

MINUTES OF THE CROCKETT CITY COUNCIL MEETING HELD ON THE 1ST DAY OF AUGUST 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 REGULAR SESSION WITH THE FOLLOWING MEMBERS PRESENT: IANTHIA FISHER, GENE CALDWELL, ERNEST JACKSON, DARRELL JONES, & MIKE MARSH. CITY OFFICIALS PRESENT: CITY ADMINISTRATOR JOHN ANGERSTEIN, CITY SECRETARY MITZI STEFKA, POLICE CHIEF CLAYTON SMITH AND FIRE CHIEF JASON FRIZZELL. MARQUITA BEASLEY NOT PRESENT.

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.)*

1. APPROVAL OF MINUTES: SPECIAL SESSION - JULY 18, 2022

Mayor Pro Tem Marsh made a motion to approve the minutes of the July 18, 2022 Special Meeting. Council member Caldwell seconded the motion. Motion passes 4-0.

2. FISCAL YEAR 2023 BUDGET UPDATE/WORKSHOP

Mr. Angerstein explained that after the last budget workshop, it was made clear that the council's priority was to attract and retain employees. A balanced budget was presented based on the voter approval tax rate (0.542) which means there were no additional funds to put towards employees' salaries. He went on to explain, Senate Bill 2 allows a city to adopt the de minimus tax rate (0.6813), thus bringing in \$500,000 of additional taxes without requiring a city election. The budget presented has these additional funds allocated to salary and personnel costs. A competitive employee salary range was developed to ensure parity for all city departments. Water rates, specifically the 2% increase from the Houston County Water Development Board, were discussed by council. Concerns regarding the terms of the city's contract, quality and amount of water the city is required to pay for. Council would like the Water District Board to come to city council. Council discussed at length the tax rate and noted there will be tax hearings before the rate is adopted.

3. CONSIDER AND APPROVE PROPOSED TAX RATE

Mayor Pro Marsh made a motion to approve the proposed tax rate of 0.6813. Council member Jackson seconded the motion. Motion passes 4-0.

4. CONSIDER AND APPROVE 2022-2023 FISCAL YEAR BUDGET FOR THE CROCKETT ECONOMIC & INDUSTRIAL DEVELOPMENT CORPORATION

Mr. Angerstein stated Mr. Gentry would need more time to finalize and requests this be tabled until next meeting. Council member Caldwell noted he would like to see the budget at least a week before approval in order to review. Mr. Gentry stated he would have the budget ready for council after his final workshop on the 9th. Council member Caldwell made a motion to table this item until next council meeting. Council member Jones seconded the motion. Motion passes 4-0.

5. CONSIDER AND APPROVE DIRECTING THE BOARD OF DIRECTORS OF CROCKETT ECONOMIC AND INDUSTRIAL DEVELOPMENT CORPORATION TO AMEND SECTION 7.03 OF THE BYLAWS OF CROCKETT ECONOMIC AND INDUSTRIAL DEVELOPMENT CORPORATION TO DELETE THE WORDS 'FOR THE PREVIOUS FISCAL YEAR'

Council member Jones made a motion to disapprove because this didn't come from Economic Development but from city administrator. Mayor Fisher stated that Mr. Angerstein was directed at the last meeting to oversee the forensic audit. Council member Jones stated changing the bylaws should come from Economic Development. Mayor Fisher stated the authority comes from city council only, they are the final authority. Council member Jackson stated he made it clear at last meeting that he wanted the forensic audit to include the previous two administrations and for that to happen the wording "for the previous fiscal year" in the bylaws needs to be deleted. Mr. Angerstein clarified this change will allow for the latitude for council to make the decision on which way they would like to go; either sharing the cost or the city paying all the costs. After further discussion, Council member Jones makes a motion to disapprove. Motion dies for lack of second. Council member Caldwell made a motion to approve directing the Board of Directors of Crockett Economic and Industrial Development Corporation to amend Section 7.03 of the bylaws of Crockett Economic and Industrial Development Corporation to delete the words 'For the Previous Fiscal Year'. Council member Jackson seconded the motion. Motion passes 3-1. Council member Jones voted against the motion.

6. CONSIDER AND APPROVE RATIFYING THE SECOND AMENDED INCENTIVES AGREEMENT BETWEEN CROCKETT ECONOMIC & INDUSTRIAL DEVELOPMENT CORPORATION, THE CITY OF CROCKETT, TEXAS AND ONSHORE TECHNOLOGY SERVICES, INC. DATED APRIL 1, 2019

Mr. Angerstein explained that the only Incentive Agreement on file is the original agreement. The second amended Incentive Agreement was approved by the Economic Development Board but has not been approved by city council. Mayor Pro Tem Marsh made a motion to approve ratifying the second amended Incentives Agreement between Crockett Economic & Industrial Development Corporation, the City of Crockett, Texas and Onshore Technology Services, Inc. dated April 1, 2019. Council member Jackson

seconded the motion. Motion passes 3-1. Council member Jones voted against the motion.

7. CONSIDER AND APPROVE DECLARING ONSHORE TECHNOLOGY SERVICES, INC. IN BREACH OF THE SECOND AMENDED INCENTIVES AGREEMENT BETWEEN CROCKETT ECONOMIC & INDUSTRIAL DEVELOPMENT CORPORATION, THE CITY OF CROCKETT, TEXAS AND ONSHORE TECHNOLOGY SERVICES, INC. DATED APRIL 1, 2019 AND TO SEEK RECOVERY OF THE DAMAGES IMPOSED BY THE AGREEMENT IN THE EVENT OF BREACH OF CONTRACT

Mr. Gentry explained that in lieu of seeking litigation over the breach of contract by Onshore Technology Services, he recommends taking ownership of the generator, the security system and possibly the furniture left in the building. Council member Jackson made a motion to approve declaring Onshore Technology Services, Inc. in breach of the Second Amended Incentives Agreement between Crockett Economic & Industrial Development Corporation, the City of Crockett, Texas and Onshore Technology Services, Inc. dated April 1, 2019 and to seek recovery of the damages imposed by the agreement in the event of breach of contract; to not pursue legal litigation and to recoup costs by taking ownership of the generator, the security system and possibly the furniture left in the building. Council member Jones seconded the motion. Motion passes 4-0.

8. EXECUTIVE SESSION: GOV. CODE SECTION 551.072 - DELIBERATION REGARDING REAL PROPERTY. TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

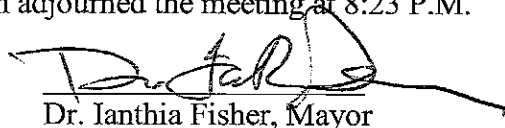
Mayor Fisher stated council would convene into Executive Session: Gov. Code Section 551.072 – Deliberation Regarding Real Property. To Deliberate the Purchase, Exchange, Lease, or Value of Real Property. Time was 7:54 P.M.

RECONVENE INTO REGULAR SESSION AND CONSIDER ACTION, IF ANY, ON EXECUTIVE ITEMS

Council was reconvened into open session. Time was 8:22 P.M. Council member Jackson made a motion to purchase certain real estate for use as an animal shelter for the amount of \$275,000 and to purchase additional items in amount of \$4050 and to designate these funds to be paid from the American Rescue Plan Act Fund and not from any taxes we are looking at currently. Mayor Pro Tem Marsh seconded the motion. Motion passes 4-0.

ADJOURNMENT

Without objection, Mayor Pro Tem Marsh adjourned the meeting at 8:23 P.M.


Dr. Ianthia Fisher, Mayor

ATTEST:


Mitzi Stefka, City Secretary