, when you vote present, what does that mean?

Mayor Rummage responded that means I am present, the gentleman to my right is not present and a reason has to be given. You made a mistake when drafting the Bylaws when you said it is either aye, nay or abstain. An abstention is for conflict. You have to explain it. Present means I am here.

Ms. Erard stated then you are not voting.

Mayor Rummage responded he was not voting. I am voting present.

Ms. Erard stated she did not think it was in Robert's Rules.

Mayor Rummage stated we can take that up later.

Town Council convened to Closed Meeting at 7:05 p.m.

#### **RECONVENE TO OPEN MEETING:**

Town Council reconvened to open meeting at 9:20 p.m. and Mayor Rummage asked for a motion to reconvene.

Motion was made by Mr. Lyburn, second by Ms. Payne. With no objection from Town Council, the Town Council reconvened to open meeting. ***Motion Carried.***

Mayor Rummage announced that at this time Mr. Lyburn was present and attended the majority of the Closed Meeting.

Mayor Rummage asked if there was a motion to certify that only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the meeting by the Council.

Motion was made by Ms. Payne, second by Mr. Lyburn. Mr. Coombes **aye**, Mr. Kennedy **aye**, Ms. King **aye**, Mr. Lyburn **aye**, Ms. Payne **aye**, Mr. Ridgely **aye**, Mayor **aye**, motion carried and the Town Council certified that only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed. **Motion Carried.**

Mayor Rummage stated since we are now in open meeting, we are going to discuss very carefully the item that we discussed in Closed Meeting.

Mr. Ridgely stated the issue in Closed Meeting raised some serious concerns by the auditor on the School Board audit. It is serious enough that it could possibly affect our credit and bond rating for the Town. We have instructed the Town Attorney to write an agreement to try to clear up these issues. We will present it to the School Board at a later date. Hopefully they will approve this document in a spirit of cooperative manner to resolve the issues.

Mr. Coombes stated the auditor indicated to us in our opinion there were serious problems with the School Board's method of financial record keeping to the extent it is a very serious matter with respect to Federal money, State money etcetera.

With no further comments, the Mayor called for a motion to recess the Special Meeting until Monday, October 26, 2009 at 6:00 p.m.

Motion was made by Mr. Ridgely, second by Ms. Payne.

The Special Meeting was recessed at 9:25 p.m., October 21, 2009 at the Colonial Beach Town Center.

Respectfully submitted:

Barbara A. Goff,  
Town Clerk

Frederick C. Rummage,  
Mayor