



City of Freeport
Meeting and/or Executive Session Agenda

This meeting will be live streamed via YouTube Live and may be accessed on the City of Freeport Facebook page: <https://www.facebook.com/freeporttexas> or by visiting <https://www.youtube.com/@cityoffreeporttx8375/streams>

Monday, September 15, 2025, 6:00 PM | Council Chamber | 430 North Brazosport Blvd., Freeport, Texas 77541

Taxpayer Impact Statement

This statement shows the estimated annual property tax bill for a median-valued homestead in Freeport (\$118,900), comparing the current tax rate, the no-new-revenue rate, the voter approval rate, and the de minimis tax rate options. The City of Freeport is proposing the no-new-revenue rate.

Tax Rate Scenario	Tax Rate per \$100 Valuation	Estimated Annual Tax Bill	Difference from Current FY
Current FY 2024-2025	\$0.514967	\$612.30	-
No-New-Revenue Rate	\$0.514210	\$611.40	-\$0.90
Voter-Approval Rate	\$0.548749	\$652.46	\$40.16
De Minimis Rate	\$0.563268	\$669.73	\$57.43

Proposed Budget

A copy of the proposed budget is available online at https://www.freeporttx.gov/page/finance_budget

In accordance with Section 551.043 of the Texas Government Code, this agenda has been posted at Freeport City Hall, and distributed to the appropriate news media within the required time frame. All meetings of the Freeport City Council are open to the public. Public participation and written comments are invited on all open session business items.

The Mayor and City Council request that cell phones be turned off or set to vibrate. Members of the audience are requested to step outside to conduct a phone conversation. The Council Chamber is wheelchair accessible and special parking is available outside the building. If special accommodation is required, please contact the City Secretary a minimum of 72 hours in advance at 979-233-3526.

1: Call to Order:

- 1A. Call to Order - Jerry Cain, Mayor
- 1B. Invocation - Councilman
- 1C. Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.
- 1D. Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion

has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

2: Consent Agenda:

All items listed are part of the Consent Agenda. Public Hearing and review are held collectively unless opposition is presented, in which case the contested item will be heard separately.

- 2A. Action regarding Minutes, August 25, 2025 and September 2, 2025 - Clarisa Fernandez, City Secretary
- 2B. Action approving Monthly Financials through August 31, 2025- Ashlee Hurst, Finance Director
- 2C. Action approving BISD Homecoming Road Closure-Jennifer Howell, Police Chief
- 2D. Action approving BISD Road Closure for the 2000 block of Second St.for varsity home games-Jennifer Howell, Police Chief
- 2E. Action approving Resolution No. 2025-2952 for Rifle-Resistant Body Armor Grant-Jennifer Howell, Police Chief

3: Proclamations - Presentations and Updates

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- 3A. Employee Recognitions–Employee of the Month, Shana Burton, Animal Control Officer, Freeport Police Department and Charles Willard, Sergeant, Freeport Police Department-Dan Pennington, Interim City Manager
 - 3B. Proclamation to recognize the month of October as National Code Compliance Month-Jennifer Howell, Police Chief
 - 3C. Upcoming Events:
 - Coffee with a Cop, Starbucks and McDonalds, October 1st, 8:00A.M.-10:00A.M.
 - Community Clean Up, October 4th 8:00 A.M - 12:00 P.M.
 - National Night Out with Freeport Police, Fire and EMS, Freeport Municipal Park, October 7th, 6:00P.M.-8:00P.M.
 - Fright Night 2025, Freeport Municipal Park, October 23rd, 6:00P.M.-9:00P.M.

4: Public Hearings

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- 4A. Public Hearing on the FY2025-2026 Annual Budget.(Ashlee Hurst)

5: Business

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- 5A. Consideration and possible action approving Resolution No. 2025-2953 to approve a water bill credit for the winners of Code Division's "Yard of the Month".(Chief Jennifer Howell)

- 5B. Consideration and possible action approving Resolution No. 2025-2954 proposing an increase to Green Fees and Monthly Membership Fees – Freeport Municipal Golf Course.(Dan Pennington)
- 5C. Consideration and possible action approving Resolution No. 2025-2955 deeming property surplus and donating to local police department.(Chief Jennifer Howell)
- 5D. Consideration and possible action approving Resolution No. 2025-2956 to adopt a policy for Hiring Incentive for First Responders.(Chief Jennifer Howell)
- 5E. Consideration and possible action approving Resolution No.2025-2957 to amend a policy for Academy Reimbursement Program for First Responders.(Chief Jennifer Howell)
- 5F. Consideration and possible action approving Resolution No. 2025-2958 Supporting the Negotiation and Execution of a New Brazosport Industrial Partnership Contract.(Dan Pennington)
- 5G. Consideration and possible action approving Resolution No. 2025-2959 Opiod Settlement Purdue/Sackler.(Chris Duncan)
- 5H. Consideration and possible action approving Resolution No. 2025-2960 to approve Veolia proposed a temporary contract extension.(Rudy Ragle)
- 5I. Consideration and possible action approval of Asphalt Overlay Project for Two Alleyways.(Rudy Ragle)
- 5J. Consideration and possible action approving Resolution No. 2025-2961 approving a Facility Use and Rental Policy.(Rudy Ragle)
- 5K. Consideration and possible action approving Resolution No. 2025-2962 approving pool renovation and maintenance proposals- Freeport Recreation Center.(Rudy Ragle)
- 5L. Consideration and possible action authorizing the Fire Chief to sign the 2025-26 Brazoria County Firefighter's Association Fire Protection Agreement with Brazoria County.(Christopher Motley)
- 5M. Consideration and possible action approving Resolution No. 2025-2963 to amend section 9.07, titled “Overtime/Compensatory Time”, adding Section 9.07 A “Alternative to Overtime: Flextime”.(Donna Fisher)
- 5N. Consideration and possible action approving Ordinance No. 2025-2746 proposed adjustments to the City of Freeport's Texas Municipal Retirement System (TMRS) plan to enhance recruitment and retention.(Ashlee Hurst)
- 5O. Consideration and possible action approving Resolution No. 2025-2964 to adopt the City of Freeport Grants Management Policy.(Ashlee Hurst)
- 5P. Consideration and possible action approving Resolution No. 2025-2965 amending the Administration Services contract for the CDBG-MIT GLO Grant # 22-082-013-D213.(Ashlee Hurst)
- 5Q. Consideration and possible action to adopt Ordinance No. 2025-2747 adopting the Fiscal Year 2025-2026 Budget.(Ashlee Hurst)

- 5R. Consideration and possible action to adopt Ordinance No. 2025-2748 establishing a Tax Rate for the 2025 Tax Year.(Ashlee Hurst)
- 5S. First reading in consideration of approving Resolution No. 2025-2966 economic development projects to be enacted by the Freeport Economic Development Corporation.(Robert Johnson)
- 5T. First reading and consideration of approving Resolution No. 2025-2967 an economic development agreement to be enacted by the Freeport Economic Development Corporation and Developer.(Robert Johnson)
- 5U. **Discussion and Possible Action – TIRZ Board Appointment**
Discussion and possible action regarding auditor assignment of City Council as the Board of Directors for the Tax Increment Reinvestment Zone (TIRZ) and consider proper designation.(Councilman Pena)

6: Work Session

The City Council may deliberate and make inquiry into any item specifically listed as a Subsection under the itemized Sections A-F below, an item appearing on the City Council agenda for this meeting, on matters related to community events, or on matters that are not within the jurisdiction of the City for consideration by City Council. The City Council may not deliberate on any City matters not specifically disclosed under this Work Session or on this posted City Council Meeting agenda. City Council members and the Mayor always reserve the right to request that a matter be placed on a future agenda for consideration.

- A. Councilman Pena Ward A announcements and comments.
- B. Councilman Davis Ward B announcements and comments.
- C. Councilman Matamoros Ward C announcements and comments.
- D. Councilman Rossow Ward D announcements and comments.
- E. Mayor Jerry Cain announcements and comments.
- F. City Manager announcements and comments.

7: Executive Session

The City Council may take action on any Executive Session item posted. 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legal posted agenda item, when the City Council seeks advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

- 7A. Executive Session: Texas Government Code, Section 551.071 (Consultation with Attorney) 1.) Pending Litigation Ezell, Petty, Covarrubias, and Mireles.

Personnel Matters (Gov't Code § 551.074)

Discussion and possible action regarding personnel matters related to Human Resources Director Donna Fisher, specifically in connection with:

- o Lance Petty's Unemployment Compensation Claim
- o Timesheet reporting violations
- o Other alleged work-related violations (Councilman Pena)

Consultation with Attorney (Gov't Code §§ 551.071) and Deliberation Regarding Real Property (Gov't Code §§ 551.072)

Discussion and possible action to consult with the Economic Development Corporation (EDC) Director Robert Johnson and EDC's legal counsel, Olson & Olson, LLP, and deliberate legal and real property matters, related to:

- o Lawsuit between the Freeport EDC and Realty World, related to the failed Skinner Street Townhome Project
 - o Lawsuit involving alleged development contract violations by Freeport EDC, as alleged by A&T LLC
 - o Developer Agreement between the City of Freeport and Jim Maddux
- Properties concerning the vacant 19-acre tract located on Skinner Street (Councilman Pena)

8: Reconvene into Open Session:

8A. Take any action resulting from Executive Session.

9: Adjournment

9A. Adjournment – Jerry Cain, Mayor

Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

CERTIFICATE I certify the foregoing notice was posted in the official glass case at the front door of the City Hall, with 24 hours a day public access, 1201 North Avenue H., Freeport Texas, before 6:00 p.m. in accordance with Open Meetings Act.



Clarisa Fernandez,
Secretary, City of Freeport, Texas



State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, August 25, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd., Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Dan Pennington, Interim City Manager
Jennifer Howell, Police Chief
Chris Duncan, Interim City Attorney
Clarisa Fernandez, City Secretary
Ashlee Hurst, Finance Director
Toby Cohen, IT Director
Donna Fisher, Human Resource Director
Brian Dybala, Golf Course Director
Lily Celedon, Staff Accountant
Rudy Ragle, Public Works Director
Jennifer Howell, Police Chief
Chris Motley, Fire Chief
Corey Brinkman, Police Captain

Visitors: David McGinty
Manning Rollerson
Melanie Oldham

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the Special City Council meeting of the Freeport City Council to order at 6:00P.M. on August 25, 2025, declaring a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Manning Rollerson addressed the Council. He explained that Freeport Haven and Better Brazoria had worked with Sharon Wilson of Oilfield Witness to shoot videos and conduct an assessment of Freeport LNG. He stated that the report from that assessment was not good and noted that this is a repeated problem with Freeport LNG leaking and dumping in the community. He emphasized that this has an adverse effect on the population, warning that people will get sick and people will die if the problem continues. He added that when contracts are signed with these companies, they are supposed to follow them, especially regarding the health and safety of the community. Mr. Rollerson said he would provide the City with a copy of the report, just as he had provided it to County Judge Matt Sebesta and every agency that governs Freeport. He expressed concern that industries are allowed to dump and pump without any recourse, while the people are suffering. He stated that the effects can be seen in children and in the statistics of toxic poisoning and toxic deaths in Freeport. He said this issue must be addressed. He also spoke about the need for housing in Freeport. He noted that Freeport Haven is working with the federal government to obtain grants to build homes, explaining that rooftops are a tax base and the City needs more housing for young families. He stressed that this is an important issue the City needs to address. Mr. Rollerson then asked what the City planned to do with the downtown City of Freeport building if the City were moving out. He suggested that the building should be put up for bid and said his organization would be one of those interested in bidding, because there is a need for economic growth downtown. He also extended an invitation to the Council to attend an event on September 13, hosted by Freeport Haven and Better Brazoria, where leaders of the City would have an opportunity to speak to young people at the Back-to-School Bash. He said every Council Member was welcome and would have a place to speak, helping the new generation know where the City is headed and who is leading them. Mr. Rollerson concluded by noting that he heard the last Council meeting had been awesome, and said that if a meeting lasts all night, it means the Council is doing something.

Kevin Harris addressed the Mayor, Council, and fellow citizens of Freeport. He thanked the Council for the opportunity to speak on behalf of the Freeport Police Officers Association and spoke about concerns about the impact of budgeting on the department. He acknowledged that budgeting is complex and involves difficult choices, but stated that reducing support for the police department is not one that should be taken, especially when recruitment and retention are already challenging. He said the department cannot fill half of the open positions, and officers are leaving. He explained that they are not leaving for much bigger opportunities, but rather for smaller agencies that have fewer calls, smaller populations, yet offer more competitive compensation. By contrast, Freeport is asking its officers to do more with less, without adjustments for the rising cost of living. Mr. Harris said this makes retaining experienced officers nearly impossible, recruiting new ones extremely difficult, and increases the pressure on current employees, which results in poorer response times and service to citizens. He emphasized that he was not there to criticize but to collaborate and give a clear picture of the impact on the department. He stated that public safety is not something that can be neglected. He said Freeport officers care deeply about the community, serving and protecting with professionalism and integrity, but to continue doing so they need support in resources and recognition. He respectfully asked Council to consider proposed increases to the overtime budget and explore competitive cost-of-living adjustments to bring salaries in line with neighboring agencies, in order to retain current employees and attract new ones. Mr. Harris concluded by saying the Police Officers Association shares many of the same goals as the City Council and wants to keep the Freeport Police Department a competitive and supported place of employment so that officers can safely and adequately serve citizens. He stated, "We too want the best Freeport ever," and thanked the Council for their time, consideration, and ongoing commitment to the community and its employees.

Proclamations - Presentations and Updates

Presentation on proposals for potential water/sewer rate increases.-Ashlee Hurst, Finance Director

Finance Director Ashlee Hurst presented the attached presentation titled "Exhibit A".

Finance Director Ashlee Hurst presented to Council regarding water and sewer rate increases. She stated that an Enterprise Fund should operate solely on charges for services, similar to a business, and that it operates on a working capital or cash basis. She explained that a deficit in this type of fund signals problems with operations or pricing and noted that the General Fund should not be used to cover such deficits. She said GASB 24 requires user charges to be set at levels sufficient to cover costs of providing the service, and the Texas Constitution prohibits the City from giving away water service below cost. She also referenced the City's financial policy, which requires maintaining a balanced budget and directs that user fees should be reviewed regularly to ensure recovery of costs, support debt obligations, provide for capital improvements, and maintain adequate working capital. Ms. Hurst explained that water and sewer billing rates have not changed since the last adjustment on September 1, 2023. She said Brazosport Water Authority costs increased last year by 14.14%, or \$378,760, and will increase again this year by 7.83%, or \$262,800. She further noted that Veolia's costs increased last year by 18.09%, or \$474,873, and are projected to rise an additional 3%, or about \$100,000, in FY2026. She reported that combined increases since the last rate adjustment total \$1,216,433, and she recommended a rate increase to offset these rising expenses. She added that the average annual increase in water costs over the past two years has been \$608,217. Ms. Hurst provided rate comparisons. She said the average Freeport water bill based on 5,000 gallons is \$37.61, which is 14.85% below the local average of \$44.17 and 9.55% below the state average of \$41.58. She stated the average Freeport sewer bill of \$28.55 is 17.13% below the local average of \$34.45 and 18.55% below the state average of \$35.05. Ms. Hurst then outlined several proposed options for Council consideration. She stated that Option E would apply a 15% increase to all users, except for residential customers who would see a 5% water and 10% sewer increase, resulting in \$1,420,838 in additional revenue. She said this option would increase a typical residential bill by \$4.74 and all other user bills by \$16.70. She stated that Option F would apply a 20% increase to all users, except for residential customers with the same 5% water and 10% sewer increase. This option would generate \$1,689,818 in revenue, with residential customers still paying \$4.74 more and all others paying \$22.27 more. She said that Option G would apply a 15% increase to all users, except for residential and small business restaurants, which would see only the 5% water and 10% sewer increase. This would result in \$1,412,838 in additional revenue, with a \$4.74 increase for residential and small restaurant users and a \$16.70 increase for all others. She then explained that Option H would apply a 20% increase to all users, except for residential and small business restaurants, which again would see the same 5% water and 10% sewer increase. This option would generate \$1,679,818 in revenue, with residential and small restaurant users paying \$4.74 more and all others paying \$16.70 more. Ms. Hurst concluded her presentation by stating that Freeport's residential water and sewer rates remain well below both the local and state averages. She emphasized that the amount needed to cover the current deficit is \$1,162,830.

Presentation on budget request items for FY2025-2026 annual budget.-Ashlee Hurst, Finance Director

The attached presentation titled "Exhibit B" was presented.

Finance Director Ashlee Hurst stated that Administration-Finance is requesting to transition financial software to web-based hosting at a recurring cost of \$27,221, add a project accounting module at a recurring cost of \$3,470, implement OpenGov at a one-time cost of \$29,950, and purchase JustFOIA software for public information requests at a one-time cost of \$1,007 and a recurring cost of \$10,314 which will be split between Administration and Police Department.

Human Resources Donna Fisher requested TMHR certifications at a one-time cost of \$3,000 and a personnel policy consultant at a one-time cost of \$3,000.

Building Official Reginald Harris requested an increase in the advertising line-item of \$3,000 recurring.

Police Chief Jennifer Howell presented a detailed budget request. She requested to combine PD and Code budgets, provide a 5.5% COLA for all PD staff \$175,000, increase the overtime budget by \$120,000, update Microsoft Office \$11,670, replace the PD building camera storage system \$12,000, relocate the server \$28,000, replace office chairs \$10,000, purchase five vehicle replacements \$475,000, remove a tower and add surge protection \$30,000, replace jail cameras \$5,000, replace a beach buggy \$32,000, possible grant, and purchase LPR cameras \$63,000 + \$84,250, possible grant). She explained that overtime has historically been underfunded and is driven by holiday schedules, events, training, and coverage needs. She emphasized the challenges of recruitment and retention, showing comparative pay rates with surrounding cities and highlighting the cost of turnover. She requested at least a 5.5% COLA, hiring incentives for first responders, tuition reimbursements, and a redesign of the pay matrix to improve recruitment and retention.

Fire Chief Chris Motley requested \$13,000 for tires on Engines 902 and 903, \$24,000 for training overtime, \$258,000 for three firefighter/medics, \$400,000 for a new ambulance, and \$1.7 million for a new fire engine. He reported success in EMS cost recovery services, departmental training, and interdepartmental collaborations. He emphasized recruitment and retention issues, noting that Freeport's firefighter/EMT base pay is below surrounding agencies. He recommended hiring incentives and academy reimbursement, and requested that Fire/EMS be placed back on a matrix to aid in retention.

Public Works Director Rudy Ragle requested \$6,256 for a concrete saw, \$1,595 for a vibratory plate compactor, \$2,998 for a jumping jack, \$29,000 for a 15' batwing, and \$14,000 for a zero-turn mower. He said the Parks Department requested \$30,000 for Riverplace exterior metal coating, \$20,000 for playground equipment repairs, and \$10,000 for playground border and mulch. He said for the Recreation Center he requested \$10,000 recurring for an annual pool contract, \$10,000 one-time for splash pad replacement, and \$30,000 one-time for exterior metal coating.

Interim City Manager Dan Pennington said he would be presenting for the Museum. He said the Museum requested \$10,000 recurring for staff raises above COLA, \$10,000 recurring for the manager raise, \$5,000 one-time for a generator, \$5,000 one-time for a central dehumidifier, \$15,000 one-time to renovate the storage room, \$45,000 one-time for a fire suppression system, \$25,000 one-time to renovate the exhibit hall, \$10,000 one-time for interactive displays, and \$9,000 recurring for advertising.

Golf Course Director Brian Dybala requested \$10,000 recurring for annual cart path repair and \$10,000 one-time for a pump station platform.

Police Chief Jennifer Howell presented Grant Match Requests including \$21,605 one-time for a police cybersecurity grant match.

The Council Requests included \$50,000 one-time for a Slaughter Road generator and \$30,000 one-time to pave the alleyway between the Methodist Church and the retirement homes.

It was reported that the total available resources are \$1,622,177. Total one-time requests amount to \$3,198,331, recurring requests total \$971,490, and combined requests equal \$4,169,821. Tentatively approved totals equal \$1,455,966.

Public Hearings

Public Hearing for the FY2025-2026 Annual Budget

Mayor Cain opened the Public Hearing at 10:07P.M.

Melanie Oldham thanked the Council for holding the special meeting regarding water and sewer rates and

the budget. She said she was very impressed with the City Council during her 16 years in Freeport for taking the time and thought to come up with a budget the City could afford. She expressed concern about possible legislative changes and praised Mr. Pennington and Ms. Ashlee for their work. She suggested the City consider a part-time grant writer to work with department heads on present and future needs, noting other Cities have benefited and that the position would pay for itself. She recalled when Mr. Petty worked with Mr. Toby Davenport that owns City Hall and emphasized the importance of making sure every office in the building stays rented. She also asked about the Heritage House, remembering it once generated income when rented out, and inquired if money is still set aside for it. She commented on the water and sewer rate discussions, saying options F and H seemed best and praising the effort to keep increases as low as possible for residents and small businesses. She addressed the administration, noting repeated audit concerns about material weaknesses and supporting investments in software to increase transparency. She expressed strong support for the Freeport Police Department, saying they deserve a 5.5% cost-of-living adjustment, overtime increases, and hiring bonuses, while suggesting the City review the budgeted \$475,000 for vehicles. She extended the same support to Fire and EMS, noting EMS is the majority of calls and supporting an action plan to look at forming a volunteer fire department. She commented on the new ambulance budget, understanding the cost and timeframe, and also noted the 1.7 million fire engine and the need for corporate support, thanking the Fire Department for their response during the Freeport LNG explosion. She thanked those contributing to the beautification committee, including Phillips 66. She expressed concern about the golf course being used by a small percentage of residents and located outside the City, suggesting a survey of residents to prioritize services such as the rec center, pickleball, racquetball, and gym facilities. She praised the improvements at Bryan Beach and emphasized its accessibility for all residents. She closed by thanking the Council for working together on the budget and suggested a large coffee maker for long meetings.

Finance Director Ashlee Hurst said there is \$372,500 designated in the bond funds for the Heritage House. She explained the previous RFQ for an architect received no responses but could be reissued. On grant writing, she agreed it would be valuable but stressed the need for a capital improvement plan to identify projects first. Interim City Manager Dan Pennington said he is also working with a company to pursue grant funding for City Hall, with an initial investment of \$25,000 but the potential for millions if successful.

Flora Green resides at 1611 North Avenue Q. She stated that although she is new to Freeport, she has lived here for 20 years and is now retired, which allows her to attend City Council meetings and see how the City is run. She shared that she used City services when her husband had a stroke and Mr. Motley arranged a life LifeFlight to Hermann Hospital. She said they used EMS twice and thanked God her husband was still there, praising the service as very good. She said she saw teamwork at the meeting and how the Council was putting things together to make the City run as it should. She stated she is proud of what the Council is doing.

Mayor Cain closed the Public Hearing at 10:21P.M.

Business

Consideration and possible action on setting the City of Freeport proposed 2025 tax rate, setting the public hearing (if necessary), and directing staff to publish the Notice of Proposed 2025 tax rate.

Finance Director Ashlee Hurst recommended that Council propose a tax rate of \$0.514210 per \$100 valuation, noting that a record vote is required. She explained that the voter approval rate is \$0.548749 but recommended adopting the lesser no new revenue rate of \$0.514210. She reminded Council that on August 4th a motion had been made to set the public hearing and adoption for September 2nd on the budget and tax rate, but the tax rate itself had not yet been formally proposed, as the motion and advertisement must occur on the same date. She noted that a public hearing is only required if the tax rate exceeds the no-new revenue rate, which the staff proposal does not. Ms. Hurst stated that the proposed budget was developed utilizing

projected taxable value and debt service amounts that did not increase property tax rates. She explained that final calculations have since been received based on the 2025 total taxable value of \$798 million, of which \$2.8 million is from new taxable values. These calculations, performed by the county tax assessor and submitted to the City, show the following required rates: No new revenue tax rate: \$0.514210, Debt rate: \$0.062940, Voter approval tax rate, including unused increment: \$0.548749. She concluded by noting that the financial impact section of the budget includes an overview of these rates.

A motion was made by Councilman Matamoros to set the proposed tax rate not to exceed \$0.514210 per \$100 in property valuation, seconded by Councilman Davis with discussion that followed.

Councilman Pena asked about the voter approval tax rate of 0.548749, confirming that the higher rate had been approved and would result in higher revenue, while the City was proposing the lower rate of 0.514210. He asked why the City would not want to go with what was approved by the voters. Interim City Manager Dan Pennington clarified that the voter approval rate is not actually passed by voters but is a rate calculated by BCAD. BCAD also calculates the no-new revenue rate, and it is up to the City to decide which rate to adopt. The higher rate would result in slightly higher taxes, but it is the Council's discretion. Interim City Attorney Chris Duncan explained that if the voter approval rate is exceeded, an election must be held. Mr. Pennington said the current cap is 3.5%, and the difference between the two rates is 3.5%. He said the Council has the discretion to set the rate anywhere between the no new revenue rate and the voter approval rate. Staff recommended not adding any additional tax revenue.

Mayor Cain said he is not a fan of an increase in taxes unless it is a necessity.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Councilman Pena voted "Aye". Councilman Davis voted "Aye". Councilman Rossow voted "Aye". Councilman Matamoros voted "Aye". Mayor Cain voted "Aye".

A motion was made by Councilman Matamoros to set the vote for the tax rate on September 15, 2025, at 6:00p.m. at 430 N Brazosport, Freeport, TX, seconded by Councilman Rossow with discussion that followed.

Councilman Pena asked if this was the latest date that the Council is allowed to vote on that? Finance Director Ashlee Hurst said yes.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Councilman Pena voted "Aye". Councilman Davis voted "Aye". Councilman Rossow voted "Aye". Councilman Matamoros voted "Aye". Mayor Cain voted "Aye".

Consideration and possible action approving Ordinance No. 2025-2745 adjusting the water and sewer rates, and approving Resolution No. 2025-2946 amending the Master Fee Schedule to reflect the same.

Finance Director Ashlee Hurst said earlier in the evening, staff showed the Council four different options for potential ways to produce more revenue to cover the deficit in the water and sewer fund. It was explained that all the paperwork was ready.

A motion was made by Councilman Pena to pass option letter F that was proposed it provides the City with the most revenue in the water department with the least impact to residents and businesses. The motion

failed due to a lack of a second.

A motion was made by Councilman Matamoros for option E, seconded by Councilman Rossow with discussion that followed.

Councilman Pena noted that option E came in at 1.42 when the Council was trying to reach 1.16. Concern was expressed that the City might have to revisit the issue if the number did not hold. Mayor Cain said that new housing growth in Freeport could help offset the issue.

Councilman Davis stated that they would prefer an option that included relief for small businesses and restaurants. Mayor Cain expressed concern that the City should not pick and choose which types of businesses benefit, but rather treat all equally.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Councilman Pena voted "Nay". Councilman Davis voted "Nay".

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Councilman Rossow with all present and voting "Aye" 4-1. Mayor Cain adjourned the meeting at 10:35P.M. Councilman Pena voted "Nay".

Jerry Cain, Mayor

Clarisa Fernandez, City Secretary

“EXHIBIT A”

CITY OF FREEPORT WATER SEWER RATE INCREASE PROPOSALS



Presentation prepared for Mayor & Council for 8/25/2025 meeting

Prepared by: Ashlee Hurst, CGFO

(979) 871-0112 – Office Line

ahurst@freeporttx.gov – Email

Monday – Friday 8a-5p – Office Hours

EDUCATIONAL RECAP

EDUCATIONAL INSIGHT:

- An Enterprise Fund type should sufficiently operate solely on charges for services, like a business
- The fund operates on a working capital basis – better understood as it operates on a cash basis
- A deficit in an Enterprise Fund indicates a problem with their operations or pricing
- The General Fund generally should not make a transfer to cover operating deficits
- GASB 24 states user charges be set at a level sufficient to cover the cost of providing the service
- Texas Constitution Article III, Section 52(a) generally prohibits cities from giving away water service below cost or for free
- City Financial Policy section XII states we develop and maintain a balanced budget
- City Financial Policy section I. Revenues B. User Fees states for services that benefit specific users, where possible, the City shall establish and collect fees to recover the cost of those services. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. City staff should review user fees on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure and to recommend adjustments where necessary to facilitate City Council's policy decision regarding the level of support to be provided.
- City Financial Policy Section I. Revenues D. Funds User Fees states Enterprise funds user fees shall be set at levels enough to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements and provide adequate levels of working capital and debt coverage.

INFORMATIVE RECAP

WHAT DOES THIS MEAN FOR THE CITY:

- The billing rates have not changed since the last adjustment September 1, 2023
- BWA costs increased last year by 14.14%, a total of \$378,760
- BWA costs will increase 7.83% this year, a total of \$262,800 in FY2026
- Veolia costs increased last year by 18.09%, a total of \$474,873
- Veolia costs will increase by an estimated 3% this year, a total of \$100,000 in FY2026
- Total BWA increase in costs since last rate adjustment is 21.97%, totaling \$641,560
- Total Veolia increase in costs since last rate adjustment is 21.09%, totaling \$574,873
- Combined increase in costs since last rate adjustment totals \$1,216,433
- A rate increase is recommended to increase revenues to offset the increased expenses from BWA and Veolia
- **The average annual increase in water for the past 2 years is \$608,217**

WATER BILL COMPARISON – LOCAL AVERAGE

WATER RATE INFORMATION:

- Staff reviewed neighboring cities for comparative purposes
- The average water bill for comparison purposes is \$44.17
- Based on 5,000 gallons of consumption, Freeport is 14.85% below local average

	Freeport	Oyster Creek	Clute	Lake Jackson	Angleton	Richwood	Average Bill Price
Water - Base	18.47	19.08	14.77	17.62	33.61	37.53	
Water - 2,001-11,999	6.38	5.25 (over 2,000)	4.86 (up to 10,000)	6.36	12.33 (over 2,000)	6.14 (2,000-19,999)	
Water - Over 12,000	8.40		5.41 (up to 20,000)	7.22 (over 20,000)	12.90 (over 10,000)	6.39 (over 20,000)	
Bill based on 5,000 gals	37.61	34.83	29.35	36.70	70.60	55.95	44.17
		Last changed 10/3/24	Last changed: Unknown	Will increase 10/1/25	Increased 4/1/25	Last changed 10/1/23	

WATER BILL COMPARISON – STATE AVERAGE

Water Fees By Population Category
Summary
2025

Population Group	No. of Cities Reporting	Avg. Total Customers	Residential Water		Commercial Water
			Average Usage	Average Fee For 5,000 Gal.	Average Fee For 50,000 Gal.
2,000 OR LESS	79	411	4,820	56.97	363.63
2,001 - 5,000	26	1,200	5,155	49.00	281.21
5,001 - 10,000	16	2,879	6,228	90.53	357.63
10,001 - 15,000	6	4,647	6,297	41.58	322.15
15,001 - 20,000	8	4,446	6,056	52.09	633.34
20,001 - 25,000	5	8,237	6,690	57.63	428.30
25,001 - 30,000	4	9,260	4,896	39.06	386.25
30,001 - 50,000	9	13,424	5,333	41.09	332.08
50,001 - 75,000	3	22,569	7,982	24.64	220.86
75,001 - 100,000	2	29,562	9,739	41.80	258.77
100,001 - 200,000	8	38,989	6,591	37.61	368.77
200,001 - 350,000	1	79,162	13,000	43.05	357.95
MORE THAN 500,000	1	494,870	5,100	47.50	425.24
Total / Averages	168	8,296	5,465	55.09	355.94

State average based on population: \$41.58

City of Freeport currently: \$37.61

9.55% below state average

<https://www.tml.org/ArchiveCenter/ViewFile/Item/219>

SEWER BILL COMPARISON – LOCAL AVERAGE

WATER RATE INFORMATION:

- Staff reviewed neighboring cities for comparative purposes
- The average sewer bill for comparison purposes is \$34.45
- Based on 5,000 gallons of consumption, Freeport is 17.13% below local average

	Freeport	Oyster Creek	Clute	Lake Jackson	Angleton	Richwood	Average Bill Price
Sewer - Base	14.03	.80 per total of water	14.77	19.04	18.08	28.50	
Sewer - 2,001-Unlimited	4.84		4.86 (up to 10,000) 5.41 (10,001 and over)	6.88	3.97 (per 1,000)	4.95 (over 2,000)	
Bill based on 5,000 gals	28.55	27.86	29.35	39.68	37.93	43.35	34.45
		Last changed 10/3/24	Last changed: Unknown	Will increase 10/1/25	Increased 4/1/25	Last changed 10/1/23	

SEWER BILL COMPARISON – STATE AVERAGE

Wastewater Fees By Population Category
Summary
2025

Population Group	No. of Cities Reporting	Avg. Total Customers	Residential Sewer	Commercial Sewer
			Average Fee For 5,000 Gal.	Average Fee For 50,000 Gal.
2,000 OR LESS	69	418	31.06	128.64
2,001 - 5,000	26	1,092	38.13	227.12
5,001 - 10,000	16	2,487	83.41	266.38
10,001 - 15,000	7	4,113	35.05	188.80
15,001 - 20,000	7	5,146	43.40	188.08
20,001 - 25,000	5	7,218	51.12	424.18
25,001 - 30,000	4	8,669	40.47	294.78
30,001 - 50,000	9	12,817	41.09	298.76
50,001 - 75,000	3	19,829	27.69	260.42
75,001 - 100,000	2	28,637	28.41	176.20
100,001 - 200,000	8	36,333	37.89	300.14
200,001 - 350,000	1	73,438	64.00	466.80
MORE THAN 500,000	1	481,640	63.01	556.96
Total / Averages	158	8,294	40.55	204.45

State average based on population: \$35.05

City of Freeport currently: \$28.55

18.55% below state average

<https://www.tml.org/ArchiveCenter/ViewFile/Item/218>

RATE ADJUSTMENT PROPOSALS E & F

RATE INFORMATION:

- The left includes 15% increase to all users, except for residential. Residential would have 5% water and 10% sewer increase.
- The right includes 20% increase to all users, except for residential. Residential would have 5% water and 10% sewer increase.

PROPOSED INCREASED RATES BASED ON 5% WATER, 10% SEWER, 15% ALL OTHER

This would provide additional revenue of \$1,420,838

Proposed Residential/SBR Bill	Water	\$39.49
Based on 5,000-gallon usage	Sewer	\$31.41
	Trash	\$20.00
	Total Bill:	\$90.90
	Increase of:	\$4.74
Proposed All Others Bill	Water	\$71.63
Based on 1" meter	Sewer	\$56.40
Based on 5,000-gallon usage	Trash	\$35.00
	Total Bill:	\$163.03
	Increase of:	\$16.70

OPTION E

PROPOSED INCREASED RATES BASED ON 5% WATER, 10% SEWER, 20% ALL OTHER

This would provide additional revenue of \$1,689,818

Proposed Residential/SBR Bill	Water	\$39.49
Based on 5,000-gallon usage	Sewer	\$31.41
	Trash	\$20.00
	Total Bill:	\$90.90
	Increase of:	\$4.74
Proposed All Others Bill	Water	\$74.75
Based on 1" meter	Sewer	\$58.85
Based on 5,000-gallon usage	Trash	\$35.00
	Total Bill:	\$168.6
	Increase of:	\$22.27

OPTION F

RATE ADJUSTMENT PROPOSALS G & H

RATE INFORMATION:

- The left includes 15% increase to all users, except for residential and small business restaurants. Residential and small business restaurants would have 5% water and 10% sewer increase.
- The right includes 20% increase to all users, except for residential and small business restaurants. Residential and small business restaurants would have 5% water and 10% sewer increase.

PROPOSED INCREASED RATES BASED ON 5% WATER, 10% SEWER, 15% ALL OTHER

This would provide additional revenue of \$1,412,838

Proposed Residential/SBR Bill	Water	\$39.49
Based on 5,000-gallon usage	Sewer	\$31.41
	Trash	\$20.00
	Total Bill:	\$90.90
	Increase of:	\$4.74
Proposed All Others Bill	Water	\$71.63
Based on 1" meter	Sewer	\$56.40
Based on 5,000-gallon usage	Trash	\$35.00
	Total Bill:	\$163.03
	Increase of:	\$16.70

OPTION G

PROPOSED INCREASED RATES BASED ON 5% WATER, 10% SEWER, 20% ALL OTHER

This would provide additional revenue of \$1,679,818

Proposed Residential/SBR Bill	Water	\$39.49
Based on 5,000-gallon usage	Sewer	\$31.41
	Trash	\$20.00
	Total Bill:	\$90.90
	Increase of:	\$4.74
Proposed All Others Bill	Water	\$74.75
Based on 1" meter	Sewer	\$58.85
Based on 5,000-gallon usage	Trash	\$35.00
	Total Bill:	\$168.6
	Increase of:	\$22.27

OPTION H

RATE ADJUSTMENT PROPOSALS - SUMMARY

Option	Proposal	Residential/S BR Impact	Other User Impact	Projected Revenue Increase
E	15% others, 10% sewer and 5% water for residential	\$4.74	\$16.70	\$1,420,838
F	20% others, 10% sewer and 5% water for residential	\$4.74	\$22.27	\$1,689,818
G	15% others, 10% sewer and 5% water for residential & small business restaurants	\$4.74	\$16.70	\$1,412,838
H	20% others, 10% sewer and 5% water for residential & small business restaurants	\$4.74	\$16.70	\$1,679,818

Below the local average on residential water prices by 14.85%, per comparison

Below the state average on residential water prices by 9.55% for population bracket, per TML

Below the local average on residential sewer prices by 17.13%, per comparison

Below the state average on residential sewer prices by 18.55% for population bracket, per TML

The amount needed to cover the deficit is **\$1,162,830**

DISCUSSION

"Exhibit B"

FY2025-2026
Annual Budget

Departmental
Budget Requests

Prepared by: Ashlee Hurst, CGFO
Presented at: 8/25/25 Special Meeting

Overview

- Each department will have 10 minutes
- Budget requests for 2026
- Justification for the requests
- Q & A with Council is encouraged
- Highlighted amounts are tentatively approved

Presentation Order

- Administration – Finance
- Administration – H.R.
- Building / Permits
- Police / Code
- Fire / EMS
- Streets
- Parks
- Recreation Center
- Museum
- Golf Course
- Grant Match Requests
- Council Requests

Administration - Finance

- Requests:
 - Transition financial software to web-based hosting
 - \$27,221 recurring
 - Financial software project accounting module
 - \$3,470 recurring
 - Implementation costs for OpenGov
 - \$29,950 one-time
 - JustFOIA public information request software (Admin / PD)
 - \$1,007 one-time \$10,314 recurring

Administration – H.R.

- Requests:
 - TMHR Certifications
 - \$3,000 one-time
 - Personnel Policy Consultant
 - \$3,000 one-time

Building / Permits

- Requests:
 - Increase in advertising line-item
 - \$3,000 recurring

Freeport Police Department



2025-2026 Budget Request and Considerations

It is the vision of the Freeport Police Department to provide our community with a quality of life where they feel safe and secure.

Budget Request

• Combine PD and Code budget	\$0 (House Bill 1900)
• 5.5% COLA for ALL PD staff	\$175,000
• Overtime Increase	\$120,000
• Microsoft Office 2022 Update	\$11,670
• Replace PD Building Camera Storage	\$12,000
• Server Relocation	\$28,000
• Replace Office Chairs	\$10,000
• 5 Vehicle Replacements	\$475,000
• Remove Tower and Surge Protection	\$30,000
• Replace Jail Cameras	\$5,000
• Beach Buggy Replacement (grant?)	\$32,000
• LPR Cameras (grant?)	\$63,000 + \$84,250



Overtime

- Increase Department Overtime Budget by \$120,000 to accurately reflect the needs of the department.
 - Holiday is counted as hours worked.
 - Dispatch and Patrol are generally pushed into overtime at each holiday.
 - 13.5 Holidays at the current hourly rate creates almost \$135,000 in overtime.
 - Current overtime budget is \$120,000, causing a deficit of \$15,000 immediately.
 - Does not include extra shifts for events, court, trainings, coverage and beach.
- **2023-2024 Increases**
 - Beach Patrol (incorrect data)
 - Citizens Police Academy (requested by council)
 - Over 80 Events
 - Improper Time Keeping Discovered
 - Evidence (Audit)
 - Captain Gillchriest



OT HISTORY		
Year	Amount	3% Increase
2015-2016	\$77,435.10	\$2,323.05
2016-2017	\$112,079.48	\$3,362.38
2017-2018	\$88,223.06	\$2,646.69
2018-2019	\$91,651.00	\$2,749.53
2019-2020	\$130,837.57	\$3,925.13
2020-2021	\$176,377.32	\$5,291.32
2021-2022	\$116,356.10	\$3,490.68
2022-2023	\$191,085.54	\$5,732.57
2023-2024	\$359,838.21	\$10,795.15
2024-2025	\$179,380.83	\$5,381.42
TOTAL		\$45,697.93
2015+3%	\$77,435.10	\$123,133.03

Safety is THE Priority



- Citizens
- Staff
 - Currently operating in a deficit of 4 patrol and 1 dispatch opening.
 - Risk of multiple additional openings which could create a cascade effect.
 - 15 police cadets in the academy.
 - More than 15 openings across agencies in Brazoria county.
 - Each agency below is increasing their rate effective October 1st, except Freeport.

CURRENT HOURLY RATES		
City	Officer	Dispatcher
Angleton	\$29.61	\$20.68
Clute (6mo)	\$27.48 / \$28.30	\$20.70 / \$21.34
Lake Jackson	\$29.52	\$19.95
Freeport	\$27.19	\$20.48

Safety is THE Priority

- A 6-month Clute PD Officer makes almost as much as a 4-year FPD Officer.
- A new hire at Angleton PD and Lake Jackson PD makes almost as much as 7-year FPD Officer.
- A new hire at Iowa Colony PD make almost as much as a FPD Corporal.



***The market is NOT an agency market.
It is an employee's market.
These are who we are losing staff to.***

Safety is THE Priority

- Failure to retain is expensive.
- Retention is investing and cost effective.
- 2022-2025 we have replaced 13 officers and 8 dispatchers.
 - Officer replacement cost $\$32,000 \times 13 = \$416,000$
 - Dispatch replacement cost $\$28,000 \times 8 = \$224,000$
 - Total spent in replacing staff $\$640,000$



How can we change this?

By providing competitive salary to get quality applicants and retain them.

Safety is THE Priority

- Provide at least a 5.5% COLA to **ALL** PD staff and matrix.

STEP	Officer	Hourly	Percent	Dispatcher	Hourly	Percent
0	\$56,557.35	\$0.00	0.00%	\$42,603.93	\$0.00	0.00%
1	\$57,154.35	\$0.29	1.04%	\$43,084.48	\$0.23	1.12%
2	\$57,751.35	\$0.29	1.03%	\$43,565.03	\$0.23	1.10%
3	\$58,348.35	\$0.29	1.02%	\$44,045.58	\$0.23	1.09%
4	\$58,945.35	\$0.29	1.22%	\$44,526.13	\$0.23	1.30%
5	\$59,661.74	\$0.34	1.60%	\$45,102.78	\$0.28	1.70%
6	\$60,616.94	\$0.46	2.36%	\$45,871.66	\$0.37	2.51%
7	\$62,049.74	\$0.69	3.85%	\$47,024.98	\$0.55	4.09%
8	\$64,437.73	\$1.15	3.71%	\$48,947.17	\$0.92	3.93%
9	\$66,825.72	\$1.15	3.57%	\$50,869.37	\$0.92	3.78%
10	\$69,213.72	\$1.15	3.45%	\$52,791.57	\$0.92	3.64%
11	\$71,601.71	\$1.15	3.00%	\$54,713.76	\$0.92	3.16%
12	\$73,750.90	\$1.03	2.59%	\$56,443.74	\$0.83	2.72%
13	\$75,661.30	\$0.92	2.21%	\$57,981.49	\$0.74	2.32%
14	\$77,332.89	\$0.80	0.93%	\$59,327.03	\$0.65	0.97%
15	\$78,049.29	\$0.34	0.76%	\$59,903.69	\$0.28	0.77%
16	\$78,646.29	\$0.29	0.76%	\$60,364.24	\$0.22	0.83%
17	\$79,243.29	\$0.29	0.75%	\$60,864.79	\$0.24	0.79%
18	\$79,840.29	\$0.29	0.75%	\$61,345.34	\$0.23	0.78%
19	\$80,437.29	\$0.29	0.00%	\$61,825.88	\$0.23	0.00%
20	\$80,437.29	\$0.00	0.00%	\$61,825.88	\$0.00	0.00%

COLA HISTORY			
Year	City %	PD %	USA %
2019-2020	3.5%	3.5%	1.6%
2020-2021	3%	3%	1.3%
2021-2022	3.5%	Matrix	5.9%
2022-2023	3.5%	3.5%	8.7%
2023-2024	3.5%	3.5%	3.2%
2024-2025	3%	0%	2.5%
TOTAL	20.0%	13.5%	23.2%



A new officer moving from STEP 0 to STEP 1 receives a *gross* annual raise of \$597, *net* is approximately \$400 for the year, which equates to a per paycheck “raise” of \$15.

Safety is THE Priority

- Decrease in police or code staff will cause a decrease of service.
 - Abandoned or junk vehicles
 - Bar checks
 - Beach patrol
 - Special watches
 - Civil matters
 - Clerk checks
 - Theft and Burglary (not in progress)
 - Criminal Mischief (not in progress)
 - City ordinance violations
 - Illegal dumping
 - Financial crimes
 - Non-injury accidents
 - Private property accidents
 - Motorist assist
 - Noise complaints
 - Parking violations
 - Animal complaints



The frequency of seeing an officer patrolling in your neighborhood will decline.

Our citizens deserve the best Freeport ever.

Safety is THE Priority

- What are other agencies doing?
 - 4-19% COLA and raises
 - Sign on bonuses of \$5,000-\$20,000
 - Tuition reimbursement for academy
- What do we recommend?
 - At least a 5.5 % cost of living adjustment with matrix/step/merit
 - Sign on bonuses for first responders
 - Tuition reimbursement
 - Future redesign of matrix to better recruit and retain staff.



Safety is THE Priority

Recommended Proposal for ALL First Responders:

- Hiring Incentive For New First Responder:
 - \$5000 total
 - \$1000 at start
 - \$2000 at 1 year
 - \$2000 at 2 years
- Replacing 5 Officers:
 - \$5000 at start
 - \$12,500 at 1 year
 - \$12,500 at 2 years
 - Total \$30,000 for 5 Officers
- 5 Hiring Incentives equals the same amount it cost to replace 1 Officer.



Safety is THE Priority

Recommended Proposal for ALL First Responders:

- Academy Reimbursement:
 - Average Police Academy up to \$5000
 - 25% upon completion of Field Training
 - 25% upon completion of 1 year
 - 50% upon completion of 2 years
- Restrictions:
 - Freeport must be your first hire agency after graduation.
 - Must have graduated within the past 3 years.
- Currently 6 officers would be eligible.
 - Average of \$5,000 for academy
 - Total \$30,000 for 6 Officers
- 6 Reimbursements equals the same amount it cost to replace 1 Officer.



Safety is THE Priority

Recommended Proposal:



- Future redesign of matrix
 - Employees decide in first 2-5 years whether to stay.
 - *FPD avg is 3 years on patrol.*
 - Starting pay has been the same for 2 consecutive years because no COLA.
 - Currently the total for all raises in first 5 years of employment:
 - \$1.49/hour for Officers or \$3,099,
 - Divided by 5 = \$619 annually divided by 26 pay periods = \$23 gross = \$15 net
 - \$1.20/hour for Dispatchers or \$2,496
 - Divided by \$499 annually divided by 26 pay periods = \$19 gross = \$12 net

Would you stay for a \$15 per pay period “raises” for 5 years?

Safety is THE Priority

- A new matrix will provide a better recruitment tool and elevate retention of current staff.
- Currently there are no step increases after 19 years of service so experienced staff “cap out”, which essentially results in experienced personnel being encouraged to leave.
- Apply a 5.5% increase to matrix to try to catch PD staff up to neighboring agencies and to compensate from **no COLA** last year.
- A redesign of the matrix for next fiscal year to help remain competitive and alleviate the need for large increases every few years, which has been the necessity in the past.



Safety is THE Priority



- Why are we wanting to do this?
 - Because our citizens **deserve** a safe Freeport.
 - Because our staff are **key** to the change needed in Freeport.
 - Because city officials **want and expect** the best Freeport ever.
- Staff will continue to leave if they do not feel they are treated fairly, and non-competitive compensation is a major determinant.
- If we cannot retain our current staff and recruit additional staff, we cannot adequately serve our citizens and our citizens deserve exceptional service.
- We **can, should** and **MUST** do better!

Safety is THE Priority



Questions?

Freeport Fire & EMS

2025-2026

Budget Request and Considerations



Freeport Fire & EMS is committed to serving the public with compassion, care, and educational outreach. We strive to protect our community through professional fire response, emergency medical services, and effective emergency management.

Budget Request

- Tire- Engine 902 Engine 903 \$13,000
- Training Overtime \$24,000
- 3 Firefighter/Medics \$258,000
- Ambulance \$400,000
- Fire Engine (Quint) \$1,700,000

Non Budget Request

Salary Surveys (February 2021)

Department Director's Budget recommendation is limited only to supplies, services, maintenance, sundry, and captial.



Accomplishments



- Communications Infrastructure Improvement
 - ILA Port Freeport & City of Freeport Public Safety
 - Multi-band portable radios (27) grant
- Employee Training (FEMA Training Grant)
 - Vehicle Extrication
 - Rope Rescue
 - Confine Space Rescue
 - Advance EMT
- Cost Recovery Services
 - EMS Cost recovery revenue
 - Increased 42%, fiscal year each year for the last three years.
 - Cost recovery agency forecast \$920,000
- Departmental Training (Company Shifts) Fire Field
 - Live Burn Training: BCFFA Fire Field
- Regional and/or Interdepartmental Collaboration
 - ILA Port Freeport & City of Freeport
 - Industry and Freeport Table Top Drills

Overtime

Increase the Overtime Budget to reflect the needs of the department.

- Additional staffing during Holidays Weekends.
 - Holiday weekend coverage includes Friday through the Holiday with additional staffing
 - Additional staffing is six.
 - Holiday Weekends: New Years, Good Friday (Easter), Independence Day, Labor Day, Thanksgiving, Christmas.
 - Holiday: Martin Luther King, Jr., President's Day, Columbus Day
- Does not include extra shifts for events, training, and backfill coverage.
 - Fire/EMS Prevention
 - Fishin' Fieta
 - Kid Fest
 - Riverfest – Boat Races
 - National Night Out
 - Fire Works
 - Bonfire



Employee Recruitment & Retention

(AKA: Attracting and Keeping Employees)

Staff Levels:

Currently: Staff shortage for three positions.

Last year: Staff shortage four positions.

Periodically: Staff shortage five positions.

Forecast: Possible two employee turnovers.

Recruiting:

Surrounding fire/EMS departments recruitment is creating challenge:

Salary ranges from \$61,00 to \$68,000

Freeport: \$55,000

Background:

- 2019: Merit-based pay. Fire/EMS was removed from step raises.
- 2020: Pay increase was not COL only but performance rating.
 - COL: 1.5 % and Merit: 1.5 %
- 2023: Council Approval Fire/EMS salary adjustment.
- 2023: Fire/EMS annual base salary is 12% below.

COLA HISTORY			
Year	City %	PD %	USA %
2019-2020	3.5%	3.5%	1.6%
2020-2021	3%	3%	1.3%
2021-2022	3.5%	Matrix	5.9%
2022-2023	3.5%	3.5%	8.7%
2023-2024	3.5%	3.5%	3.2%
2024-2025	3%	0%	2.5%
TOTAL	20.0%	13.5%	23.2%



Recruitment & Retention Recommended Proposal

Recommended Proposal for ALL First Responders:

- Hiring Incentive For New First Responder:

\$5000 total
\$1000 at start
\$2000 at 1 year
\$2000 at 2 years

- Vacancies 5 Firefighter/EMS:

\$5000 at start
\$12,500 at 1 year
\$12,500 at 2 years
Total \$30,000

5 Hiring incentives equal the expense of recruiting, testing, background investigation, drug screen/physical, and field training of 1 Firefighter/EMT



Recruitment & Retention Recommended Proposal

Recommended Proposal for ALL First Responders:

- Academy Reimbursement:
 - Average Fire Academy up to \$5000
 - 25% upon completion of Field Training
 - 25% upon completion of 1 year
 - 50% upon completion of 2 years
- Restrictions:
 - Freeport must be your first hire agency after graduation.
 - Must have graduated within the past 3 years.
- Currently 5 Firefighter/EMT would be eligible.
 - Average of \$5,000 for academy
 - Total \$30,000 for 5 Firefighter/EMT
- 5 Hiring incentives equal the expense of recruiting, testing, background investigation, drug screen/physical, and field training of 1 Firefighter/EMT



Recruitment & Retention Recommended Proposal

- Fire/EMS be placed back on a matrix
- Benefit: Retaining a highly skilled workforce
- Recruit quality workforce to meet the citizens needs and expectations.
- Why ?
- Our citizens immediate needs are our priority!
- Staff are key to efficient delivery of services Fire/EMS!
- Our Elected Officials want and expect the best!



Freeport Fire & EMS

Questions ?



Streets

- Requests:
 - Concrete saw
 - \$6,256 one-time
 - Vibratory plate compactor
 - \$1,595 one-time
 - Jumping jack
 - \$2,998 one-time
 - 15' batwing
 - \$29,000 one-time
 - Zero turn mower
 - \$14,000 one-time

Parks

- Requests:
 - Riverplace exterior metal coating
 - \$30,000 one-time
 - Repair playground equipment
 - \$20,000 one-time
 - Border and mulch (playgrounds)
 - \$10,000 one-time

Recreation Center

- Requests:
 - Annual pool contract
 - \$10,000 recurring
 - Splash pad replacement
 - \$10,000 one-time
 - Rec Center exterior metal coating
 - \$30,000 one-time

Museum

- Requests:
 - Museum staff raises above COLA
 - \$10,000 recurring (\$6,000 recurring)
 - Museum manager raise
 - \$10,000 recurring (\$6,000 recurring)
 - Generator
 - \$5,000 one-time (\$14,000 one-time)
 - Central dehumidifier
 - \$5,000 one-time
 - Renovate museum storage room
 - \$15,000 one-time
 - Fire suppression system
 - \$45,000 one-time
 - Renovate exhibit hall
 - \$25,000 one-time
 - Interactive touch-screen displays
 - \$10,000 one-time
 - Advertising line-item increase
 - \$9,000 recurring

Golf Course

- Requests:
 - Annual cart path repair
 - \$10,000 recurring
 - Pump station platform
 - \$10,000 one-time (future project within next 2 years)

Grant Match Requests

- Requests:
 - PD – cybersecurity grant 20% match
 - \$21,605 one-time

Council Requests Received

- Slaughter Road generator
 - \$50,000 one-time
- Pave alleyway between Methodist Church & retirement homes
 - \$30,000 one-time

Total Available Resources: \$1,622,177

Total One Time Requests: \$3,198,331

Total Recurring Requests: \$971,490

Grand Total Requests: \$4,169,821

**Tentatively Approved Total:
\$1,455,966**

Discussion for Council Final Approved Projects

Thank you, Mayor & Council!

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Tuesday, September 2, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd. , Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Dan Pennington, Interim City Manager
Chris Duncan, Interim City Attorney
Clarisa Fernandez, City Secretary
Ashlee Hurst, Finance Director
Toby Cohen, IT Director
Donna Fisher, Human Resource Director
Jennifer Howell, Police Chief
Rudy Ragle, Public Works Director
Chris Motley, Fire Chief
Maria Lopez, Main Street Coordinator
Laura Cramer, GIS/Property Manager

Visitors:	Melanie Oldham	Kenneth Hayes
	Linda Marshall	Ralph Frazier
	Manning Rollerson	Ron Bachman

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the regular scheduled meeting of the Freeport City Council to order at 6:03P.M. on September 2, 2025, declaring a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Ralph Frazier expressed appreciation for the opportunity to serve on the Beautification Parks and Recreation Board and stated it is an honor to contribute to the future of Freeport. He acknowledged that Councilman Pena will be addressing the process for board nominations and expressed full support for the discussion, stating he believes change is necessary. He said there are passionate individuals in the community who want to see Freeport thrive and emphasized the importance of ensuring they have the chance to bring their skills and dedication to the table. He stated that working together can create a process that better reflects the voices of residents and positions the City for growth and success. He noted that if Freeport wants growth, it must open its doors wider. He said that currently, talented and committed people who care deeply about Freeport's future are being overlooked. He stated that the City needs a process that brings in fresh ideas, new perspectives, and voices ready to work toward the success of Freeport. He concluded by thanking the Council for their time and their commitment to the community.

Kenneth Hayes resides at 414 Mystery Harbor. He brought to the Council's attention that 1495 is scheduled to be widened by TxDOT. He stated that a City water line ties into 1495 and will need to be relocated, estimating the cost to be between two and three million dollars. He noted that it is unclear whether this information has been communicated to the current Council, but said that Veolia and other Council members were previously aware. He emphasized that this is an issue the Council needs to discuss.

Manning Rollerson resides at 118 West 6th Street. He stated his objection to any water rate hikes, emphasizing that residents did not cause the City's budget shortfall and did not allow misappropriation of funds. He said prior Council members allowed misuse of City assets and funds, and that placing the burden on taxpayers is wrong. He noted that residents opposed water rate increases in 2022, yet the increases occurred, and the City still faces budget shortfalls. He questioned the handling of City finances over the past five years, asking when funds lost through non-disclosure agreements and severance packages would be recouped. He expressed frustration that citizens, including those on fixed incomes or receiving disability or veteran benefits, are expected to cover these costs. He compared the situation in Freeport to other cities south of Angleton, stating that previous administrations misappropriated funds and then turned to taxpayers to cover shortfalls. He noted that residents pay their own bills without assistance and questioned why they should bear the cost of the City's mismanagement. He also raised concerns about housing, addressing the issue to the Councilman for Ward A. He stated there is no acceptable deal for land paid for by previous generations, criticized the mismanagement of new communities, and noted that commercial zoning has failed to produce growth for 57 years. He emphasized that the City's industries have not provided the expected growth and called for change, reflecting on his 41 years raising children in Freeport.

Consent Agenda:

Action regarding Minutes, August 18, 2025-Clarisa Fernandez, City Secretary

A motion was made by Councilman Matamoros to approve the Minutes, August 18, 2025, as presented, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Action approving the Employee Holiday Calendar for Fiscal Year 2025-2026-Donna Fisher, Human Resource Director

Councilman Pena requested moving this item out of the Consent Agenda.

Human Resource Director Donna Fisher stated that the number of holidays remains the same as in previous years. She explained that a few of the dates had to change because Thanksgiving does not fall on the same day every year. She noted that there were no additions or subtractions to the holiday calendar.

A motion was made by Councilman Matamoros to approve the Employee Holiday Calendar as presented,

seconded by Councilman Davis with discussion that followed.

Councilman Pena said he was curious about how the City's holiday calendar compares to the county calendar. Human Resource Director Donna Fisher noted that it had been a few years since the last review and that the last time a holiday was added, she checked the comparison. She stated that currently the county has 13 holidays and the City has 14 and a half, noting that it is very close. Councilman Pena expressed interest in reviewing the calendar for a couple of reasons, including ensuring City facilities such as the recreation center and museum are accessible on holidays that fall on Mondays. He suggested that departments could remain open, so residents could use these facilities while on holiday. Ms. Fisher noted that department directors could address the use of comp time for these situations. She mentioned that the golf course cannot be completely closed on Mondays, except for Christmas, and explained how employees make up the time when working on holidays. Councilman Pena emphasized that the City provides services such as the museum and recreation center for the community, and residents could benefit from access on days off. He requested that this consideration be included as the budget for the next fiscal year is finalized.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Proclamations - Presentations and Updates

Proclamation for National Hispanic Heritage Month-Dan Pennington, Interim City Manager

Interim City Manager Dan Pennington read the Proclamation proclaiming September 15-October 15 as Hispanic Heritage Month.

Upcoming Events -KidFest,Downtown Freeport, September 6th, 3:00P.M.-7:00P.M.

Coffee with a Cop, Starbucks and McDonalds, October 1st, 8:00A.M.-10:00A.M.

National Night Out with Freeport Police, Fire and EMS, Freeport Municipal Park, October 7th, 6:00P.M.-8:00P.M.

Fright Night 2025, Freeport Municipal Park, October 23rd, 6:00P.M.-9:00P.M.

Interim City Manager Dan Pennington gave updates on upcoming events.

Public Hearings

Public Hearing on the FY2025-2026 Annual Budget.

Mayor Cain opened the Public Hearing at 6:22P.M.

Manning Rollerson stated that he does not believe it is fair for residents to bear the burden of the City's budget shortfalls. He said that while the City must operate off the tax dollars of its citizens, there are serious issues with past administrations. He expressed objection to raising the water rate, noting increases of \$4 or \$7 would disproportionately affect residents of Freeport, many of whom are below the federal poverty level. He emphasized that his primary concern with the budget is that the financial burden repeatedly falls on the residents.

Melanie Oldham resides at 531 West Brazos. She expressed appreciation to the City Council, specifically Mr. Pennington and Ms. Ashlee, for taking more time this year to give the public additional opportunities to speak. She noted that she spoke informally with several Council members to share her perspective after discussing the budget with other residents. She acknowledged the difficult decisions the Council must make and expressed gratitude to Ms. Ashlee for being willing to speak with residents and explain matters, as well as to Mr. Pennington for his leadership.

Ralph Frazier stated his opposition to raising the water rate in Freeport, noting that families and seniors are

already stretched thin with the high cost of living. He emphasized that water is an essential necessity, not a luxury, and that raising the rate would place an unfair burden on residents, particularly those living on fixed incomes. He urged the Council to find an alternative solution in the budget rather than passing the cost to citizens. He concluded by stating that Freeport must be a City that protects its residents, not one that makes it harder for them to live in the community.

Councilman Pena inquired about the water rate increase, asking if the Council's prior vote at the last meeting finalized the matter or if it was still open for consideration. Finance Director Ashlee Hurst confirmed that the vote had passed, and the new rate would go into effect October 1, reflected on water bills. Councilman Pena then asked whether the Council could hold another public hearing or workshop before the scheduled budget adoption on September 15, noting that the timing immediately after the holiday made preparation difficult. He suggested an additional meeting would allow for more discussion on budget items. Interim City Manager Dan Pennington responded that state law and the City Charter require 15 days' notice before final adoption of the tax rate. Ms. Hurst said since the tax rate had already been proposed at the previous meeting, the vote had to be held on September 15 and holding another hearing would push the date beyond the charter deadline. Mr. Pennington noted that the City has already held multiple public hearings, more than most agencies typically conduct. Councilman Pena then asked how final budget changes could be made, seeking clarification on whether only minor adjustments would be allowed at the September 15 meeting. He expressed concern about larger items, particularly the proposed \$1.7 million fire engine purchase, and urged the Council to consider delaying it until other funding options such as industrial partnerships or sponsorships could be explored. Councilman Pena asked whether there was a threshold or limit on what could be changed in the budget between the current meeting and final adoption. Mr. Pennington said there was no limit, though the final version would likely be close to what had already been presented, with some adjustments possible if other funding sources were identified. He explained that a budget with cuts already included would be presented to Council, and any further changes could be made the night of the final vote. Councilman Pena then asked about additional revenue options, specifically whether proposals such as raising golf rates or instituting a beach entrance fee would be provided for Council to fairly assess their budget impact. Mr. Pennington said he was not sure what the beach plan is but that golf rates would be presented at the next meeting, and that the budget discussion would be the final item on the agenda. Councilman Pena expressed concern about the potential length of the meeting and hoped the agenda would not be too heavy.

Councilman Rossow clarified that water rates had to be raised because of increased costs from BWA and Veolia. He thanked Finance Director Ashlee Hurst for preparing four options, with the Council selecting the lowest rate increase for residents. Councilman Rossow emphasized that they, too, pay water bills and that raising rates was necessary to keep the City financially stable. Ms. Hurst also reiterated to the public that phone lines and office doors remain open, and is willing to discuss concerns with any resident. She stated that she has spoken several times with Ms. Oldham and Ms. Dancy, and emphasized that if any citizen feels she is being unfair or does not understand what is being discussed, she is willing to sit down and explain.

Manning Rollerson said there is a solution to the problem, and it is to put the burden on the industries, noting that the Texas Supreme Court has ruled that industries receive 89% of the water during a drought. He argued that if industries are guaranteed priority access to water, then they should pay for it rather than taxpayers. He stressed that senior citizens depend on every dollar they receive and should not bear the additional burden. He stated that the industry has benefited for decades and that it is time for them to pay their fair share instead of residents. Councilman Pena asked if it was true that industry is mandated to receive 89% of the water during an emergency. Interim City Manager Dan Pennington stated he had never heard that. Mayor Cain said he was unsure which law was being referenced. Mr. Rollerson responded that while he could not cite the specific law, the United States Supreme Court had also ruled that Dow Chemical must have all the water during a drought. He said Corpus Christi is experiencing the same problem, as

industries are guaranteed by both the State of Texas and the U.S. Supreme Court to have as much water as they want. He explained that this is why the Brazosport Water Authority has taken the position it has, since industries are guaranteed this water. Mr. Rollerson was asked by a Councilman Pena why he was not present at the last meeting and was informed his attendance would be required moving forward. Mr. Rollerson agreed and stated he would email the law he had referenced to the full Council so that everyone would be informed.

Councilman Matamoros spoke regarding the City's water and sewer service provider, Veolia. He referenced a special meeting where representatives from the company attended and noted that by going back with them, the City was starting in a deficit of \$964,000. He confirmed with Ms. Hurst that those were preliminary numbers. He stated that the majority of Council voted for that contract, but he and the Mayor were against it because of the large deficit. He explained there had been options to bring the service in-house, which would have reduced costs and possibly avoided raising rates as much, perhaps raising rates only for others within the billing system and not on residents. He said that was a huge reason why rates had to be raised, but emphasized there was still time since the City had not yet signed a contract with Veolia. He suggested that cutting costs in half or more by bringing it in-house was still possible, and encouraged residents to speak to their Council person if they had concerns. He shared that when discussing rate increases, he asked his wife about their monthly water usage since their bill is on autopay. He discovered they were only one thousand gallons away from being considered a super user and said, "Holy cow, I'm going to be hit with that 15%." He expressed his frustration, saying he did not want to pay more if he did not have to. Councilman Matamoros then turned to the supplemental budget requests, specifically regarding the Police and Code Departments. He pointed out a one-time amount of \$475,000 for five vehicle replacements, listed as three patrol, one admin, one CID, and one animal control. He asked whether it was five vehicles or six. Interim City Manager Dan Pennington replied five, but clarified that tentatively three were approved. Police Chief Jennifer Howell explained that originally six were requested, but on the spreadsheet it appeared as five, and later was reduced to three per. Councilman Matamoros asked if the \$350,000 proposed was for three or five vehicles. Chief Howell stated it was estimated for three, since no formal quotes had been obtained yet. Councilman Matamoros said he had noticed a 3/4-ton pickup truck sitting unused in the back lot and asked about its purpose. Chief Howell explained it had been Captain Gillchriest's truck, later considered for transfer to Public Works. Chief Howell added that it was mainly used for pulling trailers, had low mileage, and was not typically utilized as it should be, describing it more like a work truck. Councilman Matamoros suggested the truck could possibly be used for animal control instead of purchasing another vehicle. He stressed the importance of finding savings since the City faced upcoming large costs for ambulances and fire trucks. He noted that between the one-time amount and the proposed vehicle purchases, \$125,000 was a large expense, and he wanted to look at ways to redirect \$200,000 to \$250,000 toward funding a new ambulance or fire truck. Councilman Matamoros asked if three vehicles could be utilized and allocated among patrol, admin, or other departments as a compromise. Chief Howell said yes.

Gina Adams said she had a meeting with TECQ regarding TERP grants, explaining that the grants provide funding for vehicle replacements. She said that in October, a light-duty grant would be available, first-come, first-served, and that they would partner with TECQ in 2026 for other grants. She emphasized that such grants could save the City money and offered to send the information and links to all the Council members.

Councilman Davis stated that the City needs a grant writer to help locate and secure available grants. He explained that he voted not to support the City's plan to take over the water department because there was no plan presented to Council until the last two or three months, and he had no confidence in it. He said if other Council members or the Mayor were aware of a plan, it should have been shared so that everyone could be on the same page. He emphasized that the City should not jump into a multi-million-dollar contract as important as the water system without a solid plan. Councilman Davis pointed out that the plan had holes, and there was no confidence level to move forward. He noted that beginning in September, the City would have had to purchase equipment, tools, and large trucks, all of which cost money, which would have impacted the budget. While he stated that staff could have made it work, he believed the plan was presented

too late and was not well-prepared. He compared the situation to preparing for the trash contract, saying the City should be making a plan now so that it is ready when the contract comes up again. He stressed that was why he did not vote for the water department plan, as it was not thought out and would put the citizens at risk. He referenced the water crisis in Flint, Michigan, asking if that was what people wanted to happen in Freeport. Councilman Davis said that Council and staff are now communicating and being transparent by working together on the budget. He noted that in the past, the Council was not informed about things such as the water plant, which he described as unheard of. For those reasons, he reiterated that he did not support the plan to take over the water department.

Councilman Pena began by acknowledging that the City is still in the early stages of the budget cycle. He recognized the efforts of Mr. Pennington, Ms. Ashlee, Mr. Duncan, and all department heads in preparing budget numbers and engaging with residents to gather feedback, as well as reviewing departmental wish lists. He emphasized that the Council has not yet fully examined the budget and described the current methodology for adopting budgets as broken and in need of reform. Councilman Pena suggested a new approach in which each department's top priorities, such as the Parks Department's top five items, would be clearly listed. Councilmembers could then vote "yes" or "no" on each line item, or select among options for specific purchases, such as vehicles for police or fire departments. He compared the process to selecting items from a menu and argued that it would provide clarity, prevent guesswork, and help avoid unnecessary expenditures. He raised specific concerns about the Fire Department, noting that the City has two stations and potentially redundant vehicles. Councilman Pena questioned the sustainability of maintaining a full-time fire and EMS staff when no other City in the county does, and stated that residents he has spoken with do not support the inflated costs. He encouraged exploring hybrid staffing models, consolidating stations, and evaluating other cost-saving measures. Councilman Pena expressed frustration that staff and Councilmembers remain unclear on priorities. He observed that some decisions have been made based on instinct or historical data, rather than forward-looking planning, and stressed the need for a structured worksheet to document Council input. He proposed using a digital spreadsheet with "yes" or "no" columns for each item, including running totals to show budget impacts, which would allow staff to compile Council preferences without violating open-meetings law. He also highlighted other areas where clarity is needed, including evaluating revenue opportunities such as the golf course and beach operations, and incorporating resident feedback into budgeting decisions. Councilman Pena emphasized that the goal is to maximize the reinvestment of City dollars, make both easy and difficult cuts where necessary, and ensure that all decisions are transparent and clearly communicated to staff and the public. Councilman Pena discussed the golf course and expressed concern about the pricing and the way programming is handled for weekend golfers and members, stating it is not right. He asked whether Golf Course Director Brian Dybala was present to provide details on the proposal and the numbers. He explained that the Council needs detailed instructions to make informed decisions, otherwise they are essentially voting blind, similar to past administrations where City Hall presented budgets with discrepancies, losses, and misleading information. He described his frustration with previous situations, including a moment when he considered resigning to enforce budget cuts. He emphasized that even the CEO and CFO admit they are currently flying blind regarding the budget. Councilman Pena requested that staff prepare a worksheet to provide clarity before the next meeting so that the Council can review the compiled numbers, keep the worksheets for public record, and ensure decisions are made by consensus. Finance Director Ashlee Hurst proposed a digital option for submitting feedback.

Interim City Attorney Chris Duncan discussed the process of reviewing department requests using an à la carte menu that was sent out. He explained that each department presented their requests, and Council members were asked to select their preferred options without discussing them with each other. He emphasized that Council members could not compare notes, call other members, or engage in horse-trading, as doing so would constitute deliberation. He noted that deliberation must occur publicly during a posted meeting and stated that following these rules does not constitute a legal violation, as long as input is one-way and members do not communicate with each other. He recommended that staff, including Ms. Ashlee and Mr. Pennington, established clear parameters for the process, including the number of selections allowed and how options would be organized. He noted that previous documents had requested prioritization

and that a spreadsheet could be used to avoid mistakes or miscommunications when tallying responses. He proposed that council members submit their selections, and at the next council meeting, the results could be reviewed and tallied without requiring debate. He explained that the spreadsheet could include highlighted items and additional columns as needed, allowing the Council to make decisions transparently and efficiently. He emphasized that this approach would prevent confusion, ensure clarity, and allow the Council to avoid any procedural missteps. Interim City Manager Dan Pennington explained that Council members could submit their selections using a spreadsheet, either digitally or by handout, without discussing or comparing notes with one another. He noted that prior documents had requested prioritization and that using a spreadsheet with highlighted items and columns would allow members to provide input efficiently and transparently. He suggested that each Council member submit their selections in advance, which could then be compiled and reviewed during the next council meeting. He emphasized that this process would prevent errors and miscommunications while allowing members to see the overall results. Councilman Pena recommended to send out the list with those highlighted ones for a yes or no response and include a running total at the bottom, especially if done electronically. He suggested that the spreadsheet be quasi-interactive so members could see the running totals and the impact of their selections in real time. He explained that submitting selections in advance would allow each Council member to act independently, preventing collaboration that could skew results, and noted that the number of variables would make identical outcomes unlikely. He described the process for compiling the submissions and reviewing them line by line during the next meeting, allowing members to confirm or change their votes. He emphasized that this approach would let Council members provide input comfortably from home without the pressure of political optics and would simplify decision-making to an up-or-down vote. Mr. Duncan added that the checklist could be formatted for clarity, and Council members could make motions and vote during the meeting if desired. He stressed that no discussion or comparison of notes should occur before the meeting to comply with deliberation rules.

Interim City Manager Dan Pennington questioned whether the proposed process required a motion or second, noting that the only item on the agenda was a public hearing on the budget. He indicated that a motion may not be necessary and that he, Ms. Ashlee, and the Chief could determine the proper approach. Councilman Pena suggested using an interactive spreadsheet in Excel to submit Council members' selections, allowing enough time for compilation before the next meeting.

Councilman Davis expressed support for the process, praising the approach and the work being done, noting that this type of input had not been done in a while. He emphasized that it allowed all Council members to have a voice and provided the opportunity to agree to disagree while maintaining unity.

Councilman Rossow agreed with the proposed method, stating that it would allow Council members to present their decisions to the public while keeping the public informed. He noted the importance of conducting the process legally and through staff coordination rather than independently.

Councilman Matamoros indicated that he had already submitted his input and did not need the spreadsheet.

Mayor Cain expressed appreciation to Finance Director Ashlee Hurst for her work on the budget cycle, recognizing her ability to handle last-minute challenges with a positive attitude and professionalism.

Mayor Cain closed the Public Hearing at 7:13P.M.

Business

Consideration and possible action approving the proposed 2025 Annual Street Lighting Plan.

GIS/Property Manager Laura Cramer presented the proposed 2025 street lighting plan to the Council. She

explained that a map of the proposed light locations had been provided to Council members between the two meetings for review and edits, and that any requested changes had been incorporated. She asked for the Council's approval of the plan.

A motion was made by Councilman Matamoros to approve the 2025 Annual Street Lighting Plan as presented, seconded by Councilman Rossow with discussion that followed.

Councilman Pena discussed the streetlight map with GIS/Property Manager Laura Cramer, referencing an earlier conversation regarding the lights on Broad Street between Pine and East Park. He noted that three lights from previous years, specifically 2022, had not yet been installed. He also raised the light planned for Cherry Street between First and Second Street, suggesting it be moved to Second Street in front of City Hall. Ms. Cramer confirmed the earlier discussion and provided clarification on the five lights to the right on Second Street between Cherry and Pine, noting that three of the five were operational while two were not, and that CenterPoint would address them similarly to the Broad Street lights. Ms. Cramer confirmed that she had reported the previously uninstalled lights and requested they be installed promptly. Councilman Pena and Ms. Cramer discussed the placement and status of streetlights along Broad Street and Second Street. Councilman Pena confirmed that the light originally planned for Broad Street between Oak and Cherry would be relocated to Second Street to improve lighting along the main corridor. Ms. Cramer noted that the area west of City Hall toward Oak consists entirely of concrete parking lots and drives, which may require slight offsetting of the light placement. Councilman Pena and Ms. Cramer reviewed the lights in front of City Hall, noting that three classical lights exist but are not powered. They agreed that two operational lights from CenterPoint would provide sufficient illumination. Councilman Pena confirmed the removal of the Broad Street light and its relocation to Second Street, resulting in three lights on Second Street and one remaining on Broad Street.

Councilman Pena discussed the streetlight allocation for the upcoming year. He acknowledged that while it was too late to make changes for the current year, adjustments could be made for next year. He recommended a rule of thumb for evenly distributing streetlights among the wards, noting there are approximately 43 lights per CenterPoint allocation per year. He suggested that each ward receive roughly 25% of the total to ensure a fair distribution and minimize contention. GIS/Property Manager Laura Cramer referenced a table in the agenda memo showing the number of lights per mile per ward as a guide for equitable distribution. Councilman Pena expressed concern about previously reported numbers for 2021 and 2022, stating that he had never allocated more than eight to ten lights per year and could not verify some historical figures. He emphasized that a consistent 25% distribution across all wards would simplify the process and ensure fairness. Councilman Pena confirmed that all previously reported light outages in his ward had been addressed, according to CenterPoint.

Councilman Davis noted that the previous two years had each resulted in only 14% of lights being allocated, totaling 28 lights. Councilman Pena emphasized that the allocation should be 25% across the board and that it should not result in the lowest number of lights again next year.

Councilman Rossow said he received a message from the City Manager saying all of his requested lights are up.

Councilman Matamoros amended his motion to approve the 2025 Street Lightning Plan with the pending changes presented by Councilman Pena, seconded by Councilman Pena with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025- 2947 authorizing a revision to the City of Freeport Policy Handbook Chapter 9 – Employee Wages and Benefits Section 9.03 A Wellness Requirement.

Human Resource Director Donna Fisher presented the item regarding the City's employee wellness requirement. She reminded the Council that at the previous meeting they had requested the penalty for employees failing to complete their annual wellness exam be increased from \$25 per paycheck to \$50 per paycheck, effective for the 2026–2027 fiscal year.

A motion was made by Councilman Matamoros to approve the revision to Resolution No. 2025-2947, seconded by Councilman Rossow with discussion that followed.

Human Resource Director Donna Fisher explained that the change would address Council's direction and clarified that, as previously approved, employees who do not complete the exam during the 2025–2026 fiscal year would be assessed \$25 per paycheck beginning October 1, 2025. Ms. Fisher stated that the \$50 per paycheck penalty would not take effect until the following year, beginning October 1, 2026. She noted that approximately 21 employees, or 17 percent of staff, had not complied with the requirement in the prior year and were expecting the \$25 charge as approved.

Councilman Pena expressed concern that there was no way to impact the amount for the coming year, and Human Resource Donna Fisher confirmed it could not be changed from \$25 to \$50 on October 1, 2025, because the Council had already voted on the \$25 rate. She added that approximately 21 employees, representing about 17 percent of the workforce, had not complied with the requirement and were expecting the \$25 charge. She noted that to alter it at this point would not align with the expectation created by Council's earlier vote.

Mayor Cain stated for the record that his employer has a similar program in place, where employees are charged \$20 or \$25 per month if they do not complete their wellness requirement. He said he felt \$50 was a lot and expressed his support for the \$25 level.

Councilman Davis remarked that at his workplace the penalty amounts to \$300 annually. Mayor Cain responded that if he were in the same situation, he would ensure he was working 40-hour weeks with Fridays and 14 holidays, though Councilman Davis countered that the pay did not add up, but the cost was still \$300.

Councilman Winston added that some employees simply do not want others to know their business, which is why they opt not to participate. Councilman Davis reiterated that \$300 is a lot of money, but emphasized the program's value in encouraging healthy practices and controlling insurance costs. He said the requirement is preventative, designed to catch potential issues early, and shared that it helped him personally by prompting him to go to the doctor.

Councilman Pena sought clarification on whether insurance premiums for Councilmembers would be affected, and Human Resource Director Donna Fisher confirmed that the City's insurance does not cover the Council. Councilman Pena then suggested that in the future Council might consider adding coverage for elected officials.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. The Council approved the motion. Mayor Cain voted "Nay".

Consideration and possible action approving Resolution No. 2025-2948 to appoint Chief Jennifer Howell as Public Information Officer.

Human Resources Director Donna Fisher informed the Council that during the last legislative session, House Bill 33 was passed requiring governmental bodies, including municipalities, to appoint a Public Information Officer responsible for receiving, processing, and coordinating responses to the public regarding

active shooter incidents or other emergencies occurring in primary and secondary schools. She stated that Chief Howell was the most qualified of the City's employees to serve in this capacity.

A motion was made by Councilman Pena to approve Resolution No. 2025-2948 to appoint Chief Jennifer Howell as Public Information Officer, seconded by Councilman Davis, with discussion that followed.

Councilman Pena asked what announcements and methodologies would be employed under this designation and what training or ideas Chief Howell would implement specific to Freeport, beyond what is outlined in the statute. Human Resource Director Donna Fisher explained that House Bill 33 sets forth specific statutory requirements for training, and that Chief Howell has already received a significant amount of the required instruction, with additional training to be provided as guidelines are finalized. Councilman Pena inquired about contingency planning should Chief Howell be unavailable, and Ms. Fisher stated that in such a case, the Chief would appoint a Lieutenant to act in her place. Councilman Pena also asked whether there were any budgetary considerations, to which Ms. Fisher responded that there would not be, as the responsibilities fall within the normal scope of existing positions. She added that while the bill went into effect immediately, some of the detailed training guidelines would not be released until December. Councilman Pena further asked about the scope of responsibility and whether the resolution would apply to other emergencies within the City. Ms. Fisher clarified that the law applies strictly to emergencies in primary and secondary schools, specifically active shooter incidents, and does not extend to other types of emergencies at municipal facilities.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2949 deeming property surplus and donating to local police department.

Police Chief Jennifer Howell addressed Council regarding surplus Zebra mobile printers. She explained that these printers are specialized devices used in patrol vehicles, connected to ticket writers for citation printing. The printers had not been used in some time and had been stored in boxes since the department had moved to a different system. Chief Howell stated that another department, the City of Iowa Colony, still utilizes this style of printer and the proposal was to donate the equipment for their use.

A motion was made by Councilman Davis to approve Resolution No. 2025-2949 deeming property surplus and donating to local police department, seconded by Councilman Rossow with discussion that followed.

Councilman Pena inquired as to which agency would receive the equipment and the estimated value. Police Chief Jennifer Howell replied that the receiving agency was Iowa Colony, and explained that due to the printers' age—over 15 years old—they were no longer serviceable, had no repair support, and carried no real market value. Councilman Pena asked if Freeport could claim any portion of future ticket revenue generated with the devices, to which Chief Howell replied she could ask.

Councilman Matamoros expressed concern regarding potential data storage, noting the printers contained random access memory that may have held personal or ticketing information. Police Chief Jennifer Howell agreed to have IT staff review and wipe the devices, with both Mr. David and Mr. Toby verifying to ensure thoroughness. Councilman Matamoros emphasized that, in his professional experience, such devices are difficult to completely clear of sensitive data and suggested that donation might not be advisable. Chief Howell clarified that the printers would not go to public auction but rather to another law enforcement agency, meaning any residual information would remain within the criminal justice system.

Councilman Pena noted this distinction, asking if the data would already be accessible through systems such

as the Texas Department of Public Safety, and Police Chief Jennifer Howell confirmed that relevant information is shared across agencies through the Criminal Justice Information System. Interim City Manager Dan Pennington added that the Council's concern should extend to what might occur if Iowa Colony later disposed of the printers at auction. He recommended ensuring two verifications of data wiping before releasing the equipment.

Councilman Davis withdrew his motion.

Councilman Rossow withdrew his second.

A motion was made by Councilman Pena to table this item, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council approved the motion to table this item.

DISCUSS AND TAKE POSSIBLE ACTION TO REQUIRE ALL CITY BOARDS TO ALLOW FOUR (4) MINUTES FOR PUBLIC COMMENTS, CONSISTENT WITH CITY COUNCIL'S RECENT AGENDA RESOLUTION CHANGES AND ACTIONS

Councilman Pena stated that the resolution was brought forward to him in terms of resident feedback. He said residents really liked what the Council did for them regarding Council meetings and suggested applying the same for all the boards, as long as it complies with the Charter. He emphasized that the intent was simply to make sure the City operates uniformly throughout.

A motion was made by Councilman Pena to approve, seconded by Councilman Davis with discussion that followed. (Clarification was provided later in the meeting regarding what was being approved.)

Councilman Matamoros stated this matter had been brought up because of EDC, which changed its citizens' comments to two minutes. He asked Councilman Pena if that was correct. Councilman Pena then said he did not believe the resolution was applicable to the EDC, explaining that it was just for city boards, and that the EDC was independent and could operate however it saw fit unless legal corrected him. Councilman Pena said that if the motion could affect the EDC so the City operated as a whole with four minutes, he did not see why any resident serving on the EDC board would want to minimize the input of their neighbors. He asked if the language included the EDC. Interim City Manager Dan Pennington said he did not recall if it was included, but believed it could apply. Mr. Pennington said the only question raised was whether the charter limited some boards, such as Planning and Zoning, to setting their own procedures. Interim City Attorney Chris Duncan agreed, noting Planning and Zoning was mentioned in the charter, which gave them control over their own procedures, and asked if four minutes for citizens' comments counted as a procedure under the charter or just rules for voting. He said the proposed ordinance was limited to not violating the charter. He explained that as things stood, Planning and Zoning's procedures were not in conflict with the ordinance, and that if a conflict came up, it could be addressed then. The City charter was the prevailing law, so nothing could be done that violated it. Councilman Pena said if the ordinance was in accordance with the charter, he wanted to ensure the City was operating uniformly across all boards. He said if that included the EDC, so be it, and if Planning and Zoning had an exception, so be it. He said changes could always be made through the Charter Review Board, but as the City's highest order of representation, the Council needed to make sure business was conducted uniformly. Since the Mayor had already approved four minutes, he believed all boards should abide by that. He stated he supported the motion to approve. Mr. Duncan clarified that the EDC is an independent nonprofit and that Council's authority was limited to appointing and removing members, approving the budget, and approving projects. Other than that, the EDC governed itself, and Council did not have the authority to dictate the length of its citizens' comments. Councilman Pena stated that in response to Councilman Matamoros's question, he did not believe the resolution was intended to contemplate or influence the EDC's decisions. He explained that the resolution was definitely directed

toward City boards, and he hoped that board members and residents our next-door neighbors understood the importance of transparency and allowing residents to participate in the same way the rest of the City operates. He added that the boards should not operate as an island of their own making, noting that the Council appoints and removes members of the EDC. Councilman Pena clarified that he was not seeking to remove anyone but only wanted to ensure that all boards were operating uniformly.

Councilman Matamoros noted that the reason for his earlier question was because Section Two of the resolution referenced council-appointed boards, which initially raised the question of whether it included the EDC. That point, he said, had now been clarified. Councilman Matamoros said that as liaison to both the Planning and Zoning Commission and the Board of Adjustments, he could confirm that neither board had limited residents' speaking time and that both were already operating under the four-minute rule. He emphasized that fact for the record. He concluded by stating that if the resolution was going to move forward, it should go one step further. He noted that members of the boards were volunteers and should not be subjected to being berated by lunatics who come forward simply to attack them. He added that while Council members are elected to face such scrutiny, volunteers should not be mistreated in that way.

Councilman Davis said he wanted to apologize and would not call the citizens lunatics. He clarified that while residents must remain respectful and avoid inappropriate language, everyone has the right to be heard. This principle applies to all boards in the City of Freeport, reflecting the City's commitment to transparency. He noted that time limits should not start trends that reduce citizen participation and expressed agreement with looking into the matter further.

Interim City Manager Dan Pennington added that, to his understanding, the Council approves the EDC bylaws. Any procedural changes desired by the Council could be implemented through these bylaws, making them mandatory for the EDC. While this differs from the boards affected by the current item, it could be confirmed later.

Mayor Cain explained his position on the matter, expressing caution about uniformity versus trusting appointed board members to run meetings professionally. He emphasized the importance of maintaining professional standards while allowing boards to observe how the Council conducts business. Mayor Cain asked for legal clarification regarding the resolution included in the packet versus the one laid before the Council at the meeting. Mayor Cain noted disagreement with Section Five, if the City Council allows members of the public to speak during different times under the agenda, the member of the public may apportion their four minutes among the different agenda items, as long as their total speaking time does not exceed the four minutes. Mayor Cain referenced a prior Resolution No. 2023-2820 from October 16, 2023, which stated any resident of Freeport may can comment for up to four minutes during the public comment section or at the beginning of a specific agenda item at each regular City Council meeting. If they comply with these rules, a resident may only comment once during a City Council meeting. Mayor Cain sought clarification on which resolution was being considered.

Interim City Attorney Chris Duncan clarified that if the Council voted for the resolution that is in front of the Council printed out, it would change the rules previously passed by the City Council. Under the prior resolution, each person could only speak once per meeting and could not split their time among agenda items. He explained that the decision to approve the new resolution was up to the Council and noted that, for Section Five, a motion could be made to remove it while retaining the rule the person can only talk once during a Council meeting.

Councilman Pena said back in July when changed they were intended to improve transparency by allowing four minutes of public comment up front. He explained that the feedback received after that change included questions about whether citizens could speak on multiple agenda items, and the resolution before the Council sought to address that concern. Councilman Pena emphasized that adopting the resolution does not

affect the Council's ability to manage meetings, including addressing disorderly conduct or cutting off comments that are not constructive. He highlighted that meaningful contributions from residents should be heard and that the resolution aims to facilitate orderly public participation. Councilman Pena noted that without this approach, each agenda request would require identifying every citizen to be called individually, complicating the process and removing the four-minute limitation. He concluded that maintaining a simple system was preferable, ensuring both transparency and efficiency in public participation.

Councilman Matamoros asked which resolution the Council would be voting on, questioning whether it was the one included in the packet or the version presented that evening. Mayor Cain noted that Section Five had been added to the version laid out on the counter. Councilman Matamoros expressed concern about transparency, stating that seeing a modified document at the meeting, rather than the one reviewed in the packet, created confusion and lacked transparency. Mayor Cain explained that citizens have multiple opportunities to speak, either during public comment or before deliberation on a specific agenda item. He emphasized that this process is intended to be straightforward and transparent, allowing residents to voice their opinions without causing disruption to the meeting. He observed that unregulated public input during deliberations could create disruptive meetings.

Interim City Attorney Chris Duncan clarified that citizens do not participate in the Council's deliberations. He further explained that once a motion and a second are made, the Council begins deliberation, and additional citizen comments are not permitted at that stage. He distinguished between regular agenda items and public hearings, noting that public hearings allow more interaction, whereas regular meetings require citizens to make statements without back-and-forth discussion. He emphasized that the Council's deliberations are public, and residents can observe the reasoning and discussion behind decisions. Ultimately, the Council retains discretion over how to structure public comment, whether to allow one comment per meeting, comments at the beginning of each agenda item, or multiple short comments, while ensuring proper legal procedure is followed. He stressed that once deliberation begins, the process is limited to Council discussion, and citizens' input is concluded.

Councilman Davis emphasized citizens' rights, noting that sometimes residents do not use their full four minutes at the beginning of a meeting, leaving unused time they should be allowed to apply later in the meeting. He explained that a resident might speak on one agenda item initially, then wish to use remaining time on a later item, and argued that this is fair as long as citizens remain respectful and follow the meeting order.

Mayor Cain highlighted the importance of running the meeting professionally and noted that the set rules prevent disruptions caused by residents raising hands and speaking without following protocol.

Councilman Pena stated that over the past year, he had observed a lot of subjective application of the rules, noting that when crowds were rowdy, some residents were allowed to speak outside of proper procedures, and reminders about signing in were inconsistent. He explained that the new process clarifies the rules: residents must sign up at the beginning of the meeting and are then granted their four minutes. He noted that if a resident wants to speak on a specific agenda item not initially listed, they may request it while speaking, and the Council will allow it at the beginning of the meeting. This ensures that all information is shared, and Council members and residents have a full understanding of the matters at hand. Mayor Cain said that while he encourages all residents to speak and participate, it must be done in a proper and orderly manner. Councilman explained that Section Five concerns only the apportioning of the remaining time, emphasizing that no one is allowed more than four minutes. He clarified that everyone receives four minutes and must sign up at the beginning of the meeting. If a resident does not sign up initially, they do not receive additional time, and any remaining time they have is the only extra they are allowed.

Interim City Manager Dan Pennington addressed a question regarding why an additional resolution was laid out at the meeting. He noted that the draft that was originally worked on had been submitted and posted, but subsequent work continued on another draft, possibly due to Section Five. He explained that the agenda posting requirements were met, and while additional material is not typically provided after posting, in this case, a copy was made available on the table for the public to see. He said that the draft was provided to ensure transparency and that all work on the item following the initial posting was made accessible to the public.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Mayor Cain voted "Nay". Councilman Matamoros voted "Nay".

DISCUSS AND TAKE POSSIBLE ACTION TO ESTABLISH RULES FOR BOARD MEMBER NOMINATIONS BY COUNCIL AND CITY BOARD MEMBERS

Councilman Pena introduced a resolution to establish a standard procedure for nominations to City boards, explaining the item arose from resident feedback during the May board appointments.

A motion was made by Councilman Pena to approve this resolution to establish the rules for board member nominations by the City Council for the City board members for both the Council and City board members, seconded by Councilman Davis with discussion that followed. (Clarification was provided later in the meeting regarding what was being approved.)

Councilman Pena stated that even as far back as May, residents expressed frustration that they had applied to participate, taken the time to complete applications, and attended meetings to understand the process, yet were not given the opportunity to speak for themselves or be considered. He noted that previous appointments had sometimes been unilateral, placing five other residents on boards who, in some cases, had never attended the relevant board or Council meetings, and in other cases, had attended but ultimately resigned or were removed. He emphasized that the goal is to give every resident the opportunity to express why they want to serve on a board, allowing both the Council and the public to hear them. This process demonstrates that the Council is selecting engaged residents who genuinely want to be involved. He expressed concern about nominating residents who are not present at the meetings, comparing it to running for Mayor but taking the day off when sworn in, and described it as inconsistent. He said that the purpose of the process is to ensure each applicant has a chance to speak and be part of the City's growth and change.

Councilman Davis expressed concern regarding the current agenda item, noting that it involved a charter change. He stated that the current method of selecting board members is unfair to Council members. He explained that no other process they have seen requires calling out five board members at one time and making a single motion. He described the situation as feeling rushed and competitive, comparing it to "little kids tag", and emphasized that Council members should be able to make motions and vote fairly. He highlighted the difficulty of voting for a group of five nominees when they may only agree with some of them. He explained that if some nominees are ones they do not support or are unsure about, it places them in a bind, forcing them to vote for individuals they may not agree with. He underscored that while the majority rules, it is unfair to vote for five people at once and called for a change in the voting method to ensure fairness for each Council member. Councilman Davis also stressed that residents interested in serving on a board should be required to show up for the meeting, comparing it to a court date where attendance is mandatory. He emphasized that attendance demonstrates loyalty and provides an opportunity for nominees to introduce themselves, explain why they want to serve, and what they will bring to the board. He concluded that the Council should not vote for five people at one time, as it is not fair to Council members.

Councilman Matamoros stated that the ordinance on the desk contains incorrect numbering, which needs to be fixed or corrected before taking a vote. Mayor Cain asked if the discussion was regarding the addition of

number five? Councilman Matamoros said there are two fours and that the numbering is not correct. Mayor Cain also expressed concern with number five that was added, explaining that it states no person may be selected, appointed, or voted on unless present in person. Mayor Cain shared that they have heartburn with that provision because there are valid reasons someone may not be able to attend the meeting. He provided examples, such as a Councilman being undecided between two candidates or someone working shift work and unable to attend the meeting, emphasizing that it should not be held against them. Councilman Pena clarified that the purpose of the ordinance is to provide professionalism and courtesy in conducting Council business, ensuring that all board members are considered fairly. He noted that often those who do not show up for the vote also do not attend the board meetings, and stressed that showing up demonstrates professional courtesy to the Council and fairness to the public. He explained that the ordinance encourages residents to show up on the day they are being selected so the Council can adequately and fairly consider them. He reiterated that if someone does not have time to attend the meeting, it may reflect on their availability to serve on the board. He acknowledged differing opinions on number five but emphasized its importance for fairness and professionalism. Councilman stated that the ordinance reflects feedback from residents who applied previously and were not selected. He specifically mentioned residents who had expressed concern about being removed from boards and wanting to return. He emphasized that those who are present and committed demonstrate dedication and should be recognized for their attendance and participation. He said the volunteers who consistently attend meetings and contribute, expressing respect for their commitment. He thanked the volunteers for their attendance and participation.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Mayor Cain voted "Nay". Councilman Matamoros voted "Nay".

Interim City Manager Dan Pennington asked Mayor Cain about the two agenda items. He asked if the two items being passed were the ones laid on the desk. Councilman Pena said yes.

Consideration of engaging qualified real estate representation to improve housing development outcomes.

Councilman Pena displayed a map of the City showing all properties owned by the City in orange. He pointed out the bird sanctuary at the bottom of the map and identified other city-owned locations. He noted that the map did not include EDC properties under their jurisdiction. He emphasized the need to promote residential development and listed city-owned properties for sale. He referenced past listings, comparing a Dollar General property given by the EDC for \$150,000 with a privately listed warehouse sold for \$1.9 million, noting the difference in value and professional listing practices. He highlighted improvements made to the warehouse, including removal of dilapidated structures and installation of new fencing. He stressed the importance of listing City properties professionally to attract buyers and achieve fair market value. He noted that no one would be aware of the city-owned properties unless they happened to drive through Freeport and see them on various streets. He emphasized that the properties need to be professionally listed to attract buyers. He explained that the purpose is to get the properties moving, start building houses, and achieve fair market value. Mayor Cain stated that he had no concerns with that approach.

Councilman Pena offered to make a motion, but it was clarified that this was not a motion item and was simply an instruction to City Hall staff.

Councilman Davis stated that everyone on the Council agrees on the need for rooftops and emphasized that all members have expressed a desire to increase housing. He noted that Interim City Manager Dan Pennington may not be fully aware of ongoing discussions regarding large properties and development efforts. He referenced a recent news article about a realtor and real estate company in Angleton working on nearby properties, discussing the housing market, home sales, and how homes are still selling within 30 to 90 days, even in surrounding areas Iowa Colony, Angleton, Lake Jackson and Freeport. He stressed that the City owns property that could be marketed to encourage development and suggested exploring ways to

promote these properties, while noting more information on costs and logistics is needed.

Councilman Rossow confirmed his support for rooftops, noting he has advocated for it throughout his tenure. He mentioned that advertising would require funding and questioned why the City has not actively tried to sell vacant properties.

Mayor Cain agreed that rooftops are important, pointing out that every new house built in Freeport over the past five years has sold. He emphasized the need to coordinate property marketing with infrastructure development.

Interim City Manager Dan Pennington added that representatives have been engaged regarding the Skinner property, and although a contract was reinstated last November, its solidity is uncertain. Developers are ready, and the plan is to bring their representatives to Council for discussion before involving the developers directly. Mayor Cain acknowledged the investment of time, if not money, by developers and stressed the importance of pursuing only win-win situations for the City. He concluded that while rooftops are desired, the City will not sacrifice other interests to achieve them.

Work Session

Councilman Pena Ward A announcements and comments.

Councilman Pena thanked everyone still in attendance and recognized representatives from the Facts, Ms. Green, Ms. Oldham, Mr. & Mrs. Pearson, and Mr. Bachman, along with speakers Mr. Frazier, Mr. Hayes, Ms. Adams (Hispanic Chamber), and Mr. Rollerson. He noted the City's proclamation of Hispanic Heritage Month and expressed hope for a cultural event in Freeport, saying he expects to place an item on the Sept. 15 or October. He thanked City Hall staff for diligent budget work and thanked Mr. Pennington and Ms. Hurst. He relayed resident concerns about drainage at Magnolia & 12th, including manholes showing flooding. Interim City Manager Dan Pennington said Veolia would be getting there with a jet-truck. Councilman Pena reiterated he routinely forwards resident requests by email and appreciates Public Works' responsiveness and thanked Mr. Pennington and Mr. Ragle. Councilman Pena raised a question regarding the operating hours of the recreation center, noting that recently the hours had been shortened. He inquired whether the rec center is expected to be open eight hours a day or just four, and questioned what the historical standard has been, as well as how neighboring municipalities manage their facilities. He expressed concern that the reduction in hours could be due to staffing issues, facility problems, or a seasonal dip in usage, and sought clarification from City Hall. Interim City Manager Dan Pennington responded, stating that there are no current staffing or facility issues and that the schedule adjustment is an annual practice when school resumes. Councilman Rossow said the opening time was changed from 7:30 a.m. to 8:00 a.m., which has affected some regular users who now go elsewhere. Public Works Director Rudy Ragle said during the winter when school is back in session the recreation center operates from 3:00 to 7:00 p.m. to accommodate school schedules. Special openings for seniors on certain days of the week continue. He said staff typically begin at 8:00 a.m., but there is flexibility to adjust schedules to better meet user needs. Councilman Pena emphasized that seniors, many of whom are early risers. Mr. Ragle agreed to explore schedule modifications.

Councilman Davis Ward B announcements and comments.

Councilman Davis thanked attendees for staying late and noted the meeting concluded around 9:00 p.m., adding optimism that, after one remaining budget meeting, Council sessions will stay on schedule. He reported overgrown grass and right-of-way mowing complaints. Public Works Director Rudy Ragle said the specific locations Councilman Davis sent were addressed today, the contractor has been pressed to catch up, and two items will be clarified directly with Councilman Davis. Councilman Davis observed someone mowing on his way in and asked that residents not have to pay for City right-of-way work. Mr. Ragle indicated it was likely the City's contractor. Councilman Rossow asked about two zero-turn mowing

operators he used to see on Gulf Blvd and Velasco Boulevards. Mr. Ragle explained those were contractors and that vendor changed last year. Councilman Davis closed by thanking residents and staff, praising the ongoing, more transparent budget process and improving Council teamwork, and commending Interim City Manager Dan Pennington, Interim City Attorney Chris Duncan, and Ms. Ashlee for their support and responsiveness to public records requests. He reiterated his commitment to transparency and invited residents to contact him directly with concerns.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros, liaison to Planning & Zoning, gave a brief update from the last P&Z meeting. He reported that several plats were approved. The primary item was a request to rezone the Urban Renewal property from Residential to Industrial; the P&Z Board unanimously denied the request, noting it is one of the City's last large tracts for housing and was sold with the intent of residential development, which he characterized as a positive outcome for the City. He further stated that several board members told him they received a call from a Council member urging approval on the basis that Council had already agreed to the change; he expressed concern about any attempt to influence or intimidate the board. He said that a Main Street Board member has been contacting businesses while representing the board and allegedly threatening/berating owners during meetings; he said this has been done multiple times and this must stop and, if it continues, the member should be removed.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow thanked everyone still in attendance and recognized staff efforts. He noted recent streetlight repairs and asked residents to report any remaining outages by providing the six-digit number on the pole to City Hall. He encouraged the public to "see something, say something" regarding trash and other issues. Councilman Rossow highlighted senior activities, sharing that a recent chartered bus trip to an Astros game was well received, and announced an upcoming September 8 trip that includes a steamboat ride and a meal at Dido's for residents aged 55+ at no cost. He added that seniors meet monthly at Riverplace for food, games, and bingo, and invited interested residents to participate.

Mayor Jerry Cain announcements and comments.

Mayor Cain thanked everyone for showing up and sticking through a long meeting, noting it was not as long as some recent ones but felt just as productive, and thanked those watching from home. Councilman Pena recognized also resident Ms. Marshall. Mayor Cain said he enjoyed attending an Astros game with Councilman Rossow and had a great time watching a great game. He thanked McDonald's and City crews for cutting back a bush that was blocking the exit, reminded everyone about Kid Fest downtown on September 6 and said there would be plenty more talk about Fright Night later.

City Manager announcements and comments.

Interim City Manager Dan Pennington noted residents can report streetlight outages on the City website or by calling City Hall; he also thanked Chief Howell and Ms. Ashlee for reviving the mailed Freeport Newsletter with rotating department content, which has already received positive feedback. He read an email received from a resident thanking City staff for the newsletter. He said for staff safety, City Hall added doors to separate public and work areas after a few incidents. Public Works Rudy Ragle confirmed mosquito spraying begins tonight and will continue on multiple nights, weather permitting; the GPS-controlled truck adjusts flow by speed and shuts off when stopped.

Executive Session

Executive Session regarding a.) Texas Government Code, Section 551.074: (Personnel Matters): to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee; Legal Services.

The Regular Session closed at 9:17P.M. and the Council entered into the Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

The Executive Session ended at 9:43P.M. and the Council went back into Regular Session.

There was no action from the Executive Session.

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Pena to adjourn the meeting, seconded by Councilman Rossow with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting 9:43P.M.

Jerry Cain, Mayor

Clarisa Fernandez, City Secretary



City Council Agenda Item #[2.B]

Title: Action approving Monthly Financials through August 31, 2025- Ashlee Hurst, Finance Director

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: N/A

Item Summary: The reporting is through August 31, 2025 for City financials.

Background Information: N/A

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. 2025-08 - Finance Monthly Report



Finance, Court & Water Departments

Title: Monthly Report for August 2025

Date: September 2, 2025

From: Ashlee Hurst, Finance Director

Financials

The General Fund:

The revenue collected for the General Fund as of August 31, 2025, is \$21,010,050 or 106.9% of the total budgeted revenues.

The expenditures for the General Fund as of August 31, 2025, are \$16,219,617 or 83.1% of the total budgeted expenditures.

The revenues are over the expenditures by \$4,790,434.

See the attached financial statement for more detail.

Department Comparison (for revenue producing departments):

	GOLF	EMS	RECREATION
Revenues	\$ 1,128,910	\$ 983,111	\$ 88,173
Expenditures	\$ 1,242,107	\$ 992,350	\$ 354,061
Excess / (Deficit)	(113,197)	(9,239)	(265,888)

Accounts Payable:

Accounts Payable	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun'25	Jul'25	Aug'25	FYTD
PO's Issued	27	18	19	16	10	11	11	13	7	10	9	151
Payments Issued	338	333	290	337	296	339	313	369	279	264	272	3,430
Total Disbursed	\$3,274,616	\$1,647,448	\$1,488,231	\$2,728,871	\$3,747,281	\$2,731,806	\$1,688,449	\$3,610,084	\$4,554,487	\$2,058,211	\$1,822,434	\$29,351,918

Hurricane Beryl:

75% Reimbursement Maximum

Total Expenses to Date: \$2,305,475.71

Maximum Federal Share Reimbursement: \$1,640,381.76

Preliminary Local Share Cost: **\$546,793.92**

I continue working weekly with FEMA to finalize eligible expenses and get projects moving forward.

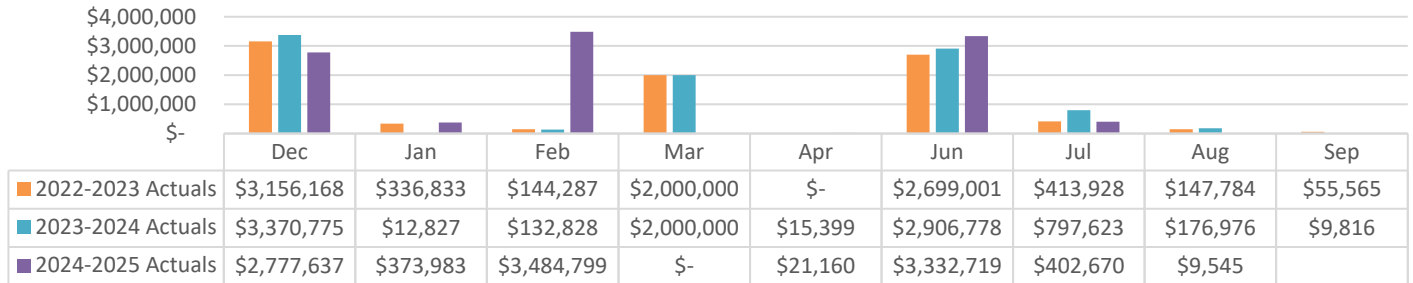


Monthly Report
Finance, Court & Water Departments

Industrial District Revenue

INDUSTRIAL DISTRICT PAYMENTS IN LIEU OF TAXES (PILOTS)

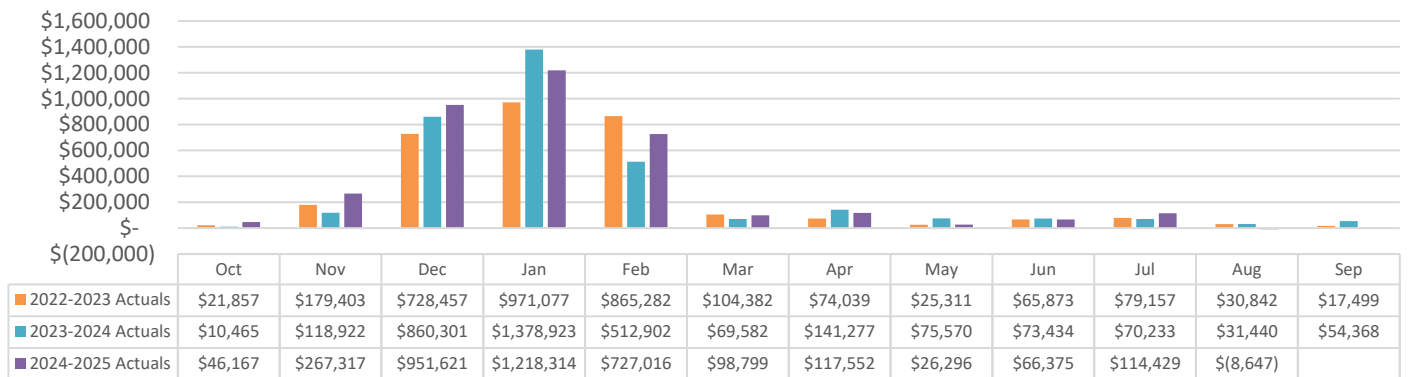
Monthly Collections Comparison



Property Tax Revenue

PROPERTY TAXES

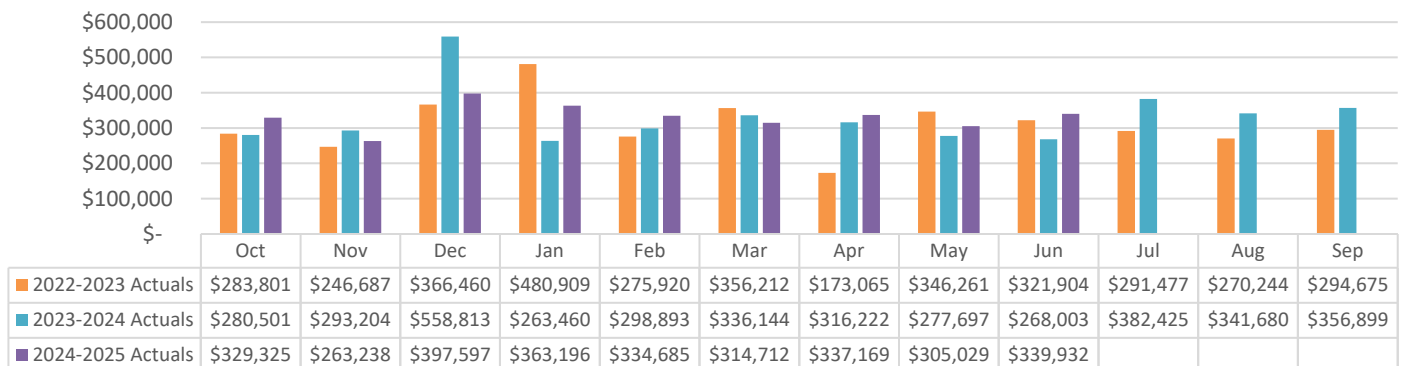
Monthly Collections Comparison



Sales Tax

SALES TAX

Monthly Collections Comparison



Utilities

The Water & Sewer Fund:

The revenues for the Water & Sewer Fund as of August 31, 2025, are \$8,910,872 (including grant funding of \$2,191,327) or 85.7% of the total budgeted revenues.

The expenditures for the Water & Sewer Fund as of August 31, 2025, are \$9,523,417 (including grant funding of \$2,191,327) or 88.7% of the total budgeted expenditures.

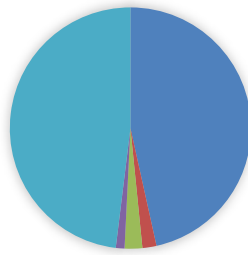
The revenues are under the expenditures by **\$612,545**. Excess spending of this fund has been put to a halt to help address this budget deficit.

The biggest contributors of revenue to this fund are the commercial and residential class customers, as shown below. Overall, there is a 14.8% decrease in billings to date, when compared to the same period last fiscal year.

See the attached financial statement for more detail.

Aug-25			
Billed	Water	Sewer	Total FYTD
Apartments	522,637	430,388	953,025
Church	14,837	11,443	26,280
City	83,034	7,906	90,940
Commercial	1,268,644	1,153,123	2,421,768
Industrial	1,009,920	(32,352)	977,568
Residential	1,055,118	763,528	1,818,647
Schools	273,087	229,544	502,631
Vacation	2,795	2,107	4,902
Total Billed	\$4,230,072	\$2,565,689	\$6,795,761
Last FYTD	\$5,157,310	\$2,814,583	\$7,971,893
% Change	-18.0%	-8.8%	-14.8%
Consumption	Water	Sewer	Total FYD
Billed	1,722,852,746	209,132,575	1,931,985,321
Unbilled	594,575,904	0	594,575,904
Total Gallons	2,317,428,650	209,132,575	2,526,561,225
Last FYTD	1,270,000,154	113,526,061	1,383,526,215
% Change	82.5%	84.2%	82.6%

AGING REPORT FOR WATER ACCOUNTS



■ Current
■ 1 Month Due
■ 2 Months Due
■ 3+ Months Due
■ 4+ Months Due

Total Balances:	Current	1 Month Due	2 Months Due	3+ Months Due	4+ Months Due
814,119	378,710	15,405	19,296	9,483	391,224

Since January, these outstanding balances have been reduced by:

4+ Months - \$293,386 (was \$684,610 as of 1/31/25)

3+ Months - \$58,692 (was \$68,175 as of 1/31/25)

2+ Months - \$64,128 (was \$83,424 as of 1/31/25)

1 Month - \$90,922 (was \$106,327 as of 1/31/25)

	January	February	March	April	May	June	July	August
Cut-Off Totals					198	213	222	188
Disconnection Totals					8	8	24	22
Returned Payment Totals							3	8
Failed Payment Arrangements							4	3
Total Disconnection for Nonpayment	0	0	0	0	206	221	253	221
Total Idle Meters w/ Consumption						60	13	6
Total Amount Back Billed (\$)						\$7,122.25		\$699.16

BWA Usage:

Month	Gallons Billed	Price	Total Due	Total Usage	Difference	Previous Over (Under)	Total Over (Under)
October	62,000,000	4.60	\$ 285,200	53,750,000	(8,250,000)	-	(8,250,000)
November	60,000,000	4.60	\$ 276,000	50,696,000	(9,304,000)	(8,250,000)	(17,554,000)
December	62,000,000	4.60	\$ 285,200	50,460,000	(11,540,000)	(17,554,000)	(29,094,000)
January	62,000,000	4.60	\$ 285,200	51,932,000	(10,068,000)	(29,094,000)	(39,162,000)
February	56,000,000	4.60	\$ 257,600	43,745,000	(12,255,000)	(39,162,000)	(51,417,000)
March	62,000,000	4.60	\$ 285,200	48,619,000	(13,381,000)	(51,417,000)	(64,798,000)
April	60,000,000	4.60	\$ 276,000	47,590,000	(12,410,000)	(64,798,000)	(77,208,000)
May	62,000,000	4.60	\$ 285,200	62,646,000	646,000	(77,208,000)	(76,562,000)
June	60,000,000	4.60	\$ 276,000	46,310,000	(13,690,000)	(76,562,000)	(90,252,000)
July	62,000,000	4.60	\$ 285,200	49,421,000	(12,579,000)	(90,252,000)	(102,831,000)

Municipal Court				
Fiscal Year Total Through	Aug-23	Aug-24	Aug-25	% Change
Issued				
Citations	1,849	1,775	1,577	-11.2%
Violations	2,086	2,076	1,812	-12.7%
Total Issued	3,935	3,851	3,389	-12.0%
Warrants				
Active Warrants	577	572	633	10.7%
Total Fees/Fines Paid*	\$263,115	\$308,718	\$374,839	21.4%
* Includes Regulatory, State & Other Agency Fees				

Ongoing Initiatives

Audit

The annual audit for Fiscal Year 2024-2025 has entered the interim testing phase.

Budget, CIP and Long-Range Financial Plan

The proposed budget will be presented for a vote on September 15, 2025.

AMI Water Meter Project

The customer portal went live in June, and a new process has been put in place for catching idle meters with consumption (inactive accounts using water). When caught, the customers are billed for their unauthorized usage.

Purchasing

A bid is being solicited for Heritage House Architectural and Design (RFP No. 2025-12). It will be advertised twice before it closes on October 2, 2025. In total, this solicitation will be open for 30+ days. It is also listed on our website.

A bid is solicited for Lawn Mowing Services for Code Enforcement (RFP No. 2025-13). It will be advertised twice before it closes on October 2, 2025. In total, this solicitation will be open for 30+ days. It was also listed on our website.

Grant Administration

- Hurricane Beryl (FEMA): The City is still working weekly with FEMA to get the documentation prepared to get reimbursements submitted as projects are assigned and created.
- CDBG – GLO (Contract No. D213) Sewer Line Replacement: An extension was filed on this contract to extend the performance period until April 2025. The total of this grant award is \$5,991,541, including a City match of \$59,915. GrantWorks is the grant administrator for this project. Freese and Nichols is the engineer of this project. The contractor is Texas Pride Utilities, LLC for this project. The project began closeout process in July.

Monthly Report
Finance, Court & Water Departments

- CDBG - GLO, (Contract No. D300) WWTP Renovations: This grant project is currently under construction. An extension was also granted for the performance period of this grant until April 2025. The total of this grant award is \$6,051,988, including a City match of \$60,520. This project has a budget overrun of roughly \$7,750,000. The previous Finance Director budgeted that into the Approved 2024-2025 budget from multiple funds. GrantWorks is the grant administrator for this project. Freese and Nichols is the engineer of this project. Wharton-Smith is the contractor for this project.
- CDBG - GLO, (Contract No. E164) Water Improvements: This grant project is currently still in the engineer design phase. The total award of this grant is \$1,837,967 with no City match. The grant period of performance end date is March 2026. GrantWorks is the grant administrator for this project. Freese and Nichols is the engineer for this project. No contractor will be selected until the project design is complete so a request for bids can be created for the scope of work.
- FEMA American Firefighters Grant (Contract No. 06616): This grant was awarded in August 2022 to provide reimbursement for firefighter training. The total award of the grant is \$113,953, including a City match of \$10,359. The period of performance ends in June 2025. The project began closeout in July.
- FEMA American Firefighters Grant (Contract No. 02061): This grant was awarded in August 2023 to provide reimbursement for new radios. The total award of the grant is \$216,000, including a City match of \$19,636. The period of performance ends in August 2025. The project will begin closeout soon.
- Office of the Governor (OOG) Radio Project: This grant was awarded in December 2024 to provide an expansion for dispatch radios. The total award for this grant is \$144,233 with no City match. The period of performance of this grant ends in September 2025. The grant was closed out in July.
- Office of the Governor (OOG) Bulletproof Shields: This grant was awarded in December 2024 to provide reimbursement for the purchase of bulletproof shields. The total award for this grant is \$95,602 with no City match. The period of performance of this grant ends in September 2025. The grant was closed out in July.
- Office of the Governor (OOG) Patrol Radio Upgrade: This grant was awarded in December 2024 to provide reimbursement for the patrol radios upgrade cost. The total award for this grant is \$131,525 with no City match. The period of performance of this grant ends in September 2025.
- GLO Beach Maintenance Program: The new application has been awarded to the City and includes up to date labor rates, as well as Police Patrol Overtime rates.
- CDBG-Brazoria County: The City was granted a grant for installation of insta-valves in October 2024 for a total of \$220,000 with an \$8,000 City match. The sizes and locations of the valves

submitted in the City's application were incorrect. The City awarded the contract August 4, 2025, through a competitive bidding process.

- Texas Division of Emergency Management (TDEM) Lift Station #3 Generator: This mitigation program project was awarded in May 2023 for a total award of \$40,000, including a City match of \$4,000. The period of performance for this project ends in June 2025. A time extension request has been granted through March 2026.
- Texas Division of Emergency Management (TDEM) Lift Station #4 Generator: This mitigation program project was awarded in May 2023 for a total award of \$40,000, including a City match of \$4,000. The period of performance for this project ends in June 2025. A time extension request has been granted through March 2026.
- Texas Division of Emergency Management (TDEM) Lift Station #14 Generator: This mitigation program project was awarded in June 2023 for a total award of \$40,000, including a City match of \$4,000. The period of performance for this project ended in June 2024. A time extension request has been granted through March 2026.
- Texas Division of Emergency Management (TDEM) Service Center Generator: This mitigation program project was awarded in October 2024 for a total award of \$200,000, including a City match of \$20,000. The period of performance for this project ends in August 2025. A time extension request has been granted through March 2026.
- Texas Division of Emergency Management (TDEM) Recreation Center Generator: This mitigation program project was awarded in November 2024 for a total award of \$200,000, including a City match of \$20,000. The City elected to decline this grant award because Centerpoint donated a generator to this facility. The project has been de-obligated since.
- Texas Division of Emergency Management (TDEM) City Hall Generator: This mitigation program project was awarded in January 2025 for a total award of \$425,000, including a City match of \$42,500. The period of performance for this project ends in August 2025. A time extension request has been granted through March 2026.
- Texas Division of Emergency Management (TDEM) Riverplace Generator: This mitigation program project was awarded in January 2025 for a total award of \$143,000, including a City match of \$14,300. The period of performance for this project ends in August 2025. A change of scope and time extension have been granted through March 2026.



City of Freeport
Capital Projects
For the Period End August 2025

Total Construction Commitments as of 8/31/25	
Total Commitments	\$ 19,245,343.25
Enterprise	\$ 14,906,898.12
Governmental	\$ 4,338,445.13

Project	Project Status	Budgeted Cost	Spent To Date	Remaining
Fund 67 - 2021 CO Bond Fund				
Water/Sewer				
Lift Station 3, 4, & 14 Rehabilitation - 2023-2025	Complete	1,735,713.00	1,731,208.95	-
FM 1495 Water Line Relocation - 2022-2025	Complete	481,665.00	467,579.22	-
Sanitary Sewer Collection Grant Match (D213) - 2022-2025	Complete	59,316.00	59,316.00	-
Avenue H Sewer Line Rep. Grant Match - 2023-2025	Complete	41,366.00	41,222.19	-
Phase I SSOI Engineering - 2022-2025	In Progress	215,926.00	22,974.00	192,952.00
WWTP Grant Match (D300) - 2022-2025	In Progress	691,020.00	60,520.00	630,500.00
WWTP Improvements (D300) - 2022-2025	In Progress	1,298,130.00	469,884.11	828,245.89
Lift Station Pumps - 2024-2025	In Progress	151,348.00	156,236.00	-
Sewer Line Replacement SSOI - 2022-2025	In Progress	482,572.00	-	482,572.00
Total Funding 67 - 2021 CO Bond Fund		\$ 5,157,056.00	\$ 3,008,940.47	\$ 2,134,269.89

Fund 66 - 2020 CO Bond Fund				
Admin				
City Hall Renovations - 2020-2025	On Hold	998,000.00	548,359.03	449,640.97
Public Works				
Streets & Drainage Projects - 2020-2025	Complete	6,375,000.00	6,467,061.53	-
Velasco Pump Station Improvements - 2020-2025	Complete	252,000.00	252,000.00	-
Heritage House Renovations - 2020-2025	On Hold	375,000.00	2,500.00	372,500.00
Total Funding Fund 66 - 2020 CO Bond Fund		\$ 8,000,000.00	\$ 7,269,920.56	\$ 822,140.97

Fund 14 -Streets & Drainage Funds				
Public Works				
Entry Road for Park - 2022-2023	Complete	150,000.00	150,000.00	-
Streets & Drainage Project - 2022-2023	Complete	759,000.00	759,000.00	-
Phase 2 Concrete Streets - 2022-2023	Complete	1,181,666.00	1,443,892.71	-
Asphalt Streets - 2022-2023 (Interlocal with Brazoria County)	In Progress	446,041.00	482,273.30	-
Asphalt Streets - 2023-2024 (Interlocal with Brazoria County)	In Progress	570,178.00	554,491.15	-
Total Funding Fund 14 - Streets & Drainage Fund		\$ 3,106,885.00	\$ 3,389,657.16	\$ -

Fund 21 - Facilities & Grounds CIP				
Admin				
City Hall Renovations - 2020-2021	On Hold	750,000.00	66,784.00	683,216.00
Fire/EMS				
Radio Antenna Repairs - Fire 2022-2023	Complete	11,665.00	14,901.41	-
Temp. Modular Building - 2022-2023	In Progress	426,095.00	547,867.95	-
Fire Station 1 Driveway - 2022-2023	In Progress	10,000.00	2,488.25	-
Golf Course				
Greens Resurfacing - 2023-2024	In Progress	320,000.00	139,784.85	180,215.15
Pumphouse Replacement - 2023-2024	In Progress	40,000.00	13,258.72	26,741.28
Police				
Replacement of Main Electric Dist. Panel - 2022-2023	Complete	20,000.00	47,155.30	-
New Evidence Lockers - 2023-2024	Complete	11,000.00	9,600.00	1,400.00
Jail Facility Renovation - 2022-2023	In Progress	77,320.18	-	77,320.18
Police Department Parking Lot Improvements - 2022-2023	In Progress	20,000.00	29,250.00	-
Server Room Ventilation - 2023-2024	In Progress	12,500.00	-	12,500.00
Public Works				
Riverplace Exterior Metal Coating - 2023-2024	Complete	30,000.00	28,590.00	-

Museum Storage Renovation - 2023-2024	Complete	10,000.00	4,500.00	-
New Display Cases - 2023-2024	Complete	11,500.00	11,500.00	-
FMP Kitchen - 2023-2024	Complete	40,000.00	16,375.23	-
Park Equipment - 2023-2024	Complete	10,000.00	10,000.00	-
Splashpad Renovation - 2023-2024	In Progress	10,000.00	-	10,000.00
Nesting Training Tables - 2023-2024	In Progress	6,750.00	-	6,750.00
Total Funding Fund 21 - Facilities & Grounds CIP		\$ 1,816,830.18	\$ 942,055.71	\$ 998,142.61

Fund 22 - Vehicle & Equipment Replacement Fund				
Fire/EMS				
Replace 2 Ambulances (907 & 908) - 2021-2022	In Progress	600,000.00	632,532.24	-
Equipping New Reserve FF - 2022-2023	In Progress	12,000.00	10,037.00	1,963.00
Furnishings/Appliances Fire Station 2 - 2022-2023	In Progress	30,000.00	1,077.00	28,923.00
Portable Radios - 2023-2024	In Progress	36,400.00	15,424.10	20,975.90
Reserve PPE - 2023-2024	In Progress	19,100.00	16,116.00	2,984.00
A/C Replacement - 2024-2025	In Progress	15,000.00	10,722.00	4,278.00
Information Technology				
Server Replacement - 2024-2025	Complete	40,000.00	39,893.20	-
Website Upgrade - 2024-2025	In Progress	20,250.00	19,980.00	-
Administration				
Budgeting Software - 2024-2025	Complete	8,775.00	8,775.00	-
Applicant Tracking Software - 2024-2025	Complete	7,640.00	5,851.00	-
Golf Course				
5210 Tractor - 2023-2024	Complete	36,000.00	35,539.02	-
Slope Mower - 2023-2024	Complete	59,000.00	36,602.28	-
Z-Master 72" Mower - 2023-2024	Complete	17,000.00	17,619.42	-
Pro-Grater - 2024-2025	Complete	38,000.00	35,585.55	-
Police				
Vehicle Replacement Program (Annual) - 2021-2024	Complete	505,748.00	519,229.72	-
Generator - 2021-2024	Complete	60,000.00	64,012.00	-
Server Switch Replacements - 2023-2024	Complete	15,000.00	19,445.49	-
New Motion Cyber Security - 2023-2024	Complete	10,000.00	3,809.20	-
Off-Site Backup & Software - 2023-2024	Complete	14,000.00	12,304.54	-
GPS for Patrol Units - 2024-2025	Complete	26,500.00	50,118.78	-
Replace Gate Motor - 2023-2024	In Progress	15,000.00	-	15,000.00
CJIS Update - 2024-2025	In Progress	5,500.00	3,744.00	1,756.00
Temperature Control Service/911 - 2024-2025	In Progress	14,000.00	-	14,000.00
Public Works				
Purchase of (3) Work Trucks - 2023-2024	Complete	120,000.00	110,125.15	-
One Ton Dump Truck - 2023-2024	Complete	90,000.00	80,861.64	-
3/4 Yard Concrete Mixer - 2023-2024	Complete	10,000.00	4,200.00	-
Two Zero Turn Mowers 72" - 2024-2025	Complete	36,000.00	25,832.04	-
Total Funding Fund 22 - Vehicle & Equipment Replacement		\$ 1,824,913.00	\$ 1,753,604.33	\$ 89,879.90

Fund 23 - Technology Fund				
None				
Total Funding Fund 23 - Technology Fund		\$ -	\$ -	\$ -

Fund 25 - Projects Fund				
Admin				
Demolition OA Fleming - 2023-2024	Complete	223,462.00	223,461.59	-
Infrastructure OA Fleming Streets - 2023-2024	In progress	1,401,353.97	-	1,401,353.97
Water/Sewer				
Infrastructure OA Fleming W/S - 2023-2025	In progress	1,000,000.00	-	1,000,000.00
Lift Station - 2023-2025	In progress	2,298,646.03	415,911.90	1,882,734.13
WWTP Improvements Grant Overage (D300) - 2023-2025	In progress	6,754,500.00	608,031.73	6,146,468.27
Public Works				
OA Fleming Park (Soccer Field Project) - 2023-2025	Complete	600,000.00	534,024.32	65,975.68
Total Funding Fund 25 - Projects Fund		\$ 12,277,962.00	\$ 1,781,429.54	\$ 10,496,532.05

Grant Funded Projects (Various Funds)				
Administration				
GLO Beach Maintenance Grant - 2024-2025	In Progress	12,000.00	10,333.02	-
Fire/EMS				
FEMA AFG - Fire Radio Replacements - 2022-2025	In Progress	216,000.00	201,694.32	-
FEMA AFG - Fire Training Reimbursement - 2023-2025	In Progress	113,953.00	77,935.28	-
Police				
OOG - Body Cameras - 2023-2024	Complete	57,765.00	66,514.87	-
OOG - Mobile Video Equipment - 2023-2024	Complete	102,650.00	130,151.53	-
OOG - Rifle-Resistant Body Armor - 2023-2024	Complete	50,908.00	46,923.55	-
OOG - Radio Interoperability Project - 2024-2025	In Progress	144,233.00	149,496.44	-
OOG - Ballistic Shield Project - 2024-2025	In Progress	95,602.00	97,520.32	-
OOG - Vehicle Radio Equipment Refresh - 2024-2025	In Progress	131,525.00	131,524.58	-
Public Works				
TDEM MIT - Lift Station #3 Generator - 2023-2025	In Progress	36,000.00	36,000.00	-
TDEM MIT - Lift Station #4 Generator - 2023-2025	In Progress	36,000.00	36,000.00	-
TDEM MIT - Lift Station #14 Generator - 2023-2025	In Progress	36,000.00	36,000.00	-
TDEM MIT - City Hall Generator - 2024-2025	In Progress	425,000.00	-	425,000.00
TDEM MIT - Riverplace Generator - 2024-2025	In Progress	143,000.00	-	143,000.00
TDEM MIT - Service Center Generator - 2024-2025	In Progress	200,000.00	-	200,000.00
Water/Sewer				
CDBG MIT 2016 HUD - Sewer Line Replacement (D213) - 2021-2025	In Progress	5,931,626.00	5,931,626.00	-
CDGB MIT Harvey - WWTP Improvements (D300) - 2021-2025	In Progress	5,991,468.00	3,888,851.97	2,102,616.03
CDBG MIT Water Improvements (E164) - 2023-2026	In Progress	1,868,000.00	34,238.20	1,833,761.80
Total Funding Grant Projects		\$ 15,579,730.00	\$ 10,864,477.06	\$ 4,704,377.83



City of Freeport

General Fund

Schedule of Revenues & Expenditures - Budget vs Actuals

For the Period End Aug 2025

	Current Fiscal Year, 2024 - 2025					Prior Year
	Budget FY 2024-2025	Aug-2025 Actual	Year-to-Date Actual	Y-T-D Variance	Y-T-D % of Budget	Aug-2025 Y-T-D Actual
RESOURCES						
Property Taxes	3,370,000	(8,647)	3,318,863	(51,137)	98.5%	3,297,830
Industrial Taxes	9,389,300	9,545	10,402,513	1,013,213	110.8%	9,413,205
Sales Tax	2,450,000	226,622	1,989,923	(460,077)	81.2%	2,156,411
Franchise & Other Taxes	715,000	4,159	547,850	(167,150)	76.6%	684,279
Permits	262,800	15,263	158,384	(104,416)	60.3%	125,973
EMS	684,000	8,793	983,111	299,111	143.7%	787,318
Garbage	798,600	68,500	727,952	(70,649)	91.2%	730,074
Recreation/Rental	111,100	593	88,173	(22,927)	79.4%	107,706
Golf	853,000	110,470	1,128,910	275,910	132.3%	841,658
Municipal Court	222,600	18,902	249,551	26,951	112.1%	173,132
Grants	12,000	-	26,752	14,752	222.9%	223,679
Lease Income	175,765	2,474	59,441	(116,324)	33.8%	30,842
Interest Earned	300,000	-	332,866	32,866	111.0%	523,601
Insurance Recovery	20,000	-	527,794	507,794	2639.0%	9,565
Miscellaneous	142,770	11,648	317,968	175,198	222.7%	180,245
Transfers In	150,000		150,000	-	100.0%	137,500
TOTAL ACTUAL RESOURCES	\$ 19,656,935.00	\$ 468,320.98	\$ 21,010,050.39	\$ 1,353,115.39	106.9%	\$ 19,423,019.37
Use of Fund Balance	-	-	-			
TOTAL RESOURCES	\$ 19,656,935.00	\$ 468,320.98	\$ 21,010,050.39			\$ 19,423,019.37
EXPENDITURES						
Administration	2,092,359	179,082	1,871,203	(221,156)	89.4%	1,936,482
Information Technology	493,358	27,810	400,537	(92,821)	81.2%	438,862
Service Center	214,666	13,596	189,931	(24,735)	88.5%	415,587
Municipal Court	290,830	17,820	268,011	(22,819)	92.2%	231,219
Police	6,086,942	362,975	4,809,043	(1,277,899)	79.0%	5,321,900
Fire	1,727,303	99,171	1,312,068	(415,235)	76.0%	1,358,131
EMS	1,152,227	65,207	992,350	(159,877)	86.1%	869,579
Emergency Management	270	-	270	(0)	0.0%	1,970
Code Enforcement	356,227	27,291	286,914	(69,313)	80.5%	359,136
Building	478,502	19,899	374,334	(104,168)	78.2%	229,501
Garbage Collection	775,000	62,974	677,378	(97,622)	87.4%	636,281
Street & Drainage	1,456,908	111,117	1,334,419	(122,489)	91.6%	1,358,996
Beach Fund Expense	42,850	328	11,919	(30,931)	27.8%	4,123
Main Street	91,325	9,287	19,127	(72,198)	20.9%	104,472
Historical Museum	323,230	16,578	252,320	(70,910)	78.1%	184,437
Sr Citizens Commission	17,500	2,152	9,955	(7,545)	56.9%	13,102
Library	51,850	1,428	27,434	(24,416)	52.9%	24,603
Parks	1,316,140	110,813	1,074,569	(241,571)	81.6%	1,157,398
Golf	1,324,854	97,121	1,242,107	(82,747)	93.8%	1,194,902
Recreation	525,869	30,349	354,061	(171,808)	67.3%	311,259
Transfers Out	711,665	-	711,665	-	100.0%	1,798,620
TOTAL EXPENDITURES	\$ 19,529,875.00	\$ 1,254,998.43	\$ 16,219,616.59	\$ (3,310,258.41)	83.1%	\$ 17,950,557.85
EXCESS/(DEFICIT)	\$ 127,060.00	\$ (786,677.45)	\$ 4,790,433.80			\$ 1,472,461.52



City of Freeport

Water & Sewer Fund

Schedule of Revenues & Expenditures - Budget vs Actuals

For the Period End Aug 2025

	Current Fiscal Year, 2024 - 2025					Prior Year
	Budget FY 2024-2025	Aug-2025 Actual	Year-to-Date Actual	Y-T-D Variance	Y-T-D % of Budget	Aug-2025 Y-T-D Actual
RESOURCES						
Water Revenue	4,900,000	417,944	4,078,359	(821,641)	83.2%	4,957,172
Sewer Revenue	2,750,000	274,210	2,344,874	(405,126)	85.3%	2,677,247
Water Tap Fee	10,000	550	12,079	2,079	120.8%	5,700
Sewer Tap Fee	4,000	1,100	6,200	2,200	155.0%	5,000
Connect & Disconnect Fees	140,000	24,712	161,531	21,531	115.4%	134,700
Bad Debt Write-Off	1,000	-	1,141	141	114.1%	2,416
Interlocal Revenue	4,000	-	8,780	4,780	219.5%	7,664
Interest Earned	15,000	-	6,177	(8,823)	41.2%	35,069
Misc. Income	-	(53)	(1,070)	(1,070)	100.0%	242
Returned Check Fees	1,000	150	1,500	500	150.0%	1,025
Utility Reimbursements	125,000	12,489	99,974	(25,026)	80.0%	147,074
Grant - CDBG GLO	2,444,380	450,528	2,191,327	(253,053)	0.0%	1,197,795
Contributions/Capital	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	-	-
TOTAL ACTUAL RESOURCES	\$ 10,394,380.00	\$ 1,181,630.02	\$ 8,910,871.50	\$ (1,483,508.50)	85.7%	\$ 9,171,104.27
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 10,394,380.00	\$ 1,181,630.02	\$ 8,910,871.50			\$ 9,171,104.27
EXPENDITURES						
Salaries	204,932	11,627	117,730	(87,202)	57.4%	110,423
Benefits	82,676	5,551	53,931	(28,745)	65.2%	55,014
Supplies	58,700	2,558	30,278	(28,422)	51.6%	22,386
Services	7,340,270	544,427	6,217,737	(1,122,533)	84.7%	5,747,998
Maintenance	115,000	-	11,719	(103,281)	10.2%	74,087
Sundry	44,500	-	29,732	(14,768)	66.8%	23,660
Capital Outlay	2,444,380	657,232	2,610,640	166,260	106.8%	1,409,076
Depreciation	-	-	-	-	0.0%	-
Debt Service Fees	-	-	-	-	0.0%	-
Transfer to Debt Service	301,650	-	301,650	-	100.0%	278,429
Transfer to General Fund	150,000	-	150,000	-	100.0%	137,500
TOTAL EXPENDITURES	\$ 10,742,108.00	\$ 1,221,395.85	\$ 9,523,416.59	\$ (1,218,691.41)	88.7%	\$ 7,858,573.04
EXCESS/(DEFICIT)	\$ (347,728.00)	\$ (39,765.83)	\$ (612,545.09)			\$ 1,312,531.23



City of Freeport
Fund Balance Summary
For the Period End Aug 2025

	Fund Balance 9/30/2024	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/2025
OPERATING FUNDS					
10 - General Fund	8,198,614.05	20,860,050.39	16,069,616.59	-	12,989,047.85
56 - Water / Sewer Fund	12,984,373.83	8,910,871.28	9,523,416.59	-	12,371,828.52
	<u>\$ 21,182,987.88</u>	<u>\$ 29,770,921.67</u>	<u>\$ 25,593,033.18</u>	<u>\$ -</u>	<u>\$ 25,360,876.37</u>
RESERVE FUNDS					
64 - Debt Service Fund	476,674.02	833,158.21	680,059.40	-	629,772.83
	<u>\$ 476,674.02</u>	<u>\$ 833,158.21</u>	<u>\$ 680,059.40</u>	<u>\$ -</u>	<u>\$ 629,772.83</u>
BOND/CAPITAL PROJECT FUNDS					
66 - 2020 CO Bond CIP Fund	1,026,584.49	35,296.00	-	-	1,061,880.49
67 - 2021 CO Bond CIP Fund	2,948,462.69	359,678.56	487,910.45	-	2,820,230.80
68 - AMI Water Meter Project Fund	-	3,522,793.31	3,194,685.35	-	328,107.96
	<u>\$ 3,975,047.18</u>	<u>\$ 3,917,767.87</u>	<u>\$ 3,682,595.80</u>	<u>\$ -</u>	<u>\$ 4,210,219.25</u>
INTERNAL SERVICE FUNDS					
14 - Street & Drainage Fund	2,742,909.25	593,080.64	574,213.73	-	2,761,776.16
21 - Facilities & Grounds Fund	2,394,124.16	79,304.49	265,606.92	-	2,207,821.73
22 - Vehicle & Equipment Fund	4,955.60	213,418.16	229,043.71	-	(10,669.95)
23 - IT Fund	215,004.44	7,392.26	-	-	222,396.70
	<u>\$ 5,356,993.45</u>	<u>\$ 893,195.55</u>	<u>\$ 1,068,864.36</u>	<u>\$ -</u>	<u>\$ 5,181,324.64</u>
SPECIAL PURPOSE FUNDS					
16 - Marina Operations Fund	861.85	188.22	-	-	1,050.07
18 - Hotel-Motel Tax Fund	241,822.04	96,644.37	22,000.00	-	316,466.41
24 - City-EDC Projct Fund	27,838.06	20,898.76	-	-	48,736.82
25 - Port Projects Fund	6,451,852.62	1,559,217.19	831,625.80	-	7,179,444.01
40 - Court Technology Fund	21,008.63	7,881.11	6,300.00	-	22,589.74
41 - Court Security Fund	99,109.08	11,241.07	-	-	110,350.15
43 - State Narcotics/Chapter 59 Fund	145,523.33	4,709.38	19,013.80	-	131,218.91
44 - Federal Narcotics/EQ Share Fund	-	-	-	-	-
70 - TIRZ No. 1 Fund	570,586.68	350,529.28	-	-	921,115.96
71 - Freeport 19 LLC Development	-	35,000.00	-	-	35,000.00
	<u>\$ 7,558,602.29</u>	<u>\$ 2,086,309.38</u>	<u>\$ 878,939.60</u>	<u>\$ -</u>	<u>\$ 8,765,972.07</u>
GRANT FUNDS					
12 - City Grants	-	454,558.35	4,718,738.72	-	(4,264,180.37)
17 - Beach Maintenance Fund	-	-	-	-	-
100 - Hurricane Beryl Fund	(1,437,303.57)	-	868,172.14	-	(2,305,475.71)
	<u>\$ (1,437,303.57)</u>	<u>\$ 454,558.35</u>	<u>\$ 5,586,910.86</u>	<u>\$ -</u>	<u>\$ (6,569,656.08)</u>
OTHER FUNDS					
80 - Capital Assets	(8,083,634.33)	-	-	-	(8,083,634.33)
87 - Clearing Fund	-	-	-	-	-
90 - Long-Term Liabilities	(13,040,323.56)	-	-	-	(13,040,323.56)
	<u>\$ (21,123,957.89)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,123,957.89)</u>
EDC FUNDS					
30 - Economic Development Fund	4,463,376.15	1,120,498.63	906,536.51	-	4,677,338.27
31 - EDC Projects Fund	1,338,509.25	-	(228,289.79)	-	1,566,799.04
33 - EDC Marketing Fund	129,818.02	-	(20,903.89)	-	150,721.91
34 - Series 2001 - Debt Svc Fund	17,288.55	517.98	-	-	17,806.53
	<u>\$ 5,948,991.97</u>	<u>\$ 1,121,016.61</u>	<u>\$ 657,342.83</u>	<u>\$ -</u>	<u>\$ 6,412,665.75</u>
TOTAL CITY FUNDS	15,989,043.36	37,955,911.03	37,490,403.20	-	16,454,551.19
TOTAL EDC FUNDS	5,948,991.97	1,121,016.61	657,342.83	-	6,412,665.75
TOTAL ALL FUNDS	<u>\$ 21,938,035.33</u>	<u>\$ 39,076,927.64</u>	<u>\$ 38,147,746.03</u>	<u>\$ -</u>	<u>\$ 22,867,216.94</u>



City Council Agenda Item #[2.C]

Title: Action approving BISD Homecoming Road Closure-Jennifer Howell, Police Chief

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval of road closure for annual BISD Homecoming parade.

Item Summary: On Thursday, October 9, 2025 BISD faculty, staff, parents, students, and community members, will be in attendance for the annual Homecoming Parade. The parade will start at approximately 5:30 p.m. on Second Street, by On the River, and end at Hopper Field. BISD is requesting the City of Freeport and the Freeport Police Department permission to temporarily block the flow of traffic for the parade to proceed to the stadium.

Background Information: This is an annual event in which the City of Freeport, Freeport Police, Fire and EMS work together with BISD in partnership for a safe event for our community.

Special Considerations: Potential for citizens/businesses to have temporary disruption.

Financial Impact: Additional staff will be needed.

Board or 3rd Party Recommendation: BISD recommends approval.

Supporting Documentation:

1. 2025 Brazosport High School Parade Memo

Brazosport Independent School District

Brazosport High School

1800 West 2nd Street ★ Freeport, TX 77541 ★ 979-730-7260



Date: September 3, 2025

To: City of Freeport

From: Quinton Virgil, Principal

CC: Randi Hunter, Senior Class Assistant Principal

Re: Homecoming Parade

City of Freeport,

At this time, I would like to ask the City of Freeport to allow and assist us with the student homecoming parade of Brazosport High School. On Thursday, October 9, 2024. I, along with several faculty, staff, parents, students, and community members, will be in attendance. We would like the parade to start at approximately 5:30 p.m. The parade will start on 2nd Street, by On the River, and end at Hopper Field. I would also like to ask the City of Freeport and the Freeport Police Department for permission to temporarily block the flow of traffic for the parade to proceed into the stadium. We would need access to the Nolan Ryan Expressway moving northbound, passing Flash Walker to initiate a left turn across that highway into Hopper Field. Please consider this request.

On behalf of myself and Brazosport High School, I thank you for your continued assistance with this yearly tradition. The students and the entire Exporter family greatly appreciate you and the City of Freeport.

If you have any questions or concerns, I can be reached at 979-730-7260.

Sincerely,

Quinton Virgil

Quinton Virgil
Principal
Brazosport High School



*Pursuing innovation to make a difference
for tomorrow.*

P O Drawer Z • Freeport, TX
77542 • (979) 730-7000



City Council Agenda Item #[2.D]

Title: Action approving BISD Road Closure for the 2000 block of Second St. for varsity home games-Jennifer Howell, Police Chief

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval of a request from BISD for a road closure in the 2000 block of Second St, or Old Hwy 36, for home varsity football games at Hopper Field.

Item Summary: BISD respectfully request the City Council's approval to temporarily close the city road adjacent to Hopper Field on Friday nights when varsity football games are scheduled. The specific closure we are requesting is the section of roadway between Hopper Field and Arlan's Grocery Store (Old Hwy 36). This temporary closure would provide a safe and designated area to park Brazosport ISD band buses, as well as visiting school band buses, during varsity football games. Our requested closure begins at 5:00pm on the nights listed below, and concludes thirty minutes after the game ends. While this request does block Old Hwy 36 from the intersection at Brazosport Boulevard to the levee, it does not limit access to the commercial businesses located near that intersection. The shopping center has three access points along North Brazosport Boulevard, which would still have unrestricted access. This request is made with the intent to:

- Ensure the safety of students, staff, and visitors during high-traffic events.
- Provide accessible and organized parking for large buses in close proximity to Hopper Field.
- Alleviate potential traffic congestion around the stadium, and allow for buses to exit the stadium area safely via the traffic light at the intersection of North Brazosport Boulevard and West 2nd Street.

Background Information: Due to a large number of incoming buses and limited parking at the field, it creates a higher risk of pedestrian verses vehicle accident to occur.

Special Considerations: Potential for citizens/businesses to have temporary disruption.

Financial Impact: None.

Board or 3rd Party Recommendation: BISD recommends approval.

Supporting Documentation:

1. City of Freeport - Request for road closure

Jay Zeller

Director of Athletics & Activities
Brazosport Independent School District
301 West Brazoswood Dr
Clute, Texas 77531
(979) 730-7280

September 2, 2025

Mayor and Members of the Freeport City Council

City of Freeport
1201 North Avenue H
Freeport, TX 77541

Subject: Request for Temporary Road Closure on Varsity Football Game Nights at Hopper Field

Dear Mayor Cain and Members of the City Council,

On behalf of Brazosport Independent School District, I respectfully request the City Council's approval to temporarily close the city road adjacent to Hopper Field on Friday nights when varsity football games are scheduled.

The specific closure we are requesting is the section of roadway between Hopper Field and Arlan's Grocery Store (Old Hwy 36). This temporary closure would provide a safe and designated area to park Brazosport ISD band buses, as well as visiting school band buses, during varsity football games. Our requested closure begins at 5:00pm on the nights listed below, and concludes thirty minutes after the game ends.

While this request does block Old Hwy 36 from the intersection at Brazosport Boulevard to the levee, it does not limit access to the commercial businesses located near that intersection. The shopping center has three access points along North Brazosport Boulevard, which would still have unrestricted access.

This request is made with the intent to:

- Ensure the safety of students, staff, and visitors during high-traffic events.
- Provide accessible and organized parking for large buses in close proximity to Hopper Field.
- Alleviate potential traffic congestion around the stadium, and allow for buses to exit the stadium area safely via the traffic light at the intersection of North Brazosport Boulevard and West 2nd Street.

We understand the importance of balancing community access and event safety, and we are committed to coordinating with the City of Freeport, Freeport Police Department, and other relevant parties to ensure the closure is properly managed and minimally disruptive.

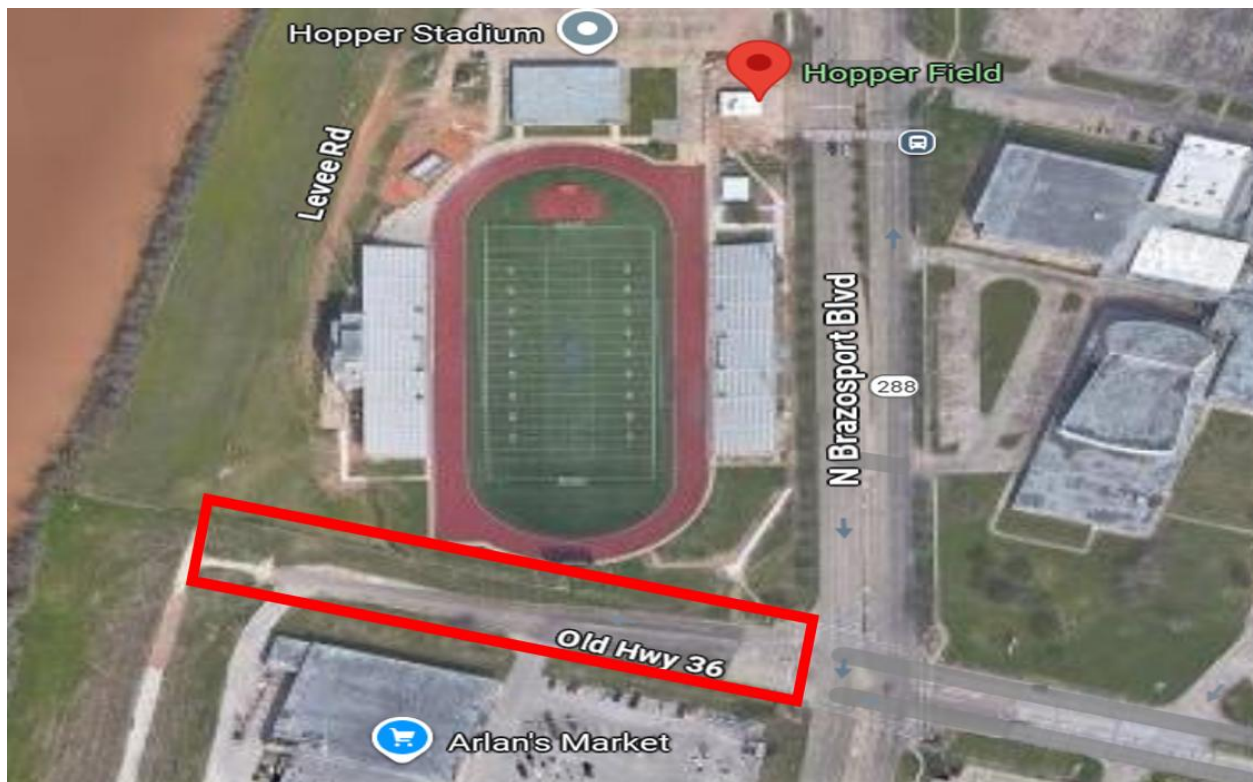
The following list of dates are scheduled varsity football games at Hopper Field this season:

- Friday, September 5, 2025 (Brazoswood vs. Angleton)
- Friday, September 12, 2025 (Brazosport vs. Sealy)
- Friday, September 19, 2025 (Brazoswood vs. Clear Lake)
- Friday, October 10, 2025 (Brazosport vs. FB Crawford)
- Friday, October 17, 2025 (Brazoswood vs. Dickinson)
- Friday, October 24, 2025 (Brazosport vs. Stafford)
- Friday, October 31, 2025 (Brazoswood vs. Clear Creek)
- Friday, November 7, 2025 (Brazosport vs. FB Willowridge)

We greatly value the City of Freeport's continued partnership and support of our students, schools, and community events. Thank you for considering this request, and we look forward to working together to provide a safe and enjoyable experience for all who attend.

Respectfully,

Jay Zeller
Director of Athletics & Activities
Brazosport Independent School District





City Council Agenda Item #[2.E]

Title: Action approving Resolution No. 2025-2952 for Rifle-Resistant Body Armor Grant-Jennifer Howell, Police Chief

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approving the amended resolution changing the authorized grant official.

Item Summary: The City Council of the City of Freeport, by its Resolution No. 2025-2914, read, passed and adopted on the 19th day of May, 2025, authorized the City to participate in the FY2026 RIFLE-RESISTANT BODY ARMOR GRANT PROGRAM and in such resolution appointed Lance Petty, who is no longer City Manager, as the City's authorized official and therefor should be replaced. The grant has now been awarded to the Freeport Police Department, but to accept the award, an amendment to the resolution must be passed changing the authorized official to accept the award to the current city manager, Dan Pennington.

Background Information: N/A

Special Considerations: N/A

Financial Impact: Loss of \$21,720 in grant funds if not accepted.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. FY2026 Rifle Resistant Body Armor Amendment

RESOLUTION NO. 2025-2952

A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE, AMENDING ITEM SECOND OF RESOLUTION NO. 2025-2914 BY WHICH THE CITY APPLIED FOR AND WAS AWARDED FY2026 RIFLE-RESISTANT BODY ARMOR GRANT PROGRAM, GRANT# 5481901 TITLED RIFLE-RESISTANT BODY ARMOR PROJECT, TO SUBSTITUTRE DAN PENNINGTON, INTERIM CITY MANAGER, FOR LANCE PETTY, FORMER CITY MANAGER, AS THE OFFICIAL FOR SUCH GRANT; CONTAINING A SEVERANCE CLAUSE; PROVIDING THAT THIS RESOLUTION SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION; AND PROVIDING THAT THE ORIGINAL OF THIS RESOLUTION SHALL BE MAINTAINED BY THE CITY SECRETARY IN THE PERMANENT RECORDS OF SAID CITY.

WHEREAS, the City Council of the City of Freeport, Texas, hereinafter sometimes “the City,” is a “Home Rule City” and a “Home Rule Municipality” lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, the Local Government Code and the Home Rule Charter of the City authorize the City Council thereof to adopt the provisions of this Resolution; and,

WHEREAS, the City Council of the City of Freeport, by its Resolution No. 2025-2914, read, passed and adopted on the 19th day of May, 2025, authorized the City to participation in the FY2026 RIFLE-RESISTANT BODY ARMOR GRANT PROGRAM and in such resolution appointed Lance Petty, who is no longer City Manager, as the City’s authorized official and should be replaced.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Freeport, Texas:

First, that the City Council of the City hereby amends item second of Resolution No. 2025-2914 read passed and adopted on the 19th day of May, 2025, and authorizing City to participation in the FY2026 RIFLE-RESISTANT BODY ARMOR GRANT PROGRAM to read as follow:

“Second, that the City Council of the City designates Dan Pennington, Interim City Manager, as the grantee’s authorized official.”

Second, in the event any section or provision of this resolution is found to be unconstitutional, void or inoperative by the final judgement of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the

remaining sections and provisions of this resolution and such remaining sections and provisions shall remain in full force and effect.

Third, this resolution shall take effect and be in force from and after its passage and adoption.

Fourth, the original of this resolution, after execution and attestation, shall be maintained by the City Secretary in the permanent records of the City.

READ, PASSED AND ADOPTED this _____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

Clarisa Fernandez, City Secretary
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Chris Duncan, Interim City Attorney
City of Freeport, Texas

Grant Number: 5481901

C:Freeport. Resol-DJ-Edward Bryne Memorial Justice Assistance Grant FY24- corrected

PROCLAMATION

Code Enforcement Appreciation Month

WHEREAS, Code Enforcement Officers provide for the safety, health, and welfare of the citizens in their communities through the enforcement of city, environmental, and other codes and ordinances; and

WHEREAS, Code Enforcement Officers deserve recognition for the jobs that they do in protecting lives and improving neighborhoods, as are the emergency personnel such as police, fire, and emergency medical services; and

WHEREAS, every day, assisted by support and program staff, they strive to provide quality customer service to the public for the betterment of the community, and often their efforts go unnoticed, even after code compliance has been accomplished due to their efforts and expertise; and

WHEREAS, Code Enforcement Officers are dedicated, well trained, and highly responsible individuals who take their jobs seriously and are proud of their department and the local government within which they serve; and

WHEREAS, the City of Freeport Police Department's Code Enforcement Officers are committed to elevating the quality of life for our neighborhoods by enforcing non-criminal city ordinances, codes, and regulations; and

WHEREAS, annually, the American Association of Code Enforcement (AACE) declares the the month of October to be set aside by local governments to honor and recognize its Code Enforcement Officers, and it brings awareness to the community of the valuable service they provide.

NOW, THEREFORE, by virtue of the authority vested in me as Mayor of the City of Freeport, Texas do hereby proclaim the month of October as:

"CODE ENFORCEMENT OFFICERS' APPRECIATION MONTH"

In the City of Freeport, Texas, and urge all residents to join me in expressing appreciation to these professionals for the dedication and outstanding service they provide to our community, for improving our neighborhoods, and greatly enhancing our quality of life.

Dated in Freeport, Texas, this 15th day of September, 2025.

Mayor, Jerry Cain

In the State of Texas,

Brazoria County, City of Freeport.



City Council Agenda Item #[4.A]

Title: Public Hearing on the FY2025-2026 Annual Budget.
Date: September 15, 2025
From: Ashlee Hurst, Finance Director

Staff Recommendation:

Item Summary: This is the formal public hearing for the FY2025-2026 annual budget, as advertised in publications.

Background Information:

Special Considerations:

Financial Impact:

Board or 3rd Party Recommendation:

Supporting Documentation:

1. Proposed Budget Presentation

CITY OF FREEPORT

FY2025-2026

UPDATED - PROPOSED BUDGET



Presentation prepared for 9/15/2025 meeting

Prepared by: Ashlee Hurst, CGFO

(979) 871-0112 – Office Line

ahurst@freeporttx.gov – Email

Monday – Friday 8a-5p – Office Hours

GENERAL FUND – OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
REVENUE TOTAL	\$21,413,066	\$21,458,191	\$19,476,665	\$22,006,573	\$21,380,445	\$1,903,780
EXPENDITURES TOTAL	16,975,659	18,617,038	18,788,140	16,513,753	19,608,753	\$820,613
BEG. FUND BALANCE	5,503,901	6,933,321	7,970,334	7,970,334	12,901,489	4,931,155
REVENUE LESS EXPENDITURES	4,437,407	2,841,153	688,525	5,492,820	1,771,692	1,083,167
NET TRANSFERS	(2,998,189)	(1,804,141)	(561,665)	(561,665)	169,635	731,300
ENDING FUND BALANCE	6,933,321	7,970,334	8,097,194	12,901,489	14,842,816	6,745,622
90 DAY RESERVE	4,198,867	4,537,215	4,695,265	4,123,344	4,902,188	206,923
AVAILABLE FUND BALANCE	\$2,734,454	\$3,433,119	3,401,929	8,778,145	9,940,628	6,538,699

GENERAL FUND – REVENUE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Industrial Districts	\$8,954,728	\$9,423,021	\$9,389,300	\$10,545,561	\$10,475,000	\$1,085,700
Property Tax	3,167,166	3,397,417	3,370,000	3,419,000	3,419,000	49,000
Sales Tax	2,471,744	2,649,294	2,450,000	2,495,000	2,680,000	230,000
Charges for Service	2,306,951	2,444,863	2,224,200	2,752,400	2,836,550	612,350
Franchise & Other Taxes	724,988	713,297	715,000	696,000	689,000	(26,000)
Intergovernmental	1,756,606	633,846	152,000	564,312	165,000	13,000
Fines & Forfeits	191,086	233,483	222,600	251,050	230,050	7,450
Miscellaneous Income	759,070	1,254,199	215,000	581,050	268,500	53,500
Lease Income	60,876	17,012	175,765	173,000	134,545	(41,220)
Investment Earnings	481,374	553,846	300,000	370,000	330,000	30,000
License and Permits	538,477	137,913	262,800	159,200	152,800	(110,000)
Revenue Total	\$21,413,066	\$21,458,191	\$19,476,665	\$22,006,573	\$21,380,445	\$1,903,780

GENERAL FUND – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Administration	\$2,398,690	\$2,804,664	\$2,091,359	\$1,946,642	\$2,133,450	42,091
Information Technology	521,163	416,857	493,358	396,550	307,450	(185,908)
Municipal Court	278,525	249,065	260,830	269,336	257,280	(3,550)
Police / Animal Control	4,949,804	5,864,196	6,086,942	5,174,378	6,477,095	390,153
Fire	1,498,388	1,503,133	1,717,303	1,455,931	1,806,076	78,773
EMS	909,426	993,214	1,152,227	1,048,371	1,280,560	128,333
Streets / Drainage	1,447,827	1,454,419	1,456,908	1,436,699	1,571,705	114,797
Service Center	202,594	464,614	214,666	196,041	221,240	6,574
Beach Maintenance	30,745	7,959	42,850	26,694	42,850	-
Garbage	747,174	763,915	775,000	747,000	755,000	(20,000)
Building / Permits	278,817	279,323	478,502	411,325	492,359	13,857
Code Enforcement	452,232	399,495	356,227	334,729	420,240	64,013

GENERAL FUND – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Library	36,451	26,445	51,850	34,059	42,200	(9,650)
Parks	1,191,375	1,227,823	1,316,140	1,035,632	1,267,715	(48,425)
Recreation	350,601	329,216	525,869	349,686	488,381	(37,488)
Sr. Citizen's Commission	7,588	17,182	17,500	16,500	18,000	500
Golf Course	1,382,506	1,486,179	1,324,854	1,357,581	1,537,973	213,119
Historical Museum	292,785	211,006	343,230	262,899	334,419	(8,811)
Main Street	-	113,757	72,525	13,700	154,760	82,235
Emergency Mgmt	-	4,576	-	-	-	-
Expenditure Total	\$16,976,689	\$18,617,038	\$18,788,140	\$16,513,753	\$19,608,753	\$820,613

WATER/SEWER – OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
REVENUE TOTAL	\$8,992,824	\$10,502,689	\$7,950,000	\$10,502,975	\$8,775,718	\$825,718
EXPENDITURES TOTAL	7,578,353	7,505,561	7,846,078	10,161,042	7,984,679	138,601
BEG. FUND BALANCE	5,011,419	8,422,932	11,951,130	11,951,130	11,841,413	(106,717)
REVENUE LESS EXPENDITURES	1,414,471	2,997,128	103,922	341,933	791,039	687,117
NET TRANSFERS	(390,725)	531,070	(451,650)	(451,650)	(791,039)	339,389
ENDING FUND BALANCE	8,446,050	11,951,130	11,603,402	11,841,413	11,841,413	238,011
90 DAY RESERVE	2,315,002	2,451,425	2,589,206	2,404,002	2,549,801	(39,405)
AVAILABLE FUND BALANCE	6,131,048	9,499,705	9,014,196	9,437,410	9,291,611	277,415

WATER/SEWER – REVENUE SUMMARY

	FY2022- 2023 ACTUALS	FY2023- 2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024- 2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	INCREASE / (DECREASE)
INTERGOVERNMENTAL	1,048,606	2,092,254	4,000	3,107,475	30,000	26,000
MISCELLANEOUS INCOME	1,936,879	14,600	127,000	147,400	147,500	20,500
BOND PROCEEDS	-	-	-	-	-	-
INVESTMENT EARNINGS	20,074	38,227	15,000	15,000	15,000	-
WATER & SEWER SERVICES	7,926,352	8,357,607	7,804,000	7,233,000	8,583,218	779,218
REVENUE TOTAL	10,931,911	10,502,689	7,950,000	10,357,375	8,516,710	825,718

WATER/SEWER – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	INCREASE / (DECREASE)
REVENUE TOTAL	\$10,931,911	\$10,502,689	\$7,950,000	\$10,502,975	\$8,775,718	\$825,718
SALARIES	100,584	120,943	204,932	121,610	181,880	(23,052)
BENEFITS	52,108	62,493	82,676	55,071	93,741	11,065
SUPPLIES	33,202	27,290	58,700	35,600	38,500	(20,200)
SERVICES	6,142,994	6,404,863	7,340,270	7,026,875	7,366,600	26,330
MAINTENANCE	58,587	100,096	115,000	15,100	14,000	(101,000)
SUNDRY	627,684	712,875	44,500	30,600	31,950	(12,550)
DEBT SERVICE	91,397	76,369	-	-	-	-
CAPITAL OUTLAY	-	633	-	2,876,186	258,008	258,008
TRANSFERS	390,725	(531,070)	451,650	451,650	791,039	337,189
EXPENDITURE TOTAL	7,497,280	6,974,491	8,297,728	10,612,692	8,775,718	477,990

DISCUSSION



City Council Agenda Item #[5.A]

Title: Consideration and possible action approving Resolution No. 2025-2953 to approve a water bill credit for the winners of Code Division's "Yard of the Month".

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval of resolution to allow a water bill credit to be issued each month to the winners of the Code Division "Yard of the Month".

Item Summary: The Freeport Police Department's Code Division has worked toward a collaborative approach working with the community for a better Freeport. The Yard of the Month is designed to promote positive interactions between Code and the community. The public purpose for a city to give a water bill credit for winning "yard of the month" is to promote community recognition and encourage residents to maintain and beautify their yards. This initiative can serve as a means to enhance community pride and encourage active participation in maintaining a clean and attractive environment. Additionally, it may promote tourism and local economic activity by encouraging residents to engage in yard maintenance and beautification efforts.

Background Information:

Special Considerations: N/A

Financial Impact: The total credit could be up to \$2400 a year, or \$200 a month, for one credit for each ward.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Resolution Yard of the Month 9.2025

RESOLUTION NO. 2025-2953

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT CREATING
“YARD OF THE MONTH” PROGRAM AND PROVIDING FOR AN AWARD OF A
WATER DISCOUNT.**

WHEREAS, the City Council acknowledges their appreciation of citizens that devote their time and efforts to beautify our city through exemplary landscaping and yard maintenance; and

WHEREAS, the City Council wants to create a “Yard of the Month” program to recognize outstanding effort and provide for an award each month in the form of a water bill credit; and

WHEREAS, the City Council desires to promote community beautification, water conservation, and neighborhood pride by recognizing residents who maintain exceptional yards and gardens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby adopts the “City of Freeport Water Bill Credit for Yard of the Month Policy” attached to this Resolution as Exhibit A, incorporated herein for all purposes.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport

EXHIBIT A

City of Freeport Water Bill Credit for Yard of the Month Policy

Policy

To create a standardized procedure for selecting and awarding a residential yard of the month.

Purpose

The public purpose for a city to give a water bill credit for winning "yard of the month" is to promote community recognition and encourage residents to maintain and beautify their yards. This initiative can serve as a means to enhance community pride and encourage active participation in maintaining a clean and attractive environment. Additionally, it may promote tourism and local economic activity by encouraging residents to engage in yard maintenance and beautification efforts.

Eligibility

- Must be a residential water customer in the City of Freeport.
- Must be current on all utility bills.
- Property must comply with local ordinances and not be in violation of any city ordinances.
- Must not have received the award in the last 6 months.

Selection Criteria

- Overall appearance and curb appeal.
- Creativity and use of landscaping features.
- Evidence of water-wise or drought-tolerant landscaping practices.
- Cleanliness and maintenance (e.g., trimmed grass, no clutter).

Award

- One winner per ward will be selected each month.
- The winner will receive a \$50 credit on their next water bill.
- A "Yard of the Month" sign may be displayed in the yard for recognition during the month.
- Winners may be featured/recognized on City of Freeport website, City Council meetings and social media platforms.

Nomination and Selection Process

- Residents may nominate themselves or others.
- Nominations must be submitted by the 25th of each month.
- The Code & Health Division of the Freeport Police Department will review and select the winner by the 30th of each month.
- The winning yard will be announced on the 1st business day of the following month.

Example: 123 Main Street is selected and announced on September 1st for Yard of the Month. They will receive a credit on their bill issued September 15th, which is due October 5th.

Terms and Conditions

- The credit has no cash value and is non-transferable.
- City Employees and City Council Members are ineligible to win.
- The program may be modified or terminated at any time at the discretion of the City of Freeport City Council.



City Council Agenda Item #[5.B]

Title: Consideration and possible action approving Resolution No. 2025-2954 proposing an increase to Green Fees and Monthly Membership Fees – Freeport Municipal Golf Course.

Date: September 15, 2025

From: Dan Pennington, Interim City Manager

Staff Recommendation: Staff recommends approval of a \$10 increase to all daily green fee rates and a \$15 increase to all monthly membership fee rates effective 10-1-2025.

Item Summary: The Freeport Golf Course has experienced rising operational costs, including maintenance, utilities, and staffing. To maintain service quality, course conditions, and financial sustainability, staff proposes modest fee increases:

- **Green fees:** \$10 increase across all categories.
- **Monthly memberships:** \$15 increase per month for all classes.

Background Information: The last adjustment to green fees was on 10-1-24 and to memberships occurred on 10-1-2023. Since then, operating costs have grown due to inflation, equipment replacement needs, and increased demand for course maintenance. Fee comparisons with nearby municipal and semi-private golf courses indicate that Freeport's rates are below average, even with the proposed adjustments. These increases will ensure the course continues to cover a greater portion of its operating expenses while remaining affordable and competitive.

Special Considerations:

- The increase has been structured to be modest and phased equally across all categories.
- Current passholders and regular golfers have expressed a desire to see course conditions improve, particularly the clubhouse and pavilion; the additional revenue will directly support turf and cart path maintenance, equipment replacement, building repair, etc.
- Public notice of the changes will be made on the City's website, social media, and posted at the golf course at least 10 days prior to implementation.

Financial Impact: The proposed adjustments are estimated to generate an additional \$261,300 (21,000 rounds x \$10 + 285 members x 12 months x \$15) if the number of rounds and members remain unchanged from FY25.



Board or 3rd Party Recommendation: The Interim City Manager believes the proposed adjustments are necessary to make the Freeport Municipal Golf Course self-sustaining, while keeping it affordable and competitive.

Supporting Documentation:

1. RESOLUTION GOLF COURSE FEES 2025-2026

RESOLUTION NO. 2025-2954

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT
MODIFYING GOLF COURSE FEES; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Freeport Municipal Golf Course is a first-class golf facility providing recreation for the citizens of Freeport and visitors to the City”; and

WHEREAS, capital improvements to the course, superior service, and management have markedly increased the number of rounds played at the course in the past few years; and

WHEREAS, despite the increased number of rounds played annually at the golf course, the golf course operations continue to incur financial losses; and

WHEREAS, the City Council finds that financially responsible management of the city golf course requires that the various golf course fees must be increase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby adopts the fee schedule for the Freeport Municipal Golf course attached to this resolution as Exhibit A and incorporates said exhibit herein for all purposes.

Section 3. The fee schedule contained in Exhibit A shall be effective beginning October 1, 2025.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport



City Council Agenda Item #[5.C]

Title: Consideration and possible action approving Resolution No. 2025-2955 deeming property surplus and donating to local police department.

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends city council approve a resolution deeming property as surplus and allowing police department to donate to a local agency.

Item Summary: The Freeport Police Department owns several Zebra Mobile Printers that are no longer supported by our system. These printers were utilized on patrol which allowed officers to print citations when performing traffic stops. Due to program and equipment updates, these printers are no longer compatible with our system and serve no purpose or function for our department. The Iowa Colony PD has a system that these printers can function on and, therefore, they would be able to utilize the equipment.

Detective Fernandez and Toby Cohen reviewed the Zebra printers to ensure no ticket or other sensitive data remains prior to donation. They checked against three main categories of concern:

1. Volatile memory (RAM):

- These models use standard RAM only as a temporary print buffer.
- RAM in these devices is not battery-backed and is fully cleared when power is removed.
- Based on our testing and manufacturer specifications, after being powered off for even a short time (well under 10 minutes), the contents are unrecoverable by any conceivable method.

2. Last job “reprint” feature:

- Zebra printers have an optional feature that can store the last job in non-volatile memory to allow quick reprints.
- We verified that this feature was **never enabled** on these devices, and there is no stored cache present.

3. Non-volatile storage (flash memory):

- The only non-volatile data present is limited to system configuration, such as logos (e.g., the Police Department seal) and device settings.
- No ticket history or records are stored in this area.
- Prior to donation, this storage is being wiped and factory resets are being performed to ensure all custom data is removed.
- We also inspected the firmware storage section to confirm it does not contain any cached buffer or reprint files.



With these steps, the printers are confirmed safe for surplus donation.

Background Information: These printers are not standard computer printers, they are small specific printers that can only be used with specific programs. Some of these printers are up to 15 years old. They have been out of service at our agency for some time, sitting in a box performing no function for our agency. We have found no vendor that would utilize these for a trade in and they would serve no interest to the public if auctioned.

Special Considerations: None

Financial Impact: None

Board or 3rd Party Recommendation: None

Supporting Documentation:

1. Resolution Surplus Printers (1) (1) (1) (1)

RESOLUTION NO. 2025 -2955

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, DECLARING CERTAIN PERSONAL PROPERTY AS OBSOLETE, VALUELESS AND SURPLUS; PROVIDING FOR DISPOSAL OF THE SAME BY THE CITY MANAGER OR HIS DESIGNEE; AUTHORIZING THE MAYOR TO EXECUTE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City has certain personal property to wit attached as Exhibit “A”; and,

WHEREAS, said personal property due to its age and use is obsolete, valueless and surplus and has no effective value for the City to otherwise dispose of or trade in such personal property; and

WHEREAS, the City no longer has any foreseeable use for such property which has no useful purpose and the same should be deemed to be surplus; and,

WHEREAS, the City needs to dispose of such personal property; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, THAT:

SECTION 1. the personal property owned by the City identified by Exhibit “A”, attached, are hereby declared to be obsolete, valueless and surplus, and that the City Manager is authorized to dispose of such personal property for its salvage value or donate it to any other nonprofit entity, by appropriate means.

SECTION 2. That should any word, phrase, paragraph, or section of this Resolution be held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Resolution as a whole, or any part or provision thereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Resolution as a whole.

SECTION 3. That all provisions of the resolutions of the City of Freeport, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That this Resolution shall take effect immediately from and after its passage as the law provides.

PASSED and APPROVED by the City Council of the City of Freeport, Texas, on the
_____ day of _____, 2025.

APPROVED:

Jerry Cain, Mayor

ATTEST:

Clarisa Fernandez, City Secretary

APPROVED:

Chris Duncan, Interim City Attorney

EXHIBIT A
RESOLUTION NO. 2025-2955

Thirteen (13) Zebra 520 Mobile Printers
Four (4) Zebra RW 420 Mobile Printers

Asset Control #	Equipment Description	Model	Serial Number
P14	Zebra Mobile Printers	Zebra ZQ520	XXRBJ160400110
P15	Zebra Mobile Printers	Zebra ZQ520	XXRBJ161400377
P16	Zebra Mobile Printers	Zebra ZQ520	XXRBJ161400206
P17	Zebra Mobile Printers	Zebra ZQ520	XXRBJ161400214
P18	Zebra Mobile Printers	Zebra ZQ520	XXRBJ161101181
P19	Zebra Mobile Printers	Zebra ZQ520	XXRBJ171501993
P20	Zebra Mobile Printers	Zebra ZQ520	XXRBJ173400110
P21	Zebra Mobile Printers	Zebra ZQ520	XXRBJ185102990
P22	Zebra Mobile Printers	Zebra ZQ520	XXRBJ185103012
P24	Zebra Mobile Printers	Zebra ZQ520	XXRBJ193402384
P25	Zebra Mobile Printers	Zebra ZQ520	XXRBJ201300224
P27	Zebra Mobile Printers	Zebra ZQ520	XXRBJ192700267
P28	Zebra Mobile Printers	Zebra ZQ520	XXRBJ192700076
P12	Zebra Mobile Printers	Zebra RW420	XXRJ151900143
3007561	Zebra Mobile Printers	Zebra RW420	XXRC08445070
3007583	Zebra Mobile Printers	Zebra RW420	XXRC08445068
3007572	Zebra Mobile Printers	Zebra RW420	XXRC08445075



City Council Agenda Item #[5.D]

Title: Consideration and possible action approving Resolution No. 2025-2956 to adopt a policy for Hiring Incentive for First Responders.

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval to adopt a resolution for a new policy for the City of Freeport Personnel Policy 9.20 Hiring Incentive for First Responders.

Item Summary: The hiring incentive payments are one-time, non-reoccurring, non-accumulating allotment that is provided to entice an individual to accept employment with the City of Freeport as a First Responder (full-time peace officer or firefighter & EMT/Medic). The incentive is to serve as a recruitment and retention tool, enabling the City of Freeport to attract top candidates and support long-term employment of qualified first responders.

Background Information: The Freeport Police Department and Freeport Fire & EMS Department have had difficulty in recruiting due to the competitive packages other cities are offering to hire and retain staff.

Special Considerations: N/A

Financial Impact: Incurred cost of up to \$5000 per employee who applies over a 2-3 year budget period.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Hiring Incentive Resolution 9.2025

RESOLUTION NO. 2025-2956

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ESTABLISHING A HIRING INCENTIVE PROGRAM FOR FIRST RESPONDERS TO ENCOURAGE RECRUITMENT AND RETENTION, AND PROVIDING FOR ELIGIBILITY CRITERIA, PAYMENT STRUCTURE, AND PROGRAM ADMINISTRATION.

WHEREAS, the City of Freeport recognizes the vital role First Responders—defined as full-time Peace Officers and Firefighters & EMTs/Medics—play in preserving public safety and serving the citizens of Freeport; and

WHEREAS, the City seeks to enhance its ability to recruit and retain highly qualified First Responders through the implementation of a hiring incentive program; and

WHEREAS, the City Council desires to formally adopt and authorize a hiring incentive policy to provide competitive compensation for qualified candidates entering City employment in First Responder roles;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby adopts the “City of Freeport Personnel Policy Hiring Incentive for First Responders 9.20” attached to this Resolution as Exhibit A, incorporated herein for all purposes.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport

EXHIBIT A

Hiring Incentive for First Responders

The hiring incentive payments are one-time, non-reoccurring, non-accumulating allotment that is provided to entice an individual to accept employment with the City of Freeport as a First Responder (full-time peace officer or firefighter & EMT/Medic). The incentive is to serve as a recruitment and retention tool, enabling the City of Freeport to attract top candidates and support long-term employment of qualified first responders. The applicable Police or Fire/EMS Department Chief shall interpret this program in alignment with its purpose. Their decisions may be appealed to the city manager, who will make the final decision. All incentive payments are subject to applicable payroll and tax deductions. Employees receiving this hiring incentive may still be eligible for other incentives offered by the City of Freeport.

To be eligible for hiring incentive, the employee must:

- Have successfully completed a state-approved Police, Fire, or EMS Academy, passed required state tests, and be licensed, which license must be in good standing.
- Have not been a peace officer or firefighter & EMT/Medic with the Freeport Police or Fire/EMS Department as of 9-1-2025.
- Have successfully passed all state and department required pre-employment testing and processes and hired the City of Freeport as a First Responder.
- Have successfully completed any required probationary period and initial field training program, with the exception of the first payment.
- Have received no disciplinary actions of a written reprimand or higher in the previous 12 months from the date reimbursement is requested and must not currently be the subject of a complaint investigation at the time reimbursement is requested (eligibility date = 12 months from date of discipline)

The employee must submit a written request for the second and third payment to the Department Director. Requests are approved by the employee's Department Director and then forwarded to Human Resources and the City Manager for final authorization.

The hiring incentive is paid in three increments. The first disbursement is included with the employee's first payroll with subsequent payments being eligible upon reaching designated milestones.

The maximum total hiring incentive is \$5,000. Payments will be disbursed in increments based on continuous service as follows:

First payroll	\$1,000
1 year of service or eligibility date, whichever is later	\$2,000
2 years of service or eligibility date, whichever is later	\$2,000



City Council Agenda Item #[5.E]

Title: Consideration and possible action approving Resolution No.2025-2957 to amend a policy for Academy Reimbursement Program for First Responders.

Date: September 15, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval to adopt a resolution for an amended policy for the City of Freeport Personnel Policy 9.11A Academy Reimbursement for First Responders.

Item Summary: The academy reimbursement payments are one-time and non-accumulating allotments that are provided to entice an individual to continue employment with the City of Freeport as a First Responder (full-time peace officer or firefighter & EMT/Medic). The purpose of this academy reimbursement is to serve as a recruitment and retention tool, enabling the City of Freeport to attract top candidates and support long-term employment of qualified first responders.

Background Information: The Freeport Police Department and Freeport Fire & EMS Department have had difficulty in recruiting due to the competitive packages other cities are offering to hire and retain staff.

Special Considerations: N/A

Financial Impact: Incurred cost of up to \$5000 per employee who applies over a 2-3 year budget period.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Academy Reimbursement Resolution 9.2025

RESOLUTION NO. 2025-2957

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ESTABLISHING AN ACADEMY REIMBURSEMENT FOR FIRST RESPONDERS TO ENCOURAGE RECRUITMENT AND RETENTION, AND PROVIDING FOR ELIGIBILITY CRITERIA, PAYMENT STRUCTURE, AND PROGRAM ADMINISTRATION.

WHEREAS, the City of Freeport recognizes the vital role First Responders—defined as full-time Peace Officers and Firefighters & EMTs/Medics—play in preserving public safety and serving the citizens of Freeport; and

WHEREAS, the City seeks to enhance its ability to recruit and retain highly qualified First Responders through the implementation of an academy reimbursement program; and

WHEREAS, the City Council desires to formally adopt and authorize an academy reimbursement policy to provide competitive compensation for qualified candidates entering City employment in First Responder roles;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby adopts the “City of Freeport Personnel Policy Academy Reimbursement 9.11A” attached to this Resolution as Exhibit A, incorporated herein for all purposes.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport

EXHIBIT A

Academy Reimbursement for First Responders

The academy reimbursement payments are one-time and non-accumulating allotments that are provided to entice an individual to continue employment with the City of Freeport as a First Responder (full-time peace officer or firefighter & EMT/Medic). The purpose of this academy reimbursement is to serve as a recruitment and retention tool, enabling the City of Freeport to attract top candidates and support long-term employment of qualified first responders. The applicable Police or Fire/EMS Department Chief shall interpret this program in alignment with its purpose. Their decisions may be appealed to the city manager, who will make the final decision. All payments are subject to applicable payroll and tax deductions. Employees receiving academy reimbursement payments may still be eligible for other incentives offered by the City of Freeport.

To be eligible for academy reimbursement payments, the employee must:

- Have successfully completed a state-approved Police, Fire, or EMS Academy within the last three years from the date of the agreement, passed required state tests, and be licensed, which license must be in good standing.
- City of Freeport Police or Fire/EMS Department must be the first employing agency as a full-time peace officer or firefighter & EMT/Medic immediately following academy graduation.
- Have successfully completed any required probationary period and initial field training program.
- Have received no disciplinary actions of a written reprimand or higher in the previous 12 months from the date reimbursement is requested and must not currently be the subject of a complaint investigation at the time reimbursement is requested (eligibility date = 12 months from date of discipline).
- The employee must have paid for the requested academy costs from their own personal funds that were not reimbursed in any manner or provided by another source (grant, military, scholarship, benefit, etc.).

The employee must submit a written request for each payment, accompanied by receipts from the educational institution where the academy was completed and a certificate of completion from the academy. Requests are approved by the employee's Department Director and then forwarded to Human Resources and the City Manager for final authorization.

The maximum total reimbursement is \$5,000 lifetime maximum per employee. Please select requested payment:

- ☐ 6 months and successful completion of field training program or eligibility date, whichever is later - 25% of total academy costs (tuition, mandatory equipment, books, testing/licensing fees, etc.)
- ☐ 1 year of service from agreement or eligibility date, whichever is later - 25% of total academy costs (tuition, mandatory equipment, books, testing/licensing fees, etc.)
- ☐ 2 years of service from agreement or eligibility date, whichever is later - 50% of total academy costs (tuition, mandatory equipment, books, testing/licensing fees, etc.)



City Council Agenda Item #[5.F]

Title: Consideration and possible action approving Resolution No. 2025-2958 Supporting the Negotiation and Execution of a New Brazosport Industrial Partnership Contract.

Date: September 15, 2025

From: Dan Pennington, Interim City Manager

Staff Recommendation: Staff recommends approval of the Resolution authorizing the Mayor, City Manager, and their designees to begin negotiations with industrial partners, in coordination with the Cities of Clute and Lake Jackson, to establish a new Brazosport Industrial Partnership Contract.

Item Summary: The resolution affirms the City of Freeport's commitment to continue the longstanding Industrial District Partnership with industry partners, ensuring revenue through payments in lieu of taxes while maintaining competitiveness and stability for local industries. It authorizes City leadership to enter negotiations and seek the maximum contract term permitted under state law.

Background Information:

- The original Brazosport Industrial Partnership Contract was signed in 1973 with BASF Corporation, The Dow Chemical Company, and The Brock Interest.
- Renewals occurred in 1980, 1987, 1994, 2001, and 2011.
- The purpose of the agreement is to provide industry exemption from full municipal taxation and ordinances in exchange for negotiated payments in lieu of taxes, while also limiting municipal service obligations.
- The current agreement expires on December 1, 2026.
- This resolution expresses Council's intent to pursue a new agreement consistent with past contracts.

Special Considerations:

- Negotiations will involve coordination with the Cities of Clute and Lake Jackson.
- The new agreement will seek the longest allowable term under state law to provide economic stability for both municipalities and industry.
- Final contract terms will be subject to Council review and approval.



Financial Impact: The Industrial Partnership Contract provides significant annual revenue to the City of Freeport, supporting essential municipal services without imposing full municipal taxation on industrial sites. Approval of this resolution allows continued financial planning and stability through future agreements.

Board or 3rd Party Recommendation: The resolution aligns with historical agreements supported by the Cities of Clute and Lake Jackson and major industrial partners, including BASF Corporation and The Dow Chemical Company. Their participation and cooperation remain essential for the continuation of the partnership.

Supporting Documentation:

1. 09 SEPT 2025

RESOLUTION NO. 2025-2958

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT SUPPORTING THE NEGOTIATION AND EXECUTION OF A NEW BRAZOSPORT INDUSTRIAL PARTNERSHIP CONTRACT

WHEREAS, the first Brazosport Industrial Partnership Contract between the Cities of Clute, Freeport, and Lake Jackson and BASF Corporation, The Dow Chemical Company, and The Brock Interest was signed in 1973; and

WHEREAS, subsequent agreements were adopted in 1980, 1987, 1994, 2001, and 2011; and

WHEREAS, the purpose of the Industrial District Partnership Contract is to establish payments *in lieu of taxes* from industry in exchange for the cities' agreement not to annex industrial plant sites; and

WHEREAS, under these agreements, industry is not subject to full municipal taxation or ordinances, and the cities are not required to provide municipal services such as utilities and public safety services; and

WHEREAS, the mutual objective of the parties has been to foster industrial growth and competitiveness while also providing the cities with revenue to support essential municipal services; and

WHEREAS, the current Brazosport Industrial Partnership Contract is set to expire on December 1, 2026; and

WHEREAS, the Cities of Clute, Freeport, and Lake Jackson wish to continue this longstanding partnership and support negotiating a new agreement with industry under comparable terms and conditions for the longest term permitted under state law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby expresses its support for negotiating and entering into a new Brazosport Industrial Partnership Contract with the Cities of Clute and Freeport and the participating industrial partners.

Section 2. The City Council authorizes the Mayor, City Manager, and their designees to begin discussions with the industrial partners and to pursue a new agreement consistent with the goals and historical framework of prior Industrial District Agreements.

Section 3. The City Council supports seeking the maximum term allowed under state law to ensure long-term stability, economic competitiveness, and mutual benefit for both the municipalities and industry.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport



City Council Agenda Item #[5.G]

Title: Consideration and possible action approving Resolution No. 2025-2959
Opiod Settlement Purdue/Sackler.

Date: September 15, 2025

From: Chris Duncan

Staff Recommendation: Approve resolution to opt into Purdue/Sackler opioid settlements

Item Summary: Council must approve this resolution authorizing staff to complete required documentation to opt in to the above-referenced opioid settlements on or before Sept 30, 2025.

Background Information: The Texas Attorney General has filed several cases against companies that manufacture and market opioid prescription drugs. The basis of these suits is that the drugs are dangerous and caused losses to local and state governments related to crime, drug treatment, loss of productivity, higher insurance premiums for medical treatment etc. The City has opted in to other settlements in the past. These settlements are for 1) Case brought by the State of Texas against the Sackler family, that owned a large manufacturing company and 2) the bankruptcy case brought by Purdue against the Sackler family. These settlement funds are divided up between all Texas government agencies on a proportional basis. Some money will be paid directly to the city and the majority of the money will be paid into a special fund available to award grants to local cities for law enforcement costs and treatment /education programs related to prescription drug abuse.

Special Considerations: Time sensitive

Financial Impact: The amount coming to the city is unknown until the AG knows what cities opt in.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. RESOLUTION - OPIOID SETTLEMENT SACKLERS (1)
2. national_opioid_settlement_notice_settlement_overview

RESOLUTION NO. 2025 -2959

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS JOINING THE TEXAS ATTORNEY GENERAL “GLOBAL OPIOID SETTLEMENT”; ADOPTING THE TEXAS TERM SHEET AND ITS INTRASTATE ALLOCATION SCHEDULE; AND AUTHORIZING THE MAYOR TO SIGN ALL NECESSARY FORMS AND AGREEMENTS TO PARTICIPATE IN THE PURDUE/SACKLER CLAIMS INCLUDING BOTH THE CHAPTER 11 ESTATE SETTLEMENT AND THE DIRECT SETTLEMENT THROUGH THE TEXAS ATTORNEY GENERAL; AND PROVIDING FOR A FINDING OF PROPER MEETING AND NOTICE.:

WHEREAS, The City of FREEPORT, Texas obtained information indicating that certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants as may be added to the litigation (collectively, “Defendants”) have engaged in fraudulent and/or reckless marketing and/or distribution of opioids that have resulted in addictions and overdoses; and

WHEREAS, these actions, conduct and misconduct have resulted in significant financial costs to the City of FREEPORT; and

WHEREAS, the State of Texas, through the Office of the Attorney General, has negotiated a settlement agreement with the “Sacklers” (the Direct Settlement) and further the City can recover additional claims through the Sackler Chapter 11 action brought by Purdue (the “Estate Settlement”) ; and

WHEREAS, the City of FREEPORT elects to participate in said settlement agreements set forth above by executing the election and release forms through the Texas Attorney General’s office and through Rubris.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of FREEPORT, Texas:

First, that the City Council elects to approve and participate in the above described “Direct Settlement and the “Estate Settlement”; and

Second, that the City Council Authorizes the Mayor to execute all necessary documents and forms to effect such settlements, and

Third, that the City Council makes the following specific findings:

There is a substantial need for repayment of opioid-related expenditures and payment to abate opioid-related harms in and about the City of FREEPORT, Brazoria County;

Fourth, that that all proper notices were posted and the meeting in which this resolution is passed was held in compliance with the Texas Open Meetings Act.

Fifth, It is hereby found and determined that the meeting at which this resolution was passed was attended by a quorum of the City Council, was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

READ, PASSED AND ADOPTED, the _____ day of _____, 2025.

Jerry Cain, Mayor
City of FREEPORT, Texas

ATTEST:

Clarisa Fernandez, City Secretary
City of FREEPORT, Texas

APPROVED AS TO FORM ONLY:

Christopher Duncan, City Attorney
City of FREEPORT, Texas

***TO LOCAL POLITICAL SUBDIVISIONS:
THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A NEW
NATIONAL OPIOID SETTLEMENT.***

PURDUE PHARMA L.P. & SACKLER FAMILY SETTLEMENT OVERVIEW

A proposed nationwide settlement agreement has been reached with Purdue (and certain of its affiliates) and the Sackler family concerning alleged misconduct related to opioids.

The proposed settlement is being implemented in connection with Purdue's bankruptcy proceedings, and consists of, among other things, a settlement of Purdue's claims against the Sacklers and certain other parties (referred to as the "Estate Settlement"), and a settlement of direct claims against the Sacklers held by States, local governments and other creditors (the "Direct Settlement", and together with the Estate Settlement, the "Settlement"). The Settlement contemplates that the Sacklers will be paying an aggregate of \$6.5 billion in 16 payments over 15 years, including \$1.5 billion on the settlement's Effective Date (expected to be in 2026), though some amounts are subject to discounted prepayments. These amounts are in addition to amounts available from the Purdue estate including amounts available on the Effective Date (expected to be around \$900 million) and amounts that may be paid in the future.

The Settlement also contains injunctive relief governing opioid dispensing practices and requires the successor-in-interest of Purdue Pharma L.P. to implement safeguards to prevent diversion of prescription opioids, and also restrict certain Sacklers from directly or indirectly engaging in the manufacturing or sale of opioids, as detailed in the Settlement.

The proposed settlement has two key participation steps now that **all eligible states and territories elected to participate in the Direct Settlement.**

First, eligible subdivisions within each participating state decide whether to participate in the Direct Settlement. The Direct Settlement is documented in the Governmental Entity and Shareholder Direct Settlement Agreement, which is commonly referred to as the "GESA". The more subdivisions that participate, the more funds flow to that state and its subdivisions. Any subdivision that does not participate cannot directly share in any of the Direct Settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds.

YOU MUST PARTICIPATE IN THE DIRECT SETTLEMENT BY RETURNING YOUR PARTICIPATION FORM IN ORDER TO RECEIVE THE BENEFITS OF THE SETTLEMENT.

Second, concurrently with the solicitation of eligible subdivisions to participate in the Direct Settlement, votes will be solicited for approval of Purdue Pharma L.P.'s bankruptcy plan, which plan will provide distributions in respect of the Estate Settlement. NOT ALL SUBDIVISIONS ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT WILL RECEIVE PACKAGES TO VOTE ON THE PLAN.

Please note that this is NOT a solicitation or a request for subdivisions to submit votes on the Purdue bankruptcy plan. This settlement package only pertains to a decision to participate in the Direct Settlement with the Sacklers.

If you receive a package to vote on the plan you should follow the applicable instructions for voting. PLEASE NOTE THAT VOTING ON THE PLAN IS SEPARATE FROM PARTICIPATION IN THE DIRECT SETTLEMENT. **IT IS NOT NECESSARY TO VOTE ON THE PLAN IN ORDER TO RECEIVE THE BENEFITS OF THE SETTLEMENT.**

WHO IS RUBRIS INC. AND WHAT IS THE IMPLEMENTATION ADMINISTRATOR?

The Direct Settlement provides that an Implementation Administrator will provide notice and manage the collection of participation forms. Rubris Inc. is the Implementation Administrator for the Direct Settlement and was also retained for the prior national opioid settlements.

WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

Your state has elected to participate in the Settlement, and therefore your subdivision may participate in the Direct Settlement. This notice is also being sent directly to counsel for such subdivisions if the Implementation Administrator has their information.

If you are represented by an attorney with respect to opioid claims, please contact them. **Subdivisions can participate in the Settlement whether or not they filed a lawsuit or are represented.**

WHERE CAN YOU FIND MORE INFORMATION?

Detailed information about the Settlement, including each settlement agreement, may be found at: <https://nationalopioidsettlement.com/purdue-sacklers-settlements/>. This website will be updated to include information about how the Settlement is being implemented in most states and how funds will be allocated within your state.

You are encouraged to review the terms of the settlement agreements and discuss the terms and benefits with your counsel, your Attorney General's Office, and other contacts within your state.

Your subdivision will need to decide whether to participate in the proposed Settlement, and subdivisions are encouraged to work through this process before the **September 30, 2025** deadline.

HOW DO YOU PARTICIPATE IN THE SETTLEMENT?

The Settlement requires that you take affirmative steps to "opt in" to the Settlement.

In the next few weeks, you will receive documentation and instructions from the Implementation Administrator. In order to participate in the settlement, a subdivision must sign and return the required documentation.

Please add the following email addresses to your "safe" list so emails do not go to spam / junk folders: dse_na3@docusign.net and opioidsparticipation@rubris.com. Please monitor your email for the Participation Form and instructions.

All required documentation must be signed and returned on or before **September 30, 2025**.



City Council Agenda Item #[5.H]

Title: Consideration and possible action approving Resolution No. 2025-2960 to approve Veolia proposed a temporary contract extension.

Date: September 15, 2025

From: Rudy Ragle, Public Works Director

Staff Recommendation: Approve the three-month extension of the existing agreement with Veolia Water North America-Central, LLC for continued operations, maintenance, and management of the City's water utility through December 31, 2025, under the same scope of work and rates of compensation.

Item Summary: The City of Freeport and Veolia entered into a contract on September 14, 2015, for operations, maintenance, and management of the City's water utility. The contract was scheduled to expire on September 30, 2025. Due to the City's prior notice of termination, the contract is not automatically renewed for an additional ten years. This amendment provides for a three-month extension to allow additional time to negotiate either a new long-term agreement or a modified extension.

Background Information: The existing Veolia agreement has governed the City's water utility operations since 2015. As the expiration date approached, the City provided a notice of termination, preventing an automatic ten-year renewal. To ensure continuity of water utility services during ongoing negotiations, both parties agreed to extend the contract until December 31, 2025, with no changes to scope, rates, or other terms.

Special Considerations:

- The extension maintains uninterrupted water utility operations while protecting the City from a long-term commitment during negotiations.
- No changes to service scope, rates, or conditions are included in this amendment.
- The short-term extension provides flexibility for the City to finalize terms in the best interest of residents.

Financial Impact: There is no increase in cost to the City, as the extension continues under the same rates and terms as the existing agreement. All financial obligations remain consistent with prior contract provisions.

Board or 3rd Party Recommendation: No outside board action is required. Staff and legal counsel support this short-term extension as prudent to ensure service continuity while negotiations for a revised or new agreement proceed.



Supporting Documentation:

1. RESOLUTION VEOLIA EXTENSION 2.0 DUNCAN (1)

RESOLUTION NO. 2025-2960

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT APPROVING AN EXTENSION OF THE CONTRACT WITH VEOLIA WATER NORTH AMERICA-CENTRAL, LLC TO CONTINUE TO PROVIDE OPERATIONS, MAINTENANCE, AND MANAGEMENT SERVICES RELATED TO THE CITY'S WATER UTILITY AND AUTHORIZING THE MAYOR OR CITY MANAGER TO SIGN SAID EXTENSION AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, the City entered into an agreement on September 14, 2015 with the Contractor for Operations, Maintenance, and Management Services related to the City's water utility; and

WHEREAS, the existing agreement was for a 10 year term commencing on October 1, 2015 and expiring on September 30, 2025; and

WHEREAS, the parties agree that, based upon a prior notice of termination by the City, the existing agreement is not automatically extended for another ten (10) year period; and

WHEREAS, the parties seek an extension of the existing agreement to December 31, 2025, under with the same scope of work and rates of compensation, for the specific purpose of negotiating either a new agreement or a modified extension of the existing agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council authorizes the Mayor or City Manager, to execute the "Amendment to Contract for Operations, Maintenance, and Management Services" agreement attached to this Resolution as Exhibit A and incorporated herein for all purposes.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport



City Council Agenda Item #[5.I]

Title: Consideration and possible action approval of Asphalt Overlay Project for Two Alleyways.

Date: September 15, 2025

From: Rudy Ragle, Public Works Director

Staff Recommendation: Staff recommends approval of the lowest responsible quote of **\$28,800** to complete an asphalt overlay on two alleyways totaling approximately **12,000 square feet**.

Item Summary: The City solicited 4 quotes to resurface two alleyways that are in poor condition, flooding backyards, and in need of immediate repair. After review of multiple bids, the recommended contractor provided a competitive quote of \$28,800 to overlay approximately 12,000 square feet of asphalt.

Background Information: Several alleyways throughout Freeport have deteriorated and require resurfacing to maintain safe access for residents, solid waste vehicles, and emergency response equipment. These two locations were prioritized based on condition and use. Staff obtained multiple quotes and reviewed them for scope, price, and contractor qualifications. The recommended contractor has prior experience with municipal work and a track record of timely completion.

Special Considerations:

- Work will be scheduled to minimize disruption to residents.
- Alleyways will be closed during construction, with advanced notice provided to adjacent property owners.
- Weather conditions may impact the project timeline.

Financial Impact: The total project cost is **\$28,800**, which equates to **\$2.40 per square foot** of asphalt overlay. Funding will be provided from the City's Public Works Department funds (or appropriate fund as determined by Finance).

Board or 3rd Party Recommendation: The Public Works Department has reviewed the quotes and recommends award of the project to the lowest responsible bidder.

Supporting Documentation:

1. Alleyway Quotes

Alvin Area Services

Asphalt , Concrete & Land Development

Date: 9/2/2025

Alvin Area Services
4364 CR 949 H
Alvin, TX 77511
P: 832-580-6405
alvinareaasphalt01@gmail.com



City of Freeport - Dan Pennington
979-480-2621
dan.pennington@freeporttx.gov

Contract prepared by: Red Williams

Job Description

2 alley ways freeport, tx - 2inch Asphalt Lay

1. Remove existing rock material as needed from alley ways
2. Supply loading for hual off of rock material with city of freeport
3. Apply SS1 emulsion to transition
4. Lay 2inches of type D fine surf asphalt over both alley ways
5. Compact asphalt using dual drum vibratory rollers and plate compactors

Payment Terms

Half down due prior to job start date / remaining balance due upon job completion

Sq Ft	12,000
Price per Sq Ft	\$2.40
Total:	\$28,800.00

Notes

Estimated Days needed to complete work is 2 business days. Weather conditions can delay finish date.

All Checks can be made payable to "Alvin Area Services ", preferred method of payment is cashier check. Now accepting credit card payments via square app processing fees may apply.

This is a contract on the goods named, subject to the conditions noted above. This contract does not include permits. To accept this contract sign below and return.

Customer Signature:

Date: 9-2-25

Thank you for supporting a Family Owned Business !



B3 Resources, LLC

Proposal #31825D

March 18, 2025

To: City of Freeport
510 S. Avenue A
Freeport, Texas 77541

Attn: Lance Petty
Email: lpetty@freeport.tx.us

RE: 1600 W. Broad Alley

Mr. Petty,

Thank you for the opportunity to bid on the above-mentioned project. Please find below our scope of work. Any changes not in the description below will be considered a change in the scope and will be a change in order. Should you require additional information, please contact our office. Again, thanks for this opportunity.

SCOPE OF WORK

Asphalt Installation to approx.: 11,610 SF (not to exceed)

- 1) Mobilization.
- 2) Remove existing white rock
- 3) Grade for positive drainage.
- 4) Wet and roll for compaction.
- 5) Tack Coat with SS1.
- 6) Install 2.5" Type C HMA.
- 7) De-mobilization.

Bid Total: \$29,250.00

Asphalt -Maintenance Inc

P O Box 2617
Pearland, TX 77588

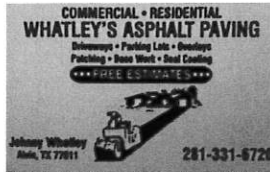
Estimate

Date	Estimate #
03/18/2025	13559

P.O. No.
1600 W Broad

Name / Address
City of Freeport 510 S Avenue A Freeport, TX 77541

Description	Qty	Total
City of Freeport 1600 W Broad Alley, Freeport, TX– Asphalt Installation Provide labor, materials, and equipment necessary for the following: Asphalt Installation to approx.: 11,610 SF Remove White Rock Grade for positive drainage. Wet & Roll for compaction. Install Tack Coat. Install 2" Type C Asphalt. Materials and labor Sales Tax		33,637.00 2,775.05
281-821-7188 or 281-573-1460	Fax 281-573-1076	Total \$36,412.05



412 County Road 575, Alvin, TX 77511

Customer: City of Freeport
Contact: Lance Petty
Ph:
Email: lpetty@freeport.tx.us

Date: 3/19/2025
Proposal #: P24659
Prepared By: Johnny Whatley
Phone: 281-331-6720

Project: 1600 W Broad Alley
Freeport, TX

Whatley's Asphalt Paving, proposes to provide all material, labor, equipment, supervision and insurance (general liability, workers comp, umbrella and auto) for the following:

ITEM NO	DESCRIPTION	QTY	SUBTOTAL
1	Mobilize	1	Included
2	White Rock Removal	11,610 SF	Included
3	Grade	11,610 SF	Included
4	Wet & Roll	11,610 SF	Included
5	Tack coat installation	11,610 SF	Included
6	Pave 2.5" HMAC (Type D, 64-22)	11,610 SF	Included

SUBTOTAL: \$34,515.00

TAXES: \$ 2,847.49

TOTAL: \$37,362.49

Payment shall be net 30 days with zero retainage withheld. Pricing subject to change for increases in raw material costs. Pricing valid for 30 days.

Unless explicitly stated above, exclusions include: bonding, permits, utility adjustments, testing, layout and surveying, traffic control (beyond flagmen for scope), excavation, sawcutting or demolition, temporary or permanent striping, night or weekend work, sweeping/cleaning prior paving, Acts of God, vandalism, liquidated damages, and construction water.

CLIENT APPROVAL - SIGNATURE AND TITLE

DATE





City Council Agenda Item #[5.J]

Title: Consideration and possible action approving Resolution No. 2025-2961 approving a Facility Use and Rental Policy.

Date: September 15, 2025

From: Rudy Ragle, Public Works Director

Staff Recommendation: : Staff recommends that the City Council approve the proposed Facility Use and Rental Policy. The policy provides a clear, equitable framework for the use of City facilities by Councilmembers, non-profit organizations, governmental entities, City employees, and the general public. It promotes fair access, accountability, and responsible stewardship of City-owned property.

Item Summary: This item proposes the adoption of a standardized policy for renting and using City of Freeport facilities. It outlines defined procedures and fee structures for various groups, including Councilmembers, non-profits, government entities, City employees, and the general public. The policy includes provisions for deposits, refunds, fee reductions, and administrative oversight.

Background Information: Currently, the City does not have a formally adopted policy governing the rental and use of its facilities. This has led to inconsistent practices and confusion regarding eligibility, fees, and responsibilities. The proposed policy addresses these issues by establishing uniform guidelines that ensure fairness, protect City assets, and provide staff with clear procedures to follow.

Special Considerations: Councilmember Privileges

Each Councilmember is entitled to one complimentary use of a City facility per calendar year. Alternatively, a Councilmember may sponsor one free event annually on behalf of a non-profit organization or governmental entity. Unused privileges do not carry over to the following year.

Support for Non-Profit and Governmental Entities

Eligible non-profit organizations and governmental agencies may rent City facilities at a discounted rate. Partial deposit refunds may be issued if the facility is returned in good condition.

City Employees

City employees may rent City facilities at a discounted rate. Partial deposit refunds may be issued if the facility is returned in good condition.

Financial Impact: Revenue Generation: The policy maintains a revenue stream from public and partially discounted rentals while supporting community access.

Cost Recovery: Deposits (full or partial) and rental fees help recover costs related to facility maintenance, cleaning, and wear-and-tear.



Board or 3rd Party Recommendation: n/a

Supporting Documentation:

1. RESOLUTION FACILITY RENTAL DISCOUNTS 2025-2026

RESOLUTION NO. 2025-2961

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT
MODIFYING THE POLICY REGARDING RENTAL OF CITY FACILITIES;
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the City of Freeport operates a number of facilities in the city that are available to be rented by members of the public; and

WHEREAS, the city maintains a specific fee schedule for each facility setting forth prices for both rental deposits and rental fees; and

WHEREAS, the city would like to provide special benefits and cost reductions for non-profit organizations, city employees, and council members; and

WHEREAS, the City Council finds that making certain cost reductions referenced above is cost-effective and will not materially diminish the financial position of the city regarding operation of said facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby adopts the fee schedule for the rental of city facilities by non-profit organizations, city employees and council members attached to this resolution as Exhibit A and incorporates said exhibit herein for all purposes.

Section 3. The fee schedule contained in Exhibit A shall be effective beginning October 1, 2025.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport



City Council Agenda Item #[5.K]

Title: Consideration and possible action approving Resolution No. 2025-2962 approving pool renovation and maintenance proposals- Freeport Recreation Center.

Date: September 15, 2025

From: Rudy Ragle, Public Works Director

Staff Recommendation: Review and consider approval of vendor proposals to address critical pool renovations and maintenance at the Freeport Recreation Center, including replastering, tile/coping repairs, etc. and ongoing professional care contract.

Item Summary: Two proposals were received for pool work at the Freeport Recreation Center:

1. **Hancock Pool Services** – Scope includes pool replastering, tile/coping repairs, leak detection, feature painting, and other repairs and work. Costs vary depending on preparation method, with major items including \$60,000 for replastering (bond coat method), an additional \$18,400 for strip prep, and other related items and costs.

2. **AquatiCare (Landmark Aquatic)** – Scope includes preventative and comprehensive care package for 3 years of Essential Care, from Landmark Aquatic at \$7,056.

Background Information: The Freeport Recreation Center pool requires significant refurbishment to remain in compliance with state pool codes and provide safe and enjoyable use for residents. Hancock Pool Services' proposal focuses on one-time major renovations and replacements, while AquatiCare's proposal covers ongoing preventative and responsive maintenance.

Special Considerations:

- Hancock's pricing excludes taxes and bonding; a payment/performance bond would add 3% if required.
- AquatiCare's contract is for 3 years of essential care.
- City must ensure Health Department code compliance is met for all completed work.

Financial Impact:

- Hancock Pool Services: Base replaster cost of \$60,000 plus \$18,400 additional cost to strip to 90% of existing plaster, chemical start-up \$5,850, miscellaneous coping repairs \$3,500, add water depth markers \$5,550, clean & seal waterline tiles \$2,650, install



transition line \$950, perform leak detection \$2,800, water feature repair \$9,100, replacing slide feature pump and plumbing \$21,450 and install a UV sanitizer on the existing filter system for \$27,650 for a total cost of **\$157,900**. Hancock Pool Services, Inc. is on a HGAC BuyBoard Cooperative Purchasing contract.

- AquatiCare: Annualized maintenance cost for 3 years of essential care is **\$7,056**.
- Bonding, if required, will increase Hancock's costs by approximately 3% (**\$4,737**).

Total \$169,693

Board or 3rd Party Recommendation: No board or third-party recommendations have been provided at this time. Staff review supports contracting for both immediate renovations (Hancock) and structured maintenance (AquatiCare) to maximize pool safety, compliance, and long-term usability.

Supporting Documentation:

1. RESOLUTION POOL REPAIRS MAINTENANCE 2025
2. Freeport Recreation Center Pool Revision
3. Pool Contract Quote 5794_AquatiCare (1)

RESOLUTION NO. 2025-2962

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT
AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE AN AGREEMENT
WITH HANCOCK POOL SERVICES, INC. FOR SPECIFIC REPAIRS AND ONGOING
MAINTENANCE OF THE FREEPORT MUNICIPAL POOL.**

WHEREAS, the City of Freeport maintains a public swimming pool for the benefit of its citizens and the general public; and

WHEREAS, the current condition of the pool requires specific repairs to provide for safe use and extend the useful life of the pool in good repair; and

WHEREAS, proper pool maintenance moving forward in the future is essential to extend its useful life and safe operation; and

WHEREAS, the city has received a proposals for both repairs and ongoing maintenance from Hancock Pool Services, Inc.; and

WHEREAS, the necessary repairs and maintenance of the pool are required for the safety, health, and welfare of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT THAT:

Section 1. The City Council hereby finds that the facts set forth in the above preamble are true and correct.

Section 2. The City Council hereby authorizes the City Manager or the Mayor to execute the attached agreements with Hancock Pool Services, Inc. for specific repairs and ongoing maintenance, said agreements being Exhibits A and B which are incorporated as if fully set forth herein.

PASSED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport



September 5, 2025
 Bella Ramirez
 RE: Freeport Recreation Center Pool
 803 N Front St.
 Freeport, TX 77541
 Buy Board #: 701-23

Bella,

Below is our proposal to replaster the Freeport Recreation Center Pool. These prices do not include tax. These prices do not include the cost for a payment and performance bond. The cost for a payment and performance bond will be 3% of the total cost for approved scope of work, if required. These prices are valid for 60 days. This work will take approximately 5-6 weeks to complete depending on the approved scope of work.

Plaster:

The cost to replaster the pool with Marquis Series Quartz Category 1 plaster using the bond coat preparation method: \$60,000

- The bond coat preparation method includes the draining of the pool, installing relief holes through the pool shell to relieve possible ground water, removing any loose or hollow plaster (approximately 10% of the existing plaster), applying a bond coat, and new plaster installation.
- Please note that if the pool has two or more layers of plaster, and/or excessive check cracking or pop-offs, there is a possibility that more preparation will be required and more than 10% of the existing plaster will need to be removed. If this is the case, there will be an additional cost for the extra preparation. It is not possible in all cases to determine if more than 10% of the plaster will need to be removed in pools before they are drained, and preparation has begun.
- The above quoted work includes new 2" accent tile on all steps and wall return eyeballs.
- This price includes inspecting the existing main drain covers, re-install the drain covers, and replacing the hardware. If the existing main drain covers are found to be damaged and require replacement, a cost for new drain covers will be provided prior to completion.

P.O. Box 670345
 Houston, TX 77267

www.hancockpoolservices.com

Office: 281-583-7665
 Fax: 281-999-6687

- This price does not include any structural crack repairs. Once the pool is drained, the structure will be inspected for any existing cracks to determine if repairs are required. If any crack repairs are required, a cost for repair will be provided prior to completion.
- This price includes plugging the existing wall vacuum suction lines and plastering over.

The additional cost to replaster the pool using the strip preparation method: \$18,400

- The strip preparation method includes the draining of the pool, installing relief holes through the pool shell to relieve possible ground water, removing the existing plaster to the hardest surface, and new plaster installation. This typically requires removing approximately 90% of the existing plaster.
- This price includes removing up to three layers of plaster. If more than three layers must be removed, there may be additional charges per layer.
- Sometimes the pool appears that the bond coat preparation method is only needed to re-plaster the pool, but the pool can have an excessive number of hollow spots not visible or flaking and soft (rotten) plaster where the strip preparation method would be needed.
- This price includes the required dumpsters to haul off the removed materials.

Chemical Start-Up:

The cost for the chemical start-up project completion: \$5,850

- This cost includes the start-up chemicals and labor to brush, clean, and vacuum the pool for one week after the pool is filled. This price does not include adding chorine stabilizer.
- The owner is responsible for monitoring and setting up the process of fill water, including the quality of the fill water. It is important that the pools are filled within 30 hours. We will not be responsible or liable for excessive check cracking if the pools are not completely full 30-hours after completion of plaster. We will not be liable for any staining if the fill water is of poor quality.
- Hancock Pool Services will provide a thorough plaster care form detailing how to care for the new plaster, and will provide chemical balancing training, if needed.
- To achieve optimal results with the new pool finish, additional care is required for the first 28 days after water fill.

Tile and Coping:

The cost miscellaneous tile and coping repairs: \$3,500

- This price includes approximately 20 linear feet of beam repair, resetting approximately 20 linear feet of additional loose coping, and approximately 10 linear feet of additional waterline tile repair.

- The beam repair includes removing the loose material, dialing rebar into the beam, pouring beam back in place with concrete, tile, and coping repairs. There is no warranty for crack repairs.
- Replacement coping, tile, and grout may not match the existing exactly.

The cost to replace the waterline depth markers, add additional depth markers, and add additional no diving markers: \$5,550

- This price includes replacing all of the existing faded waterline depth marker tiles, adding the additional required depth markers, and adding the additional no diving sets.
- This price does not include replacing the existing decking depth markers or no diving symbols.
- This price includes adding the no diving markers where the existing no diving symbols are located.
- State code requires depth markers to be spaced out within 25 feet and show a depth change of every 2 feet. Replacement markers may not match the existing depth markers exactly. The existing depth markers will be measured for accuracy and if any decking depth markers require replacement, a cost can be provided prior to completion.
- State code requires no diving markers and symbols to be spaced out within 25 feet up to 5 feet of depth. Currently there are only no diving symbols in place, with no diving stickers.

The cost to clean and seal the existing waterline tile: \$2,650

- This price includes powder blasting and sealing the existing waterline tile.

The cost to install a new 4" tiled transition line: \$950

Leak Detection:

The cost to perform a leak detection on the pool plumbing and structure: \$2,800

- To perform a leak detection, it is necessary for the pool to be filled to its normal operating level and the water needs to be clean and clear. During the leak detection the technician will test everything in the structure, which can leak. All of the plumbing lines will be plugged and a low pressure of nitrogen will be induced into the lines. If a plumbing lines does not hold pressure it will be scanned with electronic equipment and in most cases the leak will be pinpointed within a couple of inches. Occasionally there will be two or more leaks on a plumbing line and it is not always possible to locate additional leak(s) until the first leak has been repaired.
- The pool must be clean, clear, and swimmable quality. It cannot be green, full of algae, dirt, or shocked within 48 hours of the appointment. If the technician arrives onsite and the pool is dirty, a service charge of \$150.00 plus necessary travel charges will apply, and the appointment will need to be rescheduled once the pool is clean and clear.

- This price does not include any repairs. A quote for any required repairs will be provided upon completion of the leak detection.
- This price does not include testing the water features.

Features:

The cost to clean, prepare, and paint the existing mushroom spray feature: \$4,600

- Sand all of feature to be painted to create a suitable profile for proper adhesion of the coatings.
- Clean with TSP No-Rinse to remove chalk, dirt, and contaminants that could affect the adhesion of the coatings.
- With brush and roller, apply two coats of Sherwin Williams Sher-Loxane 800 Polysiloxane.
- This proposal includes for two colors.
- Cover and protect all areas not scheduled for paint.

The cost to replace the mushroom feature pump: \$4,500

- This price includes installing a new Pentair Whisperflo VST pump, required PVC and valves, and labor.
- This price includes using the existing electrical supply and plumbing stub outs. If these cannot be used, a quote for required repairs will be provided prior to completion.

The cost to replace the slide feature pump and plumbing: \$21,450

- This price includes a new Whisperflo VST pump, time clock, connection to existing electrical supply, required plumbing, and labor. New pump will be installed below the structure on the pool deck.
- This price includes removing a section of decking and pool wall to install a suction line for the pump, pouring the concrete back in place, and spray deck patches. Spray deck patches may not match the existing color or texture exactly.
- Hancock Pool Services is not responsible for any damages to underground lines such as pool plumbing, electrical, water, etc. during this work. Any damages or re-routes will be repaired at the owner's expense.

The cost to install a UV sanitizer on the existing filter system: \$27,650

- This price includes the Sentry SAG 480A-PVC-CR Crypto Certified UV system, required PVC, and labor.
- This price includes connecting the UV system into the return line in the pump room.
- This price does not include adding an electrical supply. The controller requires a 120V outlet. If an outlet is not accessible, a quote to provide one can be provided at that time.

Notes:

- This price includes using Premix Marbletite Marquis Series Quartz Plaster and Multicoat Scratch Kote Bond Coat.
- During this project, there will be multiple crews coming in and out of the facility. The owner is responsible for blocking off the work related areas for member and employees safety.
- Parking is to be provided for the crews.
- During this work, there will be a lot of dust and noise. All furniture and equipment must be removed from this area prior to starting work. Hancock Pool Services, Inc. will keep the area as clean as possible, but is not responsible for complete dust control or total clean up.
- No permits or inspections are included for this scope of work.
- Compliance for the Health Department codes and regulations for the pool will be met only as it pertains to the scope of work.
- The pool is approximately 2" off level. This work does not include leveling the pool.
- This price does not include installing a de-watering pump system while the pool is drained. Relief holes will be installed in the pool floor. If ground water is found below the pool and a de-watering pump is required, a quote can be provided at that time. A drain release form must be signed prior to draining the pool.

Warranty:

- There is a five-year plaster bonding warranty.
- Marquis Series plaster has a five-year manufacture limited warranty.
- This warranty does not cover any discoloration that might occur after the new plaster has been installed after a 30-day period. Owner is responsible for the necessary chemical maintenance, pool cleaning, and proper pool care to assure plaster life and integrity to be able to receive the delamination warranty.

Plaster / Pool Finish:

Pool plaster finishes may contain a certain amount of shading and/or color variation, which should not be construed as a defect. Plaster is not guaranteed against discoloration or staining since such defects generally result from local water conditions, improper use of chemicals, or the absence of routine pool cleaning and maintenance. Hancock Pool Services, Inc. is not responsible for brushing or conditioning pool after time frame specified above. Contractor will repair or replace any defective component or warranted goods at no cost to owner for the duration of the manufactures original warranty.

Light Fixture Disclosure:

By necessity the pool/spa light fixture(s) must be moved during construction. Contractor will take every precaution to ensure continued operation of the lighting subsequent to completion. However, the owner is advised that during this process light fixtures can fail despite best efforts by the contractor. The contractor is not responsible for existing light(s) in pool(s), spa(s), water feature(s), etc. which fail to operate subsequent to project completion.

Contract Acceptance - Owner:

Hancock Pool Services, Inc. agrees that all work will be completed in a workmanlike manner according to standard industry practices but shall not be responsible for delay or failure to perform work when such delay or failure is due to reasons beyond its control (i.e. weather). Hancock Pool Services, Inc. is not responsible for any damages to existing sprinkler lines, cable/telephone lines, utility lines, or any sod/plants damaged during construction process. Any alterations or deviation from above specifications involving extra costs will be performed only upon a new revised proposal by the contractor. On all re-plasters we will drain the swimming pool, chip around the lights, main drains, and fittings. We will remove any hollow spots that may be present. If the existing plaster has an excessive number of hollow spots or flaking plaster there may be an additional charge. Unfortunately, we cannot determine this until the pool is drained.

Water and Electricity are necessary for our work and must be available on-site. Customer must keep area free from other workman, pets, and children. Water (sprinklers) must be turned OFF during application. Owner is responsible for monitoring filling of the pools.

Hancock Pool Services is responsible for completion of the work in compliance with the contract and for the quality of material and workmanship in accordance with standard specifications.

30% is due upon the start of the job, 30% upon plaster preparation completion, 30% upon new plaster installation, with the balance due upon project completion. Any change orders will be due upon completion during the duration of the project. A payment schedule will be arranged prior to beginning the job.

Thank you for the opportunity to quote this work for you. Hancock Pool Services is a family owned and operated business, which has served the Greater Houston Area for 43 years. We have completed many projects similar to this one to the complete satisfaction of our customers. We would be very happy to complete this project for you.

Thank you,

Austin Hancock
Hancock Pool Services, Inc.
832-334-7584

QUOTE ID: 5794
SERVICE: City of Freeport Rec Center
LOCATION:
STREET: 803 N Front Street
CITY: Free Port, TX

CONTACT: Bella Ramirez
 bramirez@freeport.tx.us
DATE SUBMITTED: 06/27/2025
PREPARED BY: HX Manoogian, Stephanie

DESCRIPTION:
AquatCare

SCOPE OF WORK:
Pricing provided for 1, 3, and 5 year contracts. Per request, 2 and 4 year contracts can be added.

Based on 8 visits per year. Visits can be negotiated.

Enhanced Care includes installation of new Acid Rite feeder. See cost analysis. 3 and 5 year Complete care options include pricing with and without install of Acid Rite.

Tiers:
Essential Care - basic preventative maintenance
Enhanced Care- Essential Care install of Acid Rite Unit
Complete Care- Essential Care Enhanced Care (if needed) Rapid Response

ITEM	QUANTITY	UNIT PRICE	TOTAL
Essential Care - 1 YEAR	1	\$2,352.00	\$2,352.00
Complete Care - 1 YEAR	1	\$2,634.00	\$2,634.00
Essential Care - 3 YEARS	3	\$2,352.00	\$7,056.00
Enhanced Care- 3 YEARS	3	\$5,148.00	\$15,444.00
Complete Care- 3 YEARS w/ ACID RITE	3	\$5,923.00	\$17,769.00
Complete Care-3 YEARS	3	\$2,634.00	\$7,902.00
Essential Care- 5 YEARS	5	\$2,352.00	\$11,760.00
Enhanced Care-5 YEARS	5	\$4,030.00	\$20,150.00
Complete Care- 5 YEARS w/ ACID RITE	5	\$4,607.00	\$23,035.00
Complete Care-5 YEARS	5	\$2,634.00	\$13,170.00

SIGNATURE

PRINT NAME

Landmark Aquatic has no duties or obligations beyond those contained in this proposal, and we are not bound by any terms or conditions not contained in this proposal, unless set forth in a subcontract agreement acceptable to us and signed by us. If we are directed to proceed with our work and no subcontract agreement is signed by us, the only terms and conditions governing our work are those contained in this proposal.

NOTICE TO OWNER

Failure of this Contractor to pay those persons supplying material or services to complete this contract can result in the filing of a mechanic's lien on the property, which is the subject of this agreement pursuant to Chapter 429.rsmo. To avoid this result, you may ask this Contractor for "Lien Waivers" from all persons supplying material or services for the work described in this contract. Failure to secure Lien Waivers may result in your paying for labor and material twice.

DEFAULT CLAUSE

If invoices go unpaid past 30 days, customer will receive a \$40.00 late fee. Additionally, a 1.5% monthly fee on all past due invoice amounts will be applied. In the event of default by buyer of any provision of this contract, buyer agrees to pay all collection costs, and interest from date of default. Reasonable attorney's fee shall be awarded to the prevailing party in action brought under this contract. Owner agrees that, in the event of breach or cancellation by owner, owner shall be responsible for charges to date of breach plus contract profits.

Quote is only valid for 30 days; All work is warranted for a period of one year from date of completion.



City Council Agenda Item #[5.L]

Title: Consideration and possible action authorizing the Fire Chief to sign the 2025-26 Brazoria County Firefighter's Association Fire Protection Agreement with Brazoria County.

Date: September 15, 2025

From: Christopher Motley, Fire Chief

Staff Recommendation: Staff recommends approving the Brazoria County Firefighter's Association Fire Protection Agreement with Brazoria County for 2025-26. Second recommendation is to authorize the Fire Chief to sign the agreement.

Item Summary: Freeport Fire & EMS provides fire protection into the unincorporated areas of Brazoria County or to neighboring communities requesting mutual aid. Freeport Fire & EMS Department depends on mutual fire protection to address manpower and equipment needs in fire protection. This agreement is renewed annually with the individual fire department and Brazoria County Firefighter's Association (BCFFA). Each department must meet ten objectives in the contractual agreement to be in compliance of the agreement. As part of compliance the department is compensated \$20,000.00.

Background Information: Fire Chief John A. Stanford, Jr., was involved in the creation of the BCFFA PAC to address fire protection needs in the community. A part of the PAC was to address fire engine replacement owned by Brazoria County. The BCFFA Fire Protection Agreement was created after Brazoria County Commissioners were faced with the replacing at least a dozen fire trucks from 1986. Prior to creating the fire protection agreement Brazoria County provide each fire department a fire engine. With the replacement of a large number of fire engines at one time create a financial challenge. In lieu of a fire truck replacement, Brazoria County Commissioner and BCFFA entered into an agreement by providing an annual payment to participating departments to be used towards fire engine replacement or operational needs.

Special Considerations: None

Financial Impact: No financial impact to City. The Freeport Fire & EMS Department is compensated \$20,000.00

Board or 3rd Party Recommendation: None

Supporting Documentation:

1. BCFFA Equipment Report and log 2025 - Department Name
2. Brazoria County Fire Protection Agreement 2025

2025-2026

Department Type: _____

☐ No changes from previous year

☐ Changes from previous year

Complete the information below as applicable. Add or remove fields as necessary.

[illegible]

Date: _____



Brazoria County Firefighter's Association

United To Serve the People of Brazoria County

In order to receive the prescribed funding from Brazoria County pursuant to Commissioners Court Order No. **V.A.3.a** of **December 09, 2014** - Regular Session for the year beginning **October 1, 2025**.

The _____ agrees to the following terms and conditions:
(Department Name)

1. **Each Department by way of this signed document agrees to provide fire protection within their assigned ETJ or as called upon for mutual aid within Brazoria County.** The agreement must be signed by the highest-ranking official associated with the Department.
2. Each Department must submit an annual report as to the department's equipment resources and personnel utilizing the format provided by the BCFFA.
3. Each Department must submit a copy of their annual report from TXFIRS/NFIRS current from the previous October to the end of September.
4. Each Department must have in service and available for call at least one Class "A" unit as defined by the BCFFA. In the event a department unit is temporarily out of service and no other units are available as a replacement, suitable arrangements must be made for coverage by the nearest department.
5. Each department will maintain as minimum liability insurance in the amount of \$100,000/\$300,000/\$100,000 and furnish proof to BCFFA and Brazoria County.
6. Each Department will properly house and maintain truck and equipment.
7. Each Department will participate as an active member of the BCFFA, Brazoria County Fire Chiefs' Committee, and State Fireman's and Fire Marshall's Association. An active member of the BCFFA must meet the requirements set by the BCFFA including attendance at County Meetings and Chief's Association Meetings as required by BCFFA. **Required attendance shall include a minimum of 4 Chief's Association meetings and 4 County Association Meetings.**
8. Each Department will submit a Complete Department budget summary for the year. This budget summary shall include all income and expense as defined in a standard form provided and approved by the BCFFA and Brazoria County. This budget will represent the yearly budget for the year looking forward.
9. Reports and Budgets will be due in November. For each month that the required information is not provided, the Department will forfeit 10% of the original funded amount. The forfeited funds will be placed in the general fund of the association.
10. Each Department will be required to have the requested information reviewed and approved by the Regulatory Committee which is a sub-committee of the BCFFA. This committee will determine if all of the requirements have been met and will issue a check to each Department that has met the requirements of this agreement.

A breach of this agreement by "the Department" or any part thereof may/shall forfeit the Department's rights to receive funding from either the County or the BCFFA.

I _____ acting as the agent for
(Highest-ranking official of Department)

_____ agree that this Department will follow
(Department Name)
the requirements above to receive County funding.

_____ Department Representative _____ (date)
(Signature)

_____ Regulatory Committee Chairman _____ (date)
(Signature)



City Council Agenda Item #[5.M]

Title: Consideration and possible action approving Resolution No. 2025-2963 to amend section 9.07, titled “Overtime/Compensatory Time”, adding Section 9.07 A “Alternative to Overtime: Flextime”.

Date: September 15, 2025

From: Donna Fisher, HR Director

Staff Recommendation: Staff recommends approval.

Item Summary: Key provisions of the policies are:

- Overtime must be pre-approved by supervisors and is compensated either by monetary payment or compensatory time.
- Compensatory time accrues at 1.5 hours for every hour of overtime worked, with a maximum accrual of 120 hours.
- Police and Fire personnel follow FLSA Section 7(k) work periods (80 hours for police and 106 hours for fire in a 14-day cycle).
- Flextime may be used as an alternative to overtime, provided schedule adjustments occur within the same seven-day workweek (or applicable 7(k) period for public safety).

Supervisors must balance operational coverage with employee requests when approving comp

Background Information: The City’s current personnel manual did not adequately address the use of comp time, and did not address the use of flextime. With the growing need to ensure compliance with the Fair Labor Standards Act (FLSA) and to promote consistency in employee scheduling and compensation practices, staff has prepared updated policies for Council adoption.

- Section 9.07 Overtime/Compensatory Time outlines eligibility, approval, accrual, and usage requirements for overtime and compensatory time. It also sets maximum accrual limits and established payout requirements upon separation of employment.
- Section 9.07 A Alternative to Overtime: Flextime provides flexibility for supervisors and employees to manage schedules within the same workweek to avoid unnecessary overtime, while maintaining operational efficiency and service to the public

Both policies were developed to balance compliance obligations, operational needs, and employee work-life balance.

Special Considerations: N/A



Financial Impact: Adopting these policies may help reduce overtime costs by encouraging the use of flextime and proactive comp time management. It also minimizes payout liabilities through structured accrual caps and scheduling flexibility

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Comp Flex Time Resolution D. (1)
2. Overtime Comp Time policy

RESOLUTION NO. 2025-2963

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS,
AMENDING THE CITY OF FREEPORT PERSONNEL POLICY HANDBOOK TO
AMEND SECTION 9.07, TITLED “OVERTIME/COMPENSATORY TIME: AND
SECTION 9.07 A "ALTERNATIVE TO OVERTIME – FLEXTIME”.**

WHEREAS, the City of Freeport recognizes the importance of establishing clear and consistent personnel policies to guide its employees and supervisors in the performance of their duties; and

WHEREAS, the City Council seeks to ensure compliance with the Fair Labor Standards Act (FLSA) and other applicable laws regarding employee work hours, overtime, and compensatory time; and

WHEREAS, the City Council further seeks to provide flexibility in scheduling through a formal flextime policy that balances operational needs with employees’ work-life responsibilities; and

WHEREAS, the Personnel Policy Handbook requires updating to include Section 9.07 “Overtime/Compensatory Time” and Section 9.07 A “Alternative to Overtime: Flextime” to provide clear guidance regarding the accrual, use, and administration of overtime, compensatory time, and flextime;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

SECTION 1. That the City Council hereby adopts Section 9.07 Overtime/Compensatory Time and Section 9.07 A Alternative to Overtime: Flextime as part of the City of Freeport Personnel Policy Manual.

SECTION 2. That the City Manager and Human Resources Department are directed to implement these policies, ensure compliance with federal and state labor laws, and provide training and guidance to all supervisors and employees regarding the policies.

SECTION 3: That this resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this _____ day of _____, 2025, by the City Council of the City of Freeport, Texas.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, Interim City Attorney
City of Freeport

9.07 Overtime/Compensatory Time

1. Employee Categories

- Exempt and Non-Exempt: Defined by the Fair Labor Standards Act (FLSA)
- Non-exempt employees: Subject to overtime/compensatory time rules.

2. Work Beyond Scheduled Hours

- Employees may be required to work outside regular hours without advance notice.
- Refusal is prohibited unless prior relief is requested and approved.
- Employees must request relief as early as possible if personal needs conflict.

3. Overtime Policy

- Compensation: Paid in money or compensatory time .
- Approval: Must be pre-approved by a supervisor before being worked.
- Calculation: Overtime includes education pay, longevity pay, and certification pay in the weighted rate.
- Leave Impact: Vacation, sick, or bereavement leave do not count towards overtime; only actual hours worked apply.

4. Fire/EMS and Police Work Periods

- City follows FLSA Section 7(k) for public safety personnel.
- Fire personnel: Overtime after 106 hours in a 14-day work period.
- Police personnel: Overtime after 80 hours in a 14-day work period.

5. Compensatory Time (Comp Time)

- Eligibility: Full-time, hourly, non-exempt employees only.
- Accrual Rate:
 - 1.5 hours of comp time for every overtime hour worked.
 - Thresholds:
 - 40 hours in 7 days (general employees)
 - 80 hours in 14 days (police)
 - 106 hours in 14 days (firefighters)
- Tracking: Must be recorded in the city's timekeeping system during the pay period earned.
- Approval: Requires pre-approval by supervisor and Department Director.
- Maximum Accrual: 120 hours. Any excess must be paid out or flexed within the same pay period.

6. Use of Comp Time

- Must be requested in advance, like other leave.
- Approval depends on staffing and operational needs.
- Supervisors must approve reasonable requests unless operations are disrupted.
- Employees are encouraged to use comp time within 12 months.
- Supervisors may schedule comp time to balance staffing and minimize payout liabilities.

7. Separation of Employment

- Any unused comp time is paid out at final regular rate of pay.
- Exceptions require written approval from HR and the City Manager.

9.07 A Alternative to Overtime: Flextime

Purpose:

Provide an alternative to overtime through flextime scheduling, balancing operational needs and employee work-life balance.

1. **Eligibility.** Applies to all City employees (hourly and salaried)..
2. **Flextime in Lieu of Overtime.**
 - When overtime is needed, schedules may be flexed to substitute equivalent time off during regular hours.
 - Prevents overtime for hourly employees and ensures salaried employees stay within 40 hours.
 - Police/Fire: adjusted per their 7(k) periods.
 - Must occur within the same seven-day workweek may not be banked.
 - Substitution can be scheduled before or after the overtime, with supervisor approval.
3. **Approval Process.**
 - Must have prior supervisor approval.
 - Requests follow the same process as vacation leave.
 - Supervisors must ensure adequate coverage of city operations.
4. **Implementation.**
 - Supervisors should balance operational needs with employee personal needs
 - Flextime may include:
 - Adjusted start/end times
 - Compressed workweeks
 - Other schedule variations
 - Remote work, hybrid work, job-sharing, and comp-time may be considered if operationally feasible.
5. **Responsibilities.**
 - Employees: Maintain productivity and meet performance standards.
 - Supervisors: Monitor attendance, ensure communication, and document flextime arrangements.



City Council Agenda Item #[5.N]

Title: Consideration and possible action approving Ordinance No. 2025-2746 proposed adjustments to the City of Freeport's Texas Municipal Retirement System (TMRS) plan to enhance recruitment and retention.

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommends approval of proposed adjustments to the City of Freeport's TMRS plan to enhance retirement benefits for all employees, effective January 1, 2026. These changes will strengthen the City's position as an employer of choice and improve long-term workforce retention, while having very minimal additional cost.

Item Summary:

The City currently participates in the TMRS, offering retirement benefits to full-time employees. Our plan has a variety of provisions that can be changed at any time by the City. To become a benefits' leader with our competitive peer cities (Clute, Angleton, Lake Jackson) and to attract and retain a highly qualified workforce, staff propose the below adjustments to our TMRS plan. By doing so, every employee receives a higher monthly retirement benefit, not just a few, while keeping the City of Freeport's costs near a net-zero impact. These changes include:

- *Increasing employees' contribution rate (CR) from 7% to 8%.* This is the highest rate allowed by law and only recently became available (9-1-2025). Currently, no other nearby agency has, or is known to be considering, adopting the 8% CR. This change will have a minimal immediate impact on employees because they will be simultaneously receiving a minimum of a 3% COLA at the same time. However, the long-term effect will be dramatic for employees' retirement benefits because of compounding interest, 2:1 city matching, and TMRS's guaranteed 5% rate of return.
- *Eliminating the "Transfer" option.* This provision forces the city to pay retirement benefits on wages employees earned in other cities. Eliminating this means Freeport's taxpayers only pay for Freeport wages. This provision only benefits a **small number of employees**. In fact, according to a TMRS representative, the City of Freeport only has 15 employees who **may** receive a transfer credit in 2026.
- *Reducing the Updated Service Credit (USC) provision percentage from 100% to 75%.* The USC is an annual hypothetical calculation performed (after 48 months of employment) by TMRS and occasionally forces the city to make "extra" contributions to a **few** employee accounts beyond the City's already matching ratio of 2:1. Again, this provision generally only benefits a **small number of employees** like those who usually make much higher wages in their later years because of promotions or substantial salary increases, especially compared to their previous city's wages.

Collectively, the proposed adjustments will ensure the City's retirement plan benefits **ALL** City of Freeport employees, instead of just a handful, is more attractive to prospective employees and enhances long-term employee retention. In addition, these improvements are all obtained at a near net-zero cost because the added expense of the 8% CR is almost all offset by the savings gained



from the elimination of the transfer credit and the reduction in USC rate. It should be noted that any previous USC and/or transfer credit obtained by an employee is still maintained and will continue to earn a guaranteed 5% rate of return annually.

Background Information: Texas cities have the ability to adjust their TMRS provisions to remain competitive in hiring and keeping skilled staff, particularly in police and fire positions. Freeport's current TMRS provisions can be improved to enhance recruitment and retention, while also targeting **ALL** employees instead of a small subset, and keeping our costs near neutral. Finally, enhancing our retirement benefits aligns with the City's strategic goals of workforce stability, professional development, and long-term retention of institutional knowledge.

Special Considerations:

- Adjustments to TMRS provisions require formal adoption by City Council through the attached ordinance.
- Communication and education efforts will be required by Human Resources to ensure employees fully understand the enhanced benefits and their impact.

Financial Impact: TMRS provided the actuarial analysis to determine the annual change in the City's contribution rate. That estimate suggests a change from 7% to 8% in the employee's contribution rate, a reduction of the USC credit from 100% to 75%, and the elimination of the transfer credit, which will result in an approximate annual recurring cost of \$4,350 to the City and will benefit all employees, not just a few. These changes should reduce turnover, lower recruitment costs, and improve workforce stability, engagement, and satisfaction. As a result, collectively, this proposal will create a "win-win" for the City of Freeport, employees, and taxpayers.

Board or 3rd Party Recommendation: Staff recommend these adjustments, citing their positive impact on recruitment and retention. TMRS provided the actuarial impact study to confirm the cost of adoption, which is attached.

Supporting Documentation:

1. Freeport TMRS Model Ordinance - EECONTRIB_USC-R_COLA-R
2. Freeport Transmittal - 8% EECR_USC_R_COLA_R
3. Freeport 2026 Plan Change Study_8% EECR_75% USC_R
4. TMRS - Neighboring City Plans

ORDINANCE NO. 2025-2746

AN ORDINANCE REGARDING THE CITY OF FREEPORT'S TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFITS AUTHORIZING (1) AN INCREASE TO THE EMPLOYEE CONTRIBUTION RATE; (2) ANNUALLY ACCRUING UPDATED SERVICE CREDITS; AND (3) ANNUALLY ACCRUING ANNUITY INCREASES, ALSO REFERRED TO AS COST OF LIVING ADJUSTMENTS (COLAS) FOR RETIREES AND THEIR BENEFICIARIES.

Whereas, the City of Freeport, Texas (the "City"), elected to participate in the Texas Municipal Retirement System (the "System" or "TMRS") pursuant to Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"); and

Whereas, each person who is or becomes an employee of the City on or after the effective date of the City's participation in the System in a position that normally requires services of 1,000 hours or more per year ("Employee") shall be a member of the System ("Member") as a condition of their employment; and

Whereas, House Bill 3161, 89th Texas Legislature, R.S., 2025, amended TMRS Act §855.401(a) to read that each municipality participating in the System shall designate the rate of Member contributions for Employees and shall elect a rate of five, six, seven, or – effective September 1, 2025 – eight percent of the Employees' compensation; and

Whereas, the City Council finds that it is in the public interest to: (1) increase the Employee contribution rate contributed to TMRS, (2) in accordance with TMRS Act §853.404 and §854.203(h), reauthorize annually accruing Updated Service Credits, and (3) in accordance with TMRS Act §854.203 and §853.404, reauthorize annually accruing annuity increases, also referred to as cost of living adjustments ("COLAs") for retirees and their beneficiaries; now:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

Section 1. Increased Employee Contribution Rate.

(a) The rate of Employee contributions to be made by the City to the System shall be **8%** of the compensation of City Employees who are Members of the System, in accordance with TMRS Act §855.401. The City shall submit a monthly payroll report and deposit the amounts deducted from Employees' compensation to the System in accordance with TMRS Act §855.402.

(b) The increased employee contribution rate under this Section shall be effective on the first day of the month of January, 2026.

Section 2. Authorization of Annually Accruing Updated Service Credits.

(a) As authorized by TMRS Act §854.203(h) and §853.404, and on the terms and conditions set out in TMRS Act §§853.401 through 853.404, the City authorizes each Member of the System who on the first day of January of the calendar year immediately preceding the January 1 on which the Updated Service Credits will take effect (i) has current service credit or prior service credit in the System by reason of service to the City, (ii) has at least 36 months of credited service with the System, and (iii) is a TMRS-

contributing Employee of the City, to receive "Updated Service Credit," as that term is defined and calculated in accordance with TMRS Act §853.402.

(b) The Updated Service Credit authorized and provided under this Ordinance shall be **75%** of the "base Updated Service Credit" of the TMRS Member calculated as provided in TMRS Act §853.402.

(c) If the City previously adopted an ordinance authorizing Updated Service Credit for unforfeited prior service credit and/or current service credit with another System participating municipality (also known as "Transfer USC"), the calculations and adjustments set forth in TMRS Act §853.601 apply to any such prior Transfer USC.

(d) Each Updated Service Credit authorized and provided by this Ordinance shall replace any Updated Service Credit, prior service credit, special prior service credit, or antecedent service credit previously authorized for part of the same service.

(e) The initial Updated Service Credit authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the Board of Trustees ("Board") of the System. Pursuant to TMRS Act §853.404, the authorization and grant of Updated Service Credits in this Section shall be effective on January 1 of each subsequent year, using the same percentage of the "base Updated Service Credit" stated in Subsection (b) in computing Updated Service Credits for each future year, provided that, as to such subsequent year, the actuary for the System has made the determination set forth in TMRS Act §853.404(d), until this Ordinance ceases to be in effect as provided in TMRS Act §853.404(e).

Section 3. Authorization of Annual Increases in Retirement Annuities, or COLAs.

(a) On the terms and conditions set out in TMRS Act §854.203 and §853.404, the City authorizes and provides for payment of the increases described by this Section to the annuities paid to retired City employees and beneficiaries of deceased City retirees (such increases also called COLAs). An annuity increased under this Section replaces any annuity or increased annuity previously granted to the same person.

(b) The amount of the annuity increase under this Section is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by **70%** of the percentage change in Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase under this Section.

(c) An increase in an annuity that was reduced because of an option selection is reducible in the same proportion and in the same manner that the original annuity was reduced.

(d) If a computation under this Section does not result in an increase in the amount of an annuity, the amount of the annuity will not be changed under this Section.

(e) The amount by which an increase under this Section exceeds all previously granted increases to an annuitant is an obligation of the City and of its account in the benefit accumulation fund of the System.

(f) The initial increase in annuities authorized by this Section shall be effective on January 1 immediately following the year in which this Ordinance is approved, subject to receipt by the System prior to such January 1 and approval by the System's Board. Pursuant to TMRS Act §853.404, an increase in retirement annuities shall be made on January 1 of each subsequent year, provided that, as to such

subsequent year, the actuary for the System has made the determination set forth in TMRS Act §853.404(d), until this Ordinance ceases to be in effect as provided in TMRS Act §853.404(e).

Passed and approved _____, 20_____.

ATTEST:

APPROVED:

City Secretary

Mayor



September 3, 2025

Dan Pennington
Interim City Manager
City of Freeport
1201 N Avenue H
Freeport, TX 77541-3967

Dear Mr. Pennington:

We are pleased to enclose a model ordinance for your city to adopt:

**8% Employee Contribution Rate
&
75% Updated Service Credit without Transfers
70% Cost of Living Adjustment Increase to Annuitants
Both Annually Repeating**

All Effective January 1, 2026

When the ordinance becomes effective, the city must begin deducting the new contribution rate from each employee's gross monthly compensation.

By adopting this ordinance, your city will not have to adopt an ordinance each year to reauthorize the calculation of Updated Service Credits and Cost of Living Adjustments. These benefits will remain in effect for future years until such time as they are discontinued by an ordinance adopted by the City Council.

As reflected in the Plan Change Study you previously received, when the employee's contribution rate increases, the city's contribution rate will be **16.53%** beginning January 1, 2026.

Please make sure the ordinance is adopted and signed before the effective date. When the ordinance is adopted, please send a copy to City Services at cityservices@tmrs.com.

If you have any questions about the model ordinance or anything else, please call me at 512-225-3742.

Sincerely,

A handwritten signature in blue ink, appearing to read "Colin Davidson", is written over a light blue circular stamp.

Colin Davidson
Director of City and Member Services

2026 Rates • Freeport

September 2, 2025

Plan Provisions	Current	Option 1
Employee Contribution Rate	7%	8%
City Matching Ratio	2 to 1	2 to 1
Updated Service Credit (USC)	100% (Repeating)	75% (Repeating)
Transfer USC *	Yes	No
COLA	70% (Repeating)	70% (Repeating)
Retroactive COLA	Yes	Yes
Retirement Eligibility	20 years	20 years
Vesting	5 years	5 years
Supplemental Death Benefit	Actives + Retirees	Actives + Retirees
Contribution Rates	2026	2026
Normal Cost Rate	10.41%	10.20%
Prior Service Rate	<u>5.81%</u>	<u>6.07%</u>
Retirement Rate	16.22%	16.27%
Supplemental Death Rate	<u>0.26%</u>	<u>0.26%</u>
Total Contribution Rate	16.48%	16.53%
Unfunded Actuarial Liability	\$6,607,674	\$6,907,767
Funded Ratio	84.2%	83.6%
Benefit Increase Amortization Period	20 years	20 years

* As of the December 31, 2024 valuation date, there were 15 employees with service in other TMRS cities eligible for transfer USC.

Find My Plan

Select Your City

Search

Print

Freeport

? **Employee Deposit Rate**

7%

? **City Match**

2:1

? **Vested Requirement**

5 Years

? **Eligible for Retirement**

20 Years

? **USC Rate %**

100%

? **USC Transfer**

Yes

? **COLA %**

70%

? **COLA Type**

Retroactive

? **Military Service Credit**

Yes

? **Restricted Prior Service Credit**

Yes

? **SDB Employees**

Yes

? **SDB Retirees**

Yes

* Not all cities participate in TMRS. [View all city plans](#) to see if your city has a TMRS plan.

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Angleton

Employee Deposit Rate

6%

City Match

2:1

Vested Requirement

5 Years

Eligible for Retirement

20 Years

USC Rate %

100%

USC Transfer

Yes

COLA %

70%

COLA Type

Retroactive

Military Service Credit

Yes

Restricted Prior Service Credit

Yes

SDB Employees

Yes

SDB Retirees

Yes

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Lake Jackson

? **Employee Deposit Rate**

6%

? **City Match**

2:1

? **Vested Requirement**

5 Years

? **Eligible for Retirement**

20 Years

? **USC Rate %**

100%

? **USC Transfer**

Yes

? **COLA %**

70%

? **COLA Type**

Retroactive

? **Military Service Credit**

Yes

? **Restricted Prior Service Credit**

Yes

? **SDB Employees**

Yes

? **SDB Retirees**

Yes

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Clute

? **Employee Deposit Rate**
7%

? **City Match**
2:1

? **Vested Requirement**
5 Years

? **Eligible for Retirement**
20 Years

? **USC Rate %**
100%

? **USC Transfer**
Yes

? **COLA %**
70%

? **COLA Type**
Retroactive

? **Military Service Credit**
Yes

? **Restricted Prior Service Credit**
Yes

? **SDB Employees**
Yes

? **SDB Retirees**
Yes

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City Council Agenda Item #[5.0]

Title: Consideration and possible action approving Resolution No. 2025-2964 to adopt the City of Freeport Grants Management Policy.

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommend adoption of the policy.

Item Summary: This policy will outline the guidelines the City must follow for HUD/GLO projects, as well as the uniform guidelines of the 2 CFR 200 that must be followed. This will make for better oversight and compliance with grant requirements, and strengthens internal controls for the City by providing, in one place, all of the requirements.

Background Information: During a recent grant close-out for a HUD/GLO grant, we were advised that the City should consider adopting a policy. This policy will satisfy that recommendation, as well as provide for better directions regarding grant management.

Special Considerations: N/A

Financial Impact: Having this policy in place will strengthen future grant applications for the City.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Grant Management Policy Resolution
2. Grants Management Policy

RESOLUTION NO. 2025-2964

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ADOPTING A GRANTS MANAGEMENT POLICY TO ENSURE COMPLIANCE WITH FEDERAL AND STATE REQUIREMENTS, INCLUDING THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), THE TEXAS GENERAL LAND OFFICE (GLO), AND THE UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (2 CFR PART 200); PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City of Freeport receives federal and state grant funding to support vital public services, infrastructure improvements, and community development initiatives; and

WHEREAS, The U.S. Department of Housing and Urban Development (HUD), the Texas General Land Office (GLO), and other granting agencies require compliance with labor standards, financial management, procurement, reporting, and audit requirements to safeguard public funds; and

WHEREAS, The City Council finds it in the best interest of the citizens of Freeport to adopt a formal **Grants Management Policy** to establish internal controls, designate responsibilities (including a Labor Standards Officer for HUD/GLO projects), and ensure compliance with the Uniform Administrative Requirements under **2 CFR Part 200**; and

WHEREAS, The adoption of this policy strengthens accountability, transparency, and stewardship of public resources while reducing risks of disallowed costs or penalties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

Section 1. Adoption of Policy.

The City of Freeport hereby adopts the **Grants Management Policy** as attached hereto and incorporated herein as Exhibit “A.”

Section 2. Applicability.

This policy shall apply to all City departments and employees engaged in the administration, financial management, and oversight of federal and state grant funds.

Section 3. Implementation.

The City Manager and Finance Director are authorized and directed to implement the provisions of the Grants Management Policy and to ensure ongoing compliance with HUD, GLO, and federal regulations.

Section 4. Severability.

If any section, subsection, sentence, or phrase of this Resolution or the adopted policy is held to be invalid, such decision shall not affect the validity of the remaining portions.

Section 5. Effective Date.

This Resolution shall take effect immediately upon its passage and approval.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2025.

APPROVED:

Jerry Cain, Mayor, City of Freeport

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary

Duncan Law Firm, Interim City Attorney

City of Freeport Grants Management

Section I. - Labor Standards Officer (LSO) Section

Functions of the Labor Standards Officer

Section 1. Purpose

The purpose of this policy is to formally establish and revise the functions, responsibilities, and authority of the Labor Standards Officer (LSO) to ensure compliance with federal labor standards provisions in projects funded in whole or in part with U.S. Department of Housing and Urban Development (HUD) and Texas General Land Office (GLO) funds.

Section 2. Authority

This policy is adopted under the authority of:

- **HUD Handbook 1344.1 Rev-3**, *Federal Labor Standards Compliance in Housing and Community Development Programs*; and
- **GLO Implementation Manual** for *Community Development Block Grant – Disaster Recovery (CDBG-DR)* and related programs.

Section 3. Designation of Labor Standards Officer

The City of Freeport hereby designates a Labor Standards Officer (LSO), the Finance Director, who shall be responsible for administering, monitoring, and enforcing all applicable labor standards requirements on covered projects.

Section 4. Functions and Responsibilities of the LSO

A. Pre-Construction Duties

1. Determine applicability of Davis-Bacon and Related Acts (DBRA) and other federal labor standards.
2. Ensure proper wage determinations are included in all solicitations, contracts, and subcontracts.
3. Provide contractors with required labor standards documentation, including wage determinations, HUD-4010, and contract clauses.
4. Conduct pre-construction conferences to explain labor compliance obligations.

B. Contract Administration

5. Verify inclusion of federal labor standards provisions in contracts and subcontracts.
6. Review contractor eligibility against the federal **System for Award Management (SAM.gov)** and HUD debarment lists.
7. Maintain official labor standards compliance files as required by HUD and GLO.

C. Construction Phase Compliance

8. Collect and review Certified Payroll Reports (CPRs) for accuracy and timeliness.
9. Conduct on-site worker interviews to verify wage classifications and payment compliance.
10. Investigate potential violations and issue corrective actions as necessary.
11. Ensure compliance with overtime and prevailing wage requirements.

D. Enforcement and Resolution

12. Secure restitution for workers in cases of underpayment.
13. Report unresolved violations or suspected falsification to HUD and GLO.
14. Recommend withholding contract payments when necessary to enforce compliance.

E. Reporting and Recordkeeping

15. Submit required reports, including HUD-4710 Semi-Annual Labor Standards Enforcement Reports, to HUD and GLO.
16. Maintain records of wage determinations, CPRs, worker interviews, investigations, and resolutions for a minimum of three (3) years after project closeout.

F. Training and Guidance

17. Provide training and technical assistance to contractors, subcontractors, and staff.
18. Stay current on changes to federal and state labor standards compliance requirements.

Section 5. Compliance

All officers, employees, contractors, and subcontractors engaged in covered projects shall comply with the labor standards requirements of HUD and GLO. The Labor Standards Officer shall have authority to enforce this policy and ensure corrective actions are taken.

Oversight of the Labor Standards Officer

Section 1. Purpose

The purpose of this policy is to establish a framework for oversight of the Labor Standards Officer (LSO), ensuring that the LSO executes duties in compliance with federal and state labor standards requirements under the U.S. Department of Housing and Urban Development (HUD) and Texas General Land Office (GLO).

Section 2. Authority

This policy is adopted under the authority of:

- ***HUD Handbook 1344.1 Rev-3, Federal Labor Standards Compliance in Housing and Community Development Programs; and***
- ***GLO Implementation Manual for Community Development Block Grant – Disaster Recovery (CDBG-DR) and related programs.***

Section 3. Oversight Responsibility

The City of Freeport shall designate the Finance Director as the **Oversight Authority** for the Labor Standards Officer. The Oversight Authority is responsible for monitoring, evaluating, and reporting on the LSO's performance of duties.

Section 4. Oversight Functions

A. Appointment and Delegation

1. Confirm designation of the LSO and ensure proper authority is delegated.
2. Provide written directives outlining the scope of the LSO's responsibilities.

B. Monitoring and Review

3. Conduct periodic reviews of LSO files, including Certified Payroll Reports (CPRs), worker interviews, and contractor eligibility verifications.
4. Ensure proper documentation is maintained in accordance with HUD and GLO standards.
5. Verify that all reports (e.g., HUD-4710 Semi-Annual Labor Standards Enforcement Report) are timely and accurate.

C. Compliance Assurance

6. Review and confirm that wage determinations, HUD-4010, and contract clauses are included in all applicable contracts.
7. Ensure corrective action is taken promptly when violations are identified by the LSO.
8. Escalate unresolved violations or compliance concerns to HUD and GLO as required.

D. Reporting and Accountability

9. Require the LSO to submit regular compliance status reports to the Oversight Authority.
10. Present labor standards compliance updates to the governing body at least semi-annually.
11. Maintain oversight records for a minimum of three (3) years after project closeout.

E. Training and Support

12. Ensure the LSO has access to required training on HUD and GLO labor compliance requirements.
13. Provide ongoing support to strengthen labor standards enforcement capacity.

Section 5. Compliance

The Oversight Authority shall ensure that the LSO, contractors, subcontractors, and all related staff comply with federal and state labor standards. Oversight shall include both preventive monitoring and corrective intervention to safeguard compliance.

Section 6. Effective Date

This policy revision shall take effect immediately upon adoption.

Section II. - Financial Management Section

(In Compliance with 2 CFR Part 200)

The City of Freeport shall establish and maintain a financial management system that provides for effective control, accountability, and transparency over all grant funds. This system shall comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

A. Internal Controls (2 CFR §200.303)

1. The City shall implement internal controls consistent with the **COSO framework** to ensure proper stewardship of grant funds.
 2. Internal controls will be designed to:
 - Provide reasonable assurance of compliance with federal statutes, regulations, and award terms.
 - Safeguard assets against waste, loss, unauthorized use, or misappropriation.
 - Detect and prevent fraud, waste, and abuse.
 - Ensure accurate and reliable financial reporting.
 3. Duties will be segregated so that no single individual has control over authorization, custody, and recordkeeping functions.
-

B. Budgeting and Cost Principles (2 CFR §§200.403–200.405)

4. Grant funds shall be expended only for **allowable, allocable, and reasonable costs**.
 5. Costs must be:
 - **Necessary and reasonable** for proper and efficient grant performance.
 - **Allocable** to the specific federal award, in proportion to benefits received.
 - **Consistently treated** in like circumstances across all City funds.
 - **Adequately documented** with invoices, contracts, payroll, or other supporting evidence.
 6. The Finance Department shall maintain a **grant-specific budget** and compare expenditures against approved budget categories to prevent cost overruns or unauthorized spending.
-

C. Procurement Standards (2 CFR §§200.317–200.327)

7. All procurements funded with grant monies shall follow federal, state, and local requirements, with the most restrictive standard applied.

8. Procurement methods shall include:
 - **Micro-purchases** ($\leq \$10,000$): Awarded without quotes if price is reasonable.
 - **Small purchases** ($\leq \$250,000$): Requires price or rate quotes from at least two qualified sources.
 - **Sealed bids**: Formal process for construction or large projects.
 - **Competitive proposals**: Used when sealed bidding is not appropriate.
 - **Noncompetitive proposals**: Allowed only under limited circumstances (e.g., sole source, emergency).
 9. The City shall verify that all contractors are not suspended or debarred using **SAM.gov**.
 10. Contracts shall include required federal clauses per **Appendix II to Part 200**.
-

D. Financial Reporting (2 CFR §§200.327–200.329)

11. The Finance Department shall maintain accurate, current, and complete disclosure of financial results for each grant program.
 12. Reports will be prepared in accordance with federal agency requirements and submitted timely.
 13. Expenditure reports will reconcile to the City's general ledger, ensuring accuracy and consistency.
 14. Any program income, matching funds, or leveraged resources will be reported separately.
-

E. Cash Management (2 CFR §200.305)

15. The City shall minimize the time between receipt of grant funds and disbursement to vendors.
 16. **Reimbursement method** is preferred; advances will only be requested if specifically authorized.
 17. Advances shall be deposited in interest-bearing accounts unless exempted.
 18. Interest earned on federal advances in excess of **\$500 per year** shall be remitted to the federal government.
 19. All drawdowns shall be supported by actual, documented expenditures.
-

F. Subrecipient Monitoring (2 CFR §200.332)

If the City passes through funds to subrecipients:

20. Written subrecipient agreements shall outline compliance obligations, performance goals, and reporting requirements.
21. The City shall evaluate subrecipient risk of noncompliance and determine appropriate monitoring.

22. Monitoring may include:
- Reviewing financial and performance reports.
 - Performing site visits.
 - Verifying corrective actions on deficiencies.
23. The City shall verify that subrecipients are audited, as required under **2 CFR Subpart F**.
-

G. Recordkeeping and Retention (2 CFR §§200.334–200.337)

24. Financial and programmatic records shall be retained for **at least five years** after the final expenditure report, unless a longer period is required by HUD, GLO, or federal law.
25. Records must include:
- Source documents (invoices, payroll, receipts, contracts, etc.).
 - Procurement and contract documentation.
 - Financial reports and drawdown requests.
 - Subrecipient monitoring documentation.
 - Correspondence with granting agencies.
26. Records will be maintained in both electronic and paper formats, with appropriate security measures.
-

H. Audit Requirements (2 CFR Subpart F)

27. The City shall comply with the **Single Audit Act** if total federal expenditures equal or exceed \$750,000 in a fiscal year.
28. The Finance Department will coordinate the annual audit, ensure submission of required reports to the Federal Audit Clearinghouse, and implement corrective actions on any findings.



City Council Agenda Item #[5.P]

Title: Consideration and possible action approving Resolution No. 2025-2965 amending the Administration Services contract for the CDBG-MIT GLO Grant # 22-082-013-D213.

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommend approving the resolution.

Item Summary: During the recent grant close-out process of the D213 GLO grant, it was discovered that the administrative services contract was missing the Clean Air Act and the Federal Water Pollution Control Act provisions. GLO advised the City, through Grantworks, to amend the contract as a safeguard for the City in the event HUD ever audits this grant. If the City were audited by HUD and this non-compliance was found, the City would owe back the funding of the grant.

Background Information: This grant was awarded back in 2021 and recently entered the close-out phase in June. GLO provides a file review to ensure all documentation is in order, in accordance to HUD requirements. This resolution will bring us into compliance.

Special Considerations: N/A

Financial Impact: If the City does not approve the Resolution to amend the contract for the provisions, we could owe back the \$5.9 million in grant funding.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Resolution Freeport D213 Admin Contract Amendment
2. Freeport D213 Administration Contract r1

RESOLUTION NO. 2025-2965

**A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, AMENDING
AN ADMINISTRATION SERVICES CONTRACT FOR THE CDBG-
MIT, GENERAL LAND OFFICE GRANT 22-082-013-D213; AND
MAKING CERTAIN FINDINGS RELATED THERETO**

WHEREAS, Whereas, the General Land Office (GLO) provides financial assistance under a US Department of Housing and Urban Development's Community Development Block Grant Mitigation (CDBG-MIT) program; and,

WHEREAS, the City of Freeport has been awarded \$5,931,626.00 due to a CDBG-MIT grant ; and,

WHEREAS, the administration services contract with GrantWorks, Inc. requires amending for the purpose of renewed compliance with updated Federal, State, and local rules, policies, laws, and procedures, as well as updated provisions of the CDBG-MIT grant.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF FREEPORT AND BRAZORIA COUNTY, TEXAS
THAT:**

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. The Mayor is hereby authorized to sign the Contract amendment on City Council's approval.

Section 3. Open Meetings. The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 4. This Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED this 15th day of September 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

City Secretary

GRANT ADMINISTRATION SERVICES

PART I - AMENDMENT 1

THIS AMENDMENT, MADE ON THE 15th DAY OF September, 2025 BY AND BETWEEN THE CITY OF FREEPORT, hereinafter referred to as the Client, and GRANTWORKS, INC., Austin, Texas, hereinafter referred to as the Consultant, amends the agreement effective the 3rd day of August, 2020 by and between the Client and the Consultant.

VIII. Miscellaneous provisions added:

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

All other terms and conditions of the Agreement between the Client and GrantWorks will remain in full force and effect.

IN WITNESSETH HEREOF, the Client and the Consultant have executed this Amendment as of the date indicated above.

GrantWorks, Inc.
2201 Northland Drive
Austin, TX 78756

City of Freeport
1201 North Avenue H
Freeport, Texas 77541

BY:



Bruce J. Spitzengel
President

BY:

Jerry Cain
Mayor

ATTEST:

BY:

Clarisa Lizeth Fernandez
City Secretary



City Council Agenda Item #[5.Q]

Title: Consideration and possible action to adopt Ordinance No. 2025-2747 adopting the Fiscal Year 2025-2026 Budget.

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommends adoption of the Ordinance.

Item Summary: Per section 102.007 of the Texas Local Government Code, at the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote. Upon final adoption, the budget shall be in effect for the fiscal year. As required by law, once approved, the Budget Cover Page will be updated with the following statement: "This year's tax levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy." A copy of the budget, as finally adopted, will be filed with City Secretary and the County Clerk of Brazoria County. The final budget will also be made available on the City's website.

Background Information: On July 21, 2025, the Interim City Manager presented to the City Council a proposed budget for the fiscal year 2026 which was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005. Additionally, a notice as required by Section 102.006 of the Local Government Code, was published to conduct a public hearing on such budget on September 15, 2025. During such hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard.

Special Considerations: Per Section 9.11 of the City's Charter, "the budget shall be finally adopted not later than fifteen (15) days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax levying ordinance and its appropriation ordinance shall be deemed adopted for the ensuing fiscal year. If delayed by a situation beyond the control of the City it shall be acted on as soon as practicable."

Financial Impact: The proposed ordinance appropriates funding for the fiscal year beginning October 1, 2025 through September 30, 2026.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Ordinance Adopting 2026 Budget (1)
2. Proposed Budget Presentation

ORDINANCE NO. 2025-2747

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF FREEPORT, TEXAS, ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; MAKING APPROPRIATIONS FOR CITY OPERATIONS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Freeport, Texas, (hereinafter sometimes "the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, under Section 102.001(b) of the Local Government Code, because the City has a City Manager form of government, the City Manager is the budget officer of the City municipality and under Section 102.002 of said Code and Chapter 9 of said Charter, the City Manager is required to prepare a proposed annual budget for the municipality and, under Section 102.03(a) of said Code and Chapter 9 of said Charter, is required to file the same with the City Secretary before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year; and,

WHEREAS, on July 21, 2025, the City Manager presented to the City Council a proposed budget of the expenditures of the City of Freeport for the fiscal year 2026 and the proposed budget was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005; and

WHEREAS, pursuant to notice as required by Section 102.006 of the Local Government Code, on September 15, 2025, a public hearing on such budget was held in the Council Chambers, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, such changes are described in Exhibit A

WHEREAS, under Chapter 9 of said Charter, the governing body of the municipality is required to adopt a budget not later than fifteen (15) days prior to the beginning of the fiscal year; and,

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

Section 1. The facts and opinions in the preamble of this ordinance are true and correct.

Section 2. In accordance with the provisions of Local Government Code Section 102. 007, the City Council hereby approves and adopts the budget described above, the same as shown in Exhibit A, all of which are attached and incorporated herein. The City Secretary is hereby directed to place on such budget and to sign an endorsement reading as follows: " The Original Annual Budget of the City of Freeport, Texas, for Fiscal Year 2025-2026" and to keep such budget on file in her office as a public record. In addition, in accordance with Section 102. 009 (d), Texas Local Government Code, the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

Section 3. The FY2025-2026 Budget for operations shall be administered as follows:

a. The Council may transfer any unencumbered appropriation balance or portion thereof from one department, or fund to another, at any time.

b. The City Manager shall have authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a department.

c. At any time in any fiscal year, the Council may, pursuant to Article XI, section 9.14 of the City Charter, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriation shall not be more than 5% of the total annual budget; however, the 5% may only be allocated annually under the condition the "undesignated" reserve/contingency funds in general revenue does not exceed eight million dollars. All reserve/contingency funds may only be used with the specific consent of the City Council for unforeseen contingencies by the City Manager.

Section 4. That the Beginning Fund Balance reflected in the budget for each fund for which a Budget is adopted shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2024-2025 as reflected in the final Comprehensive Annual Financial Report for Fiscal Year 2024-2025 upon publication. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2025-2026 Ending Fund Balance.

Section 5. That the budget for Fiscal Year 2025-2026 shall be increased for valid outstanding encumbrances at the conclusion of Fiscal Year 2024-2025. Said increased appropriations shall be equal to the outstanding and valid encumbrances and shall be recorded in the appropriate accounts.

Section 6. All ordinances and resolutions, and parts of ordinances and resolutions in conflict herewith, are hereby repealed.

Section 7. A copy of the final approved budget shall be filed with the City Secretary and posted on the website in accordance with Local Government Code Section 102.008.

Section 8. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

This ordinance shall be effective from and after its passage and the annual budget adopted hereby shall be in effect for the Fiscal Year of the City beginning October 1, 2025 and ending September 30, 2026.

PASSED AND ADOPTED this _____ day of September 2025.

Jerry Cain
Mayor

ATTEST:

Clarisa Fernandez
City Secretary

APPROVED AS TO FORM AND CONTENT:

Duncan Law Firm, Interim City Attorney
City Attorney

CITY OF FREEPORT

FY2025-2026

UPDATED - PROPOSED BUDGET



Presentation prepared for 9/15/2025 meeting

Prepared by: Ashlee Hurst, CGFO

(979) 871-0112 – Office Line

ahurst@freeporttx.gov – Email

Monday – Friday 8a-5p – Office Hours

GENERAL FUND – OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
REVENUE TOTAL	\$21,413,066	\$21,458,191	\$19,476,665	\$22,006,573	\$21,380,445	\$1,903,780
EXPENDITURES TOTAL	16,975,659	18,617,038	18,788,140	16,513,753	19,608,753	\$820,613
BEG. FUND BALANCE	5,503,901	6,933,321	7,970,334	7,970,334	12,901,489	4,931,155
REVENUE LESS EXPENDITURES	4,437,407	2,841,153	688,525	5,492,820	1,771,692	1,083,167
NET TRANSFERS	(2,998,189)	(1,804,141)	(561,665)	(561,665)	169,635	731,300
ENDING FUND BALANCE	6,933,321	7,970,334	8,097,194	12,901,489	14,842,816	6,745,622
90 DAY RESERVE	4,198,867	4,537,215	4,695,265	4,123,344	4,902,188	206,923
AVAILABLE FUND BALANCE	\$2,734,454	\$3,433,119	3,401,929	8,778,145	9,940,628	6,538,699

GENERAL FUND – REVENUE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Industrial Districts	\$8,954,728	\$9,423,021	\$9,389,300	\$10,545,561	\$10,475,000	\$1,085,700
Property Tax	3,167,166	3,397,417	3,370,000	3,419,000	3,419,000	49,000
Sales Tax	2,471,744	2,649,294	2,450,000	2,495,000	2,680,000	230,000
Charges for Service	2,306,951	2,444,863	2,224,200	2,752,400	2,836,550	612,350
Franchise & Other Taxes	724,988	713,297	715,000	696,000	689,000	(26,000)
Intergovernmental	1,756,606	633,846	152,000	564,312	165,000	13,000
Fines & Forfeits	191,086	233,483	222,600	251,050	230,050	7,450
Miscellaneous Income	759,070	1,254,199	215,000	581,050	268,500	53,500
Lease Income	60,876	17,012	175,765	173,000	134,545	(41,220)
Investment Earnings	481,374	553,846	300,000	370,000	330,000	30,000
License and Permits	538,477	137,913	262,800	159,200	152,800	(110,000)
Revenue Total	\$21,413,066	\$21,458,191	\$19,476,665	\$22,006,573	\$21,380,445	\$1,903,780

GENERAL FUND – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Administration	\$2,398,690	\$2,804,664	\$2,091,359	\$1,946,642	\$2,133,450	42,091
Information Technology	521,163	416,857	493,358	396,550	307,450	(185,908)
Municipal Court	278,525	249,065	260,830	269,336	257,280	(3,550)
Police / Animal Control	4,949,804	5,864,196	6,086,942	5,174,378	6,477,095	390,153
Fire	1,498,388	1,503,133	1,717,303	1,455,931	1,806,076	78,773
EMS	909,426	993,214	1,152,227	1,048,371	1,280,560	128,333
Streets / Drainage	1,447,827	1,454,419	1,456,908	1,436,699	1,571,705	114,797
Service Center	202,594	464,614	214,666	196,041	221,240	6,574
Beach Maintenance	30,745	7,959	42,850	26,694	42,850	-
Garbage	747,174	763,915	775,000	747,000	755,000	(20,000)
Building / Permits	278,817	279,323	478,502	411,325	492,359	13,857
Code Enforcement	452,232	399,495	356,227	334,729	420,240	64,013

GENERAL FUND – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Library	36,451	26,445	51,850	34,059	42,200	(9,650)
Parks	1,191,375	1,227,823	1,316,140	1,035,632	1,267,715	(48,425)
Recreation	350,601	329,216	525,869	349,686	488,381	(37,488)
Sr. Citizen's Commission	7,588	17,182	17,500	16,500	18,000	500
Golf Course	1,382,506	1,486,179	1,324,854	1,357,581	1,537,973	213,119
Historical Museum	292,785	211,006	343,230	262,899	334,419	(8,811)
Main Street	-	113,757	72,525	13,700	154,760	82,235
Emergency Mgmt	-	4,576	-	-	-	-
Expenditure Total	\$16,976,689	\$18,617,038	\$18,788,140	\$16,513,753	\$19,608,753	\$820,613

WATER/SEWER – OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
REVENUE TOTAL	\$8,992,824	\$10,502,689	\$7,950,000	\$10,502,975	\$8,775,718	\$825,718
EXPENDITURES TOTAL	7,578,353	7,505,561	7,846,078	10,161,042	7,984,679	138,601
BEG. FUND BALANCE	5,011,419	8,422,932	11,951,130	11,951,130	11,841,413	(106,717)
REVENUE LESS EXPENDITURES	1,414,471	2,997,128	103,922	341,933	791,039	687,117
NET TRANSFERS	(390,725)	531,070	(451,650)	(451,650)	(791,039)	339,389
ENDING FUND BALANCE	8,446,050	11,951,130	11,603,402	11,841,413	11,841,413	238,011
90 DAY RESERVE	2,315,002	2,451,425	2,589,206	2,404,002	2,549,801	(39,405)
AVAILABLE FUND BALANCE	6,131,048	9,499,705	9,014,196	9,437,410	9,291,611	277,415

WATER/SEWER – REVENUE SUMMARY

	FY2022- 2023 ACTUALS	FY2023- 2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024- 2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	INCREASE / (DECREASE)
INTERGOVERNMENTAL	1,048,606	2,092,254	4,000	3,107,475	30,000	26,000
MISCELLANEOUS INCOME	1,936,879	14,600	127,000	147,400	147,500	20,500
BOND PROCEEDS	-	-	-	-	-	-
INVESTMENT EARNINGS	20,074	38,227	15,000	15,000	15,000	-
WATER & SEWER SERVICES	7,926,352	8,357,607	7,804,000	7,233,000	8,583,218	779,218
REVENUE TOTAL	10,931,911	10,502,689	7,950,000	10,357,375	8,516,710	825,718

WATER/SEWER – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	INCREASE / (DECREASE)
REVENUE TOTAL	\$10,931,911	\$10,502,689	\$7,950,000	\$10,502,975	\$8,775,718	\$825,718
SALARIES	100,584	120,943	204,932	121,610	181,880	(23,052)
BENEFITS	52,108	62,493	82,676	55,071	93,741	11,065
SUPPLIES	33,202	27,290	58,700	35,600	38,500	(20,200)
SERVICES	6,142,994	6,404,863	7,340,270	7,026,875	7,366,600	26,330
MAINTENANCE	58,587	100,096	115,000	15,100	14,000	(101,000)
SUNDRY	627,684	712,875	44,500	30,600	31,950	(12,550)
DEBT SERVICE	91,397	76,369	-	-	-	-
CAPITAL OUTLAY	-	633	-	2,876,186	258,008	258,008
TRANSFERS	390,725	(531,070)	451,650	451,650	791,039	337,189
EXPENDITURE TOTAL	7,497,280	6,974,491	8,297,728	10,612,692	8,775,718	477,990

City of Freeport
Supplemental Budget Request
For Fiscal Year 2025-2026

Department	Description	Recurring Amount	One-time Amount	Proposed Items by Staff	Council Chosen Items	Notes
Administration	Fin - Project account module cloud (only available if we move to cloud hosting)	\$3,470		\$3,470		
	Fin - Incode move to website hosting	\$27,221		\$27,221		
	Fin - Implementation OpenGov		\$29,950	\$29,950		
	HR - TMHR Certifications		\$3,000	\$3,000		
	HR - Personnel Policy Consultant		\$3,000	\$3,000		
	Just FOIA Public Info Software (cost split between Admin & PD)	\$10,314	\$1,007	\$11,321		
Building	Advertising Line Increase	\$3,000		\$3,000		
Information Tech	No request					
Police/Code	Combine PD and Code budget	\$0	\$0			
	5.5% COLA	\$175,000		\$99,000		
	Overtime Increase	\$120,000		\$60,000		
	Microsoft Office 2022 Update		\$11,670	\$11,670		
	Replace PD Building Camera Storage		\$12,000	\$12,000		
	Server Relocation		\$28,000	\$28,000		
	Replace Office Chairs		\$10,000	\$10,000		
	5 Vehicle Replacements (3 Patrol, Admin, 1 CID, 1 Animal Control)		\$475,000	\$350,000		
	Sign on bonuses			\$50,000		
	Tuition reimbursement			\$50,000		
	Remove Tower and Surge Protection		\$30,000			
	Replace Jail Cameras		\$5,000			
	Beach Buggy Replacement (possible grant)		\$32,000			
	LPR Cameras (possible grant)	\$63,000	\$84,250			

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City of Freeport Supplemental Budget Request For Fiscal Year 2025-2026						
Department	Description	Recurring Amount	One-time Amount	Proposed Items by Staff	Council Chosen Items	Notes
Fire	Tire Replacement - Fire Engines		\$13,000	\$13,000		
	Training Overtime (Fire & EMS each; to correct	\$24,000		\$24,000		
	3 Firefighters/Medics (billable revenue of \$168,000)	\$258,800		\$258,800		
	New Ambulance (Transfer a portion to fund this for 2027)	\$4,000	\$400,000	\$200,000		
	Sign on bonuses			\$50,000		
	Tuition reimbursement			\$50,000		
	New Fire Engine	\$10,000	\$1,700,000			
	3 EMS Personnel	\$212,080				
Streets	Concrete Saw		\$6,256	\$6,256		
	Vibratory plate compactor		\$1,595	\$1,595		
	Jumping Jack		\$2,998	\$2,998		
	15' Batwing		\$29,000	\$29,000		
	Zero turn mower		\$14,000	\$14,000		
Service Center	No request					
Parks	Riverplace Exterior Metal Coating (TIRZ)		\$30,000			
	Repair Playground Equipment (TIRZ)		\$20,000			
	Border and mulch (playgrounds) (TIRZ)		\$10,000			
Recreation Center	Annual Pool Contract (TIRZ)		\$10,000			
	Splash Pad Replacement (TIRZ)		\$10,000			
	Rec Center Exterior Metal Coating (TIRZ)		\$30,000			
Museum	Museum Staff Raises above COLA (divided between 2 staff)	\$10,000		\$6,000		
	Museum Manager Raise	\$10,000		\$6,000		
	Generator (TIRZ)		\$14,000			
	Central Dehumidifer (TIRZ)		\$5,000			
	Renovate Museum Storage Room		\$15,000			
	Fire Suppression System		\$45,000			
	Renovate Exhibit Hall		\$25,000			
	Interactive Touch-Screen Displays		\$10,000			
	Advertising	\$9,000				
Main Street	No director and no request.					

City of Freeport						
Supplemental Budget Request						
For Fiscal Year 2025-2026						
Department	Description	Recurring Amount	One-time Amount	Proposed Items by Staff	Council Chosen Items	Notes
Golf Course	Annual Cart Path Repair	\$10,000		\$10,000		
	Pump Station Platform (Future Project Within 2 Years)		\$10,000			
Water/Sewer	No request					
	Total Non-Grant	\$949,885	\$3,125,726			
Grants						
Police	Cybersecurity Grant 20% Match	\$21,605	\$21,605	\$21,605		
Fire						
	Total Grant	\$21,605	\$21,605			
Council Requests						
Matamoros	Slaughter road generator	\$0	\$50,000	\$50,000		Water / sewer funds
Pena	Additional splashpad	\$0	\$10,000	\$20,000		
	Total Council Requets	\$0	\$60,000			
	Grand Total	\$971,490	\$3,207,331	\$1,514,886	\$0	
				1,622,177.00	1,622,177.00	Available resources
				107,290.88	1,622,177.00	Remaining
The below are possible options for any remaining funds:						
	Contingency Fund for Street Repairs					
	Contingency Fund for Vehicles					
	Contingency Fund for Facilities - \$3mil transfer in 2025 funds for City Hall & Golf Course grants					

DISCUSSION



City Council Agenda Item #[5.R]

Title: Consideration and possible action to adopt Ordinance No. 2025-2748 establishing a Tax Rate for the 2025 Tax Year.

Date: September 15, 2025

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommends adopting the ordinance. This year's tax rate does not exceed the "No New Revenue Rate." Therefore, a motion to adopt the proposed ordinance does not require the language of a "tax increase" as stated in 26.05(b) of the Property Tax Code. Staff recommends adopting a tax rate of \$0.514210 per \$100 in property valuation.

There are two motions that need to be made:

1. **Motion to set the maintenance and operation tax rate as \$0.45127 per \$100 property valuation.**
2. **Motion to set the debt service tax rate as \$0.062940 per \$100 property valuation**

The vote must be a record vote.

Item Summary: A tax rate of \$0.514210 per \$100 property valuation has been proposed. This rate is equal to the "No New Revenue Rate". The City is not required to hold a public hearing regarding the rate nor to hold an election to seek voter approval.

Background Information: On August 25, 2025, Council proposed a not-to-exceed tax rate of \$0.514210 per \$100 property valuation for adoption on Monday, September 15, 2025

Special Considerations: Council must adopt the tax rate before Sept. 30 or 60 days after receiving the certified appraisal roll, whichever date is later. Additionally, the deadline to approve a tax rate for consolidated tax bill is September 20, 2025. The City's Charter requires that the budget be adopted not later than 15 days before the start of the fiscal year.

Financial Impact: Taxes owed under any of the above rates can be calculated as follows:
Property Tax Amount = (Rate) X (Taxable Value of Property)/100

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Ordinance Adopting 2026 Tax Rate (1)

ORDINANCE NUMBER 2025-2748

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, ESTABLISHING A TAX RATE FOR EACH \$100.00 VALUATION OF TAXABLE PROPERTY FOR THE 2025 TAX YEAR; LEVYING ALL TAXES FOR SAID CITY FOR SUCH TAX YEAR; ALLOCATING SUCH TAXES FOR CERTAIN MUNICIPAL PURPOSES THEREIN ENUMERATED; ORDERING THAT SUCH TAXES BE ASSESSED AND COLLECTED; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING AN EFFECTIVE DATE FOR THIS ORDINANCE.

WHEREAS, the City of Freeport, Texas, (hereinafter sometimes "the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code, respectively; and,

WHEREAS, Section 6.22 (c), Texas Tax Code, authorizes the governing body of a taxing unit to require the county in which said unit is located to assess and collect the taxes such unit imposes in the manner in which the county assesses and collects its taxes; and,

WHEREAS, Section 26.05 of the Texas Property Tax Code provides that the governing body of each taxing unit shall adopt a tax rate for the current tax year before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit; and

WHEREAS, county taxes in Brazoria County, Texas, are assessed and collected by the Brazoria County Tax Assessor-Collector; and,

WHEREAS, Section 6.23 (a)(3) of the Texas Tax Code, provides that the county assessor and collector of taxes shall, if so required by a taxing unit, assess and collect the taxes of said unit; and,

WHEREAS, heretofore the City Council, being the governing body thereof, adopted a resolution requesting and requiring the Assessor and Collector of Taxes for Brazoria County to assess and collect the ad valorem taxes levied by the City; and,

WHEREAS, under the provisions of Section 26.05 (b) of the Tax Code, the tax rate must be set by ordinance, resolution or order which, if the rate exceeds the no-new-revenue maintenance and operations tax rate, must be adopted by a motion with a record vote of the governing body of the City, such motion must be made in the form prescribed in Section 26.05 (b), at least sixty (60) percent of the members of the governing body are required to vote in favor of the motion to adopt such ordinance, resolution or order and, if the ordinance, resolution or order sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the City that exceeds the amount of taxes imposed for that purpose in the preceding year, additional requirements regarding the contents of such ordinance, resolution or order and the giving of notice of the home page of any Internet website operated by the City must be met; and,

WHEREAS, Section 26.05 (d) of the Tax Code, the City is only required to conduct a public hearing and satisfy the notice and voting requirements of Section 26.06 and Section 26.065 of the Tax Code where the proposed tax rate will exceed the lower of the voter approval tax rate or the no-new-revenue tax rate calculated as provided in said code.

WHEREAS, such Section further provides that where the tax rate consists of two components (one which will impose the amount of taxes needed to pay the unit's debt service and the other which will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year); and

WHEREAS, the proposed tax rate for the current tax year of the City of Freeport, Texas, consists of two such components, a tax rate of **\$0.062940** for debt service and a tax rate of **\$0.45127** to fund maintenance and operation expenditures; and

WHEREAS, a budget appropriating revenue generated by the collection of ad valorem for the use and support of the municipal government of the City of Freeport has been proposed by the Freeport City Council as required by Title Four (4), Section 102.009 of the Local Government Code; and

WHEREAS, it is necessary and appropriate for the City Council to adopt the 2025 Tax Rate for the City of Freeport, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

Section 1. Findings of Fact

The City Council hereby makes the following findings:

- (1) The Chief Appraiser of the Brazoria County Appraisal District furnished to the Assessor and Collector of Taxes for Brazoria County, Texas, a Certified Estimate of Taxable Value of the City for the 2025 tax year on the 4th day of August, 2025.
- (2) The Assessor and Collector of Taxes calculated the No New Revenue, Voter Approval, and De Minimis tax rates for such tax year, being \$0.514210, \$0.548749, and \$0.563268, respectively, per \$100.00 valuation.
- (3) On the 25th day of August, City Council made a motion which was seconded proposing to adopt a tax rate of \$0.514210 per \$100.00 valuation for the 2025 tax year.
- (4) There is outstanding indebtedness for which an interest and sinking fund must be provided from ad valorem taxes and taxes must be levied as provided below to provide a general fund for current expenses and the general improvement of the City and its property, and to meet the revenue requirements of the budget for the City's 2025-2026 fiscal year.

- (5) On the 28th day of August, 2025 a Notice of 2025 Tax Year Proposed Property Tax Rate for the City of Freeport was published in The Facts.

Section 2. Appraisal Roll Accepted and Adopted

The City Council of the City hereby accepts and adopts the Certified Appraisal Roll for the City furnished to the Assessor and Collector of the City by the Brazoria County Appraisal District and which is incorporated herein by reference.

Section 3. Tax Rate for Interest and Sinking Fund

The City Council of the City hereby orders, determines and establishes that the tax rate for each \$100.00 valuation of taxable property within the City for the interest and sinking fund shall be \$0.062940 the tax year 2025.

Section 4. Tax Rate for Maintenance and Operations

The City Council of the City hereby orders, determines and establishes that the tax rate for each \$100.00 valuation of taxable property within the City to provide a general fund for maintenance and operation expenses of the City shall be \$0.45127 for the tax year 2025.

Section 5. Internet Website

The City Secretary shall cause the following to be included on the homepage of the City website:

This year's tax levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy. A statement about "tax increase" as specified by §26.05(b) of Property Tax Code is not required to be included on the home page of any Internet website operated by CITY OF FREEPORT.

Section 6. Tax Levy; Assessment and Collection

Ad valorem taxes for the tax year 2025 are hereby levied and shall be assessed and collected as herein above set forth by the City as the ad valorem tax for said year, to-wit: a total tax of \$0.514210 on each \$100.00 valuation of taxable property situated in the City.

Section 7. Severance Clause

Any section or provision of this ordinance found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction is hereby declared to be severable from the remainder of this ordinance which shall remain in full force and effect.

Section 8. Effective Date

This ordinance shall be effective from and after its passage and adoption.

PASSED AND ADOPTED this _____ day of September, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

Clarisa Fernandez, City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

Duncan Law Firm, Interim City Attorney
City of Freeport, Texas



City Council Agenda Item #[5.S]

Title: First reading in consideration of approving Resolution No. 2025-2966 economic development projects to be enacted by the Freeport Economic Development Corporation.

Date: September 15, 2025

From: Robert Johnson, Economic Development Director

Staff Recommendation: Staff recommends City Council discuss for future consideration the Resolution for the requested EDC Economic Development project for the Business Improvement Grant Program.

Item Summary: The Freeport Economic Development Corporation (EDC) has identified the Business Improvement Grant program as an economic development project that it would like to consider for funding in the 2025-2026 fiscal year. Because of its nature, it is required to have City Council approval following two readings. This is the first of the two required readings.

Background Information: 2025-26 LOCAL BUSINESS IMPROVEMENT GRANT PROGRAM

The local business improvement grant program provides grant funding from the EDC under several categories including Façade Improvements, Sign Improvements, General Property Improvements, Fire Suppression System Improvements, and Landscaping Improvements. Applications for these categories are accepted and then considered individually as they are received. With the exceptions of Signage Improvements and Fire Suppression Improvements, funding for these categories is available up to \$10,000 per category. Fire Suppression has a maximum reimbursement of \$25,000 and Signage has a maximum reimbursement amount of \$3,500. There is also a single Mega Grant of up to \$30,000 which will be competitively offered, with one awarded each year in February. Businesses that receive the grant are reimbursed 50% of their documented and qualified expenses up to the maximum grant category amount. The EDC is requesting council approval for expenditures of up to \$300,000 in the 2025-2026 fiscal year for this grant program.

The purpose of this program is to promote the development and expansion of new and existing business enterprises within the City of Freeport. The program is intended to enhance the economic welfare of the citizens of Freeport by securing and retaining business enterprises and maintaining a higher level of employment, economic activity, and stability.

Special Considerations: On July 8, 2025, the EDC conducted a public hearing with no opposition to the proposed project.



Financial Impact: Funding for this project would come out of the Special Project line item included in the EDC fiscal year budget for project.

Board or 3rd Party Recommendation: The EDC Board voted to recommend approval of this project at the aforementioned dollar limits.

Supporting Documentation:

1. Resolution EDC 2025-2026 Business Improvement Grant Program Project
2. Grant Packet - Reviewed 04.29.2025

RESOLUTION NO. 2025-2966

A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; APPROVING AN ECONOMIC DEVELOPMENT PROJECT TO BE ENACTED BY THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING THAT THIS RESOLUTION SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Freeport, Texas is a Home Rule City and a Home Rule Municipality situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, the Freeport Economic Development Corporation (the “EDC”) is a “type B” nonprofit economic development corporation, authorized under Texas Development Corporations Act, Title 12, Section 501.001 et. seq. specifically Chapter 505 of said Act; and,

WHEREAS, the EDC’s specific purpose is to sustain economic development efforts and promote business development in the City; and,

WHEREAS, the City and the EDC have made the specific findings that the EDC may pursue the development project set forth below, that said project is authorized by the Texas Development Corporation Act, and that the project promotes economic development within the City of Freeport and satisfies the requirement of serving a public purpose; and,

WHEREAS, prior to passage of this resolution, the City Council conducted two (2) public readings of this resolution, in open session of duly noticed and posted council meetings, and further finds that a duly noticed and posted public hearing was previously held by the EDC on the projects contained herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

FIRST, the City Council of the City of Freeport finds that the facts recited in the preamble hereof are true.

SECOND, the City Council of the City of Freeport hereby approves the following economic development project: 2025-2026 Local Business Improvement Grant Program;

THIRD, the funds to fund the above project have been budgeted and no further authorization is required from the City Council for the EDC to implement the above project.

FOURTH, this resolution shall take effect and be in force from and after its passage and adoption.

READ, PASSED AND ADOPTED this _____ day of _____, 2025.

APPROVED:

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

Clarisa Fernandez, City Clerk
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Christopher Duncan, Interim City Attorney
City of Freeport, Texas



Business Improvement Grant Program Guidelines and Criteria

Section 1. Purpose

The purpose of this program is to promote the development and expansion of new and existing business enterprises within the City limits of Freeport, Texas and enhance the economic welfare of the citizens of the City by securing and retaining business enterprises and maintaining a higher level of employment, economic activity, and stability.

Section 2. Type and amount of grants

A. Façade Improvement:

Exterior front façade enhancements. Improvements may be considered if located on a corner or paralleling an internal public space such as a park, parking lot, pedestrian way, or visible from a public right-of-way.

Improvements to store facade including, but not limited to:

Exterior painting that incorporates a major visual change
(Maintenance painting does not apply.);

Significant masonry cleaning and/or restoration;

Addition of awnings (business logo & letters on awnings are acceptable);

Enhanced exterior building lighting that creates a noticeably enhanced appearance
(Replacement of current lighting that is simply repair does not enhance the appearance of the building, such as replacement of inoperable fixtures and is not included.);

Store front entry systems and individual windows and door replacement or modification (if part of an overall design restoration; general building maintenance repairs are not included);

New or restored façade elements, such as cornices, soffits, canopies, and other detail elements.

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000

B. Sign Improvement:

New signs and/or major renovations or removal of existing signs. Typically LED Signs are not approved but may be reviewed on a case-by-case basis if integrated into an overall sign.

The grant amount may be up to \$3,500 for both new and existing business.

C. Property Improvement:

Items such as, but not limited to, parking lot resurfacing, striping, driveway improvement, lighting, decorative fencing, pedestrian oriented/streetscape amenities, including street furniture, new curb and sidewalk, and related amenities, demolition and/or removal of a dilapidated structure

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000.

D. Landscaping Improvement:

Material such as, but not limited to, grass, ground covers, shrubs, vines, hedges, trees or palms, landscape lighting and non-living durable materials that are commonly used in landscaping such as, but not limited to, rocks, pebbles, sand, but excluding paving. (All living materials will be reviewed at 25% of the cost if irrigation is not present or will be applied)

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$10,000.

E. Fire Suppression System Grant:

The purpose of this grant is to assist payment for purchase and installation of a sprinkler/fire suppression system as required by the Freeport Fire Marshall. The grant application must contain documentation from the applicant and the Freeport Fire Marshall containing a floorplan, a diagram of the proposed system, and the specific occupancy and use that was submitted to the Freeport Fire Marshall. If this grant is provided to a leased space, the landlord and tenant are jointly responsible to pay back the grant if the applicant fails to complete the performance requirements. Further, this grant will only be made for an active commercial business or a business that has signed a lease to begin operation of a commercial business.

The grant amount may be up to 50% of the cost of such improvement, up to a maximum of \$25,000.

F. MEGA Grant:

Can be a combination of Grant Type A, C, or D or can stand alone as either. This grant will be reserved for those business that are within the defined Downtown boundaries as laid out by our Community Comprehensive Plans or at the discretion of the FEDC Board of Directors. Must provide 1 additional Job with this grant. This grant will be awarded to one (1) applicant per a fiscal year (October 1st– September 30th). Grant applications will be accepted starting October 1st and will close February 28th. Review will be held in March and notification of grant recipient will be announced by May 15th. The grant amount may be up to 50% of the cost of such improvement up to a maximum of \$30,000.

Section 3. Eligibility

- A. All business buildings and facilities located within the City at the time of adoption of these guidelines shall be eligible for this program.
- B. Any new business planning to locate within the City, or any business currently located within the city limits, shall be eligible for this program.
- C. A *business* is defined as an occupation, profession, or trade in the purchase or sale of goods or services in an attempt to make a profit.
- D. The proposed project must comply with applicable regulations, city- approved planning studies, comprehensive plan designations, City Ordinances, Building Codes, and Americans with Disabilities Act Guidelines.
- E. All applicants must be current and provide FEDC with documentation providing they are current with all Ad Valorem Taxes.
- F. Grants may not be used for refinancing existing loans, working capital, inventory, permits, inspections, security fencing or gates, home occupations, interior remodeling, new construction, and routine maintenance of landscaping and signage (with the exception of letters/logos on new awnings).

Section 4. Guidelines

- A. Proof of the applicant's ownership of the subject facility or facilities, or proof that the owner of such facility has approved the application for such grant funds, shall be required.

- B. The owner of a business to be operated within a leased facility, and the owner of such lease facility, must apply jointly for the program. Copies of a lease agreement and proof of ownership of the leased facility shall be required.
- C. A business or property owner may apply for one (1) or more of the five (5) types of grants per physical location (address) set forth herein within any fiscal year (October 1 to September 30). A business that receives grant funding during a fiscal year shall not be precluded from making subsequent applications for funding in following years.
- D. The maximum amount of funding available to any one applicant, business establishment or property owner at one physical location (address) shall be \$50,000.00 per fiscal year unless applying for the mega grant.
- E. All grants are reimbursement grants and will only be funded after completion of the project in accordance with drawings and specifications approved by the Freeport Economic Development Corporation Board of Directors and after the applicant submits to the FEDC proof of paid receipts for all applicable labor, materials, and permits. Digital photographs of the completed work shall also be required.
- F. Reimbursement grants are a cash payment of up to the approved percentage of funds expended by the applicant on the improvements and are not to exceed the limits set forth in Section 2(A), (B), (C), (D), and (E) hereof. In-kind contributions to the improvements by the applicant will not be considered as an expenditure by the applicant. Only cash expenditures by the applicant may be used in calculating the cost of improvements.
- G. The applicant shall be obligated to make the improvements in accordance with the application submitted to and approved by the FEDC Board of Directors. Thereafter, any modifications must first receive written approval by either the FEDC Board or the FEDC Executive Director. Failure to obtain such written approval prior to making any such modifications shall render the applicant ineligible to receive grant funding.
- H. The applicant shall be responsible for obtaining all applicable permits related to the improvement project, and failure to do so will render the applicant ineligible to receive grant funding.
- I. The improvements, as presented in the application, must be completed in their entirety. Failure to complete all of the stated improvements shall render the applicant ineligible to receive grant funding.
- J. Upon approval of a grant application, and during the construction of the improvements, a representative or representatives of the FEDC shall have the right, at all reasonable times, to have access to and inspect the work in progress.
- K. The applicant shall not begin any improvements prior to receiving written approval of grant funding from the FEDC.

- L. The applicant must complete the improvement project within six (6) months of receiving written approval from the FEDC. Failure to complete the improvements within the required time period shall result in the loss of the grant funds allocated for the project. Time extensions may be granted at the discretion of the FEDC Board of Directors.
- M. Approval of all applications shall be with the understanding and agreement that, in the event the business (applicant) fails to remain open, or the business or property is sold or transferred and subsequently closes, within twelve (12) months after the funding of the grant, the applicant shall be considered in default of its obligations under the grant, and shall be required to reimburse the FEDC the grant money received.
- N. The applicant must agree that, in the event of default of its obligations, the applicant shall repay to the FEDC the amount of grant funds it has received, with interest, at the rate of 10% per annum, within thirty (30) days after the FEDC notifies the applicant of the default. The form of such payment shall be a cashier's check or money order, made payable to the Freeport Economic Development Corporation.
- O. The applicant must certify that the applicant does not employ nor will it employ any undocumented workers (an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States). The applicant must agree that if, after receiving grant funds, it is convicted of a violation under 8 U.S.C. Section 1324a(f), the applicant shall repay the amount of the grant funds received by the applicant, with interest, at the rate of 10% per annum, within thirty (30) days after the FEDC notifies the applicant of the violation.
- P. The FEDC shall have the authority to bring a civil action to recover any amounts that the applicant must repay to the FEDC under paragraphs M, N, and O of this Section, and in such action may recover court costs and reasonable attorney's fees.

Section 5. Application and Approval

- A. Applications must be made on a form provided by the FEDC, which form shall be made available at the FEDC offices located at 1201 North Ave. H, Freeport, TX 77541 and on the FEDC website at <https://www.freeportedc.com/> -
- B. The grant application must include:
- Request Letter describing proposed project and the need for grant funds
 - Establishment of business entity name (Copy of Article of Incorporation, dba, etc.)
 - Copy of business plan
 - Copy of Lease Agreement (if facility is leased)
 - Legal description of subject property
 - Vicinity map of subject property

- Estimates of proposed improvements. This quote shall be utilized only for the purpose of determining the amount of grant needed for the project and any costs incurred in obtaining the quote shall be the responsibility of the applicant, not the FEDC.
 - Itemized work estimates which include details and information such as color samples of paint, fabric, sign material
 - Digital Picture of Property and the area to be improved
 - Written statement from Code Enforcement stating approval of the work to be performed.
 - Notarized Seal on Application
 - Acknowledge that a sign will be placed at your property stating FEDC – Business Improvement Grant Recipient
- C. All applications must be approved by the FEDC Board of Directors
- D. An applicant shall be notified, in writing or email, within (10) ten business days of the FEDC Board’s decision to approve or disapprove its application.
- E. The FEDC may award grant funds to an applicant, with certain provisions, conditions, or other requirements that the FEDC deems necessary or appropriate.
- F. The FEDC Board of Directors shall have sole discretion to accept or reject an application. Applications are submitted on a competitive basis and will be graded on but not limited to:
1. Those applicants that best match our Community Comprehensive Plans
 2. Needs of the City of Freeport and FEDC
 3. Best match for our Downtown Specific Plan
 4. Those that will be beneficial for the growth of our Freeport’s Economic Development

Section 6. Funding

- A. Upon notification to the FEDC by the applicant that a project has been completed, an inspection by a FEDC representative or representatives shall be made to confirm that such project has been completed in accordance with the application or any approved modifications thereto. Such notification shall include, but not be limited to, documentation of paid receipts for materials, labor, permits, inspection reports, an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the project improvements have been paid and any and all liens and claims regarding such work have been released, or any other item that the FEDC may reasonably deem necessary for determining the project’s completion.

- B. The FEDC agrees to distribute such funds to the applicant within thirty (30) days following the inspection required in paragraph (A) hereof, and confirmation of completion of the project in accordance with the application or any approved modifications thereto. The Executive Director of the FEDC shall issue a letter to the FEDC Board of Directors notifying them of the funding action to be taken. A copy of such letter shall also be provided to the applicant.
- C. Within ten (10) business days following an inspection and the presentation of the receipts as provided in Section 6(A) above, and after a determination is made by the FEDC's representative that the project has not been completed in accordance with the application, or any approved modifications thereof, the Executive Director shall issue a letter to the applicant indicating any and all areas of non-compliance. The applicant shall then have sixty (60) days, from the date of such letter, to make the modifications necessary to bring the project into compliance. Failure to complete such modifications within said sixty-day period shall be deemed a default of applicant's obligations under the grant, and the applicant shall be ineligible to receive grant funding.
- D. Available funding: The FEDC has budgeted \$150,000 per the current fiscal year (October 1 to September 30) to fund improvement grants. Grant applications received after the available funding has been exhausted may be accepted and held until the following fiscal year. The FEDC retains sole discretion to accept or reject applications received after the available funding has been exhausted.

Section 7. Miscellaneous

- A. THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION SHALL DELIVER A COPY OF THESE GUIDELINES TO ANY APPLICANT FOR HIS/HER REVIEW AND THE DELIVERY HEREOF DOES NOT CONSTITUTE AN OFFER OF A BUSINESS IMPROVEMENT GRANT TO THE APPLICANT.
- B. THE LAWS OF THE STATE OF TEXAS SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS BUSINESS IMPROVEMENT GRANT PROGRAM. IF ANY PROVISION OF THIS BUSINESS IMPROVEMENT GRANT PROGRAM IS HELD TO BE INVALID OR UNENFORCEABLE, THE VALIDITY AND ENFORCEABILITY OF THE REMAINING PROVISIONS SHALL NOT BE AFFECTED THERE.

**ACKNOWLEDGMENT OF RECEIPT OF AND AGREE TO COMPLY WITH THE
GUIDELINES AND CRITERIA FOR BUSINESS IMPROVEMENT GRANT PROGRAM
BY THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION**

Applicant: _____

Address: _____

Phone No.: _____

Signature: _____

Property Owner/Landlord: _____

Address: _____

Phone No.: _____

Signature: _____

This acknowledgement page must be signed and returned to the Executive Director of Freeport Economic Development Corporation. Please retain the Guidelines and Criteria for your records.

Applicants are strongly encouraged to shop local Brazoria County businesses for products and services.



Application for Business Improvement Grant

DOCUMENTATION CHECKLIST **Business Improvement Grant Program**

As a part of this application, the following documentation is being provided by the applicant:

- _____ 1. Request Letter describing proposed project and the need for grant funds
- _____ 2. Establishment of business entity name
(Copy of Articles of Incorporation, dba, etc.)
- _____ 3. Copy of lease agreement (if facility is leased)
- _____ 4. Copy of business plan
- _____ 5. Legal description of subject property (Exhibit A)
- _____ 6. Vicinity map of subject property (Exhibit B)
- _____ 7. Estimates of proposed improvements (Exhibit C)
Itemized work estimates which include details and information such as color
samples of paint, fabric, and sign material
- _____ 8. Digital Pictures of Property and area to be improved (Exhibit D)
- _____ 9. Acknowledge that a sign will be placed at your property stating
FEDC-Business Improvement Grant Recipient
- _____ 10. Signed statement from Code Enforcement stating project is in compliance
with City Ordinance

I (We), referred to as “APPLICANT”, on behalf of the identified entity, submit to the Freeport Economic Development Corporation, referred to as “FEDC”, this application for consideration of a Business Improvement Grant under the provisions of the FEDC’s Business Improvement Grant Program.

As part of this application, APPLICANT represents to FEDC the following:

1. APPLICANT has received a copy of the FEDC’s Guidelines and Criteria for the Business Improvement Grant Program. APPLICANT acknowledges to FEDC that in making this application, APPLICANT understands the terms and provisions, and all questions relating to any needed interpretation have been answered by authorized representatives of FEDC prior to the submission of this application.
2. APPLICANT has secured such legal, accounting, and/or other advice that may be necessary for APPLICANT to determine the desirability of making this application and/or accurately and correctly answering any questions as set out. APPLICANT acknowledges that it has completely relied on the advice and counsel of experts and/or appropriate persons retained, employed, or compensated by APPLICANT, and that it has not relied upon, nor is APPLICANT now attempting to rely upon, the advice and counsel of FEDC, its servants, agents, employees and/or elected or appointed officers.
3. By signing this document, “Application for Business Improvement Grant” either in an individual capacity, jointly, or in a representative capacity. APPLICANT acknowledges and verifies that all of the facts, information, and allegations as set out are true, correct and accurate, and that FEDC may rely on as if the same had been signed by APPLICANT or APPLICANT’S agent before a Notary Public or other authorized officer permitted by law to administer oaths and to take acknowledgements. APPLICANT further acknowledges and understands that any materially false or misleading statements of fact may be considered a violation of the criminal laws of the State of Texas.
4. The APPLICANT, whether a corporate entity, partnership, or other legal type business entity, or an individual, acknowledges and verifies that it is current on all current tax obligations, assessments, or other governmental levies and assessments, and that the same have been paid when due and payable, and that no delinquencies exist at this time. The APPLICANT swears and affirms that the APPLICANT is fully authorized to transact business in the State of Texas and in the state of incorporation if different from the State of Texas.
5. The APPLICANT hereby certifies that the APPLICANT does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Business Improvement Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the FEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the FEDC. The form of such payment shall be a cashier’s check or money order, made payable to the Freeport Economic Development Corporation. The FEDC has the right to recover court costs and reasonable attorney’s fees as a result of any civil action required to recover such repayment.

Business Entity Name: _____

Mailing Address: _____

Phone Number: _____

Location in the City of Freeport for which the improvement is being requested

Street Address: _____

City/State/Zip: _____

Other companies and locations owned and/or operated by the APPLICANT

Company Name: _____

Street Address: _____

City/State/Zip: _____

6. Please attach a separate document providing a legal description of the property upon which the contemplated improvements will be located as *Exhibit A*.
7. Please attach a vicinity map locating the property within the City of Freeport as *Exhibit B*.
8. Please furnish detailed drawings, plans, specifications, color schemes, or any other available supporting documents for the proposed improvements and cost estimates as *Exhibit C*.
9. Please attach a letter addressing the need for the project as well as need for the FEDC grant funds.
10. Description of proposed improvements:

DESCRIPTION	ESTIMATED REPAIR	ESTIMATED START DATE	COMPLETION DATE

11. New or existing business: _____ New _____ Existing

_____ has been in operation for _____ years.

Existing number of jobs: _____ (if applicable) FT _____ PT _____

New jobs (FT): _____

New jobs (PT): _____

12. If leased facility, provide the following information (*attach copy of current lease*):

Current Landlord: _____

Address: _____

Phone Number: _____

13. Prior to APPLICANT'S execution of this application, APPLICANT has had this reviewed by an Attorney of the APPLICANT, or has had the opportunity to do so, and the parties agree that based on the foregoing, this application for the business improvement grant program shall not be construed in favor of one party over the other based on the drafting of this application.
14. APPLICANT and owner/landlord indemnify, defend, and hold FEDC harmless from any liability, injury, claim, expenses, and attorney's fees arising out of a contractor, builder, or contract for performance of improvements, or repair to buildings and facilities.
15. FEDC has delivered a copy of the guidelines and criteria for a business improvement grant program to applicant for review, and the delivery does not constitute an offer of an improvement grant.
16. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of the application for the business improvement grant program. The Business Improvement Grant Program shall be performable in the County of Brazoria. If any provision of this application for business improvement grant program should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this application shall not be affected.
17. Before submitting an application to the FEDC, the APPLICANT must meet with the Planning/Building Department of the City of Freeport for any code requirements.

VERIFICATION

I (We), the undersigned APPLICANT(S), certify that all the information furnished to FEDC has been furnished freely by the APPLICANT(S), and further acknowledge that no rights or privileges may be relied on as a part of any application. In addition, it is acknowledged that the Freeport Economic Development Corporation may or may not grant a Business Improvement Grant based upon application or request purely as a matter of discretion, and that there is no legal right to rely on any previous actions taken in same or similar applications, or previous actions taken on other applications concerning the same or similar property.

Signed and submitted to Freeport Economic Development Corporation on this, the _____ day of _____, 20 ____.

Applicant: _____ Applicant: _____

Signature: _____ Signature: _____

Address: _____ Address: _____

Phone No.: _____ Phone No.: _____

Property _____
Owner/Landlord: _____

Signature: _____

Address: _____

Phone No.: _____

The State of Texas
County of Brazoria

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me and that they executed the same for the purposes therein expressed.

Notary Public in and for the State of Texas
My Commission Expires: _____

The State of Texas
County of Brazoria

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me and that they executed the same for the purposes therein expressed.

Notary Public in and for the State of Texas
My Commission Expires: _____

The State of Texas
County of Brazoria

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me and that they executed the same for the purposes therein expressed.

Notary Public in and for the State of Texas
My Commission Expires: _____



City Council Agenda Item #[5.T]

Title: First reading and consideration of approving Resolution No. 2025-2967 an economic development agreement to be enacted by the Freeport Economic Development Corporation and Developer.

Date: September 15, 2025

From: Robert Johnson, Economic Development Director

Staff Recommendation: Staff recommends City Council approve the requested Freeport Economic Development Corporation (EDC) economic development project.

Item Summary: The EDC has identified an economic development project that it would like to fund. Because of the project's nature, it is required to have City Council approval following two readings. This is the first of the two required readings.

Background Information: The EDC negotiated a property sale agreement with Mama C's to be located at 212 West Park Avenue, in Freeport, TX. The agreement stipulates that the EDC will grant a low-cost property sale in exchange for outlined refurbishments to, and development of, the building, the creation of seven jobs, and the requirement that the business remain open for at least five years. If these requirements and benchmarks are not met, the property shall revert to the EDC. The EDC believes this will help further the City's stated goal of downtown redevelopment and the project will bring additional traffic to the downtown historic district as outlined in the University of Texas at San Antonio - Center for Urban and Regional Planning Research's Comprehensive Downtown Plan for the City of Freeport, Texas.

Special Considerations: The EDC has done extensive vetting of this project, the condition of the extant building, and the business owners since it was proposed in April of 2025.

Financial Impact: As a part of an economic development incentive plan, the EDC will sell the property at a low cost to the Developer. In return, the community shall receive an operating restaurant, bringing both vital sales tax and property tax to the City. The establishment will also add commercial density to the historic downtown's Main Street district.

Board or 3rd Party Recommendation: Following a public hearing on September 10, 2025, the FEDC voted to recommend approval of this low-cost property sale agreement with the Developer.

Supporting Documentation:

1. Resolution EDC 2025-2026 Sale of 212 W. Park Project

RESOLUTION NO. 2025-2967

A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; APPROVING ECONOMIC DEVELOPMENT PROJECT TO BE ENACTED BY THE FREEPORT ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING THAT THIS RESOLUTION SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Freeport, Texas is a Home Rule City and a Home Rule Municipality situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, the Freeport Economic Development Corporation (the “EDC”) is a “type B” nonprofit economic development corporation, authorized under Texas Development Corporations Act, Title 12, Section 501.001 et. seq. specifically Chapter 505 of said Act; and,

WHEREAS, the EDC’s specific purpose is to sustain economic development efforts and promote business development in the City; and,

WHEREAS, the City and the EDC have made the specific findings that the EDC may pursue the development projects set forth below, that said projects are authorized by the Texas Development Corporation Act, and that the projects promote economic development within the City of Freeport and satisfy the requirement of serving a public purpose; and,

WHEREAS, prior to passage of this resolution, the City Council conducted two (2) public readings of this resolution, in open session of duly noticed and posted council meetings, and further finds that a duly noticed and posted public hearing was previously held by the EDC on the projects contained herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

FIRST, the City Council of the City of Freeport finds that the facts recited in the preamble hereof are true.

SECOND, the City Council of the City of Freeport hereby approves the following economic development project:

1. Sale of property at 212 West Park Blvd. Project;

THIRD, the funds to fund the above projects have been budgeted and no further authorization is required from the City Council for the EDC to implement the above projects.

FOURTH, this resolution shall take effect and be in force from and after its passage and adoption.

READ, PASSED AND ADOPTED this _____ day of _____, 2021.

APPROVED:

Jerry Cain, Mayor Pro Tem
City of Freeport, Texas

ATTEST:

Clarisa Fernandez, City Clerk
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Christopher Duncan, City Attorney
City of Freeport, Texas



City Council Agenda Item #[5.U]

Title: **Discussion and Possible Action – TIRZ Board Appointment**
Discussion and possible action regarding auditor assignment of City Council as the Board of Directors for the Tax Increment Reinvestment Zone (TIRZ) and consider proper designation.

Date: September 15, 2025

From: Councilman Pena

Staff Recommendation: N/A

Item Summary:

Council seeks to discuss and take action regarding the **proper designation of the City Council as the Board of Directors** for the Tax Increment Reinvestment Zone (TIRZ), in response to auditor findings and the need to formalize the structure.

Background Information:

The City's auditor identified a board deficiency in the **proper designation of the City Council as the Board of Directors** for the TIRZ. **Proper designation is necessary to ensure transparency, accountability, and compliance with financial reporting requirements under state law.** This action is also critical to maintain public trust and to advance the City's reinvestment and development goals within the TIRZ area.

Special Considerations:

The absence of formal designation creates ambiguity about governance and may expose the City to **compliance risks**. Additionally, this correction allows the Council to take **expedient action on the UTSA development plan**, which has seen **no formal movement in over a year since its completion**. Clarifying authority ensures Council can act swiftly on stalled or time-sensitive development priorities.

Financial Impact:

The financial impact is in the **millions of dollars**, as developers actively seek confirmation that the City is reinvesting in TIRZ-designated areas—where the **potential is highest**, especially in **downtown Freeport and along the riverfronts**. These are critical zones for economic growth.



Failure to act could result in **audit deficiencies**, loss of developer confidence, reduced competitiveness for grants, and delays in high-impact investment opportunities.

Board or 3rd Party Recommendation:

N/A

Supporting Documentation:

1. 2023-2024 Annual Financial Report
2. 2023-2024 Single Audit Report

CITY OF
FREEPORT, TEXAS

1201 NORTH AVENUE H | FREEPORT, TX 77541
WWW.FREEPORTTX.GOV | 979.233.3526

2024

**ANNUAL
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024



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ANNUAL FINANCIAL REPORT

of the

City of Freeport, Texas

**For the Year Ended
September 30, 2024**

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City of Freeport, Texas

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September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Freeport, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are required to be independent of City of Freeport, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, due to various accounting corrections, the City restated beginning fund balance/net position for the general fund, nonmajor governmental funds, water/sewer fund, governmental activities, and business-type activities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison information, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions to pension plan, and schedule of changes in the other postemployment benefits liability and related ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 11, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
August 11, 2025

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

As management of the City of Freeport, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position is \$48,409,371 at September 30, 2024.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$21,612,600, a decrease of \$1,254,526.
- The City had an overall increase in net position of \$5,858,612.
- The City closed the year with a net pension liability of \$6,098,926.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include water and sewer, and sanitation operations.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and 2020 CO bond CIP fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, 2020 CO bond CIP, certain special revenue and water/sewer funds. A budgetary comparison statement has been provided for the general and debt service fund to demonstrate compliance with their respective budget.

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

Proprietary Funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund, which is considered to be a major fund of the City.

Component Units

The City maintains the accounting and financial statements for two component units. The Freeport Economic Development Corporation is a discretely presented component unit displayed on the government-wide financial statements.

The TIRZ fund is a special purpose fund that collects property taxes within its boundaries for the purpose of infrastructure development. The fund's board consists of the City Council and is reported as a blended component unit, as it functions similar to a department of the City.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Freeport, assets and deferred outflows exceeded liabilities and deferred inflows by \$48,409,371 as of September 30, 2024, in the primary government.

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

The largest portion of the City's net position, \$28,820,826, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and						
other assets	\$ 24,875,650	\$ 7,065,472	\$ 31,941,122	\$ 26,400,553	\$ 5,496,263	\$ 31,896,816
Capital assets, net	23,641,250	16,512,576	40,153,826	21,225,408	12,141,802	33,367,210
Total Assets	48,516,900	23,578,048	72,094,948	47,625,961	17,638,065	65,264,026
Deferred Outflows	2,039,969	30,291	2,070,260	3,008,597	39,515	3,048,112
Other liabilities	1,706,578	3,171,577	4,878,155	2,075,624	1,681,222	3,756,846
Long-term liabilities	14,685,746	4,384,369	19,070,115	15,785,444	4,613,720	20,399,164
Total Liabilities	16,392,324	7,555,946	23,948,270	17,861,068	6,294,942	24,156,010
Deferred Inflows	1,800,734	6,833	1,807,567	1,602,147	3,222	1,605,369
Net Position:						
Net investment in						
capital assets	16,359,316	12,461,510	28,820,826	13,827,683	9,914,092	23,741,775
Restricted	7,970,539	-	7,970,539	8,115,069	-	8,115,069
Unrestricted	8,033,956	3,584,050	11,618,006	9,228,591	1,465,324	10,693,915
Total Net Position	\$ 32,363,811	\$ 16,045,560	\$ 48,409,371	\$ 31,171,343	\$ 11,379,416	\$ 42,550,759

Governmental activities current and other assets decreased by \$1,524,903 when compared to the prior year primarily due to less cash on hand, resulting from funds used for Hurricane Beryl relief. Total capital assets increased by \$6,786,616 due to new capital investments and infrastructure improvements throughout the year. Total other liabilities for business-type activities increased by \$1,490,355 primarily

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

due to greater vendor payables, resulting from the timing of payments subsequent to year end. Total long-term liabilities decreased by \$1,329,049 primarily due to principal payments made on long-term debt and a decrease in the City's net pension liability.

Statement of Activities:

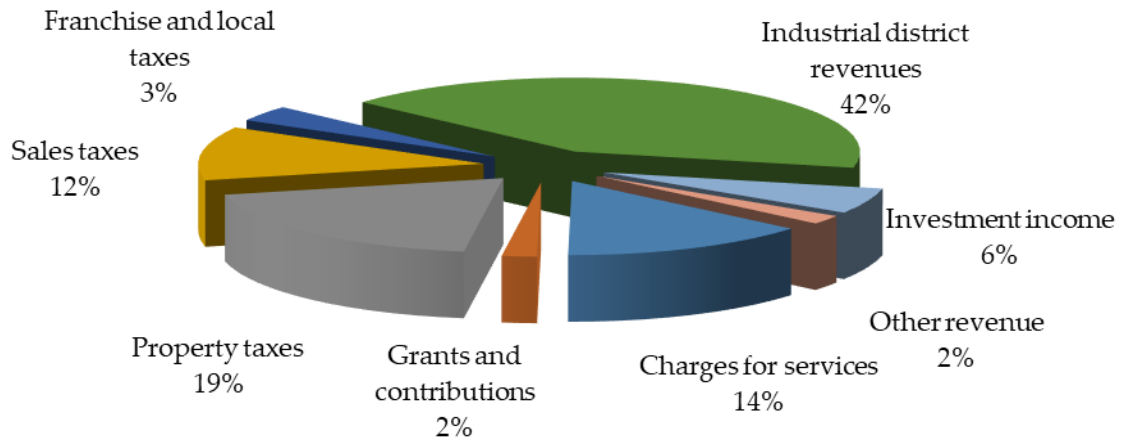
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
			Total			Total
	Governmental	Business-Type	Primary	Governmental	Business-Type	Primary
	Activities	Activities	Government	Activities	Activities	Government
Revenues						
Program revenues:						
Charges for services	\$ 3,173,384	\$ 8,395,101	\$ 11,568,485	\$ 3,479,747	\$ 7,927,835	\$ 11,407,582
Grants and contributions	445,282	3,199,175	3,644,457	1,509,322	1,217,480	2,726,802
General revenues:						
Property taxes	4,318,958	-	4,318,958	3,807,185	-	3,807,185
Sales taxes	2,649,294	-	2,649,294	2,471,744	-	2,471,744
Franchise and local taxes	780,370	-	780,370	861,962	-	861,962
Industrial district revenues	9,413,205	-	9,413,205	8,954,728	-	8,954,728
Investment income	1,266,509	190,405	1,456,914	901,481	171,423	1,072,904
Other revenue	445,872	-	445,872	7,601,020	-	7,601,020
Total Revenues	22,492,874	11,784,681	34,277,555	29,587,189	9,316,738	38,903,927
Expenses						
General government	3,260,635	-	3,260,635	3,870,507	-	3,870,507
Public safety	9,239,723	-	9,239,723	8,878,677	-	8,878,677
Culture and recreation	3,602,223	-	3,602,223	3,642,702	-	3,642,702
Streets and drainage	2,131,361	-	2,131,361	2,036,705	-	2,036,705
Sanitation	763,915	-	763,915	747,174	-	747,174
Service center	336,906	-	336,906	227,444	-	227,444
Disaster relief	1,437,304	-	1,437,304	-	-	-
Interest and fiscal charges	141,315	76,369	217,684	130,460	91,397	221,857
Water and sewer	-	7,429,192	7,429,192	-	7,015,158	7,015,158
Total Expenses	20,913,382	7,505,561	28,418,943	19,533,669	7,106,555	26,640,224
Change in Net Position						
Before Transfers	1,579,492	4,279,120	5,858,612	10,053,520	2,210,183	12,263,703
Transfers	(387,024)	387,024	-	269,383	(269,383)	-
Total	(387,024)	387,024	-	269,383	(269,383)	-
Change in Net Position	1,192,468	4,666,144	5,858,612	10,322,903	1,940,800	12,263,703
Beginning Net Position	31,171,343	11,379,416	42,550,759	20,848,440	9,438,616	30,287,056
Ending Net Position	\$ 32,363,811	\$ 16,045,560	\$ 48,409,371	\$ 31,171,343	\$ 11,379,416	\$ 42,550,759

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

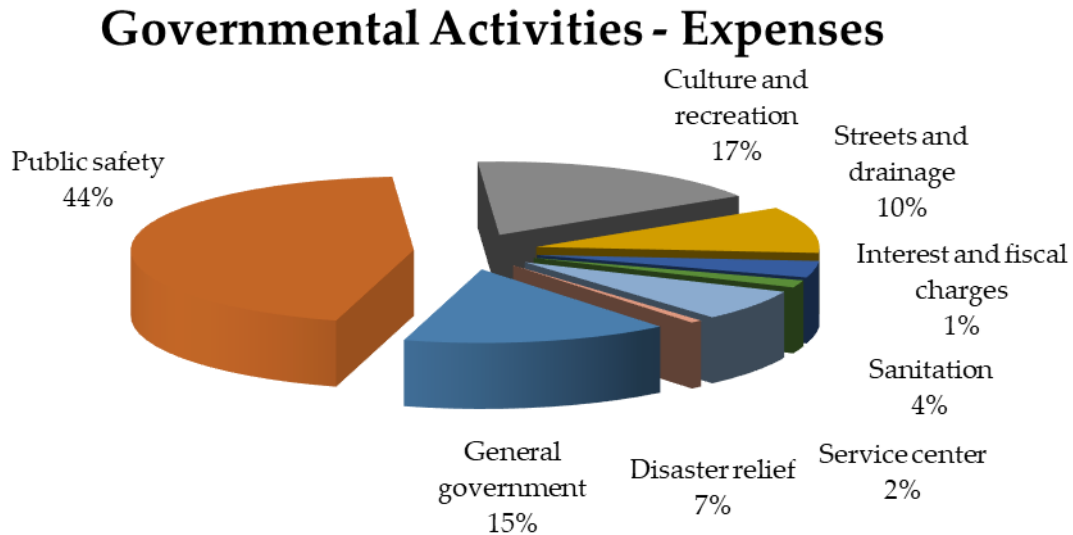
Governmental Activities - Revenues



For the year ended September 30, 2024, revenues from governmental activities totaled \$22,492,874. Industrial district revenues are the City's largest revenue sources. Charges for services decreased by \$306,363 or 9% primarily due to nonrecurring building permits related to Brazos ISD improvements and the Volkswagen facility issued in the prior year. Grants and contributions decreased by \$1,064,040 or 70% primarily due to nonrecurring COVID relief grants received in the prior year. Property tax revenues increased by \$511,773 or 13% primarily due to greater appraised values in the current year. Sales tax revenues increased by \$177,550 or 7% primarily due to economic growth in the current year. Franchise and local tax revenues decreased by \$81,592 or 9% primarily due to greater hotel occupancy rates and utility/garage franchise fees received in the prior year. Investment income increased by \$365,028 or 40% due to the realization of higher interest rates in the current year. Other revenues decreased by \$7,155,148 or 94% due to the nonrecurring settlement funds received from Port Freeport in the prior year. All other revenues remained relatively stable when compared to the previous year.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

This graph shows the governmental function expenses of the City:

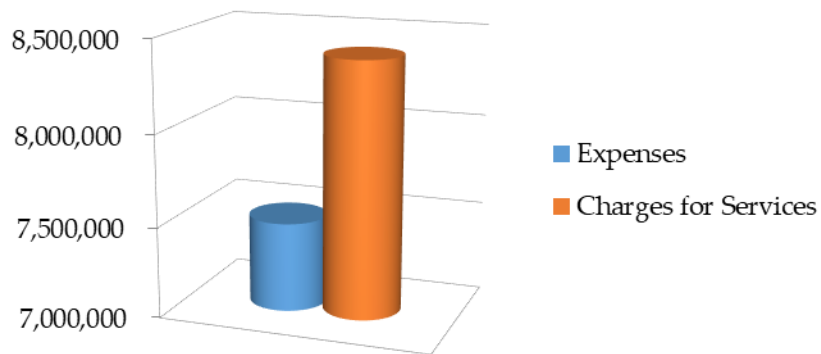


For the year ended September 30, 2024, expenses for governmental activities totaled \$20,913,382. This represents an increase of \$1,379,713 or 7% from the prior year. General government expenses decreased by \$609,872 or 16% due to a decrease in the pension liability, nonrecurring records scanning project expenses, legal fees, and professional services recognized in the prior year. Service center expenses increased by \$109,462 or 48% primarily due to nonrecurring land maintenance, fuel costs, and deposits paid related to concrete replacement in the current year. Disaster relief expenses increased by \$1,437,304 or 100% due to Hurricane Beryl making land fall on July 7, 2024. As a result, the City expended significant funds to aid in disaster recovery in the current year. All remaining expenses remained relatively consistent with the previous year.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$8,395,101. This is an increase of \$467,266 or 6% from the previous year. This increase is directly related to an 11% increase in water rates. Grants increased by \$1,981,695 due to nonrecurring GLO and TDEM grant activity in the current year.

Business-type activities expenses increased by \$414,034 or 6% primarily due to greater water purchases, professional services related to pipe projects, and depreciation in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a fund balance of \$11,384,510. The general fund had a net increase in fund balance for the year of \$621,044. This increase was primarily due to greater than anticipated revenues and less than expected expenditures. In addition, the fund received greater industrial district tax revenues when compared to the prior year.

The capital projects fund reflected a fund balance of \$6,451,853, which represents a decrease of \$648,147. The decrease is related to transfers out of the fund and capital expenditures exceeding current year investment income.

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

There was an increase in the 2020 CO Bond CIP fund of \$214,536 during the year, leaving a year end fund balance of \$1,026,584. The increase in fund balance is directly related to transfers in and investment income exceeding capital outlay expenditures.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$4,149,131 in the general fund. This represents a combination of positive revenue, expenditure, and other financing sources variances of \$1,892,675, \$1,623,357, and \$633,099, respectively. The City amended the original general fund budget for fiscal year 2024 by increasing total revenues by \$160,000 and increasing total expenditures by \$2,464,232. The general government, sanitation, service center, principal, and interest/fiscal charges expenditures exceeded appropriations at the legal level of budgetary control.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$23,641,250 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$16,512,576 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Purchased land for \$223,466.
- Continued street improvements for \$820,236.
- Began improvements to the fire station for \$354,304.
- Purchased a new ambulance for \$227,831.
- Purchased multiple radios for \$196,695.
- Purchased multiple vehicles for \$510,242.
- Entered into a building lease for \$761,068.
- Made street improvements totaling \$222,099.
- Made sewer improvements totaling \$3,486,088.
- Made improvements to the WWTP for \$850,388.
- Made lift station improvements for \$368,850.

City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding (including premiums) of \$12,718,359. The City entered into a new property rental lease in the amount of \$761,068 in the current year. The City also made principal repayments on outstanding debt totaling \$720,281. More detailed information about the City's long-term liabilities is presented in note IV. E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Each year the budget is prepared on key objectives and assumptions. The property tax rate for fiscal year 2025 (tax year 2024) is \$0.515 per \$100 of assessed value, which is less than the tax rate for fiscal year 2024 (tax year 2023), which was \$0.533. The Maintenance and Operation rate decreased by \$0.042776 per \$100 of assessed values while the Interest and Sinking rate decreased by \$0.000045 per \$100 of assessed value. Property tax revenue for the City is budgeted \$141 thousand lower than the previous year which is a 3.2% decrease. Of this revenue, the majority of the revenue was from changes in market value of property within the City of Freeport.

The City of Freeport has multiple industrial agreements that are based off property tax rates as well. In the fiscal year 2025 budget these revenues were estimated to increase by 3.6% over the fiscal year 2024 budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Freeport's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 1201 North Avenue H, Freeport, TX 77541.

FINANCIAL STATEMENTS

City of Freeport, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 21,304,356	\$ 3,936,831	\$ 25,241,187
Due from component unit	29,772	-	29,772
Receivables, net	1,693,380	3,302,632	4,996,012
Lease receivables, current	52,924	-	52,924
Internal balances	240,725	(240,725)	-
Prepays	222,345	66,734	289,079
Total Current Assets	23,543,502	7,065,472	30,608,974
Lease receivables, noncurrent	1,332,148	-	1,332,148
Capital assets:			
Non-depreciable	3,497,672	7,129,394	10,627,066
Net depreciable capital assets	20,143,578	9,383,182	29,526,760
Total Noncurrent Assets	24,973,398	16,512,576	41,485,974
Total Assets	48,516,900	23,578,048	72,094,948
<u>Deferred Outflows of Resources</u>			
Pension outflows	2,018,423	29,966	2,048,389
OPEB outflows - TMRS	8,467	126	8,593
OPEB outflows - Health	13,079	199	13,278
Total Deferred Outflows of Resources	2,039,969	30,291	2,070,260

See Notes to Financial Statements.

Component Unit	
Freeport	
EDC	

\$	3,197,935
	-
	232,860
	-
	-
	-
	<u>3,430,795</u>

	-
	2,456,056
	233,845
	<u>2,689,901</u>
	<u>6,120,696</u>

	47,181
	198
	-
	<u>47,379</u>

City of Freeport, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,379,878	\$ 2,600,777	\$ 3,980,655
Customer deposits	-	313,800	313,800
Accrued interest	68,679	60,393	129,072
Due to primary government	-	-	-
Compensated absences, current	258,021	1,607	259,628
Long-term debt due within one year	696,402	195,000	891,402
	<u>2,402,980</u>	<u>3,171,577</u>	<u>5,574,557</u>
Noncurrent liabilities:			
Net pension liability	5,874,399	87,212	5,961,611
OPEB liability - TMRS	375,744	5,578	381,322
OPEB liability - Health	172,348	2,627	174,975
Compensated absences, noncurrent	28,669	179	28,848
Long-term debt due in more than one year	7,538,184	4,288,773	11,826,957
Total Noncurrent Liabilities	<u>13,989,344</u>	<u>4,384,369</u>	<u>18,373,713</u>
Total Liabilities	<u>16,392,324</u>	<u>7,555,946</u>	<u>23,948,270</u>
<u>Deferred Inflows of Resources</u>			
Pension inflows	171,586	2,547	174,133
OPEB inflows - TMRS	66,832	992	67,824
OPEB inflows - Health	216,185	3,294	219,479
Leases	1,346,131	-	1,346,131
Total Deferred Inflows of Resources	<u>1,800,734</u>	<u>6,833</u>	<u>1,807,567</u>
<u>Net Position</u>			
Net investment in capital assets	16,359,316	12,461,510	28,820,826
Restricted for:			
Capital projects	6,451,853	-	6,451,853
Municipal court	265,641	-	265,641
Economic development	570,587	-	570,587
Debt service	440,636	-	440,636
Tourism	241,822	-	241,822
Unrestricted	8,033,956	3,584,050	11,618,006
Total Net Position	<u>\$ 32,363,811</u>	<u>\$ 16,045,560</u>	<u>\$ 48,409,371</u>

See Notes to Financial Statements.

Component Unit
Freeport
EDC

\$	48,384
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-

-

29,772

5,889

-

84,045

137,315

8,783

-

654

-

146,752

230,797

4,011

1,562

-

-

5,573

2,689,901

-

-

3,241,804

-

-

-

\$	5,931,705
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City of Freeport, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,260,635	\$ 306,968	\$ -	\$ -
Public safety	9,239,723	851,937	445,282	-
Streets and drainage	2,131,361	205,940	-	-
Culture and recreation	3,602,223	1,023,628	-	-
Sanitation	763,915	784,911	-	-
Service center	336,906	-	-	-
Disaster relief	1,437,304	-	-	-
Interest and fiscal charges	141,315	-	-	-
Total Governmental Activities	<u>20,913,382</u>	<u>3,173,384</u>	<u>445,282</u>	<u>-</u>
Business-Type Activities				
Water and sewer	7,505,561	8,395,101	-	3,199,175
Total Business-Type Activities	<u>7,505,561</u>	<u>8,395,101</u>	<u>-</u>	<u>3,199,175</u>
Total Primary Government	<u><u>\$ 28,418,943</u></u>	<u><u>\$ 11,568,485</u></u>	<u><u>\$ 445,282</u></u>	<u><u>\$ 3,199,175</u></u>
Component Unit				
Freeport EDC	800,864	-	-	-
Total Component Unit	<u><u>\$ 800,864</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

General Revenues:

Taxes
 Property taxes
 Sales taxes
 Industrial district
 Franchise and local taxes
 Investment income
 Other revenue
 Proceeds from sale of assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Beg. Net Position, as previously reported

Error correction

Beg. Net Position, as adjusted

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Freeport EDC
\$ (2,953,667)	\$ -	\$ (2,953,667)	\$ -
(7,942,504)	-	(7,942,504)	-
(1,925,421)	-	(1,925,421)	-
(2,578,595)	-	(2,578,595)	-
20,996	-	20,996	-
(336,906)	-	(336,906)	-
(1,437,304)	-	(1,437,304)	-
(141,315)	-	(141,315)	-
(17,294,716)	-	(17,294,716)	-
-	4,088,715	4,088,715	-
-	4,088,715	4,088,715	-
(17,294,716)	4,088,715	(13,206,001)	-
			(800,864)
			(800,864)
4,318,958	-	4,318,958	-
2,649,294	-	2,649,294	1,324,647
9,413,205	-	9,413,205	-
780,370	-	780,370	-
1,266,509	190,405	1,456,914	168,504
432,022	-	432,022	72,925
13,850	-	13,850	-
(387,024)	387,024	-	-
18,487,184	577,429	19,064,613	1,566,076
1,192,468	4,666,144	5,858,612	765,212
30,933,415	11,402,534	42,335,949	5,166,493
237,928	(23,118)	214,810	-
31,171,343	11,379,416	42,550,759	5,166,493
\$ 32,363,811	\$ 16,045,560	\$ 48,409,371	\$ 5,931,705

City of Freeport, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	General	Capital Projects	2020 CO Bond CIP Fund	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 9,579,958	\$ 6,728,210	\$ 1,026,584	\$ 3,969,604
Receivables, net	2,981,449	-	-	97,003
Prepays	169,020	-	-	53,325
Due from component unit	29,772	-	-	-
Due from other funds	1,437,304	-	-	255,278
Total Assets	\$ 14,197,503	\$ 6,728,210	\$ 1,026,584	\$ 4,375,210
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 945,163	\$ 276,357	\$ -	\$ 158,358
Due to other funds	14,553	-	-	1,437,304
Total Liabilities	959,716	276,357	-	1,595,662
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	214,758	-	-	29,895
EMS	254,844	-	-	-
Franchise taxes	37,544	-	-	-
Leases	1,346,131	-	-	-
Total Deferred Inflows	1,853,277	-	-	29,895
<u>Fund Balances</u>				
Nonspendable				
Prepays	169,020	-	-	53,325
Restricted for:				
Capital projects	-	6,451,853	1,026,584	-
Municipal court	-	-	-	265,641
Debt service	-	-	-	440,636
Tourism	-	-	-	241,822
Economic development	-	-	-	570,587
Assigned for:				
Facilities and grounds	-	-	-	2,401,335
Unassigned reported in:				
General fund	11,215,490	-	-	-
Nonmajor funds	-	-	-	(1,438,698)
Total Fund Balances	11,384,510	6,451,853	1,026,584	2,749,653
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,197,503	\$ 6,728,210	\$ 1,026,584	\$ 4,375,210

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	21,304,356
	3,078,452
	222,345
	29,772
	1,692,582
\$	26,327,507

\$	1,379,878
	1,451,857
	2,831,735

	244,653
	254,844
	37,544
	1,346,131
	1,883,172

222,345

7,478,437

265,641

440,636

241,822

570,587

2,401,335

11,215,490

(1,438,698)

21,612,600

\$	26,327,507
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City of Freeport, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2024

Fund Balances - Total Governmental Funds	\$	21,612,600
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		3,497,672
Capital assets - net depreciable		20,143,578
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		244,653
EMS		254,844
Franchise		37,544
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.		
Pension outflows		2,018,423
OPEB outflows - TMRS		8,467
OPEB outflows - Health		13,079
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.		
Pension inflows		(171,586)
OPEB inflows - TMRS		(66,832)
OPEB inflows - Health		(216,185)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(68,679)
Deferred (gains) charges:		
For bond premiums		(301,157)
Net pension liability		(5,874,399)
OPEB liability - TMRS		(375,744)
OPEB liability - Health		(172,348)
Compensated absences		(286,690)
Bonds, notes, & lease liabilities		(7,933,429)
Net Position of Governmental Activities	\$	<u><u>32,363,811</u></u>

See Notes to Financial Statements.

City of Freeport, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS For the Year Ended September 30, 2024

	General	Capital Projects	2020 CO Bond CIP Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Property tax	\$ 3,397,417	\$ -	\$ -	\$ 844,205	\$ 4,241,622
Sales tax	2,649,294	-	-	-	2,649,294
Industrial district	9,413,205	-	-	-	9,413,205
Franchise and local taxes	713,297	-	-	76,753	790,050
License and permits	205,940	-	-	-	205,940
Intergovernmental	445,282	-	-	-	445,282
Fines and forfeitures	237,298	-	-	69,670	306,968
Charges for services	2,646,320	-	-	-	2,646,320
Investment income	689,180	310,656	63,108	203,565	1,266,509
Other revenue	432,022	-	-	-	432,022
Total Revenues	20,829,255	310,656	63,108	1,194,193	22,397,212
<u>Expenditures</u>					
Current:					
General government	3,456,163	-	-	62,000	3,518,163
Public safety	8,736,911	-	-	22,222	8,759,133
Streets and drainage	1,454,419	-	-	-	1,454,419
Sanitation	763,915	-	-	-	763,915
Culture and recreation	3,224,903	-	-	-	3,224,903
Service center	310,593	-	-	-	310,593
Disaster relief	-	-	-	1,437,304	1,437,304
Capital outlay	1,626,313	422,246	2,500	1,808,022	3,859,081
Debt Service:					
Principal	170,281	-	-	360,000	530,281
Interest and fiscal charges	31,562	-	-	150,278	181,840
Total Expenditures	19,775,060	422,246	2,500	3,839,826	24,039,632
Excess of Revenues Over (Under) Expenditures	1,054,195	(111,590)	60,608	(2,645,633)	(1,642,420)

City of Freeport, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS For the Year Ended September 30, 2024

	General	Capital Projects	2020 CO Bond CIP Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>					
Lease issuance	\$ 761,068	\$ -	\$ -	\$ -	\$ 761,068
Sales of assets	13,850	-	-	-	13,850
Transfers in	150,000	-	153,928	1,204,141	1,508,069
Transfers (out)	(1,358,069)	(536,557)	-	(467)	(1,895,093)
Total Other Financing Sources (Uses)	(433,151)	(536,557)	153,928	1,203,674	387,894
Net Change in Fund Balances	621,044	(648,147)	214,536	(1,441,959)	(1,254,526)
Beg. fund balances, as previously reported	10,556,882	7,100,000	812,048	4,160,268	22,629,198
Error correction	206,584	-	-	31,344	237,928
Beg. fund balance, as adjusted	10,763,466	7,100,000	812,048	4,191,612	22,867,126
Ending Fund Balances	\$ 11,384,510	\$ 6,451,853	\$ 1,026,584	\$ 2,749,653	\$ 21,612,600

See Notes to Financial Statements.



City of Freeport, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (1,254,526)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,578,163
Depreciation expense	(2,162,321)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property tax	77,336
EMS	14,156
Franchise taxes	(9,680)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	27,591
Accrued interest	2,685
Pension expense	(18,949)
OPEB expense	130,960

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of deferred costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premium	37,840
Lease issuance	(761,068)
Principal payments	530,281

Change in Net Position of Governmental Activities	\$ 1,192,468
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See Notes to Financial Statements.

City of Freeport, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2024

	Water & Sewer
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 3,936,831
Receivables, net	3,302,632
Prepays	66,734.00
Total Current Assets	7,306,197
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	7,129,394
Net depreciable capital assets	9,383,182
Total Noncurrent Assets	16,512,576
Total Assets	23,818,773
<u>Deferred Outflows of Resources</u>	
Pension outflows	29,966
OPEB outflows - TMRS	126
OPEB outflows - Health	199
Total Deferred Outflows of Resources	30,291

City of Freeport, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND (Continued)
September 30, 2024

	Water & Sewer
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	\$ 2,600,777
Customer deposits	313,800
Due to other funds	240,725
Accrued interest	60,393
Compensated absences, current	1,607
Long-term debt due within one year	195,000
Total Current Liabilities	3,412,302
<u>Noncurrent Liabilities</u>	
Net pension liability	87,212
OPEB liability - TMRS	5,578
OPEB liability - Health	2,627
Compensated absences, noncurrent	179
Long-term debt due in more than one year	4,288,773
Total Liabilities	7,796,671
<u>Deferred Inflows of Resources</u>	
Pension inflows	2,547
OPEB inflows - TMRS	992
OPEB inflows - Health	3,294
Total Deferred Inflows of Resources	6,833
<u>Net Position</u>	
Net investment in capital assets	12,461,510
Unrestricted	3,584,050
Total Net Position	\$ 16,045,560

See Notes to Financial Statements.

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City of Freeport, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2024

	<u>Water & Sewer</u>
<u>Operating Revenues</u>	
Charges for services	\$ 8,395,101
Total Operating Revenues	<u>8,395,101</u>
<u>Operating Expenses</u>	
Personnel services	206,022
Materials and supplies	27,093
Water purchases	2,979,240
Contractual services	2,830,114
Other	697,508
Depreciation	689,215
Total Operating Expenses	<u>7,429,192</u>
Operating Income (Loss)	<u>965,909</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	190,405
Interest expense	(76,369)
Total Nonoperating Revenues (Expenses)	<u>114,036</u>
Income (Loss) Before Transfers	1,079,945
<u>Transfers and Contributions</u>	
Capital grants and contributions	3,199,175
Transfers in	537,024
Transfers (out)	(150,000)
Total Transfers and Contributions	<u>3,586,199</u>
Change in Net Position	4,666,144
Beg. net position, as previously reported	11,402,534
Error correction	(23,118)
Beg. net position, as adjusted	11,379,416
Ending Net Position	<u><u>\$ 16,045,560</u></u>

See Notes to Financial Statements.

City of Freeport, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 1 of 2)
For the Year Ended September 30, 2024

	Water & Sewer
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 7,315,068
Payments to employees	(201,067)
Payments to suppliers and contractors	(5,063,907)
Net Cash Provided by Operating Activities	2,050,094
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers in	537,024
Transfers (out)	(150,000)
Net Cash Provided (Used) by Noncapital Financing Activities	387,024
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(5,059,989)
Capital contributions	3,199,175
Principal paid on debt	(190,000)
Interest paid on debt	(104,641)
Net Cash (Used for) Capital and Related Financing Activities	(2,155,455)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	190,405
Net Cash Provided by Investing Activities	190,405
Net Increase in Cash and Cash Equivalents	472,068
Beginning cash and cash equivalents	3,464,763
Ending Cash and Cash Equivalents	\$ 3,936,831

See Notes to Financial Statements.

City of Freeport, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2024

	<u>Water & Sewer</u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 965,909
Adjustments to reconcile operating income to net cash provided:	
Depreciation	689,215
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(1,087,532)
Prepaid expenses	(9,609)
Deferred Outflows of Resources:	
Pension outflows	9,265
OPEB outflows	(41)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	1,479,657
Customer deposits	7,499
Compensated absences	(2,001)
Net pension liability	(4,868)
OPEB liabilities	(1,011)
Deferred Inflows of Resources:	
Pension inflows	2,547
OPEB inflows	1,064
Net Cash Provided by Operating Activities	<u>\$ 2,050,094</u>

See Notes to Financial Statements.

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City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Freeport (City) operates under a Home Rule Charter adopted in a special election on June 20, 1960. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public services, streets and drainage, sanitation, health and building inspections, culture-recreation, public improvements, planning and zoning, and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Freeport Economic Development Corporation ("FEDC") is legally separate and presented as a discretely presented component unit. The Tax Increment Reinvestment Zone No. 1 Fund ("TIRZ #1") is a blended component unit and presented as a nonmajor governmental fund. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Unit

Tax Increment Reinvestment Zone No. 1 Fund ("TIRZ")

On December 2, 2019, the City passed ordinance No. 2019-2590 designating a 345-acre tract of land to promote development along the Brazos River and the downtown area of the City. It creates dedicated funding for infrastructure within the district and an incentive for people to come and do business through the TIRZ from the additional property tax dollars generated in the district as a result of development. This district is set to collect 50% of the incremental new tax dollars generated to plug back into the district to foster additional development. The operations of the TIRZ are set to continue through December 31, 2049. The TIRZ can be dissolved at an earlier time if a subsequent ordinance is passed by the City and all subsequent issuances of tax increment bonds including interest, if any, along with project costs are paid in full.

Discretely Presented Component Unit

Freeport Economic Development Corporation

The City Council authorized the creation and approved the Articles of Incorporation and the Bylaws of the Freeport Economic Development Corporation (the Corporation). The Articles of Incorporation were filed with the Office of the Secretary of State of Texas on December 20, 1999. The Corporation, a nonprofit corporation, organized under Section 4B of the development Corporation Act of 1979 was created to act on behalf of the City in the promotion and financing of projects so as to promote public welfare.

The Corporation is governed by a seven-member board of directors appointed by the City Council. All projects must have prior approval of the City Council. The voters of Freeport approved collection of a one-half cent sales tax, effective November 2, 1999, to fund the cost of land, buildings, equipment, facilities, improvements and maintenance and operation costs for public park purposes, recreational facilities and infrastructure improvements for development of new or expanded business enterprises.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

C. Basis of Presentation Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, parks and recreation and public works.

Capital Projects Fund

The City's capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

2020 CO Bond CIP Fund

This fund accounts for the portion of the proceeds from the issuance of the 2020 certificates of obligation to be used for the purpose of repairing, improving, upgrading, and equipping City buildings, City streets and drainage, and City parks, including engineering and other related costs, and for the acquisition of equipment for general governmental purposes.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

Water and Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the City and the construction of related facilities. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), impact fees and other City funds. All costs are financed through charges to utility customers.

Additionally, the government reports the following fund types:

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

revenue for debt service is local property taxes. The debt service fund is considered a nonmajor fund for reporting purposes.

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

E. Budgetary Information

The original budget is adopted by the City Council prior to the beginning of the fiscal year for the General Fund and Debt Service Fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Transfers of appropriations between departments require the approval of the City Council.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

market investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as LOGIC, are reported using the pools’ share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles and equipment	5-15 years
Utility plant	40 years
Right to use equipment	Shorter of lease term or 5-15 years
Buildings and improvements	10-20 years

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property tax and fines and fee revenue. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Other Postemployment Benefits

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

Additionally, the City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's insurance plan. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees.

10. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

11. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (City Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

13. Compensated Absences

Eligible City employees accrue vacation time monthly at various rates based on length of service with the City. Employees may elect to carry over a maximum of fifteen (15) days past his/her yearly anniversary date. It is possible for employees to have accrued vacation time at year end, which has not yet been lost. The City's sick leave policy provides fifteen paid sick days per year for full-time employees. Unused sick leave can be accumulated to a maximum of ninety (90) days.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

14. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, bond premiums, leases payable, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

15. Leases

Lessee: The City is a lessee for noncancellable lease of vehicles and office equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of cell towers and golf course subsurfaces. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

16. Subscription Based Information Technology Arrangements

The City implemented the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). Upon implementation, the City recorded right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and amortized straight-line over the term of the

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

arrangement. The liabilities accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

17. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Expenditures in Excess of Appropriations

The original budget is adopted by the City Council prior to the beginning of the fiscal year for the general fund, debt service fund, 2020 CO bond CIP fund, the special revenue funds, and the water/sewer fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Transfers of appropriations between departments require the approval of the City Council.

Appropriations lapse at the end of the year. Several supplemental budget amendments were made during the year.

Expenditures exceeded appropriations at the legal level of control as follows:

General Fund:

General government	\$	937,485
Sanitation		13,915
Service center		107,160
Principal		169,281
Interest and fiscal charges		31,562

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pools	\$ 17,093,412	31
Total fair value	<u>\$ 17,093,412</u>	
Portfolio weighted average maturity		31

As of September 30, 2024, the component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pools	\$ 2,565,891	26
Total fair value	<u>\$ 2,565,891</u>	
Portfolio weighted average maturity		26

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity to 365 days or less; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk – The City’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City requires all deposits with financial institutions be collateralized in an

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

amount equal to 102 percent of uninsured balances. As of September 30, 2024, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

Texas CLASS

Texas CLASS is a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Texas CLASS Government seeks to provide participants with a competitive market yield while maintaining daily liquidity and a stable net asset value. Texas CLASS Government is rated 'AAAm' by S&P Global Ratings. There were no limitations or restrictions on withdrawals.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

B. Receivables

1. The following comprise receivable balances of the primary government at year end:

	General	Nonmajor Governmental Funds	Utility	Total
Property taxes	\$ 277,660	\$ 45,280	\$ -	\$ 322,940
Sales tax	465,720	-	-	465,720
Franchise and local	17,804	80,429	-	98,233
EMS	933,793	-	-	933,793
Accounts	165,757	39,610	2,616,786	2,822,153
Grants	360,498	-	1,129,814	1,490,312
Lease receivables	1,385,675	-	-	1,385,675
Other	80,508	-	-	80,508
Allowance	(705,966)	(68,316)	(443,968)	(1,218,250)
Total	\$ 2,981,449	\$ 97,003	\$ 3,302,632	\$ 6,381,084

2. The discretely presented component unit's receivable balance consisted entirely of sales taxes.
3. The City is the lessor of two contracts in which the City receives lease payments from Verizon and Dow Chemical for the use of existing cell towers and golf course subsurfaces. The leases commenced in 2017 and 2022. Monthly lease payments of \$1,000 will be received from Verizon through March 2028. Annual lease payments of \$100,000 will be received from Dow Chemical through July 2036. As of September 30, 2024, the lease receivable and offsetting deferred inflows amounted to \$1,385,072 and \$1,346,131, respectively.

The annual principal and interest payments to be received are as follows:

Year ending September 30,	Governmental Activities	
	Principal	Interest (4.28%)
2025	\$ 52,924	\$ 59,076
2026	55,198	56,801
2027	57,570	54,430
2028	53,990	52,010
Thereafter	1,165,390	334,610
	\$ 1,385,072	\$ 556,927

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 2,405,700	\$ 223,465	\$ -	\$ 2,629,165
Construction in process	3,747,614	1,483,794	(4,362,901)	868,507
Total capital assets not being depreciated	<u>6,153,314</u>	<u>1,707,259</u>	<u>(4,362,901)</u>	<u>3,497,672</u>
Capital assets, being depreciated:				
Streets and improvements	27,126,458	367,280	4,362,901	31,856,639
Building and improvements	8,782,485	25,799	-	8,808,284
Furniture, equipment, and vehicles	17,190,483	1,716,757	-	18,907,240
Right-of-use assets	580,186	761,068	-	1,341,254
SBITA assets	51,545	-	-	51,545
Total capital assets being depreciated	<u>53,731,157</u>	<u>2,870,904</u>	<u>4,362,901</u>	<u>60,964,962</u>
Less accumulated depreciation				
Streets and improvements	18,433,677	858,795	-	19,292,472
Building and improvements	6,275,048	268,265	-	6,543,313
Furniture, equipment, and vehicles	13,751,371	802,623	-	14,553,994
Right-to-use assets	186,509	215,187	-	401,696
SBITA assets	12,458	17,451	-	29,909
Total accumulated depreciation	<u>38,659,063</u>	<u>2,162,321</u>	<u>-</u>	<u>40,821,384</u>
Net capital assets being depreciated	<u>15,072,094</u>	<u>708,583</u>	<u>4,362,901</u>	<u>20,143,578</u>
Total Capital Assets	<u><u>\$ 21,225,408</u></u>	<u><u>\$ 2,415,842</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,641,250</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 409,144
Public safety	584,025
Streets and drainage	744,517
Culture and recreation	398,038
Service center	26,597
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,162,321</u></u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 68,600	\$ -	\$ -	\$ 68,600
Construction in progress	2,139,512	4,921,282	-	7,060,794
Total capital assets not being depreciated	<u>2,208,112</u>	<u>4,921,282</u>	<u>-</u>	<u>7,129,394</u>
Capital assets, being depreciated:				
Water and sewer system	28,349,488	86,803	-	28,436,291
Furniture, equipment, and vehicles	748,488	51,904	-	800,392
Total capital assets being depreciated	<u>29,097,976</u>	<u>138,707</u>	<u>-</u>	<u>29,236,683</u>
Less accumulated depreciation				
Water and sewer system	18,848,942	602,800	-	19,451,742
Furniture, equipment, and vehicles	315,344	86,415	-	401,759
Total accumulated depreciation	<u>19,164,286</u>	<u>689,215</u>	<u>-</u>	<u>19,853,501</u>
Net capital assets being depreciated	<u>9,933,690</u>	<u>(550,508)</u>	<u>-</u>	<u>9,383,182</u>
Total Capital Assets	<u><u>\$ 12,141,802</u></u>	<u><u>\$ 4,370,774</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,512,576</u></u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A summary of changes in component unit activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 2,456,056	\$ -	\$ -	\$ 2,456,056
Total capital assets not being	<u>2,456,056</u>	<u>-</u>	<u>-</u>	<u>2,456,056</u>
Capital assets, being depreciated:				
Streets and improvements	2,362,143	243,513	-	2,605,656
Total capital assets being depreciated	<u>2,362,143</u>	<u>243,513</u>	<u>-</u>	<u>2,605,656</u>
Less accumulated depreciation				
Streets and improvements	2,359,942	11,869	-	2,371,811
Total accumulated depreciation	<u>2,359,942</u>	<u>11,869</u>	<u>-</u>	<u>2,371,811</u>
Net capital assets being depreciated	<u>2,201</u>	<u>231,644</u>	<u>-</u>	<u>233,845</u>
Total Capital Assets	<u><u>\$ 2,458,257</u></u>	<u><u>\$ 231,644</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,689,901</u></u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

D. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and proprietary fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated absences	\$ 314,281	\$ 255,263	\$ (282,854)	\$ 286,690	\$ 258,021
Total Governmental Activities	<u>\$ 314,281</u>	<u>\$ 255,263</u>	<u>\$ (282,854)</u>	<u>\$ 286,690</u>	<u>\$ 258,021</u>
Long-term Liabilities Due in More than One Year				<u>\$ 28,669</u>	
Business-Type Activities:					
Compensated absences	\$ 3,787	\$ 1,786	\$ (3,787)	\$ 1,786	\$ 1,607
Total Business-Type Activities	<u>\$ 3,787</u>	<u>\$ 1,786</u>	<u>\$ (3,787)</u>	<u>\$ 1,786</u>	<u>\$ 1,607</u>
Long-term Liabilities Due in More than One Year				<u>\$ 179</u>	
Component Unit Activities:					
Compensated absences	\$ 6,720	\$ 6,143	\$ (6,320)	\$ 6,543	\$ 5,889
Total Component Unit Activities	<u>\$ 6,720</u>	<u>\$ 6,143</u>	<u>\$ (6,320)</u>	<u>\$ 6,543</u>	<u>\$ 5,889</u>
				<u>\$ 654</u>	

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

E. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the debt service and general fund to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of obligation	\$ 7,215,000	\$ -	\$ (360,000)	\$ 6,855,000	\$ 365,000
Premiums	338,997	-	(37,840)	301,157	-
Lease liabilities	457,097	761,068	(156,379)	1,061,786	325,855
Subscription liabilities	30,545	-	(13,902)	16,643	5,547
Total Governmental Activities	<u>\$ 8,041,639</u>	<u>\$ 761,068</u>	<u>\$ (568,121)</u>	<u>\$ 8,234,586</u>	<u>\$ 696,402</u>

Long-term liabilities due in more than one year \$ 7,538,184

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type Activities:					
Bonds, notes and other payables:					
Certificates of obligation	\$ 4,455,000	\$ -	\$ (190,000)	\$ 4,265,000	\$ 195,000
Premium	247,045	-	(28,272)	218,773	-
Total Business-type Activities	<u>\$ 4,702,045</u>	<u>\$ -</u>	<u>\$ (218,272)</u>	<u>\$ 4,483,773</u>	<u>\$ 195,000</u>

Long-term liabilities due in more than one year \$ 4,288,773

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Primary government long-term debt at year end was comprised of the following debt issues:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Certificates of Obligation:		
\$7,735,000 Series 2020 Combined Tax & Revenue Cert. of Obligation, due in installments through Sept 2040, interest at 1.125% to 4.125%	\$ 6,855,000	\$ -
\$4,845,000 Series 2021 Combined Tax & Revenue Cert. of Obligation, due in annual installments through Sept 2041, interest at 1.25% to 2.84%	-	4,265,000
Total Certificates of Obligation	<u>\$ 6,855,000</u>	<u>\$ 4,265,000</u>
 Lease Liabilities:		
\$275,312 lease agreement for 58 golf carts, one range picker due in installments through Nov 15, 2025, interest at 4.28%	\$ 203,596	\$ -
\$230,594 lease agreement for office equipment due in annual installments through Oct 2028, interest at various rates	174,356	-
\$761,068 lease agreement for property rental, due in annual installments through May 2027 interest at 4.28%	683,834	-
Total Lease Liabilities	<u>\$ 1,061,786</u>	<u>\$ -</u>
 Subscription Liabilities:		
\$52,461 software subscriptions; terms 2 yr & 5 yr, due in installments through 2027, interest at 2.71% & 3.31%	\$ 16,643	\$ -
Total Subscription Liabilities	<u>\$ 16,643</u>	<u>\$ -</u>
 Bond Premiums:	301,157	218,773
Total Debt	<u><u>\$ 8,234,586</u></u>	<u><u>\$ 4,483,773</u></u>

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

The annual requirements to amortize the primary government's debt issues outstanding at year ending were as follows:

Governmental Activities

Year Ending,	Certificates of Obligation	
	Principal	Interest
2025	\$ 365,000	\$ 133,469
2026	370,000	127,994
2027	375,000	122,444
2028	380,000	117,288
2029	395,000	101,613
2030-2034	2,160,000	329,694
2035-2039	2,320,000	170,056
2040	490,000	9,800
Total	\$ 6,855,000	\$ 1,112,358

Governmental Activities

	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 325,855	\$ 41,461	\$ 5,547	\$ 184
2026	468,144	21,111	5,548	183
2027	232,264	6,617	5,548	183
2028	33,821	791	-	-
2029	1,702	6	-	-
Total	\$ 1,061,786	\$ 69,986	\$ 16,643	\$ 550

The City has entered into lease agreements. The related governmental activities right to use assets had a carrying value of \$939,558 as of yearend.

The City has entered into software subscription agreements. The related governmental activities right to use assets had a carrying value of \$21,636 as of yearend.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Business-type Activities

Year Ending,	Certificates of Obligation	
	Principal	Interest
2025	\$ 195,000	\$ 106,650
2026	205,000	98,850
2027	215,000	90,650
2028	220,000	82,050
2029	230,000	73,250
2030-2034	1,245,000	273,750
2035-2039	1,375,000	141,500
2040-2041	580,000	17,400
Total	\$ 4,265,000	\$ 884,100

F. Restricted Net Position

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for the primary government was \$7,970,539. Of which, \$507,463 is restricted by enabling legislation.

G. Interfund Transactions

Transfers between the primary government funds during the 2024 year were as follows:

	Transfers In:				
	2020 CO Bond				
Transfers (Out):	General	CIP	Nonmajor Govt.	Water & Sewer	Total
General	\$ -	\$ 153,928	\$ 1,204,141	\$ -	\$ 1,358,069
Capital projects	-	-	-	536,557	536,557
Nonmajor govt.	-	-	-	467	467
Water and sewer	150,000	-	-	-	150,000
	<u>\$ 150,000</u>	<u>\$ 153,928</u>	<u>\$ 1,204,141</u>	<u>\$ 537,024</u>	<u>\$ 2,045,093</u>

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various capital expenditures and principal and interest payments.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The compositions of interfund balances to/from as of the year ended September 30, 2024 were as follows:

<u>Due from (Receivable fund):</u>	<u>Due to (Payable fund):</u>			<u>Total</u>
	<u>General</u>	<u>Nonmajor Govt.</u>	<u>Water & Sewer</u>	
General	\$ -	\$ 1,437,304	\$ -	\$ 1,437,304
Nonmajor govt.	14,553	-	240,725	255,278
	<u>\$ 14,553</u>	<u>\$ 1,437,304</u>	<u>\$ 240,725</u>	<u>\$ 1,692,582</u>

Amounts recorded as interfund receivables and payables are considered to be temporary loans and will be repaid during the following fiscal year.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No such liabilities were recorded as of year end.

C. Contracts/Agreements

Industrial Contract Agreements

The City has three Industrial Development Agreements: Brazosport IDA (Interlocal with Lake Jackson and Clute), Freeport IDA, and Freeport LNG. Brazosport IDA and Freeport IDA, payments to the City are calculated based on property values or CPI, whichever is

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

greater. Freeport LNG Industrial District payments are made in accordance to a payment schedule outlined in the agreement. The amount received under this contract and various other industrial district contracts during the year ended September 30, 2024 was \$9,413,205 and is reported in the General Fund.

Water Supply Contract

The City entered into a water supply contract with the Brazosport Water Authority on February 20, 1987. The contract term is forty years and may not be terminated as long as bonds are outstanding. The City agrees to take and pay for, whether used or not, 2 million gallons of water per day. The actual supply of water under this contract started in March, 1989.

Sewage Treatment Contract

The City is party to an agreement with the City of Oyster Creek to share costs associated with the operation of a sewer treatment plant. The plant went on-line during the fiscal year ended September 30, 1989. The percentage for sharing the operating expenses is determined based upon meter flow calibrations. For the year ended September 30, 2024, the City of Freeport's portion of these expenses is estimated to be \$204,354.

Animal Shelter

During the year ended September 30, 2003, the City began a joint venture with the City of Clute, City of Lake Jackson, and the Society for the Prevention of Cruelty to Animals ("SPCA") for an animal shelter. The shelter is located in Lake Jackson and provides programs for the claiming and adoption of lost or abandoned animals for the three cities. The original term of the agreement was from March 1, 2003 through February 28, 2023. The agreement is automatically renewed every subsequent year. The City and Clute contributed \$150,000 each and the SPCA contributed \$250,000 for a total of \$550,000 to Lake Jackson for the design, construction, and furnishing of the \$1,100,000 facility. The City pays each year for administrative operating costs and does not have an equity interest. For the year ended September 30, 2024, the City paid \$119,119 for their portion of the operating costs.

Port Freeport Settlement Agreement

The City Council approved a mediated settlement agreement with Port Freeport on May 15, 2023. According to the agreement, Port Freeport agrees to pay the City a total of \$8,900,000 in full consideration of certain properties and easements in addition to a replacement lift station, water line relocation, and new wastewater lines. If the actual cost to install the new lift station exceeds \$1,200,000, Port Freeport will reimburse the City for 50% of the excess costs upon removal of the existing lift station by the City. The City will continue to maintain and repair the existing lift station until the replacement infrastructure is completed. As of September 30, 2024, the City has received \$7,100,000 from Port Freeport and \$371,791 was

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

spent during the current year. The remaining \$1,800,000 will be held in escrow by Port Freeport and will be paid to the City within 10 days upon completion of the infrastructure project.

D. Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Freeport, Texas participates as one of 934 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	99
Inactive employees entitled to but not yet receiving benefits	155
Active employees	<u>133</u>
Total	<u>387</u>

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Freeport, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Freeport, Texas were 14.13% and 15.33% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$1,275,534 and equaled the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Actuarial assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the period ending December 31, 2022. They were adopted in 2022 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 11,979,142	\$ 6,098,926	\$ 1,360,900

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/22	\$ 36,299,218	\$ 29,031,927	\$ 7,267,291
Changes for the year:			
Service cost	1,330,606	-	1,330,606
Interest	2,443,269	-	2,443,269
Difference between expected and actual experience	326,848	-	326,848
Changes of assumptions	(279,941)	-	(279,941)
Contributions – employer	-	1,104,669	(1,104,669)
Contributions – employee	-	547,253	(547,253)
Net investment income	-	3,358,750	(3,358,750)
Benefit payments, including refunds of emp. contributions	(1,535,890)	(1,535,890)	-
Administrative expense	-	(21,376)	21,376
Other changes	-	(149)	149
Net changes	2,284,892	3,453,257	(1,168,365)
Balance at 12/31/23	<u>\$ 38,584,110</u>	<u>\$ 32,485,184</u>	<u>\$ 6,098,926</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of \$1,301,422.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

At September 30, 2024, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and actual investment earnings	\$ 785,866	\$ -
Differences between expected and actual economic experience	347,180	-
Changes in assumptions	-	(178,144)
Contributions subsequent to the measurement date	962,524	-
Total	\$ 2,095,570	\$ (178,144)

The primary government and EDC reported \$940,853 and \$21,671, respectively, deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2024	\$	356,342
2025		277,619
2026		600,760
2027		(279,819)
2028		-
Thereafter		-
	\$	954,902

Other Postemployment Benefits

1. TMRS Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	30
Active employees	133
Total	225

The City's retiree contribution rates to the TMRS SDBF for the years ended 2022, 2023, and 2024 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.10%	0.10%	100.0%
2023	0.12%	0.12%	100.0%
2024	0.14%	0.14%	100.0%

The Retiree's contributions to the TMRS SDBF for the years ended 2024 and 2023 were \$11,445, \$8,653 respectively, which equaled the required contributions each year.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85%, including inflation per year
Discount rate	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
\$ 468,061	\$ 390,105	\$ 329,890

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/22	\$ 352,525
Changes for the year:	
Service Cost	14,072
Interest	14,372
Difference between expected and actual experience	(1,532)
Changes of assumptions	20,050
Benefit payments	(9,382)
Net changes	37,580
Balance at 12/31/23	\$ 390,105

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$15,285.

At September 30, 2024, the City reported deferred outflows and inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between expected and actual experience	\$ -	\$ (1,383)
Changes in assumptions	-	(68,003)
Contributions subsequent to measurement date	8,791	-
Total	\$ 8,791	\$ (69,386)

The primary government and EDC reported \$8,593 and \$198, respectively, as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		
2024	\$	(12,985)
2025		(27,736)
2026		(30,587)
2027		1,922
2028		-
Thereafter		-
	<u>\$</u>	<u>(69,386)</u>

2. Retiree Healthcare Plan

Plan Description

The City of Freeport maintains a Retiree Health Care Plan ("RHCP") through Cigna Healthcare Insurance to provide health care benefits coverage for employees and retirees and dependents of employees and retirees. The City is currently offering health care benefits coverage through the RHCP which allows the extension of the benefits to retirees of the City. The City provides health benefits coverage to its retirees through RHCP and the cost of such coverage is paid entirely by the retiree. An employee who is under the 60 years of age and has been covered by TMRS (Texas Municipal Retirement Systems) for at least 20 years, or an employee who is 60 years or older and has been covered by TMRS for at least 5 years. The employee must also work for the City for a period of fifteen (15) continuous years and meet the definition of retiree for the purposes of the ordinance.

Benefit Provided

The RHCP provides pre sixty-five benefit coverages which will continue until the end of the month for the covered retiree's 65th birthday. Coverage for early retirees under these plans will require that early retiree enroll in the Cigna Healthcare Insurance within 31 days of commencement of their pre 65 retirement, meet the plans definition of retiree, and that retiree receive all other applicable benefits provided to the retiree population. The pre sixty-five plan offer the retirees a choice of one of three plan options which consist of a base, buy-up and high deductible. Each plan has a specified rate that varies year over year.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

At the September 30, 2024 valuation, the following represents the active employees and retirees that are eligible to participate in the plan:

Employees covered by benefit terms

At the September 30, 2024 valuation date, the following employees were covered by the benefit terms:

<u>Status</u>	<u>Amount</u>
Inactive employees or beneficiaries currently receiving benefits	1
Active employees	123
Total	124

Actuarial Assumptions and Methods:

The Total OPEB Liability in the September 30, 2024 valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.06% (decreased from 4.63%)
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018, as conducted by TMRS.
Mortality	Mortality for healthy retirees, the gender-distinct 2021 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participate Rates	30% retirees age 55 or older at retirement; 10% for retirees under age 55 at retirement

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.06%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2024, date of the actuarial valuation.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.06%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

1% Decrease (3.06%)	Current Single Rate Assumption 4.06%	1% Increase (5.06%)
\$ 196,725	\$ 174,975	\$ 156,043

Healthcare Cost Trend

1% Decrease (3.50%)	Current Healthcare Cost Trend (4.50%)	1% Increase (5.50%)
\$ 152,486	\$ 174,975	\$ 202,029

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 366,326
Changes for the year:	
Service Cost	31,270
Interest	19,346
Change in benefit terms	(256,806)
Changes of assumptions	15,536
Benefit payments	(697)
Net changes	(191,351)
Balance at 12/31/2023	<u>\$ 174,975</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$15,547.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ (219,479)
Change in assumptions	13,278	-
Total	<u><u>\$ 13,278</u></u>	<u><u>\$ (219,479)</u></u>

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2025	\$ (35,069)
2026	(35,069)
2027	(35,069)
2028	(35,069)
2029	(35,069)
Thereafter	(30,856)
	<u><u>\$ (206,201)</u></u>

E. Deferred Compensation Plan

The City offers its employees the opportunity to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is an additional retirement savings option for the City employees; however, no contributions will be made by the City. The retirement plan is offered to public service personnel only.

F. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 100, entitled Accounting Changes and Error Calculations. The requirements of this Statement are displayed within the government-wide and fund financial statements, where applicable.

G. Restatement

Due to corrections to receivables, lease receivables, accounts payable, municipal bond payables, FSA liabilities, and other miscellaneous corrections, the City restated beginning fund balance/net position for the general fund, nonmajor governmental funds, governmental

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

activities, water and sewer fund, and business-type activities. The restatement of beginning fund balance/net position is as follows:

	General Fund	Nonmajor Governmental	Total Governmental Activities
Prior year ending net position/fund balance, as reported	\$ 10,556,882	\$ 4,160,268	\$ 30,933,415
Restate property taxes	(14,452)	14,452	-
Correct pending seizures payable	-	16,892	16,892
Correct municipal bond payable	32,058	-	32,058
Correct FSA liabilities	188,237	-	188,237
Miscellaneous correction	741	-	741
Restated beginning net position/fund balance	<u>\$ 10,763,466</u>	<u>\$ 4,191,612</u>	<u>\$ 31,171,343</u>

	Business-Type Activities Water & Sewer
Prior year ending net position/fund balance, as reported	\$ 11,402,534
Correct Surfside Beach receivables	(24,303)
Correct benefits payables	1,185
Restated beginning fund balance/net position	<u>\$ 11,379,416</u>

H. Subsequent Events

On November 21, 2024, the City entered into a note payable in the amount of \$3,561,250 for the upgrade and replacement of water meters within the City. The note has a term of 15 years paid in annual installments of \$336,720 with an interest rate of 4.45%.

There were no other material subsequent events through August 11, 2025, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Freeport, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2) GENERAL FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 3,715,000	\$ 3,715,000	\$ 3,397,417	\$ (317,583)
Sales tax	2,300,000	2,300,000	2,649,294	349,294
Industrial district	8,896,690	9,056,690	9,413,205	356,515
Franchise and local taxes	685,000	685,000	713,297	28,297
License and permits	248,025	248,025	205,940	(42,085)
Intergovernmental	19,000	19,000	445,282	426,282
Fines and forfeitures	257,700	257,700	237,298	(20,402)
Charges for services	2,222,000	2,222,000	2,646,320	424,320
Investment income	150,000	150,000	689,180	539,180
Other revenue	283,165	283,165	432,022	148,857
Total Revenues	18,776,580	18,936,580	20,829,255	1,892,675
<u>Expenditures</u>				
Current:				
General government	2,508,678	2,518,678	3,456,163	(937,485) *
Public safety	9,103,830	9,160,001	8,736,911	423,090
Streets and drainage	1,562,130	1,577,182	1,454,419	122,763
Sanitation	750,000	750,000	763,915	(13,915) *
Culture and recreation	3,649,936	3,649,936	3,224,903	425,033
Service center	203,433	203,433	310,593	(107,160) *
Capital outlay	1,155,178	3,538,187	1,626,313	1,911,874
Debt service:				
Principal	1,000	1,000	170,281	(169,281) *
Interest and fiscal charges	-	-	31,562	(31,562) *
Total Expenditures	18,934,185	21,398,417	19,775,060	1,623,357
Revenues Over (Under)				
Expenditures	(157,605)	(2,461,837)	1,054,195	3,516,032

City of Freeport, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2) GENERAL FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Transfers (out)	(1,116,250)	(1,276,250)	(1,358,069)	(81,819)
Lease issuance	-	-	761,068	761,068
Sale of assets	60,000	60,000	13,850	(46,150)
Total Other Financing Sources (Uses)	(906,250)	(1,066,250)	(433,151)	633,099
Net Change in Fund Balance	\$ (1,063,855)	\$ (3,528,087)	621,044	\$ 4,149,131
Beg. fund balance, as previously reported			10,556,882	
Error correction			206,584	
Beg. fund balance, as adjusted			10,763,466	
Ending Fund Balance			\$ 11,384,510	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of Freeport, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total pension liability				
Service cost	\$ 1,330,606	\$ 1,188,602	\$ 1,227,173	\$ 1,210,072
Interest	2,443,269	2,284,689	2,145,373	2,021,037
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	326,848	345,806	199,603	(61,634)
Changes of assumptions	(279,941)	-	-	-
Benefit payments, including refunds of participant contributions	(1,535,890)	(1,545,644)	(1,432,204)	(1,239,813)
Net change in total pension liability	2,284,892	2,273,453	2,139,945	1,929,662
Total pension liability - beginning	36,299,218	34,025,765	31,885,820	29,956,158
Total pension liability - ending (a)	38,584,110	36,299,218	34,025,765	31,885,820
Plan fiduciary net position				
Contributions - employer	\$ 1,104,669	\$ 1,013,241	\$ 1,057,969	\$ 1,072,524
Contributions - members	547,253	503,340	521,251	524,814
Net investment income	3,358,750	(2,287,152)	3,599,409	1,923,014
Benefit payments, including refunds of participant contributions	(1,535,890)	(1,545,644)	(1,432,204)	(1,239,813)
Administrative expenses	(21,376)	(19,799)	(16,657)	(12,450)
Other	(149)	23,627	114	(486)
Net change in plan fiduciary net position	3,453,257	(2,312,387)	3,729,882	2,267,603
Plan fiduciary net position - beginning	29,031,927	31,344,314	27,614,432	25,346,829
Plan fiduciary net position - ending (b)	\$ 32,485,184	\$ 29,031,927	\$ 31,344,314	\$ 27,614,432
Fund's net pension liability (asset) - ending (a) - (b)	\$ 6,098,926	\$ 7,267,291	\$ 2,681,451	\$ 4,271,388
Plan fiduciary net position as a percentage of the total pension liability	84.19%	79.98%	92.12%	86.60%
Covered payroll	\$ 7,817,899	\$ 7,190,577	\$ 7,446,438	\$ 7,497,348
Fund's net position as a percentage of covered payroll	78.01%	101.07%	36.01%	56.97%

12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$ 1,020,294	\$ 972,644	\$ 1,069,778	\$ 941,887	\$ 867,502	\$ 749,370
1,923,902	1,828,285	1,693,736	1,586,800	1,511,254	1,424,774
-	-	-	-	-	-
(459,710)	(84,705)	462,205	(31,659)	276,833	(132,087)
142,572	-	-	-	116,881	-
(1,326,009)	(1,321,000)	(1,046,653)	(906,817)	(874,894)	(856,501)
1,301,049	1,395,224	2,179,066	1,590,211	1,897,576	1,185,556
28,655,109	27,259,885	25,080,819	23,490,608	21,593,032	20,407,476
29,956,158	28,655,109	27,259,885	25,080,819	23,490,608	21,593,032
\$ 904,482	\$ 896,313	\$ 944,578	\$ 773,757	\$ 699,079	\$ 600,889
444,711	440,294	464,589	409,932	385,600	348,367
3,392,674	(677,553)	2,709,724	1,221,694	26,362	962,281
(1,326,009)	(1,321,000)	(1,046,653)	(906,817)	(874,894)	(856,501)
(19,175)	(13,099)	(14,056)	(13,803)	(16,057)	(10,047)
(576)	(684)	(712)	(744)	(792)	(826)
3,396,107	(675,729)	3,057,470	1,484,019	219,298	1,044,163
21,950,722	22,626,451	19,568,981	18,084,962	17,865,664	16,821,501
\$ 25,346,829	\$ 21,950,722	\$ 22,626,451	\$ 19,568,981	\$ 18,084,962	\$ 17,865,664
\$ 4,609,329	\$ 6,704,387	\$ 4,633,434	\$ 5,511,838	\$ 5,405,646	\$ 3,727,368
84.61%	76.60%	83.00%	78.02%	76.99%	82.74%
\$ 6,353,014	\$ 6,275,121	\$ 6,636,342	\$ 5,846,596	\$ 5,501,315	\$ 4,976,675
72.55%	106.84%	69.82%	94.27%	98.26%	74.90%

City of Freeport, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Actuarially determined employer contributions	\$ 1,275,234	\$ 1,063,502	\$ 1,038,883	\$ 1,095,630
Contributions in relation to the actuarially determined contribution	\$ 1,275,534	\$ 1,063,502	\$ 1,038,883	\$ 1,095,630
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,491,786	\$ 7,532,012	\$ 7,257,170	\$ 7,593,889
Employer contributions as a percentage of covered payroll	15.02%	14.12%	14.32%	14.43%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period 22 years
 Asset Valuation Method 10 Year smoothed market; 12% soft corridor
 Inflation 2.5%
 Salary Increases 3.60% to 11.85% including inflation
 Investment Rate of Return 6.75%
 Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 1,004,021	\$ 892,025	\$ 912,207	\$ 773,757	\$ 699,079	\$ 677,622
<u>\$ 1,004,021</u>	<u>\$ 892,025</u>	<u>\$ 912,207</u>	<u>\$ 773,757</u>	<u>\$ 699,079</u>	<u>\$ 677,622</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,028,033	\$ 6,444,398	\$ 6,461,534	\$ 5,846,596	\$ 5,501,315	\$ 4,976,675
14.29%	13.84%	14.12%	13.23%	12.71%	13.62%

City of Freeport, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total OPEB liability				
Service cost	\$ 14,072	\$ 23,729	\$ 24,573	\$ 22,492
Interest	14,372	9,360	9,611	10,633
Differences between expected and actual experience	(1,532)	12,121	(14,258)	(397)
Changes of assumptions	20,050	(185,826)	16,220	65,740
Benefit payments, including refunds of participant contributions	(9,382)	(7,191)	(8,191)	(2,999)
Net change in total OPEB liability	37,580	(147,807)	27,955	95,469
Total OPEB liability - beginning	\$ 352,525	\$ 500,332	\$ 472,377	\$ 376,908
Total OPEB liability - ending	\$ 390,105	\$ 352,525	\$ 500,332	\$ 472,377
 Covered-employee payroll	 \$ 7,817,899	 \$ 7,190,577	 \$ 7,446,438	 \$ 7,497,348
City's total OPEB liability as a percentage of covered-employee payroll	 4.99%	 4.90%	 6.72%	 6.30%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u> ¹
\$ 12,706	\$ 11,923	\$ 10,618
11,579	10,724	10,509
(15,039)	(9,540)	-
63,192	(23,177)	26,796
(2,541)	(1,883)	(3,318)
<u>69,897</u>	<u>(11,953)</u>	<u>44,605</u>
\$ 307,011	\$ 318,964	\$ 274,359
<u>\$ 376,908</u>	<u>\$ 307,011</u>	<u>\$ 318,964</u> ²
\$ 6,353,014	\$ 6,275,121	\$ 6,636,342
5.93%	4.89%	4.81%

City of Freeport, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS RETIREE HEALTH CARE PLAN

Years Ended:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Total OPEB liability				
Service cost	\$ 31,270	\$ 57,496	\$ 24,748	\$ 24,263
Interest	19,346	11,311	9,124	10,346
Changes in benefit terms	(256,806)	-	(21,529)	-
Differences between expected and actual experience	-	-	(27,506)	231
Changes of assumptions	15,536	(258,557)	142,157	34,141
Benefit payments, including refunds of participant contributions	(697)	(2,343)	-	(3,252)
Net change in total OPEB liability	<u>(191,351)</u>	<u>(192,093)</u>	<u>126,994</u>	<u>65,729</u>
Total OPEB liability - beginning	<u>\$ 366,326</u>	<u>\$ 558,419</u>	<u>\$ 431,425</u>	<u>\$ 365,696</u>
Total OPEB liability - ending	<u><u>\$ 174,975</u></u>	<u><u>\$ 366,326</u></u>	<u><u>\$ 558,419</u></u>	<u><u>\$ 431,425</u></u>
 Covered-employee payroll	 \$ 7,663,432	 \$ 7,663,432	 \$ 7,257,170	 \$ 6,234,975
City's total OPEB liability as a percentage of covered-employee payroll	 2.28%	 4.78%	 7.69%	 6.92%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u> ¹
\$ 26,027	\$ 27,301	\$ 24,443
16,948	16,533	17,182
(106,501)	-	-
(99,594)	(715)	-
33,523	(16,480)	20,081
(7,424)	(19,500)	(9,750)
<u>(137,021)</u>	<u>7,139</u>	<u>51,956</u>
\$ 502,717	\$ 495,578	\$ 443,622
<u>\$ 365,696</u>	<u>\$ 502,717</u>	<u>\$ 495,578</u> ²
\$ 6,353,014	\$ 6,275,121	\$ 6,636,342
5.76%	8.01%	7.47%

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***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

City of Freeport, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Debt Service	Hotel/Motel Tax	TIRZ	Court Revenue
<u>Assets</u>				
Cash and cash equivalents	\$ 183,671	\$ 221,012	\$ 570,587	\$ 244,703
Receivables, net	31,582	25,810	-	39,611
Prepays	53,325	-	-	-
Due from other funds	255,278	-	-	-
Total Assets	\$ 523,856	\$ 246,822	\$ 570,587	\$ 284,314
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 5,000	\$ -	\$ 18,673
Due to Other Funds	-	-	-	-
Total Liabilities	-	5,000	-	18,673
<u>Deferred Inflows of Resources</u>				
Unavailable revenues	29,895	-	-	-
<u>Fund Balances</u>				
Nonspendable	53,325	-	-	-
Restricted for:				
Debt service	440,636	-	-	-
Tourism	-	241,822	-	-
Economic development	-	-	570,587	-
Municipal court	-	-	-	265,641
Assigned:				
Facilities and grounds	-	-	-	-
IT equipment	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	493,961	241,822	570,587	265,641
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 523,856	\$ 246,822	\$ 570,587	\$ 284,314

Facilities & Grounds CIP	Vehicles & Equipment	IT Fund	Hurricane Beryl	Marina Operations	Total
\$ 2,471,502	\$ 62,019	\$ 215,005	\$ -	\$ 1,105	\$ 3,969,604
-	-	-	-	-	97,003
-	-	-	-	-	53,325
-	-	-	-	-	255,278
<u>\$ 2,471,502</u>	<u>\$ 62,019</u>	<u>\$ 215,005</u>	<u>\$ -</u>	<u>\$ 1,105</u>	<u>\$ 4,375,210</u>
\$ 70,167	\$ 64,275	\$ -	\$ -	\$ 243	\$ 158,358
-	-	-	1,437,304	-	1,437,304
<u>70,167</u>	<u>64,275</u>	<u>-</u>	<u>1,437,304</u>	<u>243</u>	<u>1,595,662</u>
-	-	-	-	-	29,895
-	-	-	-	-	53,325
-	-	-	-	-	440,636
-	-	-	-	-	241,822
-	-	-	-	-	570,587
-	-	-	-	-	265,641
2,401,335	-	-	-	-	2,401,335
-	-	215,005	-	-	215,005
-	(2,256)	-	(1,437,304)	862	(1,438,698)
<u>2,401,335</u>	<u>(2,256)</u>	<u>215,005</u>	<u>(1,437,304)</u>	<u>862</u>	<u>2,749,653</u>
<u>\$ 2,471,502</u>	<u>\$ 62,019</u>	<u>\$ 215,005</u>	<u>\$ -</u>	<u>\$ 1,105</u>	<u>\$ 4,375,210</u>

City of Freeport, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	Debt Service	Hotel/Motel Tax	TIRZ	Court Revenue
<u>Revenues</u>				
Property tax	\$ 514,266	\$ -	\$ 329,939	\$ -
Other taxes	-	76,753	-	-
Fines and fees	-	-	-	69,670
Investment income	7,652	18,556	22,204	11,821
Total Revenues	521,918	95,309	352,143	81,491
<u>Expenditures</u>				
General government	-	62,000	-	-
Public safety	-	-	-	22,222
Disaster relief	-	-	-	-
Debt service:				
Principal	360,000	-	-	-
Interest	150,278	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	510,278	62,000	-	22,222
Revenues Over (Under) Expenditures	11,640	33,309	352,143	59,269
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	(467)	-	-	-
Total Other Financing Sources (Uses)	(467)	-	-	-
Net Change in Fund Balances	11,173	33,309	352,143	59,269
Beg. fund balances, as previously reported	468,336	208,513	218,444	189,480
Error correction	14,452	-	-	16,892
Beg. fund balances, as adjusted	482,788	208,513	218,444	206,372
Ending Fund Balances	\$ 493,961	\$ 241,822	\$ 570,587	\$ 265,641

Facilities & Grounds CIP	Vehicles & Equipment	IT Fund	Hurricane Beryl	Marina Operations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 844,205
-	-	-	-	-	76,753
-	-	-	-	-	69,670
122,973	8,466	11,031	-	862	203,565
122,973	8,466	11,031	-	862	1,194,193
-	-	-	-	-	62,000
-	-	-	-	-	22,222
-	-	-	1,437,304	-	1,437,304
-	-	-	-	-	360,000
-	-	-	-	-	150,278
647,243	1,135,798	24,981	-	-	1,808,022
647,243	1,135,798	24,981	1,437,304	-	3,839,826
(524,270)	(1,127,332)	(13,950)	(1,437,304)	862	(2,645,633)
549,641	654,500	-	-	-	1,204,141
-	-	-	-	-	(467)
549,641	654,500	-	-	-	1,203,674
25,371	(472,832)	(13,950)	(1,437,304)	862	(1,441,959)
2,375,964	470,576	228,955	-	-	4,160,268
-	-	-	-	-	31,344
2,375,964	470,576	228,955	-	-	4,191,612
\$ 2,401,335	\$ (2,256)	\$ 215,005	\$ (1,437,304)	\$ 862	\$ 2,749,653

SINGLE AUDIT REPORTS

City of Freeport, Texas

**Fiscal Year Ended
September 30, 2024**

City of Freeport, Texas

SINGLE AUDIT REPORTS

Year Ended September 30, 2024

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Freeport, Texas:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Freeport, Texas' basic financial statements, and have issued our report thereon dated August 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Freeport, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Freeport, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Freeport, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of City of Freeport, Texas's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Freeport, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
August 16, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Freeport, Texas:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Freeport, Texas' compliance with the types of compliance requirements identified as subject to audit in the (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Freeport, Texas' major federal programs for the year ended September 30, 2024. The City of Freeport, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Freeport, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Freeport, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Freeport, Texas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Freeport, Texas' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Freeport, Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Freeport, Texas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Freeport, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Freeport, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Freeport, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Freeport, Texas' basic financial statements. We issued our report thereon dated August 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted

for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of, management, governing body, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
August 16, 2025

City of Freeport, Texas
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended September 30, 2024

I. SUMMARY OF PRIOR YEAR AUDIT FINDINGS:

Audit Finding Reference: **2023-001**

Status of Prior Finding: The City is working to address this comment in the current year.

Audit Finding Reference: **2023-002**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-003**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-004**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-005**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-006**

Status of Prior Finding: Planned corrective action completed this fiscal year.

City of Freeport, Texas
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2024

I. SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued:

The auditor's report on the basic financial statements of the City expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Are any significant deficiencies identified not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None Reported
Is any noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

The auditor's report on compliance for major federal programs expresses an unmodified opinion.

Internal control over major program compliance:

Are any material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Are any significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No

City of Freeport, Texas

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2024

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant / Harvey Infrastructure Grant
97.036	Federal Emergency Management Agency - Hurricane Beryl

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Is the auditee qualified as a low-risk auditee?	☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS:

Material Weaknesses

Finding 2024-001:

Criteria: Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles ("GAAP").

Condition and Context: For the year ended September 30, 2024, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance.

Cause: The City does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements in the absence of the auditor's preparation.

Effect or Potential Effect: Without the auditor's assistance, the City may not include all disclosures or have materially correct financial statements as required under U.S. generally accepted accounting principles.

Recommendation: We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

City of Freeport, Texas
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2024

Significant Deficiency

Finding 2024-002:

Criteria: The pooled cash fund account balance should equal the individual fund account balances.

Condition and Context: Adjustments were made to the pooled cash fund without adjusting the fund level account balances. Leaving a discrepancy that required reconciliation and correction.

Cause: The City failed to adjust all necessary accounts.

Effect or Potential Effect: The cash balance at year-end may not be accurate.

Recommendation: We recommend that the City review bank reconciliations monthly and ensure all account reconciliations are accurate.

Responsible Official's Response: Management will review bank reconciliations take corrective action.

FEDERAL AWARDS FINDINGS:

None.

City of Freeport, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2024

Federal Grantor/Pass-through Agency/Program Name	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-through Texas General Land Office			
<i>Community Development Block Grant -GLO</i>	22-085-013-D213	14.228	\$ 2,117,258
<i>Community Development Block Grant -GLO</i>	22-085-047-D300	14.228	951,109
<i>Coronavirus State and Local Fiscal Recovery Fund</i>	25-065-007-E164	14.228	34,238
Total US Department of Housing and Urban Development			3,102,605
US DEPARTMENT OF HOMELAND SECURITY			
Pass-through Texas Division of Emergency Management			
<i>Hurricane Beryl</i>	DR-4798	97.036	1,077,978
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-003	97.039	33,465
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-004	97.039	29,640
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-005	97.039	33,465
Total CFDA 97.039			96,570
<i>Assistance to Firefighters Grant (AFG)</i>	EMW-2022-FG-02061	97.044	181,525
Total US Department of Homeland Security			1,356,073
U.S. DEPARTMENT OF JUSTICE			
Pass-through Bureau of Justice Assistance:			
<i>DJ-Edward Byrne Memorial Justice Assistance Grant Program</i>	4850101	16.738	102,650
Total U.S. Department of Justice			102,650
TOTAL PROGRAMS			\$ 4,561,328

City of Freeport, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2024

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Freeport, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Cost Principles for Federal Awards (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2: INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Freeport, Texas
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2024

Finding 2024-001:

Condition and Context: For the year ended September 30, 2024, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance.

Corrective action planned: Management of the City will continue to work with the auditor to reduce the number of adjusting journal entries. In addition, we will take steps to further our understanding of GAAP financials and footnote disclosures.

Contact person: Ashlee Hurst, Finance Director (979) 871-0112

Anticipated completion date: January 2026

Finding 2024-002:

Condition and Context: Adjustments were made to the pooled cash fund without adjusting the fund level account balances. Leaving a discrepancy that required reconciliation and correction.

Corrective action planned: The City will review and correct any discrepancies between the pooled cash fund and the individual fund balances monthly.

Contact person: Ashlee Hurst, Finance Director (979) 871-0112

Anticipated completion date: September 2025

SINGLE AUDIT REPORTS

City of Freeport, Texas

**Fiscal Year Ended
September 30, 2024**

City of Freeport, Texas

SINGLE AUDIT REPORTS

Year Ended September 30, 2024

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Freeport, Texas:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of Freeport, Texas' basic financial statements, and have issued our report thereon dated August 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Freeport, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Freeport, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Freeport, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of City of Freeport, Texas's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Freeport, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
August 16, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Freeport, Texas:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Freeport, Texas' compliance with the types of compliance requirements identified as subject to audit in the (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Freeport, Texas' major federal programs for the year ended September 30, 2024. The City of Freeport, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Freeport, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Freeport, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Freeport, Texas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Freeport, Texas' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Freeport, Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Freeport, Texas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Freeport, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Freeport, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Freeport, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Freeport, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Freeport, Texas' basic financial statements. We issued our report thereon dated August 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted

for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of, management, governing body, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
August 16, 2025

City of Freeport, Texas
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended September 30, 2024

I. SUMMARY OF PRIOR YEAR AUDIT FINDINGS:

Audit Finding Reference: **2023-001**

Status of Prior Finding: The City is working to address this comment in the current year.

Audit Finding Reference: **2023-002**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-003**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-004**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-005**

Status of Prior Finding: Planned corrective action completed this fiscal year.

Audit Finding Reference: **2023-006**

Status of Prior Finding: Planned corrective action completed this fiscal year.

City of Freeport, Texas
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2024

I. SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued:

The auditor's report on the basic financial statements of the City expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Are any significant deficiencies identified not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None Reported
Is any noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

The auditor's report on compliance for major federal programs expresses an unmodified opinion.

Internal control over major program compliance:

Are any material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Are any significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No

City of Freeport, Texas

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2024

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant / Harvey Infrastructure Grant
97.036	Federal Emergency Management Agency - Hurricane Beryl

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Is the auditee qualified as a low-risk auditee?	___ Yes <u>X</u> No

II. FINANCIAL STATEMENT FINDINGS:

Material Weaknesses

Finding 2024-001:

Criteria: Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles ("GAAP").

Condition and Context: For the year ended September 30, 2024, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance.

Cause: The City does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements in the absence of the auditor's preparation.

Effect or Potential Effect: Without the auditor's assistance, the City may not include all disclosures or have materially correct financial statements as required under U.S. generally accepted accounting principles.

Recommendation: We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

City of Freeport, Texas
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2024

Significant Deficiency

Finding 2024-002:

Criteria: The pooled cash fund account balance should equal the individual fund account balances.

Condition and Context: Adjustments were made to the pooled cash fund without adjusting the fund level account balances. Leaving a discrepancy that required reconciliation and correction.

Cause: The City failed to adjust all necessary accounts.

Effect or Potential Effect: The cash balance at year-end may not be accurate.

Recommendation: We recommend that the City review bank reconciliations monthly and ensure all account reconciliations are accurate.

Responsible Official's Response: Management will review bank reconciliations take corrective action.

FEDERAL AWARDS FINDINGS:

None.

City of Freeport, Texas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

Federal Grantor/Pass-through Agency/Program Name	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-through Texas General Land Office			
<i>Community Development Block Grant -GLO</i>	22-085-013-D213	14.228	\$ 2,117,258
<i>Community Development Block Grant -GLO</i>	22-085-047-D300	14.228	951,109
<i>Coronavirus State and Local Fiscal Recovery Fund</i>	25-065-007-E164	14.228	34,238
Total US Department of Housing and Urban Development			3,102,605
US DEPARTMENT OF HOMELAND SECURITY			
Pass-through Texas Division of Emergency Management			
<i>Hurricane Beryl</i>	DR-4798	97.036	1,077,978
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-003	97.039	33,465
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-004	97.039	29,640
<i>Hazard Mitigation Grant Program (HMGP)</i>	DR 4572-005	97.039	33,465
Total CFDA 97.039			96,570
<i>Assistance to Firefighters Grant (AFG)</i>	EMW-2022-FG-02061	97.044	181,525
Total US Department of Homeland Security			1,356,073
U.S. DEPARTMENT OF JUSTICE			
Pass-through Bureau of Justice Assistance:			
<i>DJ-Edward Byrne Memorial Justice Assistance Grant Program</i>	4850101	16.738	102,650
Total U.S. Department of Justice			102,650
TOTAL PROGRAMS			\$ 4,561,328

City of Freeport, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2024

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Freeport, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Cost Principles for Federal Awards (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2: INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Freeport, Texas
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2024

Finding 2024-001:

Condition and Context: For the year ended September 30, 2024, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance.

Corrective action planned: Management of the City will continue to work with the auditor to reduce the number of adjusting journal entries. In addition, we will take steps to further our understanding of GAAP financials and footnote disclosures.

Contact person: Ashlee Hurst, Finance Director (979) 871-0112

Anticipated completion date: January 2026

Finding 2024-002:

Condition and Context: Adjustments were made to the pooled cash fund without adjusting the fund level account balances. Leaving a discrepancy that required reconciliation and correction.

Corrective action planned: The City will review and correct any discrepancies between the pooled cash fund and the individual fund balances monthly.

Contact person: Ashlee Hurst, Finance Director (979) 871-0112

Anticipated completion date: September 2025

Monthly Golf Course Report August 2025

While the last week of August hurt us a little with the rainfall we received, we still ended August as our best revenue month for any previous August. With \$113,842 of revenue this month, we officially crossed over the 1 million in revenue milestone. We are now at \$1.1 million. This is a great milestone for my staff, and I am so grateful for all the work they put in to accomplish this.

With revenue of \$113,842 generated this month, we have officially surpassed the milestone of \$1 million in total revenue.

With September finishing up our fiscal year, it will be a very busy year to say the least. We start the month off with our annual Brazos Cup, followed up during the month with two-day events from Phillips 66 as well as Olin. We are also host to a Houston Rodeo fundraiser, as well as the Latina Women in Leadership.

Still the main area of concern is not only the mold in the proshop, but also the electrical boxes, and rotting floor upstairs. The floors upstairs have gotten to a point where we will most likely have to close the upstairs area.

I have attached more detailed numbers of our overall business.

Thank you.

Brian

Golf Course Goals vs Actuals 2024-2025

Goal

Category	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Green Fee	21,000	19,000	16,000	11,000	12,000	30,000	33,000	30,000	28,000	25,000	25,000	25,000	275,000
Rec(taxable)	0	0	0	0	0	0	0	0	0	0	0	0	0
Golf Cart	10,000	8,000	8,000	7,000	6,000	11,000	11,500	11,500	12,500	11,500	11,500	11,500	120,000
Merchandise	13,000	10,000	10,000	9,000	9,000	18,000	19,000	20,000	20,000	17,000	15,000	15,000	175,000
Prep Food	800	700	500	500	500	1,300	1,400	1,500	1,500	1,100	1,100	2,100	13,000
Beer Sales	7,000	6,000	6,000	6,000	5,000	9,000	9,000	9,000	9,000	8,000	8,000	8,000	90,000
Drinks/Chips	3,500	2,500	1,500	1,500	1,500	3,500	4,000	4,000	4,000	4,000	3,000	3,000	36,000
Memberships	12,000	10,000	12,000	9,000	10,000	12,500	12,500	12,500	12,500	12,500	12,500	12,000	140,000
Total	\$67,300	\$56,200	\$54,000	\$44,000	\$44,000	\$85,300	\$90,400	\$88,500	\$87,500	\$79,100	\$76,100	\$76,600	\$849,000

Actual

Category	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Green Fee	30,663	22,149	26,145	15,878	22,848	36,818	31,219	43,175	29,706	41,153	32,841		332,595
Rec(taxable)	0	0	0	0	0	0	0	0	0	0	0		0
Golf Cart	12,911	11,983	13,842	7,477	11,230	19,750	17,674	18,557	17,236	19,283	14,662		164,605
Merchandise	16,038	18,756	17,371	12,566	13,159	23,151	23,557	19,731	18,228	29,132	24,464		216,153
Prep Food	1,215	1,330	1,879	585	2,268	5,891	2,174	2,563	1,798	2,862	3,229		25,794
Beer Sales	8,718	7,742	6,760	3,275	6,112	10,867	11,631	10,249	10,080	13,689	10,599		99,722
Drinks/Chips	4,067	3,555	3,693	1,803	2,933	7,764	5,060	5,789	5,462	8,100	6,214		54,440
Memberships	19,005	15,852	17,387	13,575	18,138	18,990	22,157	18,944	17,779	19,291	21,833		202,951
Total	\$92,617	\$81,367	\$87,077	\$55,159	\$76,688	\$123,231	\$113,471	\$119,008	\$100,289	\$133,510	\$113,842	\$0	\$1,096,259

Over/Under	\$25,317	\$25,167	\$33,077	\$11,159	\$32,688	\$37,931	\$23,071	\$30,508	\$13,008	\$54,410	\$37,742		\$324,078
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Rounds of Golf

Month	Fy2022-2023	Fy2023-2024	Fy2024-2025
OCT	2692	2363	2798
NOV	1153	2109	2557
DEC	2028	2348	2749
JAN	2125	1182	1627
FEB	2176	2241	2539
MAR	2961	3444	3881
APR	2740	3285	3680
MAY	2776	3461	3709
JUN	3094	3378	3276
JUL	3393	806	4554
AUG	2811	3266	3471
SEP	2897	2883	

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Memberships

Month	FY2022-2023	FY2023-2024	FY2024-2025
OCT	194	188	198
NOV	184	186	202
DEC	186	189	210
JAN	174	187	210
FEB	178	198	234
MAR	195	201	251
APR	192	203	253
MAY	196	211	254
JUN	186	213	255
JUL	162	201	286
AUG	183	194	285
SEP	187	205	



Revune for the fiscal years

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-2022	2022-2023	2023-224	2024-2025
October	\$ 47,009.00	\$ 38,020.00	\$ 44,541.00	\$ 42,949.00	\$ 40,175.00	\$ 50,996.00	\$ 41,662.00	\$ 40,670.00	\$ 34,325.00	\$ 35,953.00	\$ 33,172.00	\$ 40,639.00	\$ 27,027.00	\$ 34,039.00	\$ 42,407.50	\$ 62,202.91	\$ 51,147.84	76,592.04	\$ 74,167.03	\$ 92,617.00
November	\$ 27,799.00	\$ 33,807.00	\$ 33,020.00	\$ 44,707.00	\$ 39,303.00	\$ 36,034.00	\$ 42,510.00	\$ 44,313.00	\$ 28,636.00	\$ 26,980.00	\$ 19,944.00	\$ 31,995.00	\$ 30,448.00	\$ 23,229.00	\$ 43,338.77	\$ 64,634.00	\$ 56,586.76	\$ 33,383.62	\$ 63,177.89	\$ 81,367.00
December	\$ 34,148.00	\$ 25,466.00	\$ 37,308.00	\$ 36,530.00	\$ 20,950.00	\$ 35,136.00	\$ 31,312.00	\$ 32,256.00	\$ 29,786.00	\$ 29,645.00	\$ 26,178.00	\$ 24,651.00	\$ 20,856.00	\$ 40,933.00	\$ 48,990.47	\$ 56,927.48	\$ 62,544.32	\$ 53,930.64	\$ 74,575.41	\$ 87,077.00
January	\$ 38,163.00	\$ 19,599.00	\$ 23,783.00	\$ 40,207.00	\$ 21,224.00	\$ 27,521.00	\$ 49,248.00	\$ 25,563.00	\$ 37,898.00	\$ 20,982.00	\$ 36,242.00	\$ 57,636.00	\$ 30,342.00	\$ 30,229.00	\$ 23,365.55	\$ 56,651.51	\$ 47,116.31	\$ 61,756.57	\$ 36,937.26	\$ 55,071.00
February	\$ 29,092.00	\$ 31,360.00	\$ 29,207.00	\$ 40,299.00	\$ 16,893.00	\$ 32,118.00	\$ 27,440.00	\$ 36,248.00	\$ 32,762.00	\$ 31,605.00	\$ 30,448.00	\$ 30,449.00	\$ 21,772.00	\$ 26,749.00	\$ 37,454.31	\$ 41,451.22	\$ 49,126.05	\$ 62,570.03	\$ 59,528.92	\$ 76,688.00
March	\$ 44,484.00	\$ 50,244.00	\$ 45,181.00	\$ 51,193.00	\$ 52,873.00	\$ 64,305.00	\$ 39,994.00	\$ 58,128.00	\$ 44,011.00	\$ 29,929.00	\$ 34,261.00	\$ 39,413.00	\$ 52,056.00	\$ 52,147.00	\$ 56,303.83	\$ 67,691.37	\$ 69,982.06	\$ 91,891.25	\$ 111,901.00	\$ 123,147.00
April	\$ 52,898.00	\$ 44,170.00	\$ 54,841.00	\$ 60,003.00	\$ 58,698.00	\$ 57,655.00	\$ 57,937.00	\$ 46,802.00	\$ 51,866.00	\$ 33,553.00	\$ 28,234.00	\$ 58,911.00	\$ 60,713.00	\$ 82,079.00	\$ 13,723.75	\$ 75,786.66	\$ 93,650.43	\$ 93,909.09	\$110,981.80	\$113,470.91
May	\$ 49,583.00	\$ 50,784.00	\$ 59,984.00	\$ 65,535.00	\$ 46,083.00	\$ 53,246.00	\$ 57,607.00	\$ 51,940.00	\$ 56,256.00	\$ 48,499.00	\$ 30,164.00	\$ 50,065.00	\$ 57,692.00	\$ 62,730.00	\$ 28,942.99	\$ 58,401.78	\$ 92,185.04	\$ 86,160.00	\$ 103,122.90	\$ 119,008.00
June	\$ 38,039.00	\$ 52,831.00	\$ 65,674.00	\$ 62,065.00	\$ 59,492.00	\$ 59,357.00	\$ 61,151.00	\$ 55,923.00	\$ 48,913.00	\$ 26,082.00	\$ 8,162.00	\$ 37,417.00	\$ 53,075.00	\$ 58,322.00	\$ 62,154.13	\$ 63,469.78	\$ 80,131.95	\$ 98,988.00	\$ 103,910.00	\$ 100,290.00
July	\$ 40,396.00	\$ 35,250.00	\$ 58,329.00	\$ 62,141.00	\$ 40,405.00	\$ 52,427.00	\$ 50,465.00	\$ 50,193.00	\$ 44,700.00	\$ 43,387.00	\$ 36,186.00	\$ 37,656.00	\$ 52,448.00	\$ 69,071.00	\$ 50,746.13	\$ 57,641.43	\$ 81,808.90	\$ 96,210.00	\$ 31,782.37	\$ 133,270.20
August	\$ 40,352.00	\$ 41,420.00	\$ 38,504.00	\$ 63,134.00	\$ 48,395.00	\$ 44,385.00	\$ 45,158.00	\$ 48,075.00	\$ 46,545.00	\$ 43,727.00	\$ 30,306.00	\$ 23,868.00	\$ 58,221.00	\$ 67,005.00	\$ 58,155.52	\$ 57,091.00	\$ 59,695.18	\$ 88,042.00	\$ 106,879.00	\$ 113,842.00
September	\$ 35,529.00	\$ 37,527.00	\$ 23,756.00	\$ 49,098.00	\$ 41,066.00	\$ 44,276.00	\$ 42,282.00	\$ 34,895.00	\$ 25,984.00	\$ 21,813.00	\$ 26,082.00	\$ 2,160.00	\$ 15,674.00	\$ 38,567.00	\$ 57,786.23	\$ 45,708.61	68,991.57	\$ 106,996.00	96180.34	
Total	\$ 477,492.00	\$ 460,478.00	\$ 514,128.00	\$ 617,861.00	\$ 485,557.00	\$ 557,456.00	\$ 546,766.00	\$ 525,006.00	\$ 481,682.00	\$ 392,155.00	\$ 339,379.00	\$ 434,860.00	\$ 480,324.00	\$ 585,100.00	\$ 523,369.18	\$ 707,657.75	\$ 812,966.41	950,429.24	\$973,143.92	\$1,095,848.11



FREEPORT POLICE DEPARTMENT

430 N. Brazosport Blvd • Freeport, TX 77541 • 979.239.1211 • Fax 979.239.2075

AUGUST 2025 REPORT

I. CALLS FOR SERVICE

2141 calls for service were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

II. INCIDENTS

136 cases were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

III. TRAFFIC CONTACTS

417 traffic stops were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

IV. ANIMAL CONTROL

105 animal control calls reported for the month.
Shelter intake: 113 dogs and 39 cats

V. CODE ENFORCEMENT

138 code enforcement violations reported for the month.
Citizen Serve report to follow.

VI. TRAINING

Training performed in accordance with the Texas Commission on Law Enforcement (TCOLE).
- Various training during the month for the department 223 hours.

VII. COMMUNITY EVENTS

The police department participated in the following events for this month:
- No events

The following are upcoming events:

- September 6th Kids Fest
- October 1st Coffee with a Cop
- October 4th Community Clean Up
- October 7th National Night Out

VIII. COMPLAINTS and COMPLIMENTS

Compliment over officers performing call for service.



IX. STAFFING

DISPATCHERS:

We have 1 dispatcher who is leaving to be an officer at another agency for a large pay increase.

JAILERS:

We are full staff. .

ACOS:

We are full staff.

CODE ENFORCEMENT:

We are full staff.

CROSSING GUARDS:

We have 1 crossing guard who is not returning this school year, so we have 1 opening.

POLICE OFFICERS:

We have 4 openings in patrol.

PROMOTIONS:

A promotion process was held with written testing and with an interview panel. Officer Treto was selected and promoted to Corporal.

SPECIAL ANNOUNCEMENTS:

Reserve Lt Detective Teresa LeBlanc-Collins retired.

Freeport Police Department

Monthly Call For Service CC

Printed on September 3, 2025

Description	Totals	
911 CALL	87	87
911 HANG UP	21	21
ABANDONED VEHICLE	5	5
ALARM - BUSINESS	29	29
ALARM - MEDICAL	1	1
ALARM - RESIDENTIAL	7	7
ALARM - VEHICLE	1	1
AMBULANCE CALL - FREEPORT	168	168
AMBULANCE CALL - OYSTER CREEK	15	15
AMBULANCE CALL - SURFSIDE	40	40
ANIMAL BITE	2	2
ANIMAL CONTROL - GENERAL	103	103
ASSAULT	7	7
ATTEMPT TO SERVE - WARRANT	3	3
AUTO THEFT	3	3
BAR CHECK	1	1
BEACH PATROL	3	3
BOAT CRASH	1	1
BROADCAST	1	1
BURGLARY - BUILDING	2	2
BURGLARY - MOTOR VEHICLE	3	3
CHECKED OUT	5	5
CIVIL MATTER	17	17
CIVIL STANDBY	4	4
CLERK CHECK	86	86
CLOSE PATROLLING AREA	256	256
CLOSE PATROL REQUEST	5	5
CODE ENFORCEMENT	100	100
COURTESY TRANSPORT	1	1
COURT VIDEO REVIEW	1	1
CPS RELATED INVESTIGATION	5	5
CRASH - HIT & RUN	3	3
CRASH - MAJOR	2	2
CRASH - MINOR	16	16
CRIMINAL MISCHIEF	8	8
CRIMINAL TRESPASSING	7	7
DEBRIS IN ROADWAY	6	6
DIRECTIVE OF APPREHENSION	1	1
DISORDERLY CONDUCT	1	1
DISTURBANCE PHYSICAL	11	11
DISTURBANCE VERBAL	25	25
DISTURBANCE WEAPONS	2	2

Description	Totals	
DUMPING ILLEGALLY	1	1
FIRE - ALARM	4	4
FIRE CALL	11	11
FLAGGED DOWN	10	10
FOLLOW UP	41	41
FOUND PROPERTY	2	2
FRAUD	4	4
HARASSMENT	5	5
HIGH WATER	2	2
HOSPICE DEATH	1	1
INCIDENT REPORT	1	1
INSPECTION	3	3
JAIL DUTY	1	1
JAIL INSPECTION	47	47
JUVENILE COMPLAINTS	7	7
MENTAL HEALTH CALL/REFERAL	7	7
MISCELLANEOUS	37	37
MISSING PERSON	2	2
MOTORIST ASSIST	17	17
NARCOTICS COMPLAINT	2	2
NOISE COMPLAINT	24	24
OPEN DOOR/WINDOW	7	7
OTHER AGENCY ASSIST	15	15
PARKING VIOLATION	7	7
PRISONER TRANSPORT	19	19
PUBLIC INTOXICATION	1	1
PUBLIC RELATIONS	1	1
RECKLESS DRIVER	19	19
RECOVER STOLEN PROPERTY	1	1
REPORT DROPPED IN ERROR	4	4
REPOSESSION VEHICLE	7	7
RUNAWAY	1	1
SEXUAL OFFENSE	5	5
SPEAK WITH OFFICER	63	63
SPECIAL ASSIGNMENT	14	14
SPECIAL WATCH	7	7
SUBJECT CONTACT	69	69
SUSPICIOUS CIRCUMSTANCE	61	61
SUSPICIOUS NOISE	3	3
SUSPICIOUS SUBJECT	35	35
SUSPICIOUS VEHICLE	24	24
SWAT	1	1
TERRORISTIC THREATS	3	3
THEFT	19	19
TOWED VEHICLE	12	12
TRAFFIC COMPLAINT	14	14

Description	Totals	
TRAFFIC CONTROL	6	6
TRAFFIC STOP	349	349
UNWANTED SUBJECT	28	28
WARRANT CLASS B OR ABOVE	1	1
WARRANT MUNICIPAL	1	1
WATER / STREET DEPT CALLOUT	10	10
WELFARE CONCERN	15	15
	25	25
Totals	2141	2141

Freeport Police Department

Monthly Incidents CC

Printed on September 3, 2025

Reported	Case Number	Offenses	Description
08/01/25	FPD25-0899		REPORT DROPPED IN ERROR
08/01/25	FPD25-0900	INCIDENT REPORT	SUSPICIOUS CIRCUMSTANCE
08/02/25	FPD25-0901	FAILURE TO MAINTAIN FINANCIAL	TRAFFIC STOP
08/02/25	FPD25-0902	CAPIAS WARRANT	TRAFFIC STOP
08/02/25	FPD25-0903	THEFT PROP >=\$100<\$750	THEFT
08/02/25	FPD25-0904	INCIDENT REPORT	MENTAL HEALTH CALL/REFERAL
08/02/25	FPD25-0905	POSSESSION OF DRUG	TRAFFIC STOP
08/03/25	FPD25-0906	RECKLESS DRIVING	RECKLESS DRIVER
08/03/25	FPD25-0907	PUBLIC INTOXICATION	WELFARE CONCERN
08/03/25	FPD25-0908	CRIMINAL TRESPASS	CRIMINAL TRESPASSING
08/03/25	FPD25-0909	VIOL BOND/PROTECTIVE ORDER	SPEAK WITH OFFICER
08/03/25	FPD25-0910	PUBLIC INTOXICATION	CRIMINAL MISCHIEF
08/03/25	FPD25-0911	AGG ASSLT W/DEADLY WEAPON;	ASSAULT
08/04/25	FPD25-0912	CITY WARRANT	CLOSE PATROLLING AREA
08/05/25	FPD25-0913	TERRORISTIC THREAT	DISTURBANCE VERBAL
08/05/25	FPD25-0914	CRIMINAL TRESPASS	SUSPICIOUS CIRCUMSTANCE
08/05/25	FPD25-0915	AGG ASSLT W/DEADLY WEAPON	SUSPICIOUS CIRCUMSTANCE
08/05/25	FPD25-0916	INCIDENT REPORT	SUSPICIOUS CIRCUMSTANCE
08/05/25	FPD25-0917	THEFT PROP >=\$750<\$2,500	THEFT
08/06/25	FPD25-0918	POSS CS PG 1/1-B <1G	SUSPICIOUS SUBJECT
08/06/25	FPD25-0919	THEFT PROP >=\$750<\$2,500	THEFT
08/06/25	FPD25-0920	INCIDENT REPORT	RECOVER STOLEN PROPERTY
08/06/25	FPD25-0921	INCIDENT REPORT	SPEAK WITH OFFICER
08/06/25	FPD25-0922	CRIMINAL MISCHIEF	CRIMINAL MISCHIEF
08/06/25	FPD25-0923	ASSAULT CAUSES BODILY INJURY	DISTURBANCE VERBAL
08/07/25	FPD25-0924	DUMPING LITTER	SUBJECT CONTACT
08/07/25	FPD25-0925	CRIMINAL MISCHIEF/CLASS C	CRIMINAL MISCHIEF
08/07/25	FPD25-0926	D.O.C. UNREASONABLE NOISE	NOISE COMPLAINT
08/08/25	FPD25-0927	PUBLIC INTOXICATION; FLEEING	TRAFFIC STOP
08/08/25	FPD25-0928	THEFT PROP >=\$750<\$2,500	THEFT
08/08/25	FPD25-0929	INCIDENT REPORT	SUSPICIOUS CIRCUMSTANCE
08/09/25	FPD25-0930	INCIDENT REPORT	DISTURBANCE PHYSICAL
08/09/25	FPD25-0931	FRAUD - GENERAL	FRAUD
08/09/25	FPD25-0932	CAPIAS WARRANT	PRISONER TRANSPORT
08/09/25	FPD25-0934	D.O.C. OFFENSIVE	DISTURBANCE VERBAL
08/09/25	FPD25-0933	THEFT PROP >=\$2,500<\$30K	THEFT
08/09/25	FPD25-0935	INCIDENT REPORT	DISTURBANCE PHYSICAL
08/10/25	FPD25-0936	PUBLIC INTOXICATION	CRIMINAL TRESPASSING
08/11/25	FPD25-0937	INCIDENT REPORT	FOUND PROPERTY
08/11/25	FPD25-0938	CITY WARRANT	PRISONER TRANSPORT
08/11/25	FPD25-0939	INCIDENT REPORT	MENTAL HEALTH CALL/REFERAL
08/11/25	FPD25-0945	FRAUD - GENERAL	FRAUD
08/11/25	FPD25-0940	BURGLARY OF HABITATION	BURGLARY - BUILDING

Reported	Case Number	Offenses	Description
08/11/25	FPD25-0941	DEALER TAG VIOLATION	TRAFFIC STOP
08/11/25	FPD25-0942	RESIST ARREST SEARCH OR	UNWANTED SUBJECT
08/11/25	FPD25-0943	CAPIAS WARRANT; CPS/APS	AMBULANCE CALL - FREEPORT
08/12/25	FPD25-0944	INCIDENT REPORT	SUBJECT CONTACT
08/12/25	FPD25-0946	INCIDENT REPORT	HOSPICE DEATH
08/12/25	FPD25-0947	INCIDENT REPORT	ABANDONED VEHICLE
08/12/25	FPD25-0948	THEFT PROP >=\$100<\$750	SPEAK WITH OFFICER
08/12/25	FPD25-0949	CITY WARRANT	DISTURBANCE VERBAL
08/13/25	FPD25-0950	OTHER JURISDICTION WARRANT	SUBJECT CONTACT
08/13/25	FPD25-0951	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
08/13/25	FPD25-0952	ASSAULT CAUSES BODILY INJURY	DISTURBANCE PHYSICAL
08/13/25	FPD25-0953	ILLEGAL DUMPING	DUMPING ILLEGALLY
08/13/25	FPD25-0954	DRIVING WHILE LICENSE INVALID;	TRAFFIC STOP
08/14/25	FPD25-0955	CITY WARRANT	911 CALL
08/14/25	FPD25-0956		SUSPICIOUS CIRCUMSTANCE
08/15/25	FPD25-0957	DRIVING WHILE LICENSE INVALID	TRAFFIC STOP
08/15/25	FPD25-0958	CITY WARRANT	DISTURBANCE PHYSICAL
08/15/25	FPD25-0959	PUBLIC INTOXICATION	UNWANTED SUBJECT
08/15/25	FPD25-0960	BURGLARY OF BUILDING	SPEAK WITH OFFICER
08/16/25	FPD25-0961	DRIVING WHILE INTOXICATED 2ND	DISTURBANCE VERBAL
08/16/25	FPD25-0962	OTHER JURISDICTION WARRANT;	SUBJECT CONTACT
08/16/25	FPD25-0963	THEFT PROP >=\$2,500<\$30K	AUTO THEFT
08/16/25	FPD25-0964	INCIDENT REPORT	UNWANTED SUBJECT
08/17/25	FPD25-0965	UNL CARRYING WEAPON ON	911 CALL
08/17/25	FPD25-0967	PUBLIC INTOXICATION; DRIVING	TRAFFIC STOP
08/17/25	FPD25-0966	PUBLIC INTOXICATION	SUBJECT CONTACT
08/17/25	FPD25-0968	INCIDENT REPORT	RECKLESS DRIVER
08/17/25	FPD25-0969	CITY WARRANT	PRISONER TRANSPORT
08/17/25	FPD25-0970	CRIMINAL TRESPASS	UNWANTED SUBJECT
08/17/25	FPD25-0971	TAMPER W/CONSUMER PRODUCT	SPEAK WITH OFFICER
08/17/25	FPD25-0972	INDECENCY W/CHILD SEXUAL	SEXUAL OFFENSE
08/17/25	FPD25-0973	INCIDENT REPORT	FOUND PROPERTY
08/18/25	FPD25-0974	OTHER JURISDICTION WARRANT	SUBJECT CONTACT
08/18/25	FPD25-0975	INCIDENT REPORT	SPEAK WITH OFFICER
08/18/25	FPD25-0977	INCIDENT REPORT	TOWED VEHICLE
08/18/25	FPD25-0976	CITY WARRANT; PUBLIC	SUSPICIOUS CIRCUMSTANCE
08/19/25	FPD25-0978	CRIMINAL MISCHIEF >=\$100<\$750	CRIMINAL MISCHIEF
08/19/25	FPD25-0979	HARASSMENT	HARASSMENT
08/20/25	FPD25-0980	INDECENCY W/CHILD SEXUAL	SEXUAL OFFENSE
08/20/25	FPD25-0981	INCIDENT REPORT	PRISONER TRANSPORT
08/20/25	FPD25-0982	UNAUTH USE OF VEHICLE	AUTO THEFT
08/20/25	FPD25-0983		ANIMAL CONTROL - GENERAL
08/20/25	FPD25-0984	COLLISION INVOLVING DAMAGE	CRASH - HIT & RUN
08/20/25	FPD25-0985	BURGLARY OF VEHICLES	BURGLARY - MOTOR VEHICLE
08/20/25	FPD25-0986	BURGLARY OF VEHICLES	BURGLARY - MOTOR VEHICLE
08/20/25	FPD25-0987	INCIDENT REPORT	MISSING PERSON
08/21/25	FPD25-0988	CRIMINAL MISCHIEF >=\$750<\$2,500	SUSPICIOUS NOISE

Reported	Case Number	Offenses	Description
08/21/25	FPD25-0989	CRIMINAL MISCHIEF >=\$100<\$750	CRIMINAL MISCHIEF
08/21/25	FPD25-0991	CAPIAS WARRANT	PRISONER TRANSPORT
08/21/25	FPD25-0990	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
08/22/25	FPD25-0992	OPEN CONTAINER; DISPLAY	TRAFFIC STOP
08/22/25	FPD25-0993	THEFT CLASS C	SPEAK WITH OFFICER
08/23/25	FPD25-0994	CAPIAS WARRANT	TRAFFIC STOP
08/23/25	FPD25-0995	INTERFER W/PUBLIC DUTIES;	BAR CHECK
08/23/25	FPD25-0996	CAPIAS WARRANT	TRAFFIC STOP
08/24/25	FPD25-0997	PUBLIC INTOXICATION	SUBJECT CONTACT
08/24/25	FPD25-0998	THEFT CLASS C	THEFT
08/24/25	FPD25-0999	ALLOWING DOG TO RUN AT LARGE	SUBJECT CONTACT
08/24/25	FPD25-1000	CRIMINAL TRESPASS	CRIMINAL TRESPASSING
08/24/25	FPD25-1001	CRIMINAL TRESPASS	CRIMINAL TRESPASSING
08/25/25	FPD25-1002	POSSESSION OF DRUG	SUBJECT CONTACT
08/25/25	FPD25-1003	ASSAULT BY PHYSICAL CONTACT	DISTURBANCE PHYSICAL
08/25/25	FPD25-1004	D.O.C. OBSCENE LANGUAGE	SUSPICIOUS SUBJECT
08/25/25	FPD25-1005	CITY WARRANT	PRISONER TRANSPORT
08/25/25	FPD25-1006		REPORT DROPPED IN ERROR
08/26/25	FPD25-1007	DRIVING WHILE INTOXICATED 2ND	TRAFFIC STOP
08/26/25	FPD25-1008	SEXUAL ASSAULT - rape	SEXUAL OFFENSE
08/26/25	FPD25-1009	ASSAULT BY PHYSICAL CONTACT	DISTURBANCE PHYSICAL
08/26/25	FPD25-1010	PUBLIC INTOXICATION	SUBJECT CONTACT
08/27/25	FPD25-1011	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
08/27/25	FPD25-1012		INCIDENT REPORT
08/27/25	FPD25-1013	D.O.C. OBSCENE LANGUAGE	SUSPICIOUS CIRCUMSTANCE
08/27/25	FPD25-1014	FRAUD - GENERAL	FRAUD
08/27/25	FPD25-1015	PUBLIC INTOXICATION	PUBLIC INTOXICATION
08/27/25	FPD25-1017		ANIMAL BITE
08/28/25	FPD25-1016	BURGLARY OF BUILDING	INCIDENT REPORT
08/28/25	FPD25-1018	CAPIAS WARRANT	TRAFFIC STOP
08/28/25	FPD25-1019	CRIMINAL TRESPASS; CRIMINAL	CRIMINAL MISCHIEF
08/29/25	FPD25-1022	INCIDENT REPORT	SUSPICIOUS SUBJECT
08/29/25	FPD25-1020	THEFT PROP >=\$2,500<\$30K	THEFT
08/29/25	FPD25-1021	INCIDENT REPORT	ASSAULT
08/29/25	FPD25-1023	DEATH INVESTIGATION	AMBULANCE CALL - FREEPORT
08/29/25	FPD25-1024	THEFT PROP >=\$100<\$750	THEFT
08/29/25	FPD25-1025	POSSESSION OF DRUG	TRAFFIC STOP
08/29/25	FPD25-1026	OTHER JURISDICTION WARRANT	SUSPICIOUS SUBJECT
08/30/25	FPD25-1027	ASSAULT FAM/HOUSE MEM	ASSAULT
08/30/25	FPD25-1028	FAIL TO REMAIN AND REPORT	CRASH - MINOR
08/30/25	FPD25-1029	INCIDENT REPORT	FOUND PROPERTY
08/30/25	FPD25-1030	PUBLIC INTOXICATION	FLAGGED DOWN
08/31/25	FPD25-1031	CAPIAS WARRANT; CITY WARRANT	TRAFFIC STOP
08/31/25	FPD25-1032	DRIVING WHILE INTOXICATED	TRAFFIC STOP
08/31/25	FPD25-1033	INCIDENT REPORT	MISSING PERSON
08/31/25	FPD25-1034	PUBLIC INTOXICATION	CLOSE PATROLLING AREA

Freeport Police Department

Monthly Traffic Stops CC

Printed on September 3, 2025

Descriptions	Totals	
Arrest	15	15
Arrest; Vehicle Towed	8	8
Assistance Provided	1	1
Citation Issued	97	97
Citation Issued ; Vehicle Towed	3	3
Handled By Officer / Deputy	3	3
No Police Action Taken	1	1
Report Taken	3	3
Written Warning Issued	286	286
Totals	417	417

Violation List (Custom)

Open From Date: 08/01/2025

Open To Date: 08/31/2025

Show Address: N

Exclude PattiFoster Files: Y

File#	Violation	Open Date	Status
25-002149	General - Plumbing Maintenance	08/01/2025	Closed
25-002149	General - Water System Required	08/01/2025	Closed
25-002167	Growth or accumulation of weeds, rubbish, and the like.	08/04/2025	Open
25-002169	General - Equipment	08/05/2025	Closed
25-002170	Unpermitted short-term rentals prohibited	08/05/2025	Closed
25-002170	Short-term rental permit required	08/05/2025	Closed
25-002185	General - Plumbing Maintenance	08/05/2025	Closed
25-002186	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002187	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002188	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002189	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002191	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Open
25-002200	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002204	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002206	Growth or accumulation of weeds, rubbish, and the like.	08/06/2025	Closed
25-002209	Accessory Structures	08/07/2025	Open
25-002210	Growth or accumulation of weeds, rubbish, and the like.	08/07/2025	Open
25-002210	Sidewalks, Alleys and Unpaved Right-of-Ways	08/07/2025	Open
25-002212	Construction sites to be kept clean	08/07/2025	Open
25-002213	Disposal of garbage	08/07/2025	Open
25-002214	Outdoor Storage of Materials - in Public View	08/07/2025	Open
25-002214	Neglected Premises	08/07/2025	Open
25-002215	Outdoor Storage of Materials - in Public View	08/07/2025	Open
25-002215	Mobile Homes - Maintenance	08/07/2025	Open
25-002215	Junked vehicles	08/07/2025	Open
25-002215	Neglected Premises	08/07/2025	Open
25-002215	Disposal of garbage	08/07/2025	Open
25-002217	Residential - Permits Required	08/07/2025	Open
25-002218	Growth or accumulation of weeds, rubbish, and the like.	08/07/2025	Closed
25-001267	Outdoor Storage of Materials - in Public View	08/07/2025	Open

25-001267	Mobile Homes - Maintenance	08/07/2025	Open
25-002226	Growth or accumulation of weeds, rubbish, and the like.	08/08/2025	Open
25-002226	Neglected Premises	08/08/2025	Open
25-002226	Sidewalks, Alleys and Unpaved Right-of-Ways	08/08/2025	Open
25-002226	Disposal of garbage	08/08/2025	Open
25-002227	Junked vehicles	08/08/2025	Closed
25-002227	Motor Vehicles/Inoperable/Unlicensed	08/08/2025	Closed
25-002088	Growth or accumulation of weeds, rubbish, and the like.	08/08/2025	Closed
25-002252	Growth or accumulation of weeds, rubbish, and the like.	08/12/2025	Closed
25-002253	Growth or accumulation of weeds, rubbish, and the like.	08/12/2025	Closed
25-002254	Disposal of garbage	08/12/2025	Open
25-002255	Disposal of garbage	08/12/2025	Closed
25-002259	Prohibited storage	08/13/2025	Open
25-002259	Prohibited repair, assembly or disassembly of motor vehicle	08/13/2025	Open
25-002259	Limited number of vehicles in public view	08/13/2025	Open
25-002260	Growth or accumulation of weeds, rubbish, and the like.	08/13/2025	Closed
25-002262	Growth or accumulation of weeds, rubbish, and the like.	08/13/2025	Closed
25-002263	Growth or accumulation of weeds, rubbish, and the like.	08/13/2025	Closed
25-002264	Growth or accumulation of weeds, rubbish, and the like.	08/13/2025	Closed
25-002270	Growth or accumulation of weeds, rubbish, and the like.	08/13/2025	Closed
25-002279	Electrical Service	08/14/2025	Open
25-002281	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Open
25-002282	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Closed
25-002284	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Closed
25-002285	Disposal of garbage	08/14/2025	Open
25-002286	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Closed
25-002283	General Penalty- Illegal Dumping	08/14/2025	Open
25-002300	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Closed
25-002301	Growth or accumulation of weeds, rubbish, and the like.	08/14/2025	Closed
25-002218	Junked vehicles	08/15/2025	Closed
25-002218	Motor Vehicles/Inoperable/Unlicensed	08/15/2025	Closed
25-002308	Growth or accumulation of weeds, rubbish, and the like.	08/15/2025	Closed
25-002313	Disposal of garbage	08/15/2025	Open
25-001271	Grass and Weeds	08/18/2025	Open
25-001944	Storage Facilities; General Requirements	08/19/2025	Open
25-002322	Disposal of garbage	08/19/2025	Closed

25-002324	Disposal of garbage	08/19/2025	Closed
25-002325	Disposal of garbage	08/19/2025	Closed
25-002326	Storage Facilities; General Requirements	08/19/2025	Open
25-002335	Residential - Permits Required	08/21/2025	Open
25-002336	Residential - Permits Required	08/21/2025	Closed
25-002337	Growth or accumulation of weeds, rubbish, and the like.	08/21/2025	Open
25-002340	Growth or accumulation of weeds, rubbish, and the like.	08/21/2025	Open
25-002340	Recreational Vehicles outside licensed RV park	08/21/2025	Open
25-002344	Growth or accumulation of weeds, rubbish, and the like.	08/21/2025	Closed
25-002345	Growth or accumulation of weeds, rubbish, and the like.	08/21/2025	Open
25-002346	Disposal of garbage	08/21/2025	Open
25-002347	Growth or accumulation of weeds, rubbish, and the like.	08/21/2025	Closed
25-002348	Accumulation of carrion, filth, and the like.	08/22/2025	Open
25-002348	Neglected Premises	08/22/2025	Open
25-002348	Interior Inspection is requested	08/22/2025	Open
25-002348	Interior structure	08/22/2025	Open
25-002348	Infestation	08/22/2025	Open
25-002348	Occupant- Pest Elimination	08/22/2025	Open
25-002348	Removal of dog feces	08/22/2025	Open
25-002355	Vacant structures and land	08/22/2025	Closed
25-002356	Vacant structures and land	08/22/2025	Closed
25-002332	Junked vehicles	08/25/2025	Open
25-002332	Grass and Weeds	08/25/2025	Open
25-002331	Garbage Collections	08/25/2025	Open
25-002328	Neglected Premises	08/25/2025	Open
25-002193	Growth or accumulation of weeds, rubbish, and the like.	08/25/2025	Open
25-002193	Neglected Premises	08/25/2025	Open
25-002363	Growth or accumulation of weeds, rubbish, and the like.	08/25/2025	Closed
25-002363	Neglected Premises	08/25/2025	Closed
25-002363	Sidewalks, Alleys and Unpaved Right-of-Ways	08/25/2025	Closed
25-002367	Growth or accumulation of weeds, rubbish, and the like.	08/25/2025	Open
25-002367	Neglected Premises	08/25/2025	Open
25-002367	Sidewalks, Alleys and Unpaved Right-of-Ways	08/25/2025	Open
25-002379	Growth or accumulation of weeds, rubbish, and the like.	08/26/2025	Open
25-002379	Neglected Premises	08/26/2025	Open
25-002379	Sidewalks, Alleys and Unpaved Right-of-Ways	08/26/2025	Open

25-002380	Growth or accumulation of weeds, rubbish, and the like.	08/26/2025	Open
25-002380	Neglected Premises	08/26/2025	Open
25-002380	Sidewalks, Alleys and Unpaved Right-of-Ways	08/26/2025	Open
25-002381	Storage Facilities; General Requirements	08/26/2025	Open
25-002382	Storage Facilities; General Requirements	08/26/2025	Open
25-002381	Recreational Vehicles outside licensed RV park	08/26/2025	Open
25-002385	Outdoor Storage of Materials - in Public View	08/26/2025	Open
25-002385	Prohibited storage	08/26/2025	Open
25-002385	Limited number of vehicles in public view	08/26/2025	Open
25-002385	Outdoor Storage of Materials - Surfacing	08/26/2025	Open
25-002295	Growth or accumulation of weeds, rubbish, and the like.	08/27/2025	Open
25-002295	Sidewalks, Alleys and Unpaved Right-of-Ways	08/27/2025	Open
25-002293	Sidewalks, Alleys and Unpaved Right-of-Ways	08/28/2025	Open
25-002407	Growth or accumulation of weeds, rubbish, and the like.	08/28/2025	Open
25-002408	Growth or accumulation of weeds, rubbish, and the like.	08/28/2025	Open
25-002409	Junked vehicles	08/28/2025	Open
25-002409	Prohibited storage	08/28/2025	Open
25-002409	Prohibited repair, assembly or disassembly of motor vehicle	08/28/2025	Open
25-000846	Recreational Vehicles outside licensed RV park	08/28/2025	Open
25-002417	Water Supply	08/29/2025	Open
25-002419	Residential - Permits Required	08/29/2025	Open
25-002420	Disposal of garbage	08/29/2025	Open
25-002422	Residential - Permits Required	08/29/2025	Open
25-002425	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002426	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002426	Recreational Vehicles outside licensed RV park	08/29/2025	Open
25-002427	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002429	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002430	Neglected Premises	08/29/2025	Open
25-002431	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002432	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-002428	Growth or accumulation of weeds, rubbish, and the like.	08/29/2025	Open
25-000525	Growth or accumulation of weeds, rubbish, and the like.	08/30/2025	Open
25-000525	Neglected Premises	08/30/2025	Open
25-002435	Growth or accumulation of weeds, rubbish, and the like.	08/30/2025	Closed
25-002435	Neglected Premises	08/30/2025	Closed

		Total Violations	138
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Human Resources Monthly Report

Date: September 4, 2025

HR TEAM: Donna Fisher/Genesis Martinez

HR Services Team Priorities and Results for August 2025:

- **Welcomes and Well-wishes:**
 - **We are excited to welcome:**
 - **Reginald (Reggie) Harris – Building Official – Building Department**
 - **Cristian Longoria – Jailer – Police Department**
 - **Maria Lopez – Main Street Coordinator – Main Street**
 - **Hana Ring – Telecommunication Officer (Dispatcher) – Police Department**
- **Training/Coaching/Performance Improvement:**
 - **Performance Issues Addressed:** We had zero (0) employee terminations for performance this month.
- **Employee Turnover/Recruiting/Hiring Progress:**
 - **Employee Turnover:** We had four (4) employee separations in August. Two from the Parks Department, one from the Building Department and one from the Police Department.
 - **Internal Transfers/Promotions:**
 - Ulisses Treto promoted from Patrol Officer to Corporal in the Police Department
 - DeVaughn Price transferred to Maintenance Tech II in the Public Works Department
 - **Recruiting:** Active recruiting searches include:
 - Part-time EMT
 - Firefighter/EMT – Full and Part Time
 - Building Maintenance Lead Technician
 - Patrol Officer
 - Maintenance Tech I – Parks
 - Fire Marshal
 - Drainage Supervisor
 - Telecommunication Officer (Dispatcher)
 - Building Inspector
 - Part-time Crossing Guard
 - **Recruiting Sources** include: City website, Texas Municipal League, Strategic Government Resources, Workforce Solutions, Industry-specific organizations, Community College programs for maintenance and Police, social media, and networking.
- **Risk Management and Insurance Updates:**
 - **Unemployment Claims:** We had one (1) unemployment appeal during the month of August. This appeal is still pending and is being handled by the Interim City Attorney
 - **Workers Compensation Claims:** We had one (1) active Workers Comp. claim in August.

- **Family & Medical Leave Cases (FMLA)-** We had four (4) active FMLA cases in August.
- **Training/Development:** Assigned Sexual Harassment and Ethics training to new hires.
- **Benefits and Payroll:** Participated in budget meetings with Finance and City Manager. Conducted Open Enrollment meetings.
- **Recruiting:** Please see attached sheet for Applicant Stats for month of August. Ms. Fisher participated in bid opening for contract Legal services.

Priorities for August:

- **Training/Development** – Follow up on assigned trainings. Ms. Fisher and Ms. Martinez will attend HR Regional lunch meeting in Baytown.
- **Benefits and Payroll:** Submit Open Enrollment changes to carriers.
- **Recruiting:** Participate in interview panel for Drainage Supervisor.

Month of August 2025 Applicant Stats

Opened Jobs – 2

Closed Jobs – 0

New Applicants – 28

Interviewed – 0

Hired – 0

 External – 0

 Internal – 0

Views vs. Starts – 3.5%

Starts vs Completes – 42.9%

Application Source

 Indeed – 14

 Paper application – 3

 Internal – 2

 City of Freeport website – 6

 TML - 3

Qualified Applicants Source

 City of Freeport Website – 6 (100%)

 TML – 3 (100%)

 Refer.io – 1 (100%)

 Obra – 1 (100%)

 Indeed – 11 (78%)

Total Applicants per Job

 Building Inspector – 4

 Fire Marshal – 4

 Part-time EMT – 4

 Building Maintenance Lead – 8

 School Crossing Guard – 4

Qualified Applicants per Job

 Building Maintenance Lead – 5

 Fire Marshal – 4

 School Crossing Guard – 4

 Building Inspector – 3

 EMT (Part-time) - 4



Jerry Cain
Mayor

Dan Pennington
Interim City Manager

PUBLIC WORKS MONTHLY REPORT

Date: August, 2025

From: Rudy Ragle, Director of Public Works

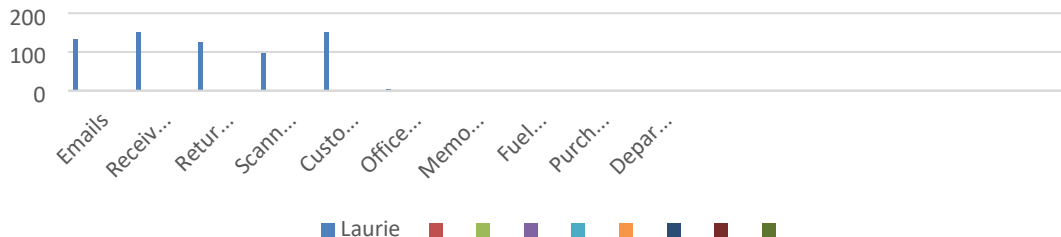
Administration Division:

Under the Direction of the Director of Public Works, this division manages the public works office, customer service, scheduling, reporting and public communication

Key Highlights This Month:

- Work Orders
- Communication
- E-mail

Administrative Assistant Monthly Report August 2025

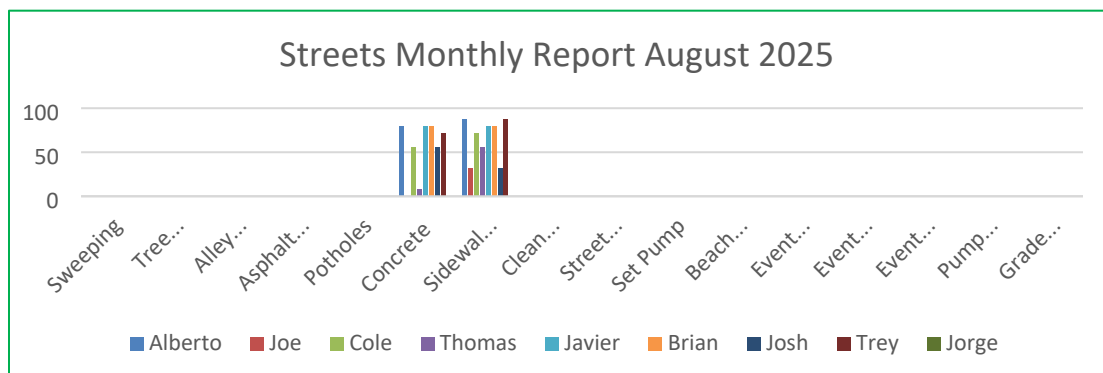


Streets Division:

Under the direction of the Streets Supervisor, this division provides street maintenance services to the community by pothole patching, curb, gutter and sidewalk repair and replacement of city streets and alleys. This division also provides sign maintenance which includes the installation and repair of roadway signs and the repair and maintenance of roadway markings within the city's right-of-way.

Key Highlights This Month:

- Concrete Repairs
- Asphalt Repairs
- Repair sidewalk and curb

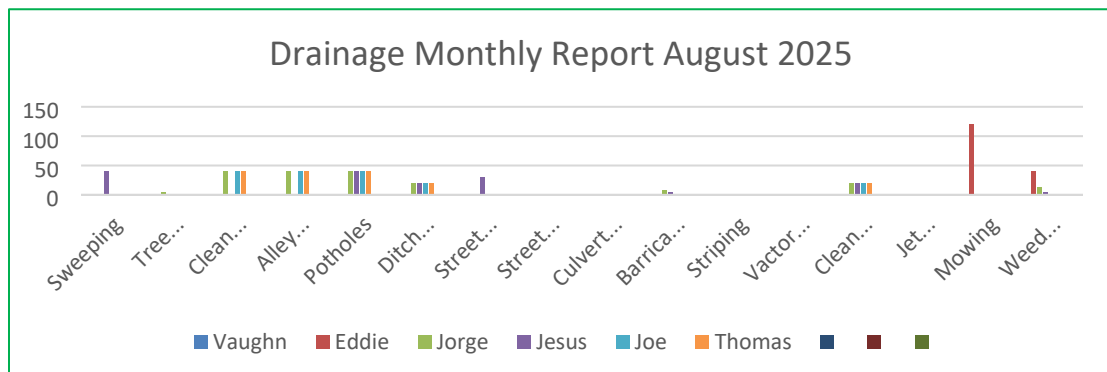


Drainage Division:

Under the direction of the Drainage Supervisor, this division is responsible for all repairs and maintenance of the city's stormwater collection system. This division also installs new culvert piping upon customer permitting.

Key Highlights This Month:

- Barricade replacement
- Mowing drainage areas
- Cleaning culverts

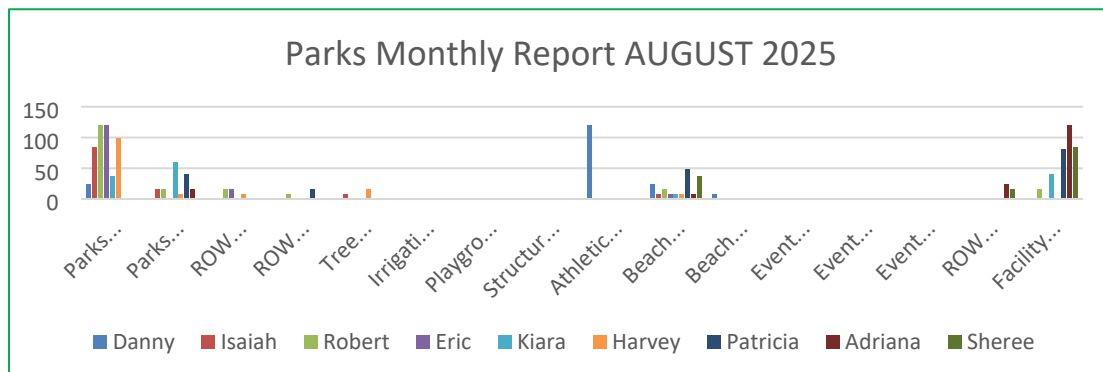


Parks Division:

Under the direction of the Parks/Grounds/Facilities Supervisor, this division provides services to the community by conducting preservation and beautification of the City's parks, ball fields, building grounds and open spaces.

Key Highlights This Month

- Mow Parks
- Entrance brush removal
- Cleaning Facilities

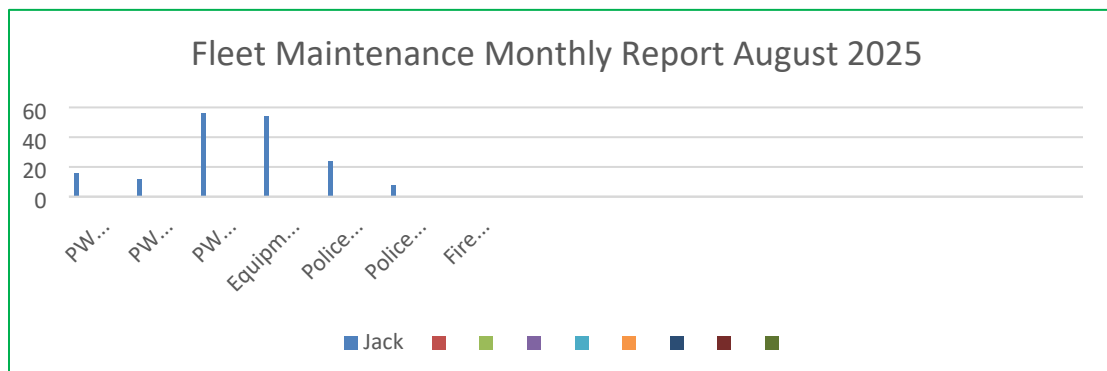


Fleet Division:

Under the direction of the Public Works Director, this division is responsible for all repairs and maintenance of the city's Fleet

Key Highlights This Month:

- Equipment Repair
- Routine Maintenance
- Repair tires

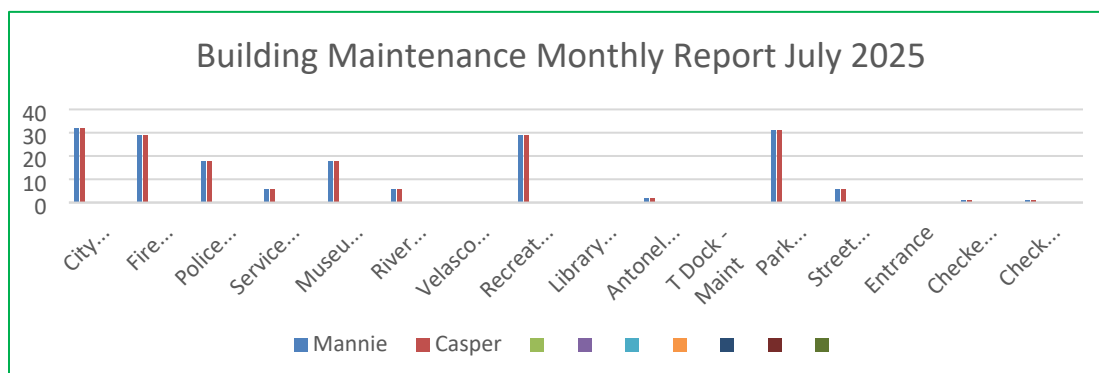


Building Maintenance Division:

Under the direction of the Public Works Superintendent, this division provides services to the community by conducting preventative maintenance and repairs on all city property and buildings.

Key Highlights This Month:

- Up keep on Multiple Buildings
- Rec. Center Maintenance
- Repair Splash pad



Recreation Division:

Under the direction of the Recreation Supervisor, the Recreation Division provides recreational services, special events, and programs to the Freeport community. This includes fitness classes, senior programs, youth activities, aquatics, facility rentals, and more.

August 2025

Program & Staff Updates

Staffing

- Open position for part time recreation attendant

Ongoing Programs

- **Zumba**
 - **Instructor:** 1
 - **Class Schedule:**
 - Mondays & Wednesdays: 8:30–9:30 a.m. and 6:00–7:00 p.m.
 - Fridays: 6:00–7:00 p.m.
 - Saturdays: 10:00–11:00 a.m.
- **Silver Sneakers** continues to support our senior fitness programming.



Events Summary

Held in July

- **Seniors Game Day:** August 18th
- **Seniors Commissions Meeting:** August 18th
- **Parks & Rec Meeting:** August 29th

Upcoming or In Progress

- **September 15th** - Seniors Activity Day: Planning in progress
- **October 23rd:** Fright Night

Social Media Engagement Freeport Recreation Page

2025	Jan	Feb	Mar	Apr	May	June	July	Aug				
People like Freeport Recreation page	3775	3780	3784	3792	3806	3830	3838					
People follow The Freeport Recreation page	4236	4238	4251	4273	4294	4331	4348	4353				



Social Media Engagement

Senior Citizens Page

2025	Jan	Feb	Mar	Apr	May	June	July	Aug
People like Freeport Senior Citizens Page	26	28	31	33	34	38	40	
People follow Freeport Senior Citizens Page	65	72	78	80	84	91	93	96

Program & Event Counts – August 2025

- Senior Programs/Events: 2
- Recreation Center Programs/Events: 1



Revenue Report

Type of Pass	Quantity Sold
Adult Daily Pass	\$270
Child Daily Pass	\$13
Senior Daily Pass	\$3
Student Daily Pass	\$243



Monthly Membership Revenue

Membership Type	Revenue
Youth	\$40
Individual	\$580
Senior	\$210
Senior Family	\$20
Family	\$90
Total	\$940



Membership Check- Ins

Membership Type	Check-Ins
Youth	23
Individual	94
Family	28
Senior	144
Senior Family	2
Silver Sneakers	12
Total	303

	Aug 2025
Total Hours of Sports Field Use by Non-Profit Organizations	12
Paid Sports Field Rentals (Baseball & Softball Fields)	0
Facility Rentals (RiverPlace, VCH, FMP, Gazebos)	11
Number of Non-Profit Organizations/Public Agencies Operating Programs at No-Cost Facility Use	5
Total Number of Contract Classes Offered and Held	24



Information Technology

Monthly Report

- Website Redesign at 81% Completion set for September with October 6th Release/Public Unveiling
- Video and Presenter upgrades to Council Chambers

Upcoming Projects

- Audio Upgrade for Council Chambers
- Fiscal 26 Refresh Hardware completed in FY25
- City Hall Network and power/surge redundancy upgrades.
- Online permit payments configuration and issue reporting
- Email and security upgrades
- Endpoint Security Updates
- Wireless coverage updates and streamlining
- Riverplace network security and stability updates.

August 2025





Closed Ticket 31 days by Category Only

Description:

Category: Service Desk

Server Hostname: support.0cwrseesmgcerdzoaboqdri0wg.bx.internal.cloudapp.net

Generated: 09/01/2025 01:00:21

Category	Total Closed Tickets
Hardware::Accessories (Mouse/Keyboard/Speakers/Etc)::Webcam	1
Hardware::Computer::Laptop	1
Hardware::Other Hardware	2
Hardware::Phone::Desk	2
Hardware::Phone::Phone Software	1
Hardware::Printer::Copier	1
Hardware::Printer::Desk/Office	1
Other	1
Software::Issue	12
Website::Change or Upload	13

09/01/2025



Reporting period: 6 Aug 2025 00:00 - 6 Sep 2025 00:00

Managed endpoints

57

-5%

Active endpoints

57

Blocked threats

2

-90%

Company risk score

16%

-1%

Inventory:

Windows workstations

47/-3

Windows servers

8

macOS

1

Linux

1

Physical machines

48/-3

Virtual machines

9

Top 5 types of blocked threats

1.8

1.2

0.6

0

Aug 6

Aug 11

Aug 16

Aug 21

Aug 26

Aug 31

Sep 5

Web malware

2

-8

Virus

0

Spyware

0

Adware

0

Rootkit

0

Threats breakdown by endpoint type

2

On workstations

2

On servers

0

Incidents breakdown by action taken

--

No information available. To retrieve data about your company's Incidents Status, please consider a compatible [license key](#).

Remediation actions

100%

Blocked: 100%

Deleted: 0%

Malicious processes killed: 0%

Moved to quarantine: 0%

Disinfected: 0%

Endpoint modules status details

Antimalware

57

0

0

Advanced Threat Control

56

1

0

Advanced Anti-Exploit

25

0

32

Firewall

0

16

41

Network Protection

57

0

0

Device Control

0

0

57

Power User

0

0

57

Exchange Protection

0

0

57

Enabled

Disabled

Not installed

Company risk score

16%

Findings

77%

App vulnerabilities

5%

+1%

Identity risks

18%

-1%

Policy rule-based detections

100

100

100

100

Blocked devices

Blocked connections

Blocked applications

Blocked websites

Blocked websites

Malware

2

-8

Phishing

0

-1

Fraud

0

Blocked network attack techniques

Initial access

0

Credential access

0

Discovery

0

Lateral movement

0

Crimeware

0

Filter statement

Filters

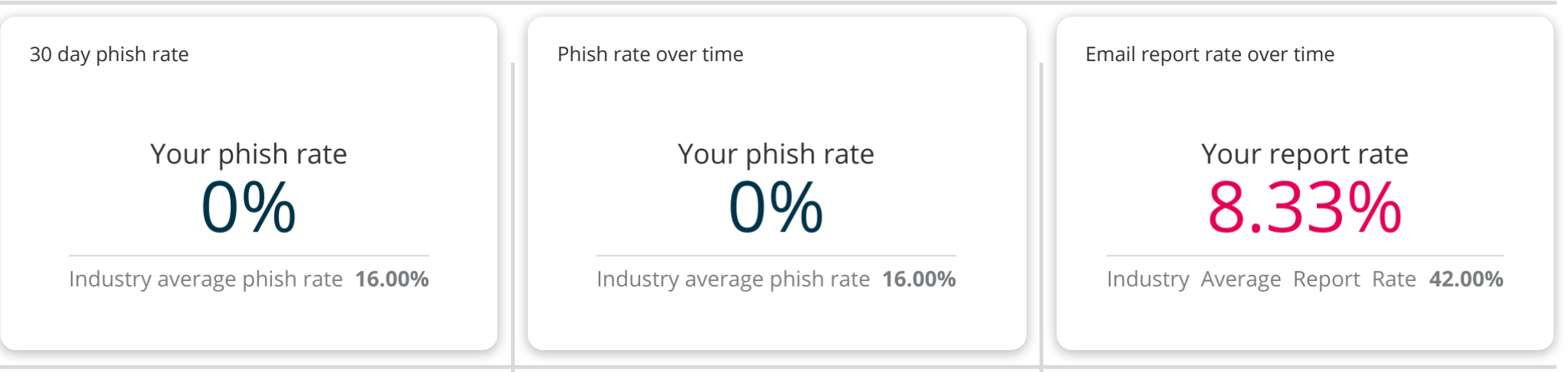
Days in Event Date

Today & Last 29 Days

Test Campaign

No

Security awareness training summary - Executive dashboard



Filter statement

Filters

Days in Event DateToday & Last 29 Days

Test CampaignNo



Filter statement

Filters

Days in Event DateToday & Last 29 Days

Test CampaignNo

30 day training completion

Your completion rate

0%

Industry average completion rate 51.88%

Training completion over time

Your completion rate

0%

Industry average completion rate 51.88%

Training time over time

Average time per learner (minutes)

0.28

Recommended annual training time (mi... 60

Risk behaviors

Failing grades

learners with failing grades

2

Clicked events

phished events

0

Credentials entered

data entries

0

Incomplete training

incomplete training courses

1

Filter statement

Filters

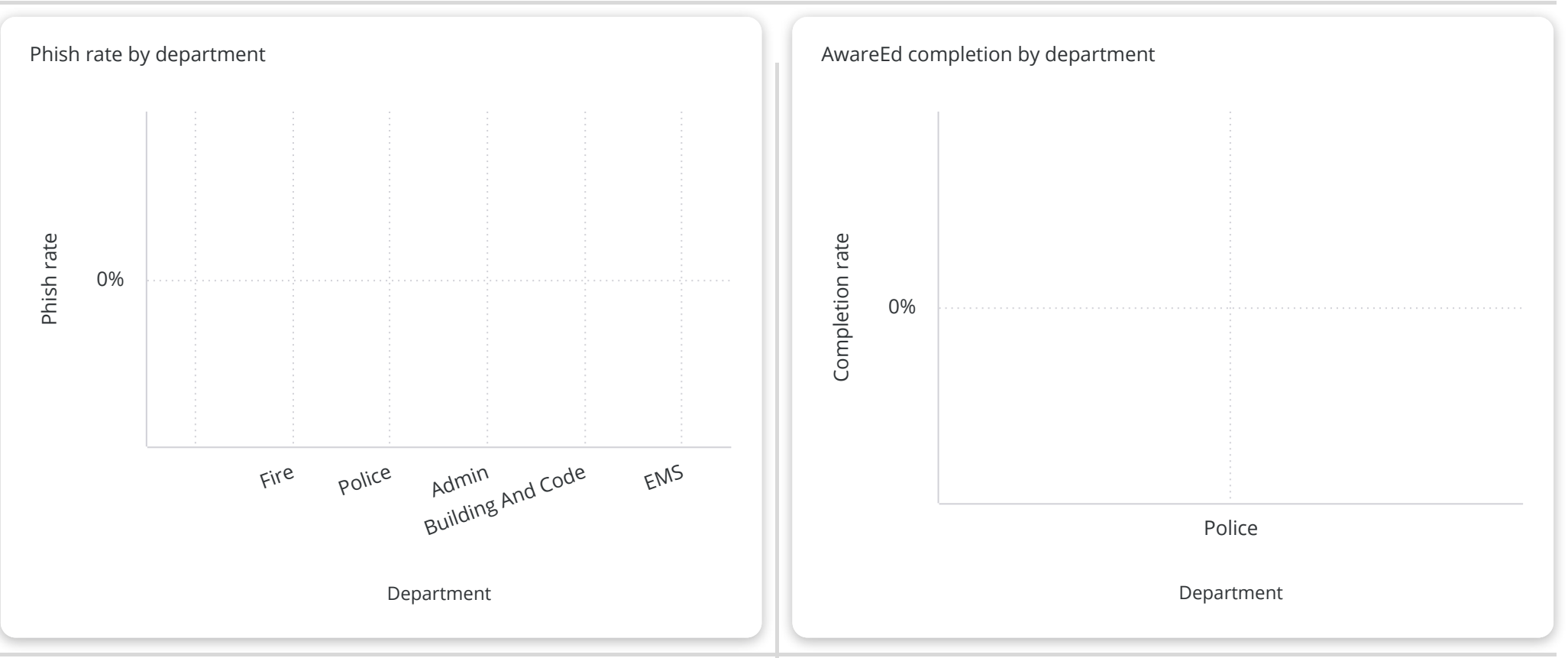
Days in Event Date

Today & Last 29 Days

Test Campaign

No

Lowest performing departments



Filter statement

Filters

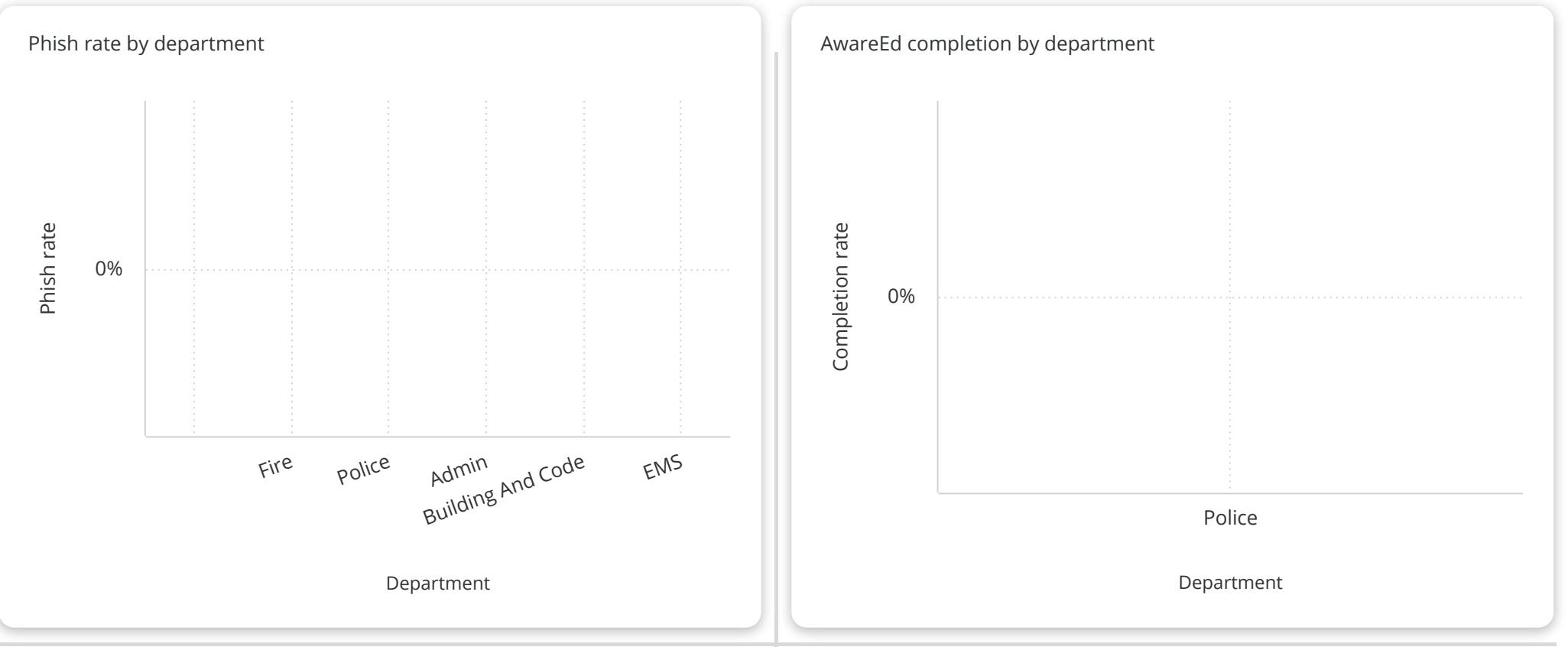
Days in Event Date

Today & Last 29 Days

Test Campaign

No

Highest performing departments



Filter statement

Filters

Days in Event DateToday & Last 29 Days

Test CampaignNo

Activity report

Phishing simulations

PhishSim campaigns

3

Recommended # annual campaigns 12

Training courses

AwareEd campaigns

1

Recommended # annual campaigns 12

Learners reporting emails

% learners using PhishNotify

7.69%

Recommended adoption rate 100%