

**MINUTES OF THE MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
July 10, 2006 – 7:00 PM  
J. NEWTON COHEN, SR. ROOM, ADMINISTRATION BUILDING**

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Present: Arnold S. Chamberlain, Chairman  
Jim Sides, Vice-Chairman  
Steve Blount, Member  
Frank Tadlock, Member  
Chad Mitchell, Member

County Manager William Cowan, Clerk to the Board Carolyn Athey and County Attorney Jay Dees were present. Finance Director Leslie Heidrick was absent.

Chairman Chamberlain called the meeting to order at 7:00 pm.

Chairman Chamberlain provided the Invocation and also led the Pledge of Allegiance.

**EXECUTIVE SESSION**

Commissioner Mitchell moved at 7:05 pm for the Board to enter Closed Session pursuant to North Carolina General Statutes 143-318.11(a)(7) to receive a report regarding a criminal investigation. The motion was seconded by Commissioner Blount and passed unanimously.

The Board returned to Open Session at 9:00 pm.

Commissioner Sides said there were 7 areas/conclusions listed in the report that had been provided to the Board in the Closed Session. Commissioner Sides reviewed the conclusions as follows:

**I. ASSESSMENT OF THE COUNTY MANAGER'S PERSONAL FILES, EMAILS, HARD DRIVE AND PERSONAL DOCUMENTS**

**Conclusions:**

1. Indicates that the County's computer system and its backup procedures only allow for a snapshot of computer generated files and emails. The information that is available does not provide evidence of

criminal conduct by Tim Russell nor a basis to initiate criminal charges against him.

2. Mr. Russell's email files suggest that documents were permanently removed from the County system, however there is no evidence that the removal was intentional rather than merely the former County Manager's style of deleting read emails.

## **II. ASSESSMENT OF THE COUNTY MANAGER'S VIOLATION OF COUNTY RULES, REGULATIONS, POLICIES & ORDINANCES**

### **Conclusion:**

1. There is no evidence that Mr. Russell accepted any gift or favor or otherwise personally benefited from any contract while he was County Manager.

## **III. ASSESSMENT OF THE COUNTY MANAGER'S CONDUCT FROM INTERVIEWS WITH DIRECTORS, STAFF AND VENDORS**

### **Conclusions:**

1. County Staff generally held Mr. Russell in high regard.
2. No Department Director witnessed or knew of any unethical or illegal conduct by Mr. Russell.
3. No staff person or director was aware of any conduct by Mr. Russell that constituted a felony.

## **IV. ASSESSMENT OF COUNTY MANAGER'S AND COUNTY CLERK'S FILES & RECORDS**

### **Conclusions:**

1. Mr. Russell violated the County Travel & Reimbursement Policy through purchases of alcohol.
2. Mr. Russell violated the County's Travel Policy by submitting and receiving reimbursements without receipts or proper documentation.
3. While this violated the County's Travel Policy, there is no criminal penalty existing for these violations.

## **V. ASSESSMENT OF CONTRACTOR PRACTICES & THE COUNTY MANAGER'S ACTIONS FOR POSSIBLE VIOLATIONS**

### **Conclusions:**

1. Rowan County's Procurement Policy was often violated during Mr. Russell's administration.
2. Violations of the policy were known to the County Manager.
3. Several county staff in several departments failed to informally bid contracting opportunities with the County.
4. Some contracts entered into by the County were not pre-audited at the time of the contract.
5. Several county staff and departments routinely order supplies, materials and equipment without purchase orders.

6. Despite the frequency of the County's contracting with certain agencies, there is no evidence that Mr. Russell had a relationship with any of those companies, nor is there any evidence that Mr. Russell steered or directed contracting opportunities to any of those vendors or accepted any gifts or favors from any of these vendors.
7. These types of violations of the County's Procurement Policy or state bidding statutes do not result in felony criminal sanctions.
8. While Mr. Russell ran the day-to-day operations of the County, vendor relations appear to have been left to the Department Directors and the Director of Administration. From the interviews with Department Directors, one message came through clear - Mr. Russell was obsessed with avoiding the appearance of impropriety; he kept his distance from his staff and from vendors.

## **VI. ASSESSMENT OF THE STANDARD AERO LEASE AS A VIOLATION**

### **Conclusions:**

1. There is no evidence of a criminal violation by Mr. Russell pertaining to the Standard Aero transaction.

## **VII. ASSESSMENT OF THE USE OF PUBLIC FUNDS FOR THE KIKER INVESTIGATION**

### **Conclusions:**

1. While the County Manager's engagement of Kiker Investigations may have reflected poor judgment, as County Manager he was authorized to contract on behalf of the County.
2. No legal theory exists to support a felony conviction of Mr. Russell based on his actions in the Kiker Investigation.

## **VIII. OVERALL FINDING AND CONCLUSION**

The overall findings and conclusions based on the investigation are that there is no basis to initiate criminal charges, which would lead to a felony conviction against Mr. Russell.

Commissioner Mitchell said there were also 2 other areas that were investigated:

### **Employee Performance Evaluations**

#### **Conclusions:**

1. Mr. Russell did not conduct routine performance evaluations of the department directors.
2. Despite failing to develop performance evaluations ratings, Mr. Russell recommended merit increases to the Personnel Board and assigned merit increases to department directors.

## **Credit Card Use**

### **Conclusions:**

1. The County Manager's credit card account did not indicate fraudulent or criminal conduct.

Commissioner Mitchell said it was the intention of the Board to release the entire report of the investigation in redacted form on July 17, 2006.

Commissioner Mitchell said that while the investigation did not reveal any felonious criminal wrongdoing by Mr. Russell, it did reveal that several county policies were not being followed. Commissioner Mitchell expressed hope that the Board would use the results of the investigation to ensure that policies are followed in the future.

Commissioner Mitchell said the issue had gone on for almost one year and during the course of that year, he felt the public had lost faith in county government, including the current Board. Commissioner Mitchell said the Board had taken corrective measures to "fix that assessment of this Board." Commissioner Mitchell said he hoped the public would be able to move on and that the Board would use the results of the investigation to make positive changes in county government.

Commissioner Blount moved to terminate the investigation and to release the funds being held from Mr. Russell's severance package to him. The motion was seconded by Commissioner Tadlock.

Commissioner Sides commented that as an elected official there are times when he must rely on the advice of others. Commissioner Sides said the County Attorney had recommended strongly that there were a few items in the report that needed to be redacted. Commissioner Sides said he would agree to the County Attorney's advice and that on Monday night (July 17) he would accept no less than a complete submittal of the document to the general public.

Commissioner Sides said he had never believed that the investigation would reveal any charges that would rise to the level of a felony. Commissioner Sides said he had no ill feelings for Mr. Russell but that he believed Mr. Russell violated some areas of his job. Commissioner Sides said he would be asking the Board send a letter to the professional association of which Mr. Russell is a member, suggesting that Mr. Russell did not follow county/state policies and that he openly refused to submit information to all members of the Board. Commissioner Sides stressed that the County Manager works for the entire Board and is obligated to provide the same information to every member.

Chairman Chamberlain said for the record that he agreed with the comments as stated by Commissioner Sides.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Sides dissenting.

**ADJOURNMENT**

Commissioner Mitchell moved, Commissioner Blount seconded and the vote to adjourn the meeting at 9:13 pm passed unanimously.

Respectfully Submitted,

Carolyn Athey  
Clerk to the Board