

EXECUTIVE MINUTES

for

Crockett Economic & Industrial Development Corporation

Board of Directors

Thursday, May 13, 2021 @5:30

CEIDC DIRECTORS PRESENT:

Gerald Barkley
Cynthia Neel
Colin Castleberry

City of Crockett

Mayor Ianthia Fisher
John Angerstein

Ex-Officio

Darrell Jones

Visitors:

Mollie Abele
Alton Porter
Will Johnson
Gene Caldwell
Kim Spellman
Chuck Spellman
Dowdy Furrh

CEIDC STAFF:

James J. Gentry
Carolyn Mcknight

- A. Call Meeting to Order: The meeting was called to order by Gerald Barkley.**
- B. Opening Meeting with Invocation and Pledge of Allegiance:** Invocation was led by Mayor Fisher and the Pledge of Allegiance was recited by all.
- C. Acknowledgement of Visitors and Public Comment:** Kim Spellman noted that she had sent Carolyn Mcknight, CEIDC Executive Assistant, an email earlier today to understand the requirements, eligibility and qualifications to be a Board member. Mrs. Spellman also said that there has been a lot of confusion and commotion in the last couple of months about racism. Inclusion is a really important piece in our world today. Boycotting a business that she owns and specifically saying that she is a racist is a personal attack upon her. Her interest is solely that the Board has a good governing structure and the policy are being repeatable up held. As a Hispanic female and a professional, she would appreciate that her being racist be squashed. Mrs. Spellman expressed that she had come to the Board about three years ago with a Business Plan. A person related to Mr. Gentry had information about her Business Plan which clearly should have been confidential. Mrs. Spellman stated that the person who knew confidential information was not at the meeting when she presented her Business Plan and she does not understand how the person received her confidential information. Mr. Spellman said that Crockett is a small town and people do chatter a lot. Mrs. Spellman said from her heart that she is not a racist but she is a professional business woman that likes structure in government and clarity. Mr. Gentry asked if anyone else had comments and thanked Mrs. Spellman for her comments.
- D. Approval of April 23, 2021 Minutes.** A motion was made to approve the minutes by Colin Castleberry and seconded by Cynthia Neel. The motion was approved by all.
- E. Approval of April 2021 Financials.** Cynthia Neel posed a question about an item that was on the financials pertaining to a charge on page 5 on the bank statement, check# 006914. She has a question about that amount being written to an individual and whether the individual received a 1099. The amount has been quite a bit more this month than usual from the previous months. She asked if the work performed was by contract labor. Mr. Gentry stated that there was some additional work that was done due to the weather conditions. Some trees had been taken down on the Mary Allen property and had been burned. The amount also included the regular work that is done at the Spur as well as the Industrial Park. In addition we started to take care of the property on 4th street of the Industrial park which has two large lots. We do have an estimate on file for what his work cost for those areas. Mr. Gentry said that this time was not the normal but because of the tree removals, the amount

was higher than usual this time. Mrs. Neel stated that the amount is about a third higher than usual. Mrs. Neel said that she would have a question for the auditor later on in the meeting. Mr. Barkley asked if an invoice was sent in and is the amount broken down. Mr. Gentry said yes we do have a ticket of the amount in our files as well. Mr. Barkley asked if there were any more questions on financials. A motion was made to approve the financials by Colin Castleberry and seconded by Cynthia Neel. The motion was approved by all.

- F. **Discuss and take action following review of CEIDC By-Laws, articles 7.04 to designate who can sign all checks, drafts, or orders for the payment of money, notes, or other evidences of ineptness issued in the name of the Corporation shall be signed or bear the facsimile of the signature.** Mr. Gentry stated that he had forwarded each Board member the process of getting signatures for the signature card. In conversation from our last meeting and based on this, it was suggested that we have everyone on the Board on the signature card and plus his self. In reference to anything that comes to impropriety, two Board members will sign the checks and his signature will not be a part of it. Mr. Gentry said that he would need everyone's I.D. so he can get them submitted to the bank. Cynthia Neel asked if we were changing the by-laws. Mrs. Neel asked Mr. Pemberton if he recommended that all the Board member and the Executive Director be placed on the signature card. Mr. Pemberton said that the bylaws state that the President and the Secretary Treasurer and any other director designated by the Board. There has been no other director designated by the Board so if the President and the Treasurer is out of town, you cannot pay any bills. The checks will be signed by two people, Mr. Gentry and a Board member. If a check is to be written to Mr. Gentry, two Board members would sign the check. Mr. Pemberton said that the City Council will have to approve this also. Mrs. Neel asked if after the bylaws are changed, if the Board would have a chance to review before they go to the City Council for approval. Mrs. Neel said that Mr. Gentry had been here four years and he was aware of some of the guidelines in writing checks. She also said that she hoped that Molly would be able to answer some questions about writing checks and 1099s. Cynthia said that as long as the Board goes through training and we are all aware of the guidelines when we are signing stuff and Mr. Gentry is aware also. We having been signing checks and was not aware that the individuals needed 1099s. Mr. Gentry has been here 4 years or so and we have not given anyone 1099s. Mrs. Neel said that she wants to get to the point where we are making sure that we are looking at everything and making sure that everything is done correct. Mr. Barkley interjected that right now we are concentrating on who names will be placed on the checks. Upon looking at the signature card, Mr. Barkley stated that a name needs to come off first, actually a couple of names. We will also need a couple of names to replace it. Mr. Castleberry

said that he thinks the simplest thing is keep us doing the right thing is to look to guidance from the City. The mayor stated that what the Council would address is whether enough names has been placed on the signature card where it would not be a conflict of interest. That is the only questions that we are trying to answer at this point. The recommendation is more signatures is better than not enough. The only question is who will be the five people that you want on the signature card. That would not be a problem for the Council. The Council would say for you to place your Board on the signature card. It is stated that the Board should sign the checks. Mr. Pemberton suggested that Mr. Gentry be added. Mr. Angerstein added that when you send in a signature card, you write the names of the people along with their social security card for ID. If you place the titles on the signature cards, then that might change and you will be going back and forth. With the City, if the amount is under \$25,000.00, they only use two signatures. If the amount is over \$25,000.00, then they use three signatures. Mr. Barkley asked what does the bylaws state. Mr. Pemberton said that the bylaws states that the President, Secretary/Treasurer and one other Board member designated by the Board to sign checks. Colin Castleberry made a motion that we have Mr. Pemberton to amend the bylaws and have all Board members as being authorized to sign checks along with Mr. Gentry with a minimum of two signatures. Cynthia Hargrove seconded the motion and the motion was passed unanimously.

G. **Annual Selection of Officers:** Mr. Gentry said that it has been a year since selection of officers. Back in September, everyone was aligned properly. The bylaws state that September 30th is the date that we usually make changes. In September 2020 the City Council reapproved Mr. Barkley and Mr. Castleberry for another two years. The only clarification that is needed is whether Rev. Thompson was resigning from the Board or resigning from his position as Secretary/Treasurer. Rev. Thompson is not here today so maybe we should table this item. Mayor Fisher asked whose position is coming up this year. Mr. Gentry stated, Mr. Von Doenhoff, Rev. Thompson and Mrs. Neel.

H. **Discuss and Schedule workshop on Bylaws:** Mr. Gentry said when the Board members were appointed to the Board, they received binders. He felt that it would be a good time to set a date to review the bylaws and discuss changes. Mr. Pemberton would assist with those changes and update or modify to make sure we are in compliance. The Board was established in 1995 and that was over 25 years ago and there has been some changes. The mayor said that the only challenge is that there would be new Board members that would be coming on in September. The

mayor made a suggestion that the present Board members would start reading the bylaws and going through them so that when the changes come that you would be in a position to have a conversation. A good thing to do is to break the bylaws into subsections. Once the bylaws are broken down, the Board could discuss the subsection or the pages that have been already read. The bylaws in one setting is unrealistic. Some of the bylaws are easy and some are not easy so breaking them into sections would be easier and would not overwhelm anyone. You have now until September 30 to meet and read over the bylaws. Mr. Gentry said that he would post a schedule for the next three months and we could discuss the bylaws. Mr. Pemberton asked when will be the next City Council meeting. Mr. Angerstein said June 7th. Mr. Gentry stated that there is plenty time to get it done. Mr. Barkley stated that there was other issues that the Board was going to discuss and maybe that would be a good opportunity to discuss those issues also.

- I. **Discussion/ Take Action on three items identified following the Acceptance of the Fiscal Year 2020 Audit for the Crockett Economic and Industrial Development Corporation with the firm of Axley & Rode LLP, Certified Public Accountants**
 - a. Take action to consider hiring of an outside bookkeeper and their responsibilities: Mr. Gentry stated that he had asked Molly to assist us tonight in hiring someone other than Axley and Rode for the bookkeeping purposes or whether they would be will to do it. Molly said that Axley and Rode can do some limited processing but very limited to what they can do as a bookkeeper. Axley and Rode do have a Business Service Dept. that kind of operated as a CFO. They could do the bookkeeping every month and give you all the reports that you need. In that scenario we would not be able to be your auditor. We could find you a new auditor and they could work with that auditor. They could still write the reports. You would have a third person doing the bookkeeper which is a good internal control. It is really left up to the Board how you would like Axley and Rode to help you. We could continue to be the auditor or we could take the bookkeeping which would help with your internal control. If we do the bookkeeping as the CFO, we can sit down and help you to make management decisions. If we are to stay with being the auditor then we are limited in that area. Mayor Fisher said that as a city, she thinks that it is best to keep everything together because the City and CEIDC are not a separate entity. It is so important that as a unit that it all be done by the same auditor. Mayor Fisher said that her recommendation is that we keep the unit together and allow Axley and Rode to continue to be auditor for the City of Crockett and Economic Development. Mrs. Neel said that she has some questions that you can answer for her tonight. Over the years there has been no 1099s distributed. Mr. Gentry and I have discussed this and switching roles from Board member to Executive Director, he was not aware of some of the things

that should be done. Therefore the 1099s have escaped being done. We are looking for a service that can help us with the service of the 1099. Also we have to submit those reports with those 1099s. We would need the bookkeeper service to be able to do that for us. Molly said that the end of each calendar year that Axley and Rode can pick out the vendors that will need a 1099. Mrs. Neel asked, if possibly, that we could have a mini auditor before the end of the year audit. Is that anything that we can find out before the end of the year where if there is anything that we need to find out before the fiscal year audit. Molly stated that they would not want two audits. Molly said that they have something that is called Agreed Upon Particulars that if there was anything in particular that you would want us to take a look at whether quarterly or bi-annually, then you could tell us exactly what you would want us to do then we could take a look at it. Mrs. Neel said she thinks personally that it would be something that would be of benefit. Mr. Barkley said that he thinks with the training that the Board will be having would help out with that along the line. Mr. Gentry said that there are also several bookkeepers in the area and he could with the Board's approval solicit a quote from them to ensure that we have the continuity with them as with our auditors. Mr. Barkley said that he thinks that we should allow Mr. Gentry to put some leg work and get quotes from different bookkeepers. The item will be tabled until further notice.

- b. **Take action on 1099 forms for Executive Director and other vendors:** Item B was spoken about in item A. Mr. Colin Castleberry stated that he still had some questions in reference to the 1099s. Is there any type of liability that Executive Development would incur for not giving out the 1099s? Molly said that the IRS might send out a penalty but it will not be significant. The penalty could possibly be for late filing and sometimes there might not be a penalty. It just really depends on the circumstances. The only problem is if the vendor files a tax return and did not turn in the wages. Mrs. Neel made a motion that Axley and Rode review our 1099s for the 2020 year and execute any changes and submit those into a report along with the 1099s. Colin Castleberry seconded the motion and the motion was approved unanimously.

- c. **Ratify actions of Board granting bonus/ incentive pay for Executive Director:** Mrs. Neel stated that she was not here for the meeting that the incentive was voted upon. Her parents were ill and both of them passed. She does not know what she needs to do since she was not here and was not a part of that meeting. Mr. Castleberry said that he would like to know a little bit more about that

meeting. Mr. Barkley stated that the incentive did not get placed in the minutes and we are having to do it now. Mayor Fisher said at the last meeting that it was discussed about how to make the incentive be legally done. To make it correctly done, it would need to be ratified. Ratified simply means to place it in the minutes of what the Board had said pertaining the incentive and what the Board had agreed upon. The Board had a lengthy discussion of what was said at the last meeting. Colin Castleberry made a motion that is was the intent of the Board to grant a bonus incentive to the Director. Cynthia Neel seconded the motion and the motion was passed unanimously.

J. Executive Session: GOV. CODE 551.074 – Personnel Matters

K. **Community Outreach**

a. **Discuss and take action on Industrial Park Sign selection.** Mr. Gentry stated that he had three items that he has tried to give the Board the information up front. He has a representative here today for one of the park signs in the Industrial Park. Mr. Gentry stated that he has three proposals with the addition of one additional sign on the fourth street corner. Mr. Rowdy Furrh represents one of those three companies. Questions were presented to Mr. Furrh about the Industrial Park sign. Mr. Barkley asked what kind of turn around we are talking about. Mr. Furrh said that July 9th would be the earliest that they could get started. Mrs. Neel asked about the time line. Mr. Gentry stated the Mr. Furrh's was the best timeline that he could get out of the three proposals plus the money was right for the budget. Mr. Gentry stated that he has looked over each proposal and believes that Extreme Signs give us the most bang for the buck. The second option would be the Stewart Signs. Stewart Signs and Extreme Signs both have signs in our area. Extreme Signs captures what we have and what has been put out with our logo. Mrs. Neel said that one of the goals of the Board has been to replace those signs and it has been an ongoing goal to try to move forward on that. Mayor Fisher asked what keeps the sign from fading. Mr. Furrh said that the paint is outdoor paint. Mrs. Neel made a motion that we purchase the signs from Extreme Signs that have been presented. Gerald Barkley seconded the motion and the motion was passed unanimously.

b. **Discuss and take action on Tech Center Repairs:** Mr. Gentry said that we have had some issues with plumbing at the Mary Allen house as well as the Tech Center. Williamson Plumbing came over and did an initial assessment and isolated the leakage and cleaned up the water. The part that was needed has been placed on back order. During this time every plumber has been tied down pretty hard. To get everything functional, the work will need to be done. The areas where the work will need to be done is in the Tech Center in the welding

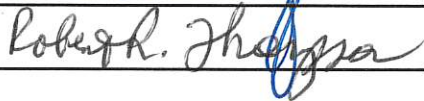
area and on the second level of the Mary Allen House. All these are weather related issues that he wanted the Board to be aware of. Mr. Barkley stated that if extensive work is needed, then we need to get preliminary figures before we get anything done. This item was tabled until the next meeting.

- c. **Discuss and take action to approve or amend Records Management Policy:** Mr. Pemberton said that the Records Management Policy was based on the Texas Statue and it is needed. Colin Castleberry made a motion to approve the Records Management policy and Cynthia Neel seconded the motion. The motion was approved unanimously.

ADJOURNMENT: With no further business to discuss, the meeting was adjourned.



President



Secretary/Treasurer