

July 19, 2022

MINUTES
CALLED MEETING
JULY 19, 2022

A called meeting of the Council for the City of Covington was held on Tuesday, July 19, 2022, at 7:30 p.m., from the Council Chambers of City Hall located at 333 W. Locust Street, Covington, Virginia.

The meeting was called to order by Mayor Thomas Sibold. The following members were present: Mayor Sibold, Vice Mayor David S. Crosier, Councilman William E. Carson, Jr., Councilman Raymond C. Hunter, and Councilman S. Allan Tucker. Also present were City Manager, Krystal Onaitis, and City Attorney, Mark Popovich.

Mayor Sibold advised that the purpose of the meeting was to consider an ordinance to transfer all financial obligations from the Treasurer to the Director of Finance (David Bryant) as permitted by Covington City Code, Chapter 5, Financial Administration, Section 5.021, Collection, Custody, and Disbursement of Local Funds by Director of Finance.

Mayor Sibold stated the meeting had been called under special provision allowed by Virginia Code 2.2-3707B, amended as 1950. He advised that public notice was given as soon as possible.

He said the charges against the City Treasurer, an elected constitutional officer, are serious and very concerning. In that regard, Council called this meeting to consider the adoption of an ordinance to transfer the Treasurer's authority to the Director of Finance. Council is acting out of an abundance of caution until legal proceedings relating to the charges announced today have run their full course in the court system. He went on to say that the Virginia State Police have the authority to conduct a criminal investigation into an elected official, and it was important to note that none of our local law enforcements are directing the investigation. He stated that Council was not there to assign blame, to make any accusations, or to announce innocence or guilt. They were there to look out for the best interests of the City of Covington.

Mayor Sibold proceeded to read the proposed ordinance, Ordinance O-22-04, as follows:

AN ORDINANCE TO PROVIDE THE DIRECTOR OF FINANCE FOR THE CITY OF COVINGTON TO COLLECT, HAVE CUSTODY OF, AND DISBURSE ALL LOCAL TAXES, REVENUES, AND FUNDS FOR THE CITY OF COVINGTON, VIRGINIA

WHEREAS, on Tuesday, July 19, 2022, the Treasurer of the City of Covington was arrested by the Virginia State Police for three felony counts of possession of Schedule II narcotics and on misdemeanor count of divulging confidential tax information; and

July 19, 2022

WHEREAS, the Covington City Council considers these charges to be extremely serious and troubling; and

WHEREAS, in order to permit the legal process to proceed accordingly while at the same time protecting the financial interests of the City of Covington and the citizens of the City of Covington;

NOW, THEREFORE, IT IS HEREBY ORDAINED by the Covington City Council that, pursuant to the Charter for the City of Covington, Chapter 5, Financial Administration, Section 5.021, the Director of Finance for the City of Covington, and not the City Treasurer, shall collect, have custody of, and disburse all local taxes, revenues, and funds which belong to the city and the consolidated school board or to which they or either are entitled.

BE IT FURTHER ORDAINED by the Covington City Council that the Director of Finance for the City of Covington shall have all the rights, powers, and authority conferred upon, and shall be subject to all the duties and liabilities imposed upon the City Treasurer by the general laws of the Commonwealth and the Covington City Charter with respect to local taxes, revenues, and funds.

Mayor Sibold made a motion to approve the ordinance. David Crosier made a second, and members consented with "for" votes.

Mayor Sibold advised that in the coming days, the Finance Director, City Manager, and City Attorney will do the following:

- 1) Consult with the city's financial auditor and municipal advisors on what measures to take in regards to the transfer of authority to ensure public trust is protected and operations, citizens, and businesses are not adversely impacted.
- 2) Notification of this transfer of authority per city charter will be provided to all of the city's financial institutions and any applicable state agencies.

Mr. Michael Wickline, Philip Street, Covington, Virginia advised Council that this meeting was a travesty and there was no room for public comment. He didn't like the idea that there is an elected official that has been charged, but not deemed guilty, and Council was already taking the power away from that office.

Ms. Jennifer Paris, Treasurer's Office employee, asked what the ordinance meant for her and her coworker, Janie Fridley. Mayor Sibold advised her that they would continue to do their duties as they have in the past and will still have the same job duties and assignments. He advised Ms. Paris that she and Ms. Fridley would answer to and ask any questions of David Bryant, Finance Director. Mayor Sibold stated he thought that Ms. Paris and Ms. Fridley were more than capable of handling the day to day operations of the Treasurer's Office.

July 19, 2022

When Ms. Fridley inquired as to why they could not continue to run the office without any changes, Mayor Sibold advised that there had to be someone in charge of the finances.

Mayor stated that with the idea of transparency and allowing citizens to feel comfortable with the finances of the city, he doesn't feel that an individual who has been charged with three felonies is the right person to have in charge of the city's finances until they are proven innocent.

Mrs. Becky Scott commented that Council was giving power to a man who already abuses his power. Mayor Sibold advised the statement was out of line and she had no proof. Mrs. Scott advised she did have proof and had already given it to Council. Mayor Sibold commented that Mrs. Scott was only telling one side of the story and he could say nothing further due to it being a personnel matter.

Mrs. Marjorie Wickline stated that Facebook was creating a big issue due to the inaccurate comments of some citizens who did not understand what is going on with taxes and water payments, thinking they are getting ripped off. She said that the Treasurer is audited every year, and someone needed to say something on Facebook to pacify these people, as they were burying someone without knowing the facts.

Ms. Paris said she feels that her whole office is being buried and that citizens are accusing her of stealing their tax money, water bills, etc. She said that all they did was collect the money.

Mayor Sibold advised that he had been on Council for ten years, and the Treasurer's Office has had successful audits every year.

Mrs. Wickline stated that it needs to be clarified that Theresa Harrison does not determine the amount of the water bills and taxes.

Mayor Sibold suggested a forensics audit to ensure there is no wrong doing in the Treasurer's Office to appease the citizens of Covington.

Mrs. Wickline stated that it would pacify a lot of people if there was information on what is happening and how the current Treasurer's Office employees handle their duties.

Ms. Paris stated she did not want people coming into the office being ugly to her or Ms. Fridley. Mayor Sibold advised she could call the police for assistance if necessary. He went on to say that the Commissioner of Revenue had also received numerous calls that day accusing her, the Treasurer's Office, and Council of inappropriate things that have not happened as far as he knows.

Mrs. Wickline commented that Jerry from The Alleghany Journal may be able to help address her concerns. Jerry assured her he would address her concerns.

July 19, 2022

Vice Mayor Crosier stated that Ms. Paris and Ms. Fridley were the ones he worried about. He said he is unsure of how to get the message to the public in a way that they're going to believe, but Council would try to come up with something.

Ms. Fridley advised Council that they need to have the Treasurer's Office employees' backs.

Mayor Sibold assured Ms. Fridley that Council did not make the decision lightly. He advised that Council had talked to an attorney, auditor, and financial advisor, and that all three had strongly advised Council to take this action. This ordinance will stand until the trial is over. He stated that Theresa Harrison could come back to her position once she is proven innocent.

Mr. Wickline questioned that if Mrs. Harrison is found guilty of the charges, would the Treasurer's position be removed. Mayor Sibold assured him that Council was not getting rid of the Treasurer's position, and that they are just dealing with the matter at hand. If Mrs. Harrison is found guilty of the charges, a judge will appoint an interim Treasurer until an election can be held. Whoever wins the election will then be the Treasurer from that point forward. Mayor Sibold assured Mr. Wickline that the ordinance was only temporary.

In answer to an earlier question as to why the Director of Finance was chosen to temporarily take over the Treasurer's duties, Ms. Onaitis provided clarification. She explained that the only two individuals with the authority to take over the duties of Treasurer in a situation of this nature or when Council deems a need to transfer the authority of the Treasurer are the Finance Director or the City Manager. The decision was not intended to slight the Treasurer's Office staff. Ms. Onaitis said they were dealing with unchartered territory.

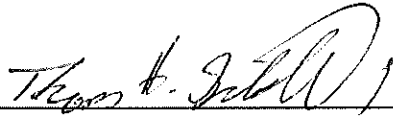
Ms. Paris questioned if Mrs. Harrison was allowed in the Treasurer's Office. Ms. Onaitis stated that, legally, only a judge can remove her from her elected position. Only her official duties have been reassigned. She went on to say that they need to find out access and duties regarding Mrs. Harrison. She said that the judge can determine this and/or Council can make a request, although Council had not expressed an intention to do so. Ms. Onaitis went on to say that no formal decision making by the elected Treasurer can be done with regards to finance.

When Ms. Paris inquired as to whether Mrs. Harrison could help with some job duties she doesn't have access to, Ms. Onaitis advised her that Mrs. Harrison could verbally assist her.

At this time Vice Mayor Crosier made a motion to go into closed session under 2.2-3711(A) (1), of the Code of Virginia. Mr. Tucker made a second, and all members consented with an "aye" vote.

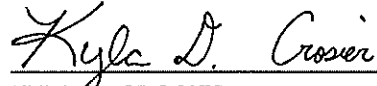
July 19, 2022

With no further business to come before Council, the meeting was adjourned by consensus.



THOMAS H. SIBOLD, JR., MAYOR

ATTEST:



KYLA D. CROSIER
CITY CLERK