

SPECIAL MEETING

August 16, 2022

In Attendance:

Members Present: Mayor Janet Winkler, Mayor Pro Tem, Rick Shew, **Commissioners:** Larry Chapman, Jim Engelman, Jeff Link, Barry Mitchell and Ann Smith

Others Present: Town Manager, Jonathan Greer, Chief of Police, Richard Blevins, Town Attorney, Jonathan Green, and Town Clerk, Tammy Swanson

Call to Order:

Mayor Janet Winkler called the Special Meeting to order. She stated that the purpose of the meeting was to discuss the new legislation enacted in December 2021 concerning board members serving on non-profit boards.

Discussion: Board Members Serving on Non-Profit Boards:

Attorney Jonathan Green asked for a show of hands of how many Board Members are currently serving on either the board or a committee of a non-profit. All of the Board Members indicated that they either served on a board or as a member of a non-profit. Mr. Green stated that in the past, the school of government has cautioned elected officials about serving on boards/committees of non-profits, and now the legislature has decided to step in with a new law on this topic. (*Background Information: Section 14-234.3 prohibits public officials who also serve as directors, officers, or governing board members for non-profits from participating in making or administering any contracts with those non-profits. When a governing board considers a contract with a non-profit, including any award of money, board members involved with that non-profit must recuse themselves from any deliberation and record their recusal with the clerk. Knowingly violating these provisions is a Class 1 misdemeanor.*)

Mr. Green commented that if a Board Member serves on a Board of a non-profit, and decisions are being made between the Town and that non-profit, the best thing for the Board Member to do is excuse themselves, file it with the clerk, and have nothing at all to do with the decisions being made. Mr. Green suggested that if a Board Member is constantly having to recuse themselves, it may be better for them to not serve on the non-profit board.

Jim stated that he serves as Chairman of the Hudson Rotary Club. He explained that with the summer concert series sponsored by the Rotary Club, the Town requires an application for use of the park where the events are held, and the application requires Board approval. Jim added that he also applies for an alcohol permit for the events.

Mr. Green stated that Jim needs to file a recusal with the clerk when decisions are being made by the Town Board concerning the Hudson Rotary Club. Mr. Green added that even if another Rotary Club member presents the application, Jim still needs to completely back away. Mr. Green explained that the goal of this legislation is to avoid anything that could be construed as an undue influence by an elected official.

HCDA (Hudson Community Development Association) was discussed with Mr. Green. HCDA is a non-profit, with the majority of what they do being done to benefit the Town. HCDA sponsors all types of events, with some requiring a lot of support from the Town, and others not as much. One of their main events is the Butterfly Festival which is held in Town each year. The day of the festival, Town Employees are heavily involved, and in the days leading up to the event, Town Employees are involved with vendor

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preparations, etc. The funds raised through the Festival go to HCDA even though the perception of the public is that the money goes to the Town. HCDA then uses the funds to help with Town projects, etc.

The question was asked if using Town Employees for the non-profit events is allowed.

Mr. Green stated that NCGS § 14-234.3 deals more with elected officials. Whether or not Town Employees should be involved with non-profit events would need more research.

Jeff asked if it is acceptable for elected officials to attend meetings of non-profit organizations. He stated that he serves on a committee for Smart Start; however, the committee never brings business before the Town Board. Jeff commented that he serves as their representative from a local board.

Mr. Green stated that non-profits do like to have representation from local boards with elected officials, which is part of the reason this new legislation was enacted. Mr. Green added that whether or not to serve on a non-profit is a judgement call for the Board Members. He commented again that the School of Government recommends serving on non-profits with caution.

Adjournment:

Adjournment: (Larry Chapman/Jim Engelman) to adjourn the meeting. Unanimously approved.

Tamra T. Swanson, Town Clerk