

Unsealed by Board of Commissioners 03/29/2011.

**SEALED MINUTES  
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS  
REGULAR MEETING – MAY 23, 2005**

Pursuant to NCGS 143-318.11(a)(7) (to hear a report concerning investigation of alleged criminal misconduct) the group entered closed session at 8:25 p.m. in the large courtroom. Chairman Miller, Commissioners Chappell, Duvall, Guice and Phillips, the county manager, county attorney David Neumann, and the clerk to board were present for the discussions.

During the second closed session item, the manager reported that, in order for the Rosman Rescue Squad to close out its corporation by July 1<sup>st</sup>, Sandra Crowe, secretary and treasurer of the squad, has requested a letter from the county stating that no legal action is going to be taken against the squad in reference to its purchase of annuities for members of the squad. On July 1, 2004, Attorney Neumann wrote a letter to Mr. Jeff Hunt, District Attorney, requesting an investigation of the actions of the Rosman Rescue Squad regarding the use of tax funds that were used to benefit individual members of the Rosman Rescue Squad. On November 17, 2004, Mr. Hunt responded with a letter to the board of commissioners stating that in their investigation they found no violation of North Carolina criminal statutes.

The county has just received the squad's audits from Mike Pratt covering June 30, 2003 through March 31, 2004 and 2003 and 2004. The audit shows \$76,600 of funds was used to purchase annuities for members of the Rosman Rescue Squad.

Chairman Miller provided a brief review of the situation. He stated that the district attorney has found that there was no criminal wrongdoing, but he made no finding on the civil aspects. Attorney Neumann noted that the Rosman Rescue Squad currently exists as a non-profit entity. Funds cannot be inured to the benefit of any of the members of the corporation. Our interest in the matter is that we have given the rescue squad taxpayers' money and we do not know at this point how that money has been expended. Mr. Neumann believes that we do not have enough information to date in order to understand the whole situation.

The chairman asked if there was any way to help the rescue squad get out of the situation and stated that this kind of situation is why the squads should have a budget. He was told that the individual members could pay for the benefits as a possible way to resolve the issue. After a discussion on possible ways to help resolve the situation, it was decided that Mr. Neumann would gather as much information as possible and then we would approach the rescue squad with possible solutions to correct the situation.

There was consensus that there was not enough information for the board of commissioners to make a decision on the rescue squad's request. The manager was given general directions on how to proceed. Following the discussions, **Chairman Miller moved to leave closed session and reconvene open session, seconded by Commissioner Guice and unanimously carried.**

ATTEST:

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Mike Hawkins, Chair  
Transylvania County Board of Commissioners

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Trisha M. Hogan  
Clerk to the Board