

MINUTES OF THE CROCKETT CITY COUNCIL MEETING HELD ON THE 28<sup>th</sup> DAY OF MARCH 2022 IN THE CITY HALL COUNCIL CHAMBERS, LOCATED AT 200 NORTH FIFTH IN THE CITY OF CROCKETT, HOUSTON COUNTY TEXAS AT 6:00 P.M.

THE COUNCIL MET IN SPECIAL SESSION WITH THE FOLLOWING MEMBERS PRESENT: IANTHIA FISHER, GENE CALDWELL, DARRELL JONES, ERNEST JACKSON, MARQUITA BEASLEY & MIKE MARSH. CITY OFFICIALS PRESENT: CITY ADMINISTRATOR JOHN ANGERSTEIN AND CITY SECRETARY MITZI STEFKA.

#### OPEN MEETING WITH INVOCATION AND PLEDGE

Mayor Fisher called the formal session open. Council member Jackson gave the invocation and all joined in the pledge.

#### RECOGNITION OF VISITORS

Mayor Fisher recognized all visitors present.

COMMENTS FROM AUDIENCE OR COUNCIL *(At this time, anyone will be allowed to speak on City related matters only; no personnel matters or matters under litigation will be allowed. The length of time may not exceed three minutes. NO Council discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.)*

Natrenia Hicks – audit findings

#### 1. DISCUSSION AND ACTION TO ADDRESS CROCKETT ECONOMIC & INDUSTRIAL DEVELOPMENT CORPORATIONS 2020 AND 2021 FINANCIAL AUDIT FINDINGS

Mayor Fisher and Council members discussed in length the findings of the 2020 and 2021 Financial Audits:

Mayor Pro Tem Marsh stated that in April 2021, the CEIDC Board held a meeting to discuss the findings of the 2020 audit and a policy was approved that stated in part that no checks would be signed blank. The 2021 audit findings again found that checks were signed blank. By not correcting this finding the city has had grant reimbursements put on hold. He continued he would like the city to take over the check writing for the CEIDC.

Council member Jones voiced his concerns about Mr. Gentry not having documents he felt were needed and not enough time was given for his board to look over and address the audit findings. Mr. Angerstein stated the audit presented to council was received by email the same day as the council meeting. (March 21, 2022)

Council member Jones ask Mr. Gentry when he received the audit, he responded that he received it on Friday, March 25 about 10:00 am. He then addressed council concerning the bylaws of the board and the need to update the policies. He stated there were no bills acted on prior to approval.

Mayor Fisher stated the issue is with the procedure; that being that checks are being pre signed and the corrective plan was not followed. Mr. Gentry stated that checks were pre signed and in hindsight he should not have allowed it.

Mayor Fisher explained that if there is not a clean audit it can affect funding for grants and can put holds on reimbursements that are payable to the city. Council member Jones asked for copies of the checks in question. Mayor Fisher stated the discussion is not about the checks but about the corrective action plan. Mayor Pro Tem Marsh stated he is not saying any money was missing or Mr. Gentry stole anything but that policies should be adhered to.

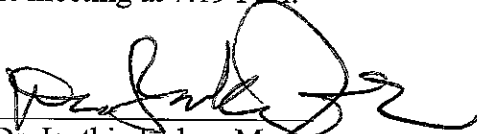
Council member Jackson commented the issue is whether or not what was put in place is being followed and that no checks should ever be pre signed. Mr. Gentry agreed and noted that he is in the process of getting all board members as signatories.

Board President Mr. Barkley explained to council that the board has a lot of policies without procedures which leaves policies open for interpretation. The board is in the process of updating policies and procedures. He went on that he understands there was a corrective action plan that was not followed.

Conversations went on to discuss in depth the failure of the CEIDC to follow the corrective action plan to ensure grant funding would no longer be suspended and to receive a clean audit. Council member Beasley made a motion to adopt a written procedure on the check writing to be approved by council and included in the revised corrective action plan. Council member Jones second the motion. Motion passes 5-0.

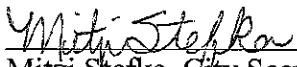
#### ADJOURNMENT

Without objection, Mayor Fisher adjourned the meeting at 7:19 P.M.



Dr. Ianthia Fisher, Mayor

ATTEST:



Mitzi Stefka, City Secretary