

...City Councils update  
(Continued from front page)

Loyd had proposed various settlements during this time period starting as low as \$16,000. However, the city legally could not settle with Mr. Loyd. By law, any settlement outside of a lawsuit would be considered a gift and therefore illegal.

City officials contacted the Texas Municipal League for assistance on December 2, 2016, before the lease was terminated. As it originally stood, TML was unable to provide anything to the city on the original lease. They also would have been unable to provide any assistance to the city if Mr. Loyd had only sued for breach of contract. However once Mr. Loyd filed the lawsuit in excess of \$100,000 with damages unrelated to a breach of contract, TML was able to step in with the liability insurance. As the insurer, they provided a lawyer at no cost to the city who took control completely and in a mediation hearing on January 8, 2019, settled with Mr. Loyd. This settlement did not cost the city a penny. Original attorney fees related to this matter prior to TML stepping in were in excess of \$43,000.

This years-long issue has proven unexpectedly beneficial to Bronte in at least two ways - interested citizens are always in attendance at council meetings and the city has become much more transparent in their operations.

Robert Lee has also had a couple of hard years, reaching a point before the May 2018 elections where there were not enough council members to hold a meeting. It began with the removal of the prior city secretary by council and the request from council to have the Sheriff contact the Texas Rangers for an investigation. The Coke County Sheriff's Office conducted the investigation and provided their findings to a Grand Jury who sent down an indictment on the charge of "Abuse of Official Capacity". It was settled in District Court with deferred adjudication.

In May 2018, Robert Lee had a new council with a new mayor and several new faces. By June, they also had a new city secretary. They also soon added a new city superintendent. It appeared everything was going well.

Following a lengthy executive session at their regular city council meeting on January 14, 2019, they resumed regular session and took the following actions. A new bank account would be opened with \$5,000 from the general fund. No checks would be written out of this account. The specific purpose of this account was for three debit cards. One of these cards would be in the possession of City Superintendent Billy Williams. The other two cards would remain at City Hall and would have to be signed out for use. The cards must be returned

immediately upon completion of use and, at that time, receipts had to be turned in along with the reason for the purchase or purchases. All cards connected to all other city bank accounts would be cancelled once this new account was functioning. No reason was given for this motion which passed unanimously. However later in the City Secretary's report to council, it was mentioned that the auditor had discovered illegal use of the city's cards. *The Observer/Enterprise* has filed a public information request with City Hall and also the Mayor Pro Tem to which there had been no response as of the start of the Tuesday, January 29, 2019, special meeting. *The Observer/Enterprise* also submitted a Public Information Request to the Coke County Sheriff's Office Custodian of Records Misti Hayes later on Monday, January 28, 2019. In this request, we asked for any and all "reports written on an investigation into the illegal credit/debit card use mentioned in the City

Secretary's Report at the January 14, 2019, Robert Lee City Council meeting." That same day, Hayes processed the Public Information Request and provided the following statement. "As of January 28, 2019, at 16:36, Coke County Sheriff's Office has not received any complaints or requests for investigation into the illegal credit/debit card use mentioned in the City Secretary's report that was presented in the Robert Lee City Council Meeting on January 14, 2019."

At the meeting on January 29, council went into another lengthy executive session immediately following the prayer and pledge. When they returned, the Mayor Pro Tem Roger Alexander gave a statement regarding concerns found by the auditor. He then made a motion that the mayor will be restricted from City Hall except for the lobby area and would take care of any city business at a location away from City Hall. It was seconded by Ricky Green and passed with only one opposing vote.

Alexander followed with a second motion to hire a forensic accountant to review specific details of financial transactions of the city and report back to city council with their findings. Following a second by Brandi Brosh, the motion passed unanimously.

Following the adjournment, *The Observer/Enterprise* was provided with documents requested in the Public Information Request. One of the documents was the debit card guidelines proposal submitted by Mayor Pro Tem Roger Alexander. In addition to what was included in the motion passed during the January 14 meeting, there were also reasons given for the new guidelines. These included the following statement. "The Auditors for the City of Robert Lee have discovered over use and possible fraudulent use of City Debit Cards. As of January 7, 2019, the City Secretary has not received invoices for over \$10,000 worth of purchases made on an individual's Amazon Personal Account.

These purchases are from May 2018 through November 2018. The City has not been reimbursed for purchases this individual charged to the City of Robert Lee debit card. This individual has admitted, prior to Christmas, that several charges to the City Bank Account were that individual's personal charges."

The other document was a statement from the mayor to the council attempting to explain how the charges occurred. She mentioned several orders she had made, her electric bill and gifts purchased for city employees. She states that she has reimbursed the city in the amounts of \$108.32, \$248.98, and \$200.00.

These documents will be posted on the home page at ObserverEnterprise.com. Mayor Allyson Crenshaw announced Tuesday night, January 29, at approximately 8:15 pm, on Facebook that she would be making a public statement at the VP Building later in the week. Further information will be available in future issues of *The Observer/Enterprise*.

EXHIBIT C-3

ROBERT LEE INDEPENDENT SCHOOL DISTRICT					
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES					
GOVERNMENTAL FUNDS					
FOR THE YEAR ENDED AUGUST 31, 2018					
Data	10	50		Total	
Control	General	Debt Service	Other	Governmental	
Codes	Fund	Fund	Funds	Funds	
REVENUES:					
5700 Total Local and Intermediate Sources	\$ 1,719,873	\$ 824,311	\$ 37,544	\$ 2,581,728	
5800 State Program Revenues	1,796,173	11,335	12,042	1,819,550	
5900 Federal Program Revenues	4,658	-	176,603	181,261	
5020 Total Revenues	3,520,704	835,646	226,189	4,582,539	
EXPENDITURES:					
Current:					
0011 Instruction	1,628,719	-	97,145	1,725,864	
0012 Instructional Resources and Media Services	8,349	-	-	8,349	
0013 Curriculum and Instructional Staff Development	4,211	-	-	4,211	
0021 Instructional Leadership	11,076	-	-	11,076	
0023 School Leadership	220,443	-	-	220,443	
0031 Guidance, Counseling, and Evaluation Services	66,367	-	-	66,367	
0033 Health Services	2,141	-	-	2,141	
0034 Student (Pupil) Transportation	181,317	-	-	181,317	
0035 Food Services	2,959	-	163,574	166,533	
0036 Extracurricular Activities	181,688	-	-	181,688	
0041 General Administration	283,080	-	-	283,080	
0051 Facilities Maintenance and Operations	606,028	-	-	606,028	
0053 Data Processing Services	175,533	-	-	175,533	
Debt Service:					
0071 Principal on Long-Term Debt	-	480,000	-	480,000	
0072 Interest on Long-Term Debt	4,458	210,150	-	214,608	
0073 Bond Issuance Cost and Fees	-	4,916	-	4,916	
Intergovernmental:					
0093 Payments to Fiscal Agent/Member Districts of SSA	206,160	-	-	206,160	
0099 Other Intergovernmental Charges	76,660	-	-	76,660	
6030 Total Expenditures	3,659,189	695,066	260,719	4,614,974	
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,485)	140,580	(34,530)	(32,435)	
OTHER FINANCING SOURCES (USES):					
7915 Transfers In	-	-	34,530	34,530	
8911 Transfers Out (Use)	(34,530)	-	-	(34,530)	
7080 Total Other Financing Sources (Uses)	(34,530)	-	34,530	-	
1200 Net Change in Fund Balances	(173,015)	140,580	-	(32,435)	
0100 Fund Balance - September 1 (Beginning)	1,057,769	241,496	-	1,299,265	
1300 Increase (Decrease) in Fund Balance	(6,432)	(1,378)	-	(7,810)	
3000 Fund Balance - August 31 (Ending)	\$ 878,322	\$ 380,698	\$ -	\$ 1,259,020	