



**CITY OF LA MARQUE
CITY COUNCIL
SPECIAL MINUTES
of
September 23, 2024**

1. CALL MEETING TO ORDER

Mayor Bell called the meeting to order at 4:04 p.m.

2. ROLL CALL

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A (arrived at 4:17 p.m.)
Joseph Lowry	District C
James Ross	District D

3. NEW BUSINESS

3.1. Forensic Audit

Mike Brooks of BrooksWatson & Co PLLC, the city's auditor, gave a brief overview of the differences between a forensic audit and an annual audit; primarily being the scope of work. The annual audit is an overview of all accounts whereas a forensic audit has a much more narrow scope of work.

Councilmember Lowry shared his thoughts that the forensic audit should be a citywide forensic audit, without limitations. He asked for it to include credit card purchases, Economic Development purchases, utilities purchases, inventory, and travel among other areas. He questioned why new businesses are allowed to contract with the City. He stated that when he was "starting out", he asked for an audit to review hiring practices.

Councilmember Yancy asked for clarity regarding what could be considered a forensic audit, speaking directly to the allegations regarding hiring practices.

Mr. Brooks shared that while that could be included, it is not required to be completed by a CPA. Some of the items requested by Councilmember Lowry could be done by other means, such as a fraud investigation by an attorney, internal committee, or police department.

Councilmember Yancy asked clarifying questions of Finance Director Turner regarding purchasing card practices.

Mayor Pro Tem Compian shared his thoughts regarding previous purchasing policies and the changes that he has noticed during his time on council, taking care to point out the improvements under Finance Director Turner. He shared that travel and purchases made from the purchasing cards are required to have supporting documentation including receipts.

Finance Director Turner clarified what the purchasing policy is.

Mayor Pro Tem Compian felt as though the concerns of Councilmember Lowry are

primarily concerns about processes, which he agrees may need to be cleaned up. However, unless the auditors and finance team feel otherwise, he does not believe that there is a need for this particular form of audit.

Councilmember Lowry asked Finance Director Turner what her start date was. It was determined that she began with the City on September 11, 2023. He asked Mr. Brooks if a tip line has ever been established for staff to report to the auditors without the fear of retaliation.

Mr. Brooks said, no, that is not something his firm typically would do.

Councilmember Lowry reiterated his position that the city needs a forensic audit, citing his belief that Fund 12 has not followed state and federal purchasing guidelines. His thought is that "if everything is all clean and perfect then the cost will be minimal".

Mayor Bell disagreed with the statements made by Councilmember Lowry, sharing that his position "does not make sense" as there would be a cost associated with a forensic audit, regardless of findings, due to having a CPA check each line item, a task that would certainly not be free. He followed by questioning Mr. Brooks on the process regarding his firm's annual audit and questioned if there is any information that the auditors could access that the council is not privy to.

Mr. Brooks shared that the only thing he would be allowed access to that the council could not is private personal information.

City Attorney Knebel clarified that the restricted information would typically only be information such as social security numbers.

Mayor Pro Tem Compian exited at 4:54 p.m. and returned at 4:56 p.m.

Mayor Bell addressed concerns regarding apparel purchases from department stores stating that elected officials and staff members are allocated money to purchase shirts and things to wear.

City Clerk Nance was questioned regarding how apparel purchases were made. Before she could answer, Councilmember Lowry stated that the shirts could be purchased from Walmart, or some other vendor.

City Clerk Nance stated that apparel purchases are typically made one of two ways. Historically, there is an annual order made through Administrator Hunter's office organization wide, but there is also a uniform budget that each Councilmember or department is allocated to utilize throughout the year. Each Councilmember has purchased from various locations in order to satisfy their own personal needs, which has been allowed as long as the city has received the receipts as is expected when using the city purchasing cards.

Mayor Bell asked Finance Director Turner if she, as the staff member responsible for the purchasing policy, had found any instances in which the policy had been violated. She responded "not since I have been here".

Councilmember Lowry began to interject; However, City Attorney Knebel asked for everyone to speak one at a time for the purpose of decorum and efficiency.

Mayor Bell asked City Clerk Nance about travel to Louisiana, and how that happened.

City Clerk Nance identified that there are conferences that happen in Louisiana, most notably, a National Hurricane Conference that the Emergency Management team goes to each year.

Mayor Bell asked if the typical mode of transportation is to fly, which was

confirmed. He then asked what would be the method to travel from the airport to the hotel, which City Clerk Nance identified that the city has a corporate Uber account that is most often utilized for this transportation.

Mayor Bell chose not to belabor the point, but states that a lot of disinformation is being shared.

Mayor Bell stated that there is a Finance Director, Auditing Firm, and Council who are willing to review any area of concern as long as there is a scope. The government cannot be used as a tool of retaliation.

Councilmember Lowry stated "that was a good spin that you put on it". He said that there is no trust in the city government, and the taxpayers don't care how much it costs. He states that even though the Mayor has stated that the council has access to all records, he disagrees, "we don't have access to all records, we have access to some". This is a volunteer position and "we shouldn't have to self perform an audit". He spoke to the Mayor's recommendation to call the District Attorney, Jack Rody, if there was a concern. Councilmember Lowry replied with, "Well, Jack Rody seems to not care about corrupted politicians even when you can hand him the evidence", which he stated was a common thing right now in city government, "not good prosecutors or District Attorneys to follow up on criminal activity with elected officials". He stated that the choice to use department stores for apparel was a waste of taxpayers money, and he was not referring to Uber, it was Lyft. He felt that the Emergency Management division going to Louisiana was a waste of taxpayer dollars when it's "an hour to the boarder". He stated that there is "nefarious stuff" going on such as "every single building record for the Omega Bay subdivision is missing or destroyed".

Mayor Bell asked if he can say with certainty that this is all true. Councilmember Lowry confirmed.

Mayor Bell stated that if Councilmember Lowry "has it all figured out" then there is no need for a forensic audit, he should take that information to the District Attorney or "the feds".

Mayor Bell stated that the time has come to "push back" on the "disinformation" that has been put out in the city for three plus years. He stated that if Councilmember Lowry has all the evidence, he should give it to the District Attorney, the federal government, or "whomever you want to give it to". He continued, "but the problem is it's not really evidence" and it's time to move on. Mayor Bell stated in repetition as Councilmember Lowry repeatedly interjected that there needed to be a scope of work to proceed with a forensic audit.

Mayor Bell asked if there was anything else to discuss regarding this topic - his request was met with silence.

*** Councilmember Lowry exited at 5:12 p.m. ***

Clarification was required regarding whether action is allowed.

Councilmember Yancy stated that this is a teachable moment regarding what a forensic audit is, and the goal is to represent the residents. The Council has to be fiscally responsible. The budget is tight this year and if this were to happen, it would be paid for out of the city's reserve fund, which is supposed to be at 90 days but currently sits at 72.

Mayor Bell stated that as a council the city has to be fiscally responsible, and that includes determining a scope of work for a forensic audit. There needs to be

bounds, and it needs to be taken to the financial experts.

***Councilmember Lowry returned at 5:15 p.m.*

Mayor Bell shared his concern for Fund 12.

City Attorney Knebel has received questions regarding a payment of a crime analyst from Fund 12, and a lot of the scope of a crime analyst is crime prevention, which is an allowable expense under state and federal guidelines. Councilmember Lowry argued that to hire an expert in the police department or any law agency, the person must have the expertise in that field with credentials to back up their expertise.

Councilmember Ross exited the room at 5:19 p.m.

Councilmember Lowry rebutted that there has to be an expert, it cannot just be anyone.

Chief Aragon clarified that there are licensed crime analysts, but it is not required. Mayor Pro Tem Compian read a pdf document from the Texas State Auditor's Office with the credentials required for a crime analyst.

Mayor Bell returned the focus to the forensic audit and stated that the city needs to be good fiscal stewards and that nothing nefarious was noted. He stated that all questions that arise can be directed to Finance Director Turner, Mr. Brooks, District Attorney Roady, or Mr. Meritt Garland instead of conducting a forensic audit unless real evidence is produced.

NO ACTION WAS TAKEN.

4. EXECUTIVE SESSION

There was no executive session.

5. ACTIONS TAKEN FROM EXECUTIVE SESSION

No actions were taken.

6. ADJOURNMENT

Mayor Pro Tem Compian made a motion to adjourn. Councilmember Ross seconded.

MOTION CARRIED UNANIMOUSLY.

***Meeting was adjourned at 5:28 P.M.*