

MINUTES OF THE CROCKETT CITY COUNCIL MEETING HELD ON THE 11th DAY OF MARCH 2024 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, DENNIS IVEY, DARRELL JONES, ERNEST JACKSON, MARQUITA BEASLEY & MIKE MARSH. CITY OFFICIALS PRESENT: CITY ADMINISTRATOR JOHN ANGERSTEIN, OFFICE SUPERVISOR SELENA ELEBY, CITY ATTORNEY BILL PEMBERTON AND POLICE CHIEF CLAYTON SMITH.

OPEN MEETING WITH INVOCATION AND PLEDGE

Mayor Fisher called the special 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.)*

- Sherald Wood – Commented on CEIDC investigations.
- Kat Cross – Commented on placement of executive sessions on agenda
- Natrenia Hicks – Commented on CEIDC investigations.
- John Jenkins – Withdrew his comments
- Diane Rhone – Commented on CEIDC investigations

EXECUTIVE SESSION

1. TEXAS GOV. CODE 551.071: CONSULTATION WITH ATTORNEY REGARDING INVESTIGATION OF CROCKETT ECONOMIC AND INDUSTRIAL DEVELOPMENT CORPORATION

Mayor Fisher stated the Council would convene into Executive Session per Gov. Code 551.071 - Consultation with Attorney Regarding Investigation of Crockett Economic and Industrial Development Corporation. Time was 6:06 P.M.

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

Mayor Fisher reconvened the meeting into open session. Time was 7:02 P.M.

2. CONSIDER AND APPROVE HIRING AN INDEPENDENT EXPERT AND SPECIAL LEGAL COUNSEL TO:

- A. OVERSEE AN INTERNAL AFFAIRS REVIEW OF FORENSIC AUDIT FINDINGS, AND
- B. DETERMINE RESPONSIBLE PARTIES, AND
- C. PRESENT A RECOMMENDED CORRECTIVE ACTION PLAN

Mayor Pro Tem Marsh made a motion to approve hiring an independent expert and special legal counsel to oversee an internal affairs review of forensic audit findings, determine responsible parties and present a recommended corrective action plan. Council member Jackson seconded the motion. Motion passes 3-2. Council members Jones and Beasley voted against.

3. PROVIDE PUBLIC STATEMENT ON BEHALF OF THE CITY OF CROCKETT REGARDING THE PROGRESS OF THE INVESTIGATION INTO THE CROCKETT ECONOMIC AND INDUSTRIAL DEVELOPMENT CORPORATION

Mayor Fisher read the following statement:

Dear Residents of Crockett,

As stewards of accountability and transparency, the City Council of Crockett wishes to update you on the progress of the investigation into the findings of the Crockett Economic and Industrial Development Corporation (CEIDC) forensic audit conducted by Weaver and Tidwell, dated January 5, 2023. Since then, significant steps have been taken to address the concerns raised within the audit while upholding the integrity of the fact-finding process.

Foremost, upon discovering many findings outlined in the forensic audit report, the City Council acted swiftly. All activities of CEIDC were temporarily suspended, and the staff were placed on paid administrative leave pending further investigation. These actions are documented in the City Council minutes of January 9, 2023.

Subsequently, the Crockett Police Chief was requested to open an investigation into each audit finding to determine responsible parties, if any, for financial and operational misconducts of the corporation and request outside support as needed. After looking into the case, the Crockett Police Chief reached out to the Texas Attorney General's office and requested their assistance due to the nature of the case and the state's resources.

During the period of the criminal investigation, the city opted for a measured approach to respect the legal process and the independent scrutiny of the Texas Attorney General's office. The city chose not to comment extensively on the matter to avoid any interference with the ongoing investigation and to ensure impartiality and fairness.

As of March 6, 2024, the criminal investigation by the Attorney General's office has been concluded with no pursuit of criminal prosecution by their agency. Now that it has been decided by the Texas Attorney General's office that there will be no criminal prosecution by the state agency, the city must address the potential violations as identified by the forensic audit before it can proceed with restoring CEIDC regular operations.

Moving forward, the City Council is committed to ensuring thoroughness and accountability in addressing the remaining segments of the audit review. To this end, the City Council is taking the following steps and actions:

1. **Hiring Independent Expert and Special Legal Counsel:** The Council will engage an independent expert and special legal counsel to oversee an internal affairs review and develop a corrective action plan.
2. **Internal Affairs Review:** This review will examine the forensic audit findings to determine whether any violations occurred and what corrective actions should be taken. Responsible parties, if any, will be identified and a recommended corrective action plan will be presented.
3. **Scope of Corrective Action Plan:** There will be a thorough review of existing financial policies and procedures to strengthen controls, oversight, and accountability. Restructuring and training initiatives, as needed, will be considered to prevent future incidents, with an emphasis on financial management, and statutory compliance. Enhanced oversight and monitoring protocols will be implemented, along with communication strategies to ensure transparency and rebuild public trust.

The City Council remains resolute in its commitment to address the findings of the CEIDC forensic audit with diligence and integrity. We assure you that every effort will be made to implement necessary reforms and uphold the highest standards of governance.

We recognize and appreciate your patience and support as we navigate this process. Together, we will emerge stronger, more accountable, and better positioned to serve our community.

Sincerely,
City of Crockett

ADJOURNMENT

Without objection, Mayor Fisher adjourned the meeting at 7:25 P.M.

Dr. Ianthia Fisher, Mayor

ATTEST:

Mitzi Stefka, City Secretary