



City of Freeport
Meeting and/or Executive Session Agenda

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Monday, April 20, 2026, 6:00 PM | Council Chamber | 430 North Brazosport Blvd., Freeport, Texas 77541

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. Matters Subsequent to Posting.
- 1E. 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: Proclamations - Presentations and Updates

- 2A. Employee Recognitions - Employee of the Month, Genesis Martinez, Interim Human Resources Director, Human Resources Department - Dr. Danielle Kelly, City Manager
- 2B. Recognition of Finance Department for Transparency Star Award in Traditional Finances - Dr. Danielle Kelly, City Manager

- 2C. Presentation by Brooks Watson & Co. on the Audited Financial Report and Auditor's Opinion for the fiscal year ending September 30, 2025, followed by consideration to receive and file - Mike Brooks, Partner
- 2D. Upcoming Events -
 - Riverfest, April 24-25
 - Glow Zumba, April 29, Freeport Rec Center, 8:30AM

3: 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.

- 3A. Action regarding Minutes, March 31, 2026 and April 6, 2026 - Clarisa Fernandez, City Secretary
- 3B. Action approving the Monthly Financial Report through March 31, 2026 - Ashlee Hurst, Finance Director

4: Business

-
- 4A. Second reading: Consideration and possible action approving Resolution No. 2026-3042 for an EDC Settlement Agreement.(Dr. Danielle Kelly)
 - 4B. Consideration and possible action approving the park closure for Take-A-Child Fishing Tournament on Saturday, May 9, 2026. (John Perez)
 - 4C. Discussion of 2026 Council Priorities Survey Results. (Dr. Danielle Kelly)
 - 4D. Consideration and possible action regarding the rescheduling of the first May 2026 meeting to May 7, 2026.(Mayor Cain)
 - 4E. Consideration and possible action on CenterPoint's Distribution Cost Recovery Factor proposed settlement.(Christopher Duncan)

5: 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.

6: 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:

6A. Executive Session regarding a.) Texas Government Code, Section 551.071 (Consultation with Attorney) 1.) Covarrubias litigation 2.) Industrial District 3.) Vencorex IDA.

7: Reconvene into Open Session:

7A. Take any action resulting from Executive Session.


8: Adjournment

8A. 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 consult with the city attorney or discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), but cannot vote or take action on any item unless it is set forth above in this agenda. 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, 3 business days prior to meeting. in accordance with Open Meetings Act.



Clarisa Fernandez,
City Secretary, City of Freeport, Texas





City Council Agenda Item #[2.B]

Title: Recognition of Finance Department for Transparency Star Award in Traditional Finances - Dr. Danielle Kelly, City Manager

Date: April 20, 2026

From: Dr. Danielle Kelly

Staff Recommendation: Move to receive and file or take any other action deemed appropriate by the Council.

Item Summary: The City of Freeport has been awarded the Transparency Star in Traditional Finances, a distinction granted by the Texas Comptroller of Public Accounts through its statewide Transparency Stars Program. This recognition highlights the City's commitment to open government, fiscal accountability, and providing residents with clear, accessible, and meaningful financial information. The award specifically acknowledges the Finance Department's efforts to present financial data in a way that is not only publicly available, but understandable and usable by the community.

The Transparency Stars Program recognizes local governments that go beyond minimum reporting requirements by proactively sharing financial information through budgets, financial reports, summaries, visualizations, and downloadable data.

The Traditional Finances designation reflects a high standard of transparency in core financial reporting, including the public availability of multi-year budgets, audited financial statements, and detailed expenditure data in user friendly formats.

Background Information: The Texas Comptroller's Transparency Stars Program was established to encourage local governments to "open their books" and provide taxpayers with a clear understanding of how public funds are collected, managed, and spent. Local governments may earn stars in several categories, including Traditional Finances, Contracts and Procurement, Economic Development, Debt Obligations, Public Pensions, and Open Government and Compliance. Each star is awarded independently based on meeting detailed criteria specific to that category. To qualify for the Traditional Finances Transparency Star, a municipality must demonstrate a comprehensive and accessible financial transparency platform, including:

- Publication of adopted budgets and audited financial reports for multiple fiscal years
- Availability of detailed, downloadable financial data (including revenues and expenditures)
- Public access to check registers with transaction-level detail
- Clear summaries and explanations that help residents understand financial information



This recognition is not a one time designation; the Comptroller's office conducts ongoing reviews to ensure continued compliance and may revoke the award if transparency standards are not maintained

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. City of Freeport Traditional Finances Transparency Star Award
2. Traditional Finances - Freeport



KELLY HANCOCK

STATE OF TEXAS · ACTING COMPTROLLER OF PUBLIC ACCOUNTS

March 31, 2026

Ms. Ashlee Hurst
Finance Director
City of Freeport
1201 N. Avenue H
Freeport, Texas 77541

Dear Ms. Hurst:

I am pleased to inform you that the City of Freeport has earned a Transparency Stars Award in the area of Traditional Finances. Our website now displays your award status and the link you submitted in your application. Enclosed is your Transparency Stars Award Certificate. You will also receive a digital Transparency Stars seal you may post on your website.

Note that you are required to maintain and update your transparency content to retain your Star. Comptroller staff will perform regular checks of your site.

Congratulations on your success in demonstrating exemplary efforts toward financial transparency.

Sincerely,

A handwritten signature in black ink that reads "Kelly Hancock". The signature is fluid and cursive.

Kelly Hancock

Enclosure




TRANSPARENCY STAR

THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS AWARDS THE

Traditional Finances Star
City of Freeport

for exemplary financial transparency efforts. The Transparency Stars Program recognizes local government entities across Texas that attain a high standard of financial transparency online. These actions provide citizens with clear, consistent information about public spending and government accountability in user-friendly formats.



March 31, 2026



City Council Agenda Item #[2.C]

Title: Presentation by BrooksWatson & Co. on the Audited Financial Report and Auditor’s Opinion for the fiscal year ending September 30, 2025, followed by consideration to receive and file - Mike Brooks, Partner

Date: April 20, 2026

From: Ashlee Hurst, Finance Director

Staff Recommendation: Formally receive for filing the audited Annual Comprehensive Financial Report (ACFR) and Auditor's Opinion for the Fiscal Year ended September 30, 2025.

Item Summary: As required by Local Government Code 103.001, an independent audit has been completed by the certified public accounting firm of BrooksWatson & Co. for the year ended September 30, 2025. Annual financial statements have been prepared based on the audit, including the auditor’s opinion.

Background Information: The ACFR consists of a comprehensive summary of the City’s finances and other relevant information for the audit year, including economic overviews, financial analyses, financial statement note disclosures, budgetary and other compliance schedules, and other statistical data. The ACFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Audit Power Point Presentation - Freeport 2025
2. Final Audit Report 9.30.25

Freeport, Texas

Audit Presentation

September 30, 2025

Presented By: Mike Brooks, Audit Partner
April 6, 2026



CERTIFIED PUBLIC ACCOUNTANTS



OVERVIEW OF THE AUDIT PROCESS

3 Stage Process: Planning, Fieldwork, Conclusion & Reporting

Audit Standards: The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS).

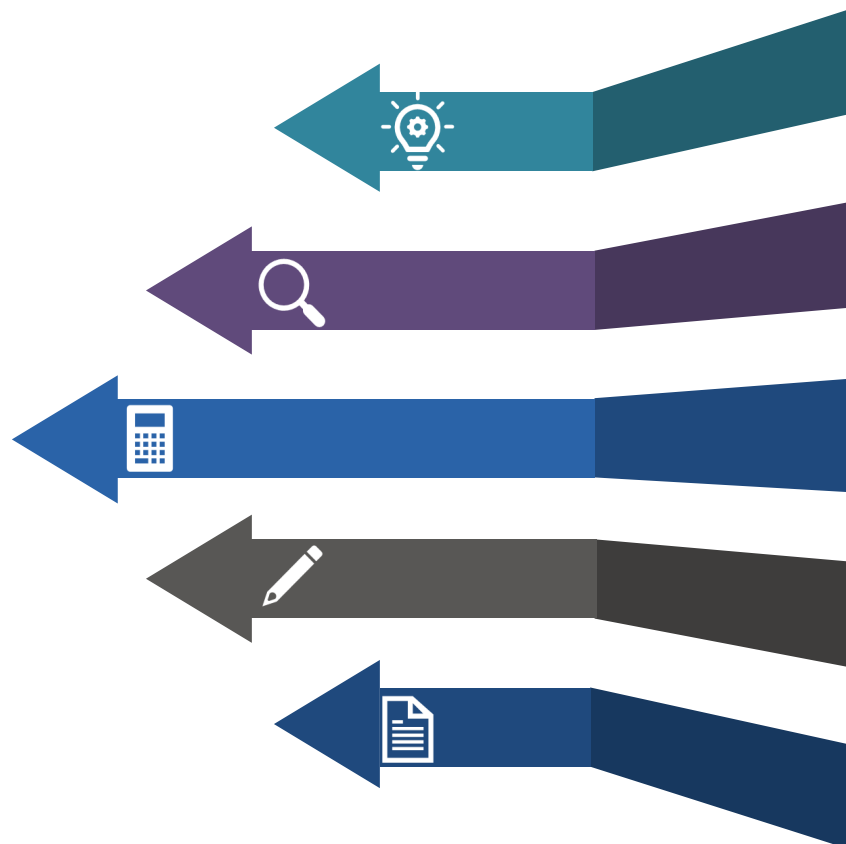
City processes and controls are evaluated and examined as part of audit assessment procedures.

We use a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Performed testing over the City's compliance with provisions with laws, regulations, contracts and grant agreements, including items such as compliance with Public Funds Investment Act (PFIA).

Balances are agreed to underlying reports, and testing is performed to assure those balances are materially accurate.

The results of testing procedures are evaluated. The report is prepared, in addition to the required letters of communication.







COMPONENTS OF THE ANNUAL FINANCIAL REPORT

- ❖ Auditor's Opinion
- ❖ Management's Discussion and Analysis
- ❖ Basic Financial Statements
 - Government-Wide Statements
 - Fund Level Statements
 - Notes to the Financial Statements
- ❖ Required Supplementary Information
 - Budget to Actual – General Fund
 - TMRS Pension Information

INDEPENDENT AUDITOR'S REPORT

REFERENCE AFR – PAGE 1

❖ Four possible outcomes

	-Unmodified
	-Modified
	-Adverse
	-Disclaimed

- ❖ The City received an unmodified opinion
- ❖ Highest level of assurance



Financial Highlights

Governmental Revenues

- ❖ Total M&O property taxes were \$3,358,614, decrease of \$38,803.
 - ❖ M&O tax rate decreased from \$0.4683 in FY 24 to \$0.4504 in FY 25, values increased approximately 10%.
- ❖ Total I&S property taxes were \$528,596, increase of \$14,330
 - ❖ I&S tax rate went from \$0.0647 in FY 24 to \$0.0646 in FY 25
- ❖ Total sales taxes were \$2,749,139, increase of \$99,845.
- ❖ Total Industrial District revenues were \$10,556,052, increase of \$1,142,847.



General Fund Budget Results & Fund Balance

- FY 2025 Budget Results:
 - There was a net positive budget variance of \$3,109,217.

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 19,532,500	\$ 22,183,718	\$ 2,651,218
Expenditures	\$ 18,793,310	\$ 18,725,320	\$ 67,990
Other Sources and (Uses)	\$ (41,665)	\$ 348,344	\$ 390,009
Net Change (Fund Balance)	\$ 697,525	\$ 3,806,742	\$ 3,109,217

See ACFR pg 86/87

- General Fund Balance increased \$3,806,742 from the prior year
- POLICY: City policy requires an unassigned general fund balance of no less than 90 days (25%) of operating expenditures.
 - Unassigned Fund Balance was \$12,131,230 as of year end
 - Fiscal Year 2025 – 65%, 8 months, 236 days



Financial Highlights

Proprietary Funds

9/30/2025	
	Water and Sewer
Net Operating Income (Loss)	\$ (1,452,172)
Nonoperating Revenues/Exp, net	\$ (117,988)
Grants and contributions	\$ 7,650,982
Transfers in	\$ 3,525,905
Transfer (out)	\$ (150,000)
Change in Net Position	\$ 9,456,727



Financial Highlights

Major Capital Outlay

- ❖ Improvements to the fire station for \$202,683.
- ❖ Leased assets for the golf course in the amount of \$404,509.
- ❖ Made sewer improvements totaling \$1,189,962.
- ❖ Made lift station improvements for \$368,850.
- ❖ Made improvements to the WWTP totaling \$9,567,532.
- ❖ Smart water meter additions for \$3,194,467.



TMRS Pension Liability

- City Retirement Contributions to TMRS totaled \$1,320,783 during the year.
- Employer Contribution Rates (2025-2023) were 16.11%, 15.33% & 14.13%
- Total Pension Funded % (2024-2022) was 86%, 84%, 80%.

	Total Pension Liability (a)	Plan Fiduciary Net Position	Total Net Pension Liability (a) –
Balance at 12/31/23	\$ 38,584,110	\$ 32,485,184	\$ 6,098,926
Changes for the year:			
Service cost	1,513,898	-	1,513,898
Interest	2,597,667	-	2,597,667
Change in benefit terms	-	-	-
Difference between expected and actual experience	717,889	-	717,889
Changes of assumptions	-	-	-
Contributions – employer	-	1,311,931	(1,311,931)
Contributions – employee	-	599,055	(599,055)
Net investment income (loss)	-	3,373,297	(3,373,297)
Benefit payments, including refunds of emp. contributions	(1,714,205)	(1,714,205)	-
Administrative expense	-	(21,647)	21,647
Other changes	-	(506)	506
Net changes	3,115,249	3,547,925	(432,676)
Balance at 12/31/24	\$ 41,699,359	\$ 36,033,109	\$ 5,666,250



Public Funds Investment Act

PFIA COMPLIANCE – YEAR ENDING 9/30/2025

Chapter 2256 of the Texas Government Code, the Public Funds Investment Act (PFIA)

- Adopt a Written Investment Policy, review and approve annually.
 - An investment policy must emphasize safety and liquidity and be limited to authorized investments (government obligations, CD's, investment pools)
- Designated Investment Officers, Treasurer, and Finance Director must complete PFIA training every two years.
- Investment reports should be submitted to Council for approval, no less than quarterly.
- Audited annually by an independent auditor.
- **The City was in compliance with all requirements.**



Communication Letters

- **Communication with Those Charged with Governance**
 - Audit was conducted in compliance with all ethics requirements regarding independence
 - No difficulties were encountered in dealing with management
 - Audit Adjustments were identified and corrected by management.

- **Communication Regarding Internal Controls**

Questions?

Contact Info:

Mike Brooks, CPA, Audit Partner

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Houston, TX 77032

MBrooks@BrooksWatsonCPA.com

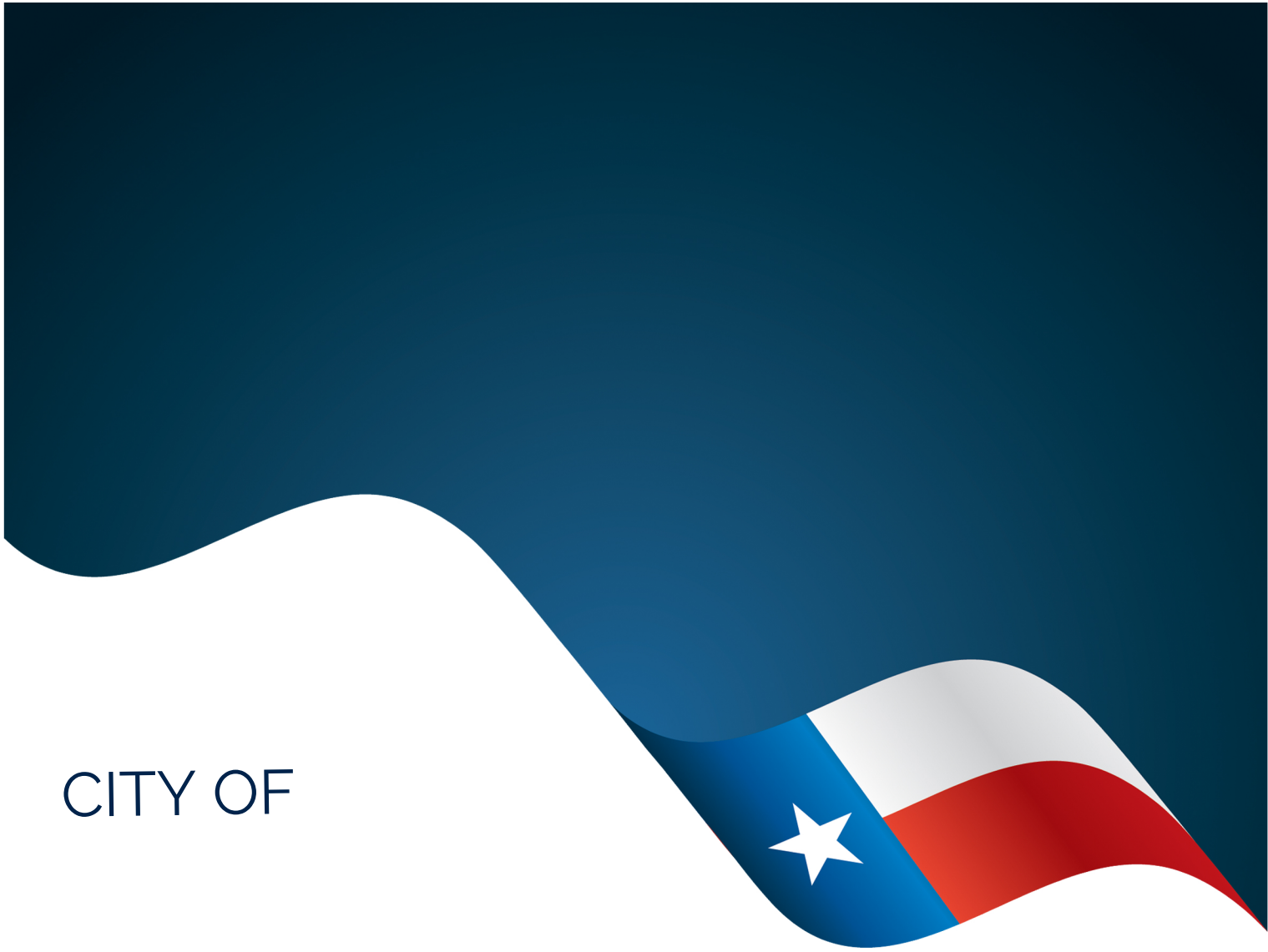
BW&C

CERTIFIED PUBLIC ACCOUNTANTS

We know your questions don't end when the audit does.

We remain available throughout the year.

CITY OF



2025 ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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ANNUAL FINANCIAL REPORT

of the

City of Freeport, Texas

**For the Year Ended
September 30, 2025**

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City of Freeport, Texas

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September 30, 2025

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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, 2025, 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, 2025, 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 corrections to accounts payable, assets, intergovernmental payable, and the implementation of GASB 101 over compensated absences, the City restated beginning fund balance/net position for the general fund, governmental activities, water and sewer fund/business type-activities and the Freeport EDC. 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 March 24, 2026 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
March 24, 2026

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Freeport, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2025

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, 2025. 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 \$57,333,700 at September 30, 2025.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$22,265,844, an increase of \$750,904.
- The City had an overall increase in net position of \$10,252,265.
- The City closed the year with a net pension liability of \$5,666,250.

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, 2025

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, city grants, 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, 2025

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 EDC Board and a representative from each additional participating jurisdiction 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.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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 \$57,333,700 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$37,421,393, 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:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 28,645,177	\$ 3,831,527	\$ 32,476,704	\$ 24,875,650	\$ 7,065,472	\$ 31,941,122
Capital assets, net	23,610,390	31,103,868	54,714,258	23,641,250	16,512,576	40,153,826
Total Assets	52,255,567	34,935,395	87,190,962	48,516,900	23,578,048	72,094,948
Deferred Outflows	1,487,074	25,124	1,512,198	2,039,969	30,291	2,070,260
Other liabilities	5,135,138	1,921,822	7,056,960	1,804,238	3,171,577	4,975,815
Long-term liabilities	14,227,453	8,064,157	22,291,610	14,685,746	4,923,581	19,609,327
Total Liabilities	19,362,591	9,985,979	29,348,570	16,489,984	8,095,158	24,585,142
Deferred Inflows	2,009,425	11,465	2,020,890	1,800,734	6,833	1,807,567
Net Position:						
Net investment in capital assets	16,973,840	20,447,553	37,421,393	16,359,316	12,461,510	28,820,826
Restricted	5,355,863	-	5,355,863	7,970,539	-	7,970,539
Unrestricted	10,040,922	4,515,522	14,556,444	7,936,296	3,044,838	10,981,134
Total Net Position	\$ 32,370,625	\$ 24,963,075	\$ 57,333,700	\$ 32,266,151	\$ 15,506,348	\$ 47,772,499

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Governmental activities current and other assets increased by \$3,769,527 when compared to the prior year primarily due to a general fund surplus. Total capital assets increased by \$14,560,432 due to new capital investments and infrastructure improvements throughout the year. Total other liabilities for business-type activities decreased by \$1,249,755 primarily due to greater vendor payables in the prior year. Total long-term liabilities increased by \$2,682,283 primarily due to the issuance of a new loan to fund the purchase of new water meters.

Statement of Activities:

The following table provides a summary of the City's changes in net position:

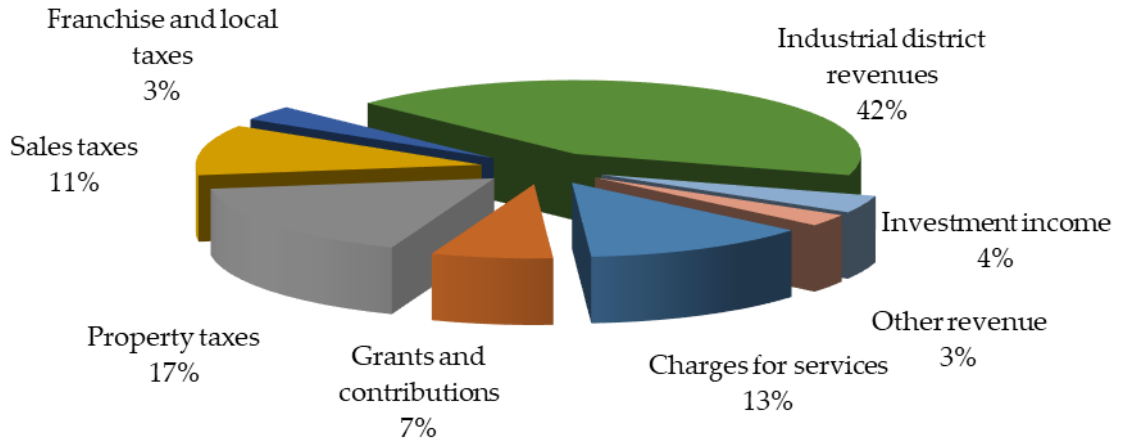
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,181,037	\$ 6,987,274	\$ 10,168,311	\$ 3,173,384	\$ 7,855,889	\$ 11,029,273
Grants and contributions	1,705,568	7,650,982	9,356,550	445,282	3,199,175	3,644,457
General revenues:						
Property taxes	4,198,769	-	4,198,769	4,318,958	-	4,318,958
Sales taxes	2,749,139	-	2,749,139	2,649,294	-	2,649,294
Franchise and local taxes	811,967	-	811,967	780,370	-	780,370
Industrial district revenues	10,556,052	-	10,556,052	9,413,205	-	9,413,205
Investment income	956,138	149,629	1,105,767	1,266,509	190,405	1,456,914
Other revenue	652,719	-	652,719	445,872	-	445,872
Total Revenues	24,811,389	14,787,885	39,599,274	22,492,874	11,245,469	33,738,343
Expenses						
General government	3,546,333	-	3,546,333	3,260,635	-	3,260,635
Public safety	9,734,679	-	9,734,679	9,239,723	-	9,239,723
Culture and recreation	3,718,746	-	3,718,746	3,602,223	-	3,602,223
Streets and drainage	2,192,125	-	2,192,125	2,131,361	-	2,131,361
Sanitation	803,387	-	803,387	763,915	-	763,915
Service center	240,004	-	240,004	336,906	-	336,906
Disaster relief	253,155	-	253,155	1,437,304	-	1,437,304
Interest and fiscal charges	151,516	206,367	357,883	141,315	76,369	217,684
Water and sewer	-	8,500,696	8,500,696	-	7,429,192	7,429,192
Total Expenses	20,639,946	8,707,063	29,347,009	20,913,382	7,505,561	28,418,943
Change in Net Position						
Before Transfers	4,171,443	6,080,822	10,252,265	1,579,492	3,739,908	5,319,400
Transfers	(3,375,905)	3,375,905	-	(387,024)	387,024	-
Total	(3,375,905)	3,375,905	-	(387,024)	387,024	-
Change in Net Position	795,538	9,456,727	10,252,265	1,192,468	4,126,932	5,319,400
Beginning Net Position	31,575,087 *	15,506,348	47,081,435	31,073,683	11,379,416	42,453,099
Ending Net Position	\$ 32,370,625	\$ 24,963,075	\$ 57,333,700	\$ 32,266,151	\$ 15,506,348	\$ 47,772,499

*Beginning net position was restated due to the implementation of GASB 101.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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

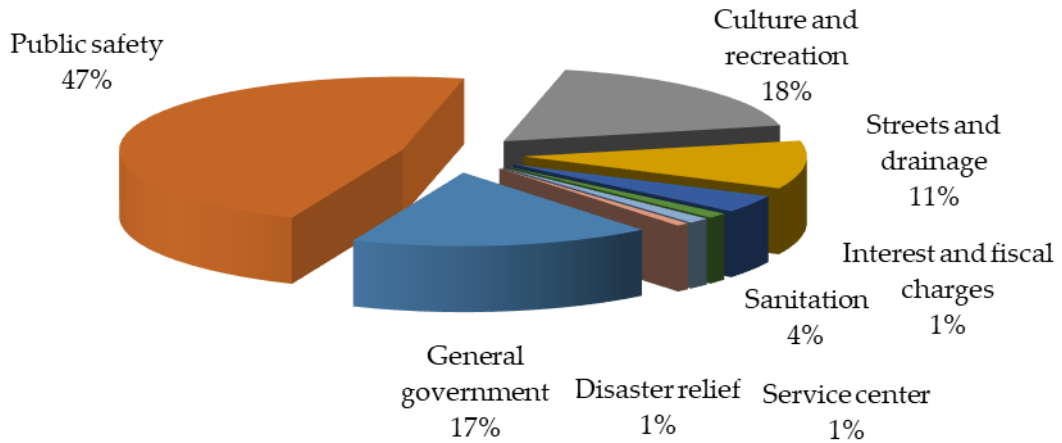


For the year ended September 30, 2025, revenues from governmental activities totaled \$24,811,389. Industrial district revenues are the City's largest revenue sources. Grants and contributions increased by \$1,260,286 or 283% primarily due to nonrecurring Hurricane Beryl and justice assistance grants in the year. Property tax revenues decreased by \$120,189 or 3% primarily due to a reduction in the M&O and I&S tax rates. Sales tax revenues increased by \$99,845 or 4% primarily due to economic growth in the current year. Franchise and local tax revenues increased by \$31,597 or 4% primarily due to greater hotel occupancy rates and utility/garage franchise fees received in the current year. Investment income decreased by \$310,371 or 25% due to the realization of higher interest rates in the prior year. Other revenues increased by \$206,847 or 46% due to the nonrecurring donations, insurance settlements and lease income. All other revenues remained relatively stable when compared to the previous year.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

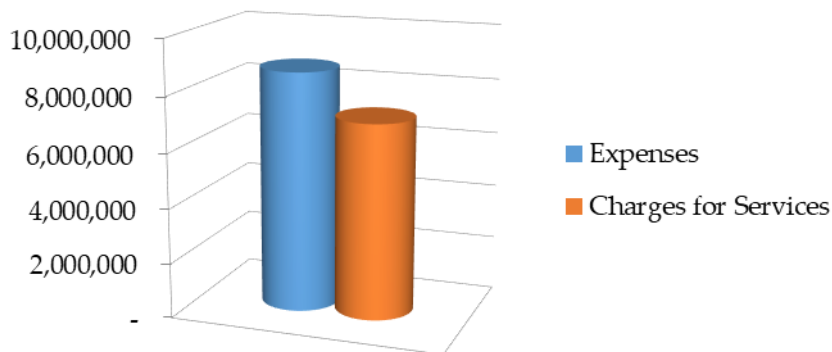


For the year ended September 30, 2025, expenses for governmental activities totaled \$20,639,946. This represents a decrease of \$273,436 or 1% from the prior year. General government expenses increased by \$285,699 or 9% due to an increase in the pension liability and software service contracts in the current year. Disaster relief expenses decreased by \$1,184,149 due to Hurricane Beryl related costs in the prior year. Public safety expenses increased \$494,956 or 5% due to an increase in the pension liability and salary and related expenses. All remaining expenses remained relatively consistent with the previous year.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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, 2025, charges for services by business-type activities totaled \$6,987,274. This is a decrease of \$868,615 or 11% from the previous year. This decrease is directly related to the discontinuation of service to the Village of Surfside in March of the current year, and a reduction in consumption. Grants increased by \$4,451,807 due to nonrecurring GLO and TDEM grant activity in the current year.

Business-type activities expenses increased by \$1,071,504 or 14% primarily due to greater water costs from the Brazosport Water Authority as well as higher wastewater processing charges from Veolia. In addition, depreciation was increased 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 \$15,093,592. The general fund had a net increase in fund balance for the year of \$3,806,742. 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.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

The capital projects fund reflected a fund balance of \$3,159,667, which represents a decrease of \$3,292,186. The decrease is related to transfers out of the fund and capital expenditures exceeding current year investment income.

There was an increase in the 2020 CO Bond CIP fund of \$41,002 during the year, leaving a year end fund balance of \$1,067,586. 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 \$3,109,217 in the general fund. This represents a combination of positive revenue, expenditure, and other financing sources variances of \$2,651,218, \$67,990, and \$390,009, respectively. The City amended the original general fund budget for fiscal year 2025 by increasing total revenues by \$30,270 and increasing total expenditures by \$30,270. The streets and drainage, sanitation, capital outlay, 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 \$23,610,390 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 \$31,103,868 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- New roof for the recreation center for \$127,892
- Leased assets for the golf course in the amount of \$404,509.
- Improvements to the fire station for \$202,683.
- Made sewer improvements totaling \$1,189,962.
- Port lift station improvements in the amount of \$933,900.
- Smart water meter additions for \$3,194,467.
- Made improvements to the WWTP for \$9,567,532.
- Made lift station improvements for \$368,850.

City of Freeport, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

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, notes payable, and leases outstanding (including premiums) of \$15,527,770. The City entered into a new note payable to finance the replacement of water meters in the amount of \$3,561,250 in the current year. The City also made principal repayments on outstanding debt totaling \$1,093,823. 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 2026 (tax year 2025) is \$0.514 per \$100 of assessed value, which is less than the tax rate for fiscal year 2025 (tax year 2024), which was \$0.515. The Maintenance and Operation rate decreased by \$0.015927 per \$100 of assessed values while the Interest and Sinking rate decreased by \$0.001676 per \$100 of assessed value. Property tax revenue for the City is budgeted \$79 thousand higher than the previous year which is a 1.9% increase. 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 2026 budget, these revenues were estimated to increase by 11.56% over the fiscal year 2025 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,259,346	\$ 2,765,297	\$ 26,024,643
Due from primary government	-	-	-
Receivables, net	1,522,627	3,170,355	4,692,982
Lease receivables, current	155,198	-	155,198
Internal balances	2,166,959	(2,166,959)	-
Prepays	265,207	62,834	328,041
Total Current Assets	27,369,337	3,831,527	31,200,864
Lease receivables, noncurrent	1,275,840	-	1,275,840
Capital assets:			
Non-depreciable	3,075,895	12,424,168	15,500,063
Net depreciable capital assets	20,534,495	18,679,700	39,214,195
Total Noncurrent Assets	24,886,230	31,103,868	55,990,098
Total Assets	52,255,567	34,935,395	87,190,962
Deferred Outflows of Resources			
Pension outflows	1,468,126	24,804	1,492,930
OPEB outflows - TMRS	8,111	137	8,248
OPEB outflows - Health	10,837	183	11,020
Total Deferred Outflows of Resources	1,487,074	25,124	1,512,198

See Notes to Financial Statements.

Component Unit

Freeport

EDC

\$	3,718,640
	67,370
	270,067
	-
	-
	-
	<u>4,056,077</u>

	-
	2,456,056
	234,085
	<u>2,690,141</u>
	<u>6,746,218</u>

	36,834
	204
	-
	<u>37,038</u>

City of Freeport, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,477,944	\$ 912,194	\$ 5,390,138
Unearned revenue	24,230	-	24,230
Customer deposits	-	311,720	311,720
Accrued interest	70,819	182,601	253,420
Due to component unit	67,370	-	67,370
Compensated absences, current	494,775	2,496	497,271
Long-term debt due within one year	727,882	512,811	1,240,693
	<u>5,863,020</u>	<u>1,921,822</u>	<u>7,784,842</u>
Noncurrent liabilities:			
Net pension liability	5,437,943	91,872	5,529,815
OPEB liability - TMRS	372,870	6,300	379,170
OPEB liability - Health	191,822	3,245	195,067
Compensated absences, noncurrent	520,681	277	520,958
Long-term debt due in more than one year	6,976,255	7,962,463	14,938,718
Total Noncurrent Liabilities	<u>13,499,571</u>	<u>8,064,157</u>	<u>21,563,728</u>
Total Liabilities	<u>19,362,591</u>	<u>9,985,979</u>	<u>29,348,570</u>
<u>Deferred Inflows of Resources</u>			
Pension inflows	428,195	7,234	435,429
OPEB inflows - TMRS	71,070	1,201	72,271
OPEB inflows - Health	179,122	3,030	182,152
Leases	1,331,038	-	1,331,038
Total Deferred Inflows of Resources	<u>2,009,425</u>	<u>11,465</u>	<u>2,020,890</u>
<u>Net Position</u>			
Net investment in capital assets	16,973,840	20,447,553	37,421,393
Restricted for:			
Capital projects	3,159,667	-	3,159,667
Municipal court	352,378	-	352,378
Economic development	963,358	-	963,358
Debt service	488,219	-	488,219
Tourism	392,241	-	392,241
Unrestricted	10,040,922	4,515,522	14,556,444
Total Net Position	<u>\$ 32,370,625</u>	<u>\$ 24,963,075</u>	<u>\$ 57,333,700</u>

See Notes to Financial Statements.

Component Unit
Freeport
EDC

\$	41,045
	-
	-
	-
	-
	12,438
	-
	<u>53,483</u>
	136,435
	9,355
	-
	13,495
	-
	<u>159,285</u>
	<u>212,768</u>
	10,743
	1,783
	-
	-
	<u>12,526</u>
	2,690,141
	-
	-
	3,867,821
	-
	-
	-
\$	<u><u>6,557,962</u></u>

City of Freeport, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,546,333	\$ 388,081	\$ -	\$ -
Public safety	9,734,679	1,111,681	1,096,719	-
Streets and drainage	2,192,125	170,468	-	-
Culture and recreation	3,718,746	1,510,357	-	-
Sanitation	803,387	450	-	-
Service center	240,004	-	-	-
Disaster relief	253,155	-	608,849	-
Interest and fiscal charges	151,516	-	-	-
Total Governmental Activities	20,639,946	3,181,037	1,705,568	-
Business-Type Activities				
Water and sewer	8,707,063	6,987,274	-	7,650,982
Total Business-Type Activities	8,707,063	6,987,274	-	7,650,982
Total Primary Government	\$ 29,347,009	\$ 10,168,311	\$ 1,705,568	\$ 7,650,982
Component Unit				
Freeport EDC	873,853	-	-	-
Total Component Unit	\$ 873,853	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Industrial district
 - Franchise and local taxes
- Investment income
- Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

- Beg. Net Position, as previously reported
- Error correction
- New accounting standard
- 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	Business-Type	Total	Freeport
Activities	Activities		EDC
\$ (3,158,252)	\$ -	\$ (3,158,252)	\$ -
(7,526,279)	-	(7,526,279)	-
(2,021,657)	-	(2,021,657)	-
(2,208,389)	-	(2,208,389)	-
(802,937)	-	(802,937)	-
(240,004)	-	(240,004)	-
355,694	-	355,694	-
(151,516)	-	(151,516)	-
<u>(15,753,341)</u>	<u>-</u>	<u>(15,753,341)</u>	<u>-</u>
-	5,931,193	5,931,193	-
-	5,931,193	5,931,193	-
<u>(15,753,341)</u>	<u>5,931,193</u>	<u>(9,822,148)</u>	<u>-</u>
			(873,853)
			<u>(873,853)</u>
4,198,769	-	4,198,769	-
2,749,139	-	2,749,139	1,374,569
10,556,052	-	10,556,052	-
811,967	-	811,967	-
956,138	149,629	1,105,767	145,002
652,719	-	652,719	5,936
(3,375,905)	3,375,905	-	-
<u>16,548,879</u>	<u>3,525,534</u>	<u>20,074,413</u>	<u>1,525,507</u>
795,538	9,456,727	10,252,265	651,654
32,363,811	16,045,560	48,409,371	5,931,705
(97,660)	(539,212)	(636,872)	(13,582)
(691,064)	-	(691,064)	(11,815)
31,575,087	15,506,348	47,081,435	5,906,308
<u>\$ 32,370,625</u>	<u>\$ 24,963,075</u>	<u>\$ 57,333,700</u>	<u>\$ 6,557,962</u>

City of Freeport, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Capital Projects	2020 CO Bond CIP Fund	City Grants
<u>Assets</u>				
Cash and cash equivalents	\$ 13,123,893	\$ 3,630,017	\$ 1,067,586	\$ 955,983
Receivables, net	2,627,563	-	-	25,714
Prepays	214,619	-	-	-
Due from other funds	1,845,441	-	-	2,166,959
Total Assets	\$ 17,811,516	\$ 3,630,017	\$ 1,067,586	\$ 3,148,656
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 842,857	\$ 470,350	\$ -	\$ 3,148,656
Unearned revenues	24,230	-	-	-
Due to component unit	67,370	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	934,457	470,350	-	3,148,656
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property tax	168,989	-	-	-
EMS	283,440	-	-	-
Leases	1,331,038	-	-	-
Total Deferred Inflows	1,783,467	-	-	-
<u>Fund Balances</u>				
Nonspendable				
Prepays	214,619	-	-	-
Restricted for:				
Capital projects	-	3,159,667	1,067,586	-
Municipal court	-	-	-	-
Debt service	-	-	-	-
Tourism	-	-	-	-
Economic development	-	-	-	-
Assigned for:				
Facilities and grounds	-	-	-	-
Streets and drainage	2,747,743	-	-	-
IT equipment	-	-	-	-
Unassigned reported in:				
General fund	12,131,230	-	-	-
Nonmajor funds	-	-	-	-
Total Fund Balances	15,093,592	3,159,667	1,067,586	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,811,516	\$ 3,630,017	\$ 1,067,586	\$ 3,148,656

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,481,867	\$ 23,259,346
300,388	2,953,665
50,588	265,207
-	4,012,400
<u>\$ 4,832,843</u>	<u>\$ 30,490,618</u>
\$ 16,081	\$ 4,477,944
-	24,230
-	67,370
1,845,441	1,845,441
<u>1,861,522</u>	<u>6,414,985</u>
26,322	195,311
-	283,440
-	1,331,038
<u>26,322</u>	<u>1,809,789</u>
50,588	265,207
-	4,227,253
352,378	352,378
488,219	488,219
392,241	392,241
963,358	963,358
2,208,334	2,208,334
-	2,747,743
223,593	223,593
-	12,131,230
(1,733,712)	(1,733,712)
<u>2,944,999</u>	<u>22,265,844</u>
<u>\$ 4,832,843</u>	<u>\$ 30,490,618</u>

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City of Freeport, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2025

Fund Balances - Total Governmental Funds	\$	22,265,844
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		3,075,895
Capital assets - net depreciable		20,534,495
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		195,311
EMS		283,440
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		1,468,126
OPEB outflows - TMRS		8,111
OPEB outflows - Health		10,837
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		(428,195)
OPEB inflows - TMRS		(71,070)
OPEB inflows - Health		(179,122)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(70,819)
Deferred (gains) charges:		
For bond premiums		(265,022)
Net pension liability		(5,437,943)
OPEB liability - TMRS		(372,870)
OPEB liability - Health		(191,822)
Compensated absences		(1,015,456)
Bonds, notes, & lease liabilities		(7,439,115)
Net Position of Governmental Activities	\$	32,370,625

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, 2025

	General	Capital Projects	2020 CO Bond CIP Fund	City Grants
<u>Revenues</u>				
Property tax	\$ 3,358,614	\$ -	\$ -	\$ -
Sales tax	2,749,139	-	-	-
Industrial district	10,556,052	-	-	-
Franchise and local taxes	686,770	-	-	-
License and permits	170,468	-	-	-
Intergovernmental	7,597	-	-	480,273
Fines and forfeitures	286,489	-	-	-
Charges for services	3,202,741	-	-	-
Investment income	511,848	238,620	41,002	-
Other revenue	654,000	-	-	-
Total Revenues	22,183,718	238,620	41,002	480,273
<u>Expenditures</u>				
Current:				
General government	2,573,528	-	-	77,935
Public safety	8,816,131	-	-	-
Streets and drainage	1,501,527	-	-	-
Sanitation	803,387	-	-	-
Culture and recreation	3,315,171	-	-	-
Service center	212,430	-	-	-
Disaster relief	-	-	-	-
Capital outlay	1,113,451	344,239	-	63,000
Debt Service:				
Principal	333,753	-	-	-
Interest and fiscal charges	55,942	-	-	-
Total Expenditures	18,725,320	344,239	-	140,935
Excess of Revenues Over (Under) Expenditures	3,458,398	(105,619)	41,002	339,338

Nonmajor Governmental Funds	Total Governmental Funds
\$ 889,497	\$ 4,248,111
-	2,749,139
-	10,556,052
162,741	849,511
-	170,468
608,849	1,096,719
101,592	388,081
-	3,202,741
164,668	956,138
-	654,000
1,927,347	24,870,960

22,000	2,673,463
25,314	8,841,445
-	1,501,527
-	803,387
-	3,315,171
-	212,430
253,155	253,155
1,148,628	2,669,318
365,000	698,753
129,569	185,511
1,943,666	21,154,160

(16,319)	3,716,800
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City of Freeport, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General	Capital Projects	2020 CO Bond CIP Fund	City Grants
<u>Other Financing Sources (Uses)</u>				
Lease issuance	\$ 404,509	\$ -	\$ -	\$ -
Sales of assets	5,500	-	-	-
Transfers in	150,000	-	-	-
Transfers (out)	(211,665)	(3,186,567)	-	(339,338)
Total Other Financing Sources (Uses)	348,344	(3,186,567)	-	(339,338)
Net Change in Fund Balances	3,806,742	(3,292,186)	41,002	-
Beg. fund balances, as previously reported	11,384,510	6,451,853	1,026,584	-
Error correction	(97,660)	-	-	-
Beg. fund balance, as adjusted	11,286,850	6,451,853	1,026,584	-
Ending Fund Balances	\$ 15,093,592	\$ 3,159,667	\$ 1,067,586	\$ -

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 404,509
-	5,500
211,665	361,665
-	(3,737,570)
<u>211,665</u>	<u>(2,965,896)</u>
195,346	750,904
2,749,653	21,612,600
-	(97,660)
<u>2,749,653</u>	<u>21,514,940</u>
<u>\$ 2,944,999</u>	<u>\$ 22,265,844</u>



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, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	750,904
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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		2,361,018
Depreciation expense		(2,185,027)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property tax		(49,342)
EMS		28,596
Franchise taxes		(37,544)

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		(37,702)
Accrued interest		(2,140)
Pension expense		(370,451)
OPEB expense		13,628

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		36,135
Lease issuance		(404,509)
Lease forgiven		200,070
Principal payments		698,753

Change in Net Position of Governmental Activities	\$	795,538
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See Notes to Financial Statements.

City of Freeport, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2025

	Water & Sewer
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 2,765,297
Receivables, net	3,170,355
Prepays	62,834.00
Total Current Assets	5,998,486
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	12,424,168
Net depreciable capital assets	18,679,700
Total Noncurrent Assets	31,103,868
Total Assets	37,102,354
<u>Deferred Outflows of Resources</u>	
Pension outflows	24,804
OPEB outflows - TMRS	137
OPEB outflows - Health	183
Total Deferred Outflows of Resources	25,124

City of Freeport, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND (Continued)
September 30, 2025

	Water & Sewer
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	\$ 912,194
Customer deposits	311,720
Due to other funds	2,166,959
Accrued interest	182,601
Compensated absences, current	2,496
Long-term debt due within one year	512,811
Total Current Liabilities	4,088,781
<u>Noncurrent Liabilities</u>	
Net pension liability	91,872
OPEB liability - TMRS	6,300
OPEB liability - Health	3,245
Compensated absences, noncurrent	277
Long-term debt due in more than one year	7,962,463
Total Liabilities	12,152,938
<u>Deferred Inflows of Resources</u>	
Pension inflows	7,234
OPEB inflows - TMRS	1,201
OPEB inflows - Health	3,030
Total Deferred Inflows of Resources	11,465
<u>Net Position</u>	
Net investment in capital assets	20,447,553
Unrestricted	4,515,522
Total Net Position	\$ 24,963,075

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, 2025

	Water & Sewer
<u>Operating Revenues</u>	
Charges for services	\$ 6,987,274
Total Operating Revenues	6,987,274
 <u>Operating Expenses</u>	
Personnel services	242,206
Materials and supplies	34,975
Water purchases	3,358,000
Contractual services	3,679,685
Other	420,171
Depreciation	704,409
Total Operating Expenses	8,439,446
Operating Income (Loss)	(1,452,172)
 <u>Nonoperating Revenues (Expenses)</u>	
Investment income	149,629
Interest expense	(206,367)
Debt issuance costs	(61,250)
Total Nonoperating Revenues (Expenses)	(117,988)
Income (Loss) Before Transfers	(1,570,160)
 <u>Transfers and Contributions</u>	
Capital grants and contributions	7,650,982
Transfers in	3,525,905
Transfers (out)	(150,000)
Total Transfers and Contributions	11,026,887
Change in Net Position	9,456,727
Beg. net position, as previously reported	16,045,560
Error correction	(539,212)
Beginning net position	15,506,348
Ending Net Position	\$ 24,963,075

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, 2025

	Water & Sewer
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 7,117,471
Payments to employees	(225,420)
Payments to suppliers and contractors	(9,177,514)
Net Cash Used for Operating Activities	(359,229)
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers in	3,525,905
Transfers (out)	(150,000)
Net Cash Provided (Used) by Noncapital Financing Activities	3,375,905
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(15,295,701)
Capital contributions	7,650,982
Principal paid on debt	(195,000)
Interest paid on debt	(110,549)
Net Cash (Used for) Capital and Related Financing Activities	(4,337,839)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	149,629
Net Cash Provided by Investing Activities	149,629
Net (Decrease) in Cash and Cash Equivalents	(1,171,534)
Beginning cash and cash equivalents	3,936,831
Ending Cash and Cash Equivalents	\$ 2,765,297

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, 2025

	Water & Sewer
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ (1,452,172)
Adjustments to reconcile operating income to net cash provided:	
Depreciation	704,409
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	132,277
Prepaid expenses	3,900
Deferred Outflows of Resources:	
Pension outflows	5,178
OPEB outflows	(11)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(1,688,583)
Customer deposits	(2,080)
Compensated absences	987
Net pension liability	4,660
OPEB liabilities	1,340
Deferred Inflows of Resources:	
Pension inflows	4,687
OPEB inflows	(55)
Net Cash Used for Operating Activities	\$ (359,229)

See Notes to Financial Statements.

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City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2025

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, 2025

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, 2025

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, 2025

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.

City Grants Fund

This fund accounts for the receipt and expenditure of various grants received by the City.

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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 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

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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

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

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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. 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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 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

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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days per year for full-time employees. Unused sick leave can be accumulated to a maximum of ninety (90) days.

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences. Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year.

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

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 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.

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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.
- 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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

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

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 capital projects 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:

Streets and drainage	\$	44,619
Sanitation		28,387
Capital outlay		1,028,451
Principal		333,753
Interest and fiscal charges		55,942

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pools	\$ 17,862,373	44
Total fair value	\$ 17,862,373	
Portfolio weighted average maturity		44

As of September 30, 2025, the component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Days)
External investment pools	\$ 2,681,773	44
Total fair value	\$ 2,681,773	
Portfolio weighted average maturity		44

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, 2025

amount equal to 102 percent of uninsured balances. As of September 30, 2025, 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, 2025

B. Receivables

1. The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>City Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Utility</u>	<u>Total</u>
Property taxes	\$ 231,892	\$ -	\$ 72,824	\$ -	\$ 304,716
Sales tax	540,133	-	-	-	540,133
Franchise and local	21,671	-	50,077	-	71,748
EMS	1,457,636	-	-	-	1,457,636
Accounts	111,825	-	85,955	957,977	1,155,757
Grants	-	25,714	117,848	2,307,940	2,451,502
Lease receivables	1,431,038	-	-	-	1,431,038
Other	20,024	-	-	-	20,024
Allowance	(1,186,656)	-	(26,316)	(95,562)	(1,308,534)
Total	<u>\$ 2,627,563</u>	<u>\$ 25,714</u>	<u>\$ 300,388</u>	<u>\$ 3,170,355</u>	<u>\$ 6,124,020</u>

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. The current year payment for Dow Chemical was received in October and was not paid as of year end. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to \$1,431,038 and \$1,331,038, respectively.

The annual principal and interest payments to be received are as follows:

<u>Year ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest (4.28%)</u>
2026	\$ 155,198	\$ 56,801
2027	57,570	54,430
2028	53,990	52,010
Thereafter	1,164,280	334,610
	<u>\$ 1,431,038</u>	<u>\$ 497,851</u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 2,629,165	\$ -	\$ -	\$ 2,629,165
Construction in process	868,507	465,483	(887,260)	446,730
Total capital assets not being depreciated	<u>3,497,672</u>	<u>465,483</u>	<u>(887,260)</u>	<u>3,075,895</u>
Capital assets, being depreciated:				
Streets and improvements	31,856,639	35,860	287,725	32,180,224
Building and improvements	8,808,284	711,867	445,692	9,965,843
Furniture, equipment, and vehicles	18,907,240	743,299	(24,703)	19,625,836
Right-of-use assets	1,341,254	404,509	(349,594)	1,396,169
SBITA assets	51,545	-	-	51,545
Total capital assets being depreciated	<u>60,964,962</u>	<u>1,895,535</u>	<u>359,120</u>	<u>63,219,617</u>
Less accumulated depreciation				
Streets and improvements	19,292,472	768,055	(14,159)	20,046,368
Building and improvements	6,543,313	252,779	(56,520)	6,739,572
Furniture, equipment, and vehicles	14,553,994	862,180	(23,354)	15,392,820
Right-to-use assets	401,696	291,009	(227,256)	465,449
SBITA assets	29,909	11,004	-	40,913
Total accumulated depreciation	<u>40,821,384</u>	<u>2,185,027</u>	<u>(321,289)</u>	<u>42,685,122</u>
Net capital assets being depreciated	<u>20,143,578</u>	<u>(289,492)</u>	<u>680,409</u>	<u>20,534,495</u>
Total Capital Assets	<u>\$ 23,641,250</u>	<u>\$ 175,991</u>	<u>\$ (206,851)</u>	<u>\$ 23,610,390</u>

Depreciation was charged to governmental functions as follows:

General Administration	\$ 493,168
Public Safety	652,181
Service Center	27,574
Streets and Drainage	662,052
Parks and Recreation	350,052
Total Governmental Activities Depreciation Expense	<u>\$ 2,185,027</u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 68,600	\$ -	\$ -	\$ 68,600
Construction in progress	7,060,794	14,974,290	(9,679,516)	12,355,568
Total capital assets not being depreciated	<u>7,129,394</u>	<u>14,974,290</u>	<u>(9,679,516)</u>	<u>12,424,168</u>
Capital assets, being depreciated:				
Water and sewer system	28,436,291	101,039	9,570,866	38,108,196
Furniture, equipment, and vehicles	800,392	220,372	108,650	1,129,414
Total capital assets being depreciated	<u>29,236,683</u>	<u>321,411</u>	<u>9,679,516</u>	<u>39,237,610</u>
Less accumulated depreciation				
Water and sewer system	19,451,742	610,501	-	20,062,243
Furniture, equipment, and vehicles	401,759	93,908	-	495,667
Total accumulated depreciation	<u>19,853,501</u>	<u>704,409</u>	<u>-</u>	<u>20,557,910</u>
Net capital assets being depreciated	<u>9,383,182</u>	<u>(382,998)</u>	<u>9,679,516</u>	<u>18,679,700</u>
Total Capital Assets	<u>\$ 16,512,576</u>	<u>\$ 14,591,292</u>	<u>\$ -</u>	<u>\$ 31,103,868</u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

A summary of changes in component unit activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
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	2,605,656	16,474	-	2,622,130
Total capital assets being depreciated	<u>2,605,656</u>	<u>16,474</u>	<u>-</u>	<u>2,622,130</u>
Less accumulated depreciation				
Streets and improvements	2,371,811	16,234	-	2,388,045
Total accumulated depreciation	<u>2,371,811</u>	<u>16,234</u>	<u>-</u>	<u>2,388,045</u>
Net capital assets being depreciated	<u>233,845</u>	<u>240</u>	<u>-</u>	<u>234,085</u>
Total Capital Assets	<u><u>\$ 2,689,901</u></u>	<u><u>\$ 240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,690,141</u></u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 977,754	\$ 37,702	\$ -	\$ 1,015,456	\$ 494,775
Total Governmental Activities	<u>\$ 977,754</u>	<u>\$ 37,702</u>	<u>\$ -</u>	<u>\$ 1,015,456</u>	<u>\$ 494,775</u>
Long-term Liabilities Due in More than One Year				<u>\$ 520,681</u>	
Business-Type Activities:					
Compensated absences	\$ 1,786	\$ 987	\$ -	\$ 2,773	\$ 2,496
Total Business-Type Activities	<u>\$ 1,786</u>	<u>\$ 987</u>	<u>\$ -</u>	<u>\$ 2,773</u>	<u>\$ 2,496</u>
Long-term Liabilities Due in More than One Year				<u>\$ 277</u>	
Component Unit Activities:					
Compensated absences	\$ 18,358	\$ 7,575	\$ -	\$ 25,933	\$ 12,438
Total Component Unit Activities	<u>\$ 18,358</u>	<u>\$ 7,575</u>	<u>\$ -</u>	<u>\$ 25,933</u>	<u>\$ 12,438</u>
				<u>\$ 13,495</u>	

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of obligation	\$ 6,855,000	\$ -	\$ (365,000)	\$ 6,490,000	\$ 370,000
Premiums	301,157	-	(36,135)	265,022	-
Lease liabilities	1,061,786	404,509	(528,276)	938,019	352,335
Subscription liabilities	16,643	-	(5,547)	11,096	5,547
Total Governmental Activities	<u>\$ 8,234,586</u>	<u>\$ 404,509</u>	<u>\$ (934,958)</u>	<u>\$ 7,704,137</u>	<u>\$ 727,882</u>

Long-term liabilities due in more than one year

\$ 6,976,255

	<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	\$ 4,265,000	\$ -	\$ (195,000)	\$ 4,070,000	\$ 205,000
Premium	218,773	-	(26,390)	192,383	-
Intergovernmental payable	539,212	112,429	-	651,641	200,000
Notes payable	-	3,561,250	-	3,561,250	107,811
Total Business-type Activities	<u>\$ 5,022,985</u>	<u>\$ 3,673,679</u>	<u>\$ (221,390)</u>	<u>\$ 8,475,274</u>	<u>\$ 512,811</u>

Long-term liabilities due in more than one year

\$ 7,962,463

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Primary government long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business-type Activities
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%	\$ 6,490,000	\$ -
\$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%	-	4,070,000
\$4,035,000 Series 2019A Combined Tax & Revenue Cert. of Obligation, due in annual installments through July 2038, interest at 3.125%-4%	-	-
Total Certificates of Obligation	\$ 6,490,000	\$ 4,070,000
Notes Payable:		
\$3,561,5250 note payable for Water Meter System due in installments through May 15, 2040, interest at 4.45%	\$ -	\$ 3,561,250
Total Notes Payable	\$ -	\$ 3,561,250
Intergovernmental Payable:		
\$651,641 overcharge for water services to Village of Surfside due in installments through Sep 2031, interest at 3.68%	\$ -	\$ 651,641
Total Intergovernmental Payable	\$ -	\$ 651,641
Lease Liabilities:		
\$404,509 lease agreement for 63 golf carts, one range picker due in installments through Jan 15, 2029, interest at 6.16%	\$ 364,320	\$ -
\$230,594 lease agreement for office equipment due in annual installments through Oct 2028, interest at various rates	130,920	-
\$761,068 lease agreement for property rental, due in annual installments through May 2027 interest at 4.28%	442,779	-
Total Lease Liabilities	\$ 938,019	\$ -
Subscription Liabilities:		
\$52,461 software subscriptions; terms 2 yr & 5 yr, due in installments through 2027, interest at 2.71% & 3.31%	\$ 11,096	\$ -
Total Subscription Liabilities	\$ 11,096	\$ -
Bond Premiums:	265,022	192,383
Total Debt	\$ 7,704,137	\$ 8,475,274

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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
2026	\$ 370,000	\$ 127,994
2027	375,000	122,444
2028	380,000	117,288
2029	395,000	101,613
2030	410,000	85,319
2031	430,000	68,406
2032	435,000	63,569
2033	440,000	58,675
2034	445,000	53,725
2035	450,000	47,606
2036	455,000	41,419
2037	465,000	34,594
2038	470,000	27,038
2039	480,000	19,400
2040	490,000	9,800
Total	\$ 6,490,000	\$ 978,888

Governmental Activities

	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 352,335	\$ 41,106	\$ 5,548	\$ 183
2027	281,542	24,299	5,548	183
2028	86,129	15,444	-	-
2029	218,013	4,185	-	-
Total	\$ 938,019	\$ 85,035	\$ 11,096	\$ 366

The City has entered into lease agreements. The related governmental activities right to use assets had a carrying value of \$1,212,108 as of year end.

The City has entered into software subscription agreements. The related governmental activities right to use assets had a carrying value of \$16,180 as of yearend.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Business-type Activities

Year Ending,	Certificates of Obligation		Note Payable		Intergovernmental Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 205,000	\$ 98,850	\$ 107,811	\$ 228,909	\$ 200,000	\$ -
2027	215,000	90,650	183,042	153,678	83,377	16,623
2028	220,000	82,050	191,187	145,533	86,446	13,554
2029	230,000	73,250	199,695	137,025	89,627	10,373
2030	235,000	66,350	208,582	128,138	92,926	7,074
2031	245,000	59,300	217,864	118,857	99,265	3,654
2032	250,000	54,400	227,558	109,162	-	-
2033	255,000	49,400	237,685	99,035	-	-
2034	260,000	44,300	248,262	88,458	-	-
2035	265,000	39,100	259,309	77,411	-	-
2036	270,000	33,800	270,849	65,871	-	-
2037	275,000	28,400	282,901	53,819	-	-
2038	280,000	22,900	295,491	41,229	-	-
2039	285,000	17,300	308,640	28,080	-	-
2040	290,000	11,600	322,374	14,346	-	-
2041	290,000	5,800	-	-	-	-
Total	<u>\$ 4,070,000</u>	<u>\$ 777,450</u>	<u>\$ 3,561,250</u>	<u>\$ 1,489,551</u>	<u>\$ 651,641</u>	<u>\$ 51,277</u>

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 \$5,355,863. Of which, \$352,378 is restricted by enabling legislation.

G. Interfund Transactions

Transfers between the primary government funds during the 2025 year were as follows:

Transfers (Out):	Transfers In:			
	General	Nonmajor Govt.	Water & Sewer	Total
General	\$ -	\$ 211,665	\$ -	\$ 211,665
Capital projects	-	-	3,186,567	3,186,567
City grants	-	-	339,338	339,338
Water and sewer	150,000	-	-	150,000
	<u>\$ 150,000</u>	<u>\$ 211,665</u>	<u>\$ 3,525,905</u>	<u>\$ 3,887,570</u>

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various capital expenditures and principal and interest payments.

The compositions of interfund balances to/from as of the year ended September 30, 2025 were as follows:

<u>Due from (Receivable fund):</u>	<u>Due to (Payable fund):</u>		<u>Total</u>
	<u>Nonmajor Govt.</u>	<u>Water & Sewer</u>	
General	\$ 1,845,441	\$ -	\$ 1,845,441
City Grants	-	2,166,959	2,166,959
	<u>\$ 1,845,441</u>	<u>\$ 2,166,959</u>	<u>\$ 4,012,400</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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 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, 2025 was \$10,556,052 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, 2025, the City of Freeport's portion of these expenses is estimated to be \$187,046.

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, 2025, the City paid \$136,987 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

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025, the City has received \$7,100,000 from Port Freeport and \$3,530,806 was 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. Unspent proceeds, including accumulated investment earnings, was \$3,630,017 as of year end.

D. Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Freeport, Texas participates as one of 938 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.tmr.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.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 2024</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1
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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	102
Inactive employees entitled to but not yet receiving benefits	170
Active employees	<u>138</u>
Total	<u>410</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 15.33% and 16.11% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$1,320,783 and equaled the required contributions.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2025 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

City of Freeport, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 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%
\$ 12,121,584	\$ 5,666,250	\$ 470,784

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/23	\$ 38,584,110	\$ 32,485,184	\$ 6,098,926
Changes for the year:			
Service cost	1,513,898	-	1,513,898
Interest	2,597,667	-	2,597,667
Difference between expected and actual experience	717,889	-	717,889
Changes of assumptions	-	-	-
Contributions – employer	-	1,311,931	(1,311,931)
Contributions – employee	-	599,055	(599,055)
Net investment income	-	3,373,297	(3,373,297)
Benefit payments, including refunds of emp. contributions	(1,714,205)	(1,714,205)	-
Administrative expense	-	(21,647)	21,647
Other changes	-	(506)	506
Net changes	3,115,249	3,547,925	(432,676)
Balance at 12/31/24	\$ 41,699,359	\$ 36,033,109	\$ 5,666,250

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.tmr.com.

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of \$1,723,196.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At September 30, 2025, 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	\$ 557,134	\$ -
Differences between expected and actual economic experience	-	(369,825)
Changes in assumptions	-	(76,347)
Contributions subsequent to the measurement date	972,630	-
Total	\$ 1,529,764	\$ (446,172)

The primary government and EDC reported \$949,211 and \$23,419, 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, 2026.

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:	
2025	\$ 302,563
2026	560,435
2027	(515,929)
2028	(236,107)
2029	-
Thereafter	-
	\$ 110,962

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, 2025

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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	31
Active employees	138
Total	234

The City’s retiree contribution rates to the TMRS SDBF for the years ended 2023, 2024, and 2025 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.12%	0.12%	100.0%
2024	0.14%	0.14%	100.0%
2025	0.14%	0.14%	100.0%

The Retiree’s contributions to the TMRS SDBF for the years ended 2025 and 2024 were \$11,632, \$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, 2024, 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, 2025

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 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	4.08%
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 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

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 4.08%, 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 (2.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease 2.08%	Current Single Rate Assumption 4.08%	1% Increase 5.08%
\$ 463,670	\$ 388,525	\$ 330,326

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	\$ 390,105
Changes for the year:	
Service Cost	17,972
Interest	14,820
Difference between expected and actual experience	(1,191)
Changes of assumptions	(21,500)
Benefit payments	(11,981)
Net changes	(1,880)
Balance at 12/31/24	\$ 388,225

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$15,072.

At September 30, 2025, 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	\$ -	\$ (116)
Changes in assumptions	-	(73,938)
Contributions subsequent to measurement date	8,452	-
Total	\$ 8,452	\$ (74,054)

The primary government and EDC reported \$8,249 and \$203, 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, 2026.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		
2025	\$	(32,469)
2026		(35,326)
2027		(2,804)
2028		(3,455)
2029		-
Thereafter		-
	<u>\$</u>	<u>(74,054)</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, 2025

Employees covered by benefit terms

At the September 30, 2024 valuation date, the following employees were covered by the benefit terms:

Status	Amount
Inactive employees or beneficiaries currently receiving benefits	1
Active employees	123
Total	124

Actuarial Assumptions and Methods:

The Total OPEB Liability, measured as of September 30, 2025, 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, 2025

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%)
\$ 169,996	\$ 195,067	\$ 225,228

Healthcare Cost Trend

1% Decrease (3.50%)	Current Healthcare Cost Trend (4.50%)	1% Increase (5.50%)
\$ 173,961	\$ 195,067	\$ 219,315

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	\$ 174,975
Changes for the year:	
Service Cost	13,165
Interest	7,624
Change in benefit terms	-
Changes of assumptions	-
Benefit payments	(697)
Net changes	20,092
Balance at 12/31/2024	\$ 195,067

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of \$14,280.

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (182,152)
Change in assumptions	11,020	-
Total	\$ 11,020	\$ (182,152)

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2026	\$ (35,069)
2027	(35,069)
2028	(35,069)
2029	(35,069)
2030	(30,856)
Thereafter	-
	\$ (171,132)

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 adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

City of Freeport, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$702,879 as of September 30, 2024.

G. Restatement

Due to corrections to accounts payable, long-term liabilities, assets and the implementation of GASB 101 over compensated absences, the City restated beginning fund balance/net position for the general fund, governmental activities, the water and sewer fund/business type-activities, and the Freeport EDC. The restatement of beginning fund balance/net position is as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>	<u>Water & Sewer Fund</u>	<u>Business-type Activities</u>
Prior year ending net position/fund balance, as reported	\$ 11,384,510	\$ 32,363,811	\$ 16,045,560	\$ 16,045,560
Correction of accounts payable	(97,660)	(97,660)	-	-
Implementation of GASB 101	-	(691,064)	-	-
Village of Surfside payable	-	-	(539,212)	(539,212)
Restated beginning net position/fund balance	<u>\$ 11,286,850</u>	<u>\$ 31,575,087</u>	<u>\$ 15,506,348</u>	<u>\$ 15,506,348</u>

	<u>Freeport EDC</u>
Prior year ending net position/fund balance, as reported	\$ 5,931,705
Correction of assets	(13,582)
Implementation of GASB 101	(11,815)
Restated beginning net position/fund balance	<u>\$ 5,906,308</u>

H. Subsequent Events

There were no material subsequent events through March 24, 2026, the date the financial statements were issued.

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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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 3,370,000	\$ 3,370,000	\$ 3,358,614	\$ (11,386)
Sales tax	2,450,000	2,450,000	2,749,139	299,139
Industrial district	9,389,300	9,389,300	10,556,052	1,166,752
Franchise and local taxes	715,000	715,000	686,770	(28,230)
License and permits	277,800	277,800	170,468	(107,332)
Intergovernmental	22,000	22,000	7,597	(14,403)
Fines and forfeitures	222,600	222,600	286,489	63,889
Charges for services	2,363,100	2,363,100	3,202,741	839,641
Investment income	320,000	320,000	511,848	191,848
Other revenue	372,430	402,700	654,000	251,300
Total Revenues	19,502,230	19,532,500	22,183,718	2,651,218
<u>Expenditures</u>				
Current:				
General government	2,846,447	2,876,447	2,573,528	302,919
Public safety	9,711,201	9,711,471	8,816,131	895,340
Streets and drainage	1,456,908	1,456,908	1,501,527	(44,619) *
Sanitation	775,000	775,000	803,387	(28,387) *
Culture and recreation	3,673,818	3,673,818	3,315,171	358,647
Service center	214,666	214,666	212,430	2,236
Capital outlay	85,000	85,000	1,113,451	(1,028,451) *
Debt service:				
Principal	-	-	333,753	(333,753) *
Interest and fiscal charges	-	-	55,942	(55,942) *
Total Expenditures	18,763,040	18,793,310	18,725,320	67,990
Revenues Over (Under)				
Expenditures	739,190	739,190	3,458,398	2,719,208

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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Transfers (out)	(211,665)	(211,665)	(211,665)	-
Lease issuance	-	-	404,509	404,509
Sale of assets	20,000	20,000	5,500	(14,500)
Total Other Financing Sources (Uses)	<u>(41,665)</u>	<u>(41,665)</u>	<u>348,344</u>	<u>390,009</u>
Net Change in Fund Balance	<u>\$ 697,525</u>	<u>\$ 697,525</u>	3,806,742	<u>\$ 3,109,217</u>
Beg. fund balance, as previously reported			11,384,510	
Error correction			(97,660)	
Beg. fund balance, as adjusted			<u>11,286,850</u>	
Ending Fund Balance			<u>\$ 15,093,592</u>	

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:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Total pension liability				
Service cost	\$ 1,513,898	\$ 1,330,606	\$ 1,188,602	\$ 1,227,173
Interest	2,597,667	2,443,269	2,284,689	2,145,373
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	717,889	326,848	345,806	199,603
Changes of assumptions	-	(279,941)	-	-
Benefit payments, including refunds of participant contributions	(1,714,205)	(1,535,890)	(1,545,644)	(1,432,204)
Net change in total pension liability	<u>3,115,249</u>	<u>2,284,892</u>	<u>2,273,453</u>	<u>2,139,945</u>
Total pension liability - beginning	<u>38,584,110</u>	<u>36,299,218</u>	<u>34,025,765</u>	<u>31,885,820</u>
Total pension liability - ending (a)	<u>41,699,359</u>	<u>38,584,110</u>	<u>36,299,218</u>	<u>34,025,765</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,311,931	\$ 1,104,669	\$ 1,013,241	\$ 1,057,969
Contributions - members	599,055	547,253	503,340	521,251
Net investment income	3,373,297	3,358,750	(2,287,152)	3,599,409
Benefit payments, including refunds of participant contributions	(1,714,205)	(1,535,890)	(1,545,644)	(1,432,204)
Administrative expenses	(21,647)	(21,376)	(19,799)	(16,657)
Other	(506)	(149)	23,627	114
Net change in plan fiduciary net position	<u>3,547,925</u>	<u>3,453,257</u>	<u>(2,312,387)</u>	<u>3,729,882</u>
Plan fiduciary net position - beginning	<u>32,485,184</u>	<u>29,031,927</u>	<u>31,344,314</u>	<u>27,614,432</u>
Plan fiduciary net position - ending (b)	<u>\$ 36,033,109</u>	<u>\$ 32,485,184</u>	<u>\$ 29,031,927</u>	<u>\$ 31,344,314</u>
Fund's net pension liability (asset) - ending (a) - (b)	<u>\$ 5,666,250</u>	<u>\$ 6,098,926</u>	<u>\$ 7,267,291</u>	<u>\$ 2,681,451</u>
percentage of the total pension liability	86.41%	84.19%	79.98%	92.12%
Covered payroll	\$ 8,557,930	\$ 7,817,899	\$ 7,190,577	\$ 7,446,438
Fund's net position as a percentage of covered payroll	66.21%	78.01%	101.07%	36.01%

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
\$	1,210,072	\$ 1,020,294	\$ 972,644	\$ 1,069,778	\$ 941,887	\$ 867,502
	2,021,037	1,923,902	1,828,285	1,693,736	1,586,800	1,511,254
	-	-	-	-	-	-
	(61,634)	(459,710)	(84,705)	462,205	(31,659)	276,833
	-	142,572	-	-	-	116,881
	(1,239,813)	(1,326,009)	(1,321,000)	(1,046,653)	(906,817)	(874,894)
	<u>1,929,662</u>	<u>1,301,049</u>	<u>1,395,224</u>	<u>2,179,066</u>	<u>1,590,211</u>	<u>1,897,576</u>
	<u>29,956,158</u>	<u>28,655,109</u>	<u>27,259,885</u>	<u>25,080,819</u>	<u>23,490,608</u>	<u>21,593,032</u>
	<u>31,885,820</u>	<u>29,956,158</u>	<u>28,655,109</u>	<u>27,259,885</u>	<u>25,080,819</u>	<u>23,490,608</u>
\$	1,072,524	\$ 904,482	\$ 896,313	\$ 944,578	\$ 773,757	\$ 699,079
	524,814	444,711	440,294	464,589	409,932	385,600
	1,923,014	3,392,674	(677,553)	2,709,724	1,221,694	26,362
	(1,239,813)	(1,326,009)	(1,321,000)	(1,046,653)	(906,817)	(874,894)
	(12,450)	(19,175)	(13,099)	(14,056)	(13,803)	(16,057)
	(486)	(576)	(684)	(712)	(744)	(792)
	<u>2,267,603</u>	<u>3,396,107</u>	<u>(675,729)</u>	<u>3,057,470</u>	<u>1,484,019</u>	<u>219,298</u>
	<u>25,346,829</u>	<u>21,950,722</u>	<u>22,626,451</u>	<u>19,568,981</u>	<u>18,084,962</u>	<u>17,865,664</u>
\$	<u>27,614,432</u>	<u>\$ 25,346,829</u>	<u>\$ 21,950,722</u>	<u>\$ 22,626,451</u>	<u>\$ 19,568,981</u>	<u>\$ 18,084,962</u>
\$	<u>4,271,388</u>	<u>\$ 4,609,329</u>	<u>\$ 6,704,387</u>	<u>\$ 4,633,434</u>	<u>\$ 5,511,838</u>	<u>\$ 5,405,646</u>
	86.60%	84.61%	76.60%	83.00%	78.02%	76.99%
\$	7,497,348	\$ 6,353,014	\$ 6,275,121	\$ 6,636,342	\$ 5,846,596	\$ 5,501,315
	56.97%	72.55%	106.84%	69.82%	94.27%	98.26%

City of Freeport, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 1,320,783	\$ 1,275,234	\$ 1,063,502	\$ 1,038,883
Contributions in relation to the actuarially determined contribution	\$ 1,320,783	\$ 1,275,534	\$ 1,063,502	\$ 1,038,883
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,308,487	\$ 8,491,786	\$ 7,532,012	\$ 7,257,170
Employer contributions as a percentage of covered payroll	15.90%	15.02%	14.12%	14.32%

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	21 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>9/30/2021</u>	<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>
\$ 1,095,630	\$ 1,004,021	\$ 892,025	\$ 912,207	\$ 773,757	\$ 699,079
<u>\$ 1,095,630</u>	<u>\$ 1,004,021</u>	<u>\$ 892,025</u>	<u>\$ 912,207</u>	<u>\$ 773,757</u>	<u>\$ 699,079</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,593,889	\$ 7,028,033	\$ 6,444,398	\$ 6,461,534	\$ 5,846,596	\$ 5,501,315
14.43%	14.29%	13.84%	14.12%	13.23%	12.71%

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:

	<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	\$ 17,972	\$ 14,072	\$ 23,729	\$ 24,573
Interest	14,820	14,372	9,360	9,611
Differences between expected and actual experience	(1,191)	(1,532)	12,121	(14,258)
Changes of assumptions	(21,200)	20,050	(185,826)	16,220
Benefit payments, including refunds of participant contributions	(11,981)	(9,382)	(7,191)	(8,191)
Net change in total OPEB liability	<u>(1,580)</u>	<u>37,580</u>	<u>(147,807)</u>	<u>27,955</u>
Total OPEB liability - beginning	<u>\$ 390,105</u>	<u>\$ 352,525</u>	<u>\$ 500,332</u>	<u>\$ 472,377</u>
Total OPEB liability - ending	<u><u>\$ 388,525</u></u>	<u><u>\$ 390,105</u></u>	<u><u>\$ 352,525</u></u>	<u><u>\$ 500,332</u></u>
Covered-employee payroll	\$ 8,557,930	\$ 7,817,899	\$ 7,190,577	\$ 7,446,438
City's total OPEB liability as a percentage of covered-employee payroll	4.54%	4.99%	4.90%	6.72%

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>	<u>12/31/2017</u> ¹
\$ 22,492	\$ 12,706	\$ 11,923	\$ 10,618
10,633	11,579	10,724	10,509
(397)	(15,039)	(9,540)	-
65,740	63,192	(23,177)	26,796
(2,999)	(2,541)	(1,883)	(3,318)
<u>95,469</u>	<u>69,897</u>	<u>(11,953)</u>	<u>44,605</u>
\$ 376,908	\$ 307,011	\$ 318,964	\$ 274,359
<u>472,377</u>	<u>376,908</u>	<u>307,011</u>	<u>318,964</u> ²
\$ 7,497,348	\$ 6,353,014	\$ 6,275,121	\$ 6,636,342
6.30%	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	\$ 13,165	\$ 31,270	\$ 57,496	\$ 24,748
Interest	7,624	19,346	11,311	9,124
Changes in benefit terms	-	(256,806)	-	(21,529)
Differences between expected and actual experience	-	-	-	(27,506)
Changes of assumptions	-	15,536	(258,557)	142,157
Benefit payments, including refunds of participant contributions	(697)	(697)	(2,343)	-
Net change in total OPEB liability	<u>20,092</u>	<u>(191,351)</u>	<u>(192,093)</u>	<u>126,994</u>
Total OPEB liability - beginning	<u>\$ 174,975</u>	<u>\$ 366,326</u>	<u>\$ 558,419</u>	<u>\$ 431,425</u>
Total OPEB liability - ending	<u><u>\$ 195,067</u></u>	<u><u>\$ 174,975</u></u>	<u><u>\$ 366,326</u></u>	<u><u>\$ 558,419</u></u>
Covered-employee payroll	\$ 7,324,133	\$ 7,663,432	\$ 7,663,432	\$ 7,257,170
City's total OPEB liability as a percentage of covered-employee payroll	2.66%	2.28%	4.78%	7.69%

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>	<u>12/31/2017</u> ¹
\$ 24,263	\$ 26,027	\$ 27,301	\$ 24,443
10,346	16,948	16,533	17,182
-	(106,501)	-	-
231	(99,594)	(715)	-
34,141	33,523	(16,480)	20,081
(3,252)	(7,424)	(19,500)	(9,750)
<u>65,729</u>	<u>(137,021)</u>	<u>7,139</u>	<u>51,956</u>
\$ 365,696	\$ 502,717	\$ 495,578	\$ 443,622
\$ 431,425	\$ 365,696	\$ 502,717	\$ 495,578 ²
<u><u>\$ 6,234,975</u></u>	<u><u>\$ 6,353,014</u></u>	<u><u>\$ 6,275,121</u></u>	<u><u>\$ 6,636,342</u></u>
6.92%	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, 2025

	<u>Debt Service</u>	<u>Hotel/Motel Tax</u>	<u>TIRZ</u>	<u>Court Revenue</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 487,560	\$ 354,783	\$ 931,212	\$ 266,423
Receivables, net	26,981	37,458	32,146	85,955
Prepays	50,588	-	-	-
Total Assets	\$ 565,129	\$ 392,241	\$ 963,358	\$ 352,378
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenues	26,322	-	-	-
<u>Fund Balances</u>				
Nonspendable	50,588	-	-	-
Restricted for:				
Debt service	488,219	-	-	-
Tourism	-	392,241	-	-
Economic development	-	-	963,358	-
Municipal court	-	-	-	352,378
Assigned:				
Facilities and grounds	-	-	-	-
IT equipment	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	538,807	392,241	963,358	352,378
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 565,129	\$ 392,241	\$ 963,358	\$ 352,378

<u>Facilities & Grounds CIP</u>	<u>Vehicles & Equipment</u>	<u>IT Fund</u>	<u>Hurricane Beryl</u>	<u>Marina Operations</u>	<u>Total</u>
\$ 2,208,334	\$ 8,848	\$ 223,593	\$ -	\$ 1,114	\$ 4,481,867
-	-	-	117,848	-	300,388
-	-	-	-	-	50,588
<u>\$ 2,208,334</u>	<u>\$ 8,848</u>	<u>\$ 223,593</u>	<u>\$ 117,848</u>	<u>\$ 1,114</u>	<u>\$ 4,832,843</u>
\$ -	\$ 1,922	\$ -	\$ 14,159	\$ -	\$ 16,081
-	-	-	1,845,441	-	1,845,441
-	<u>1,922</u>	-	<u>1,859,600</u>	-	<u>1,861,522</u>
-	-	-	-	-	26,322
-	-	-	-	-	50,588
-	-	-	-	-	488,219
-	-	-	-	-	392,241
-	-	-	-	-	963,358
-	-	-	-	-	352,378
2,208,334	-	-	-	-	2,208,334
-	-	223,593	-	-	223,593
-	6,926	-	(1,741,752)	1,114	(1,733,712)
<u>2,208,334</u>	<u>6,926</u>	<u>223,593</u>	<u>(1,741,752)</u>	<u>1,114</u>	<u>2,944,999</u>
<u>\$ 2,208,334</u>	<u>\$ 8,848</u>	<u>\$ 223,593</u>	<u>\$ 117,848</u>	<u>\$ 1,114</u>	<u>\$ 4,832,843</u>

City of Freeport, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	Debt Service	Hotel/Motel Tax	TIRZ	Court Revenue
<u>Revenues</u>				
Property tax	\$ 528,596	\$ -	\$ 360,901	\$ -
Other taxes	-	162,741	-	-
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	101,592
Investment income	10,819	9,678	31,870	10,459
Total Revenues	539,415	172,419	392,771	112,051
<u>Expenditures</u>				
General government	-	22,000	-	-
Public safety	-	-	-	25,314
Disaster relief	-	-	-	-
Debt service:				
Principal	365,000	-	-	-
Interest	129,569	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	494,569	22,000	-	25,314
Revenues Over (Under) Expenditures	44,846	150,419	392,771	86,737
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	44,846	150,419	392,771	86,737
Beginning fund balances	493,961	241,822	570,587	265,641
Ending Fund Balances	\$ 538,807	\$ 392,241	\$ 963,358	\$ 352,378

<u>Facilities & Grounds CIP</u>	<u>Vehicles & Equipment</u>	<u>IT Fund</u>	<u>Hurricane Beryl</u>	<u>Marina Operations</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 889,497
-	-	-	-	-	162,741
-	-	-	608,849	-	608,849
-	-	-	-	-	101,592
91,120	1,882	8,588	-	252	164,668
<u>91,120</u>	<u>1,882</u>	<u>8,588</u>	<u>608,849</u>	<u>252</u>	<u>1,927,347</u>
-	-	-	-	-	22,000
-	-	-	-	-	25,314
-	-	-	253,155	-	253,155
-	-	-	-	-	365,000
-	-	-	-	-	129,569
284,121	204,365	-	660,142	-	1,148,628
<u>284,121</u>	<u>204,365</u>	<u>-</u>	<u>913,297</u>	<u>-</u>	<u>1,943,666</u>
<u>(193,001)</u>	<u>(202,483)</u>	<u>8,588</u>	<u>(304,448)</u>	<u>252</u>	<u>(16,319)</u>
-	211,665	-	-	-	211,665
-	211,665	-	-	-	211,665
(193,001)	9,182	8,588	(304,448)	252	195,346
2,401,335	(2,256)	215,005	(1,437,304)	862	2,749,653
<u>\$ 2,208,334</u>	<u>\$ 6,926</u>	<u>\$ 223,593</u>	<u>\$ (1,741,752)</u>	<u>\$ 1,114</u>	<u>\$ 2,944,999</u>

City of Freeport, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 526,250	\$ 528,596	\$ 2,346
Investment income	400	10,819	10,419
Total Revenues	526,650	539,415	12,765
<u>Expenditures</u>			
Debt Service:			
Principal	560,000	365,000	195,000
Interest and fiscal charges	241,619	129,569	112,050
Total Expenditures	801,619	494,569	307,050
<u>Other Financing Sources (Uses)</u>			
Transfers in	301,650	-	(301,650)
Total Other Financing Sources (Uses)	301,650	-	(301,650)
Net Change in Fund Balance	\$ 26,681	44,846	\$ 18,165
Beginning fund balance		493,961	
Ending Fund Balance		\$ 538,807	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Tuesday, March 31, 2026 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd., Freeport TX 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: Danielle M Kelly, DPA, City Manager
Chris Duncan, City Attorney
Clarisa Fernandez, City Secretary
Toby Cohen, IT Director
Chris Motley, Fire Chief
Nicholas Meeks, Utility Operations Manager

Visitors: Pamela Dancy Virginia Tippen
Nicole Mireles Tom Pearson
Sam Reyna

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the meeting of the Freeport City Council to order at 6:04P.M. on March 31, 2026, 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.

Matters Subsequent to Posting.

City Manager Dr. Danielle Kelly stated that there were no matters subsequent to posting.

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.

Sam Reyna resides at 2002 North Avenue G. He addressed the council regarding the upcoming Veolia contract renewal. He reminded the council of previous concerns raised by Jerry Meeks about Veolia's overbilling for operation and maintenance services. Mr. Reyna also referenced former employee Lance Petty's attempts to bring operations in-house, which he believed would have saved significant money. He cautioned the council to carefully review the contract and examine past meeting minutes to understand the history of concerns with Veolia.

Business

Consideration and possible action to approve an Agreement for Operation, Maintenance and Management Services with Veolia Water North America-Central, LLC.

City Manager Dr. Danielle Kelly presented the proposed five-year agreement with Veolia Water North America-Central, LLC for operation, maintenance, and management of the city's water and wastewater systems. She explained that the prior agreement had expired and staff had negotiated a new contract to ensure continuity of critical services. The proposed agreement includes enhanced performance expectations, reporting requirements, and accountability measures designed to improve system reliability, transparency, and long-term planning. Dr. Kelly highlighted several key improvements in the new contract, including a formalized performance accountability structure through a tiered penalty system with progressive escalation for repeat violations. She noted that transparency would be significantly enhanced through expanded monthly operating reports distributed to city council and executive leadership, containing detailed operational data, maintenance activities, and system performance metrics.

The agreement requires installation of a nonproprietary real-time SCADA system within two years, which will allow for continuous monitoring, system alerts, and historical data tracking. Upon completion, the system will become city-owned, improving operational reliability and response times. Dr. Kelly emphasized that sewage leak response times had been significantly tightened from 12 hours to 2 hours.

From a financial standpoint, the agreement establishes a fixed annual fee of \$2,915,538.36, paid in monthly installments of \$242,961.53, with costs incorporated within the city's utility operations budget. The contract also includes a defined maintenance and repair allowance subject to annual reconciliation, with required notifications when expenditures approach established thresholds.

Councilman Pena asked for staff's recommendation on the agreement and City Manager Dr. Danielle Kelly confirmed that staff supported the contract.

A motion was made by Councilman Pena to approve an agreement for Operation, Maintenance and Management Services with Veolia Water North America-Central LLC, seconded by Councilman Davis with discussion that followed.

Councilman Davis inquired whether both parties had thoroughly reviewed the contract and if City Attorney Chris Duncan felt comfortable with the progress made in working together on the contract. Mr. Duncan confirmed that both Dr. Kelly and Mr. Pennington had worked on the contract as city managers, and that there had been extensive discussion of legal issues. He noted that he had worked with Veolia's attorney, Mr. Kidd, having several conversations, including final discussions the previous week to produce the final version. Mr. Duncan praised Veolia's attorney as being very good to work with and noted that he listened to the city's concerns and incorporated language the city wanted. He characterized it as a good deal and a good contract that was good for both parties, emphasizing that all terms were heavily negotiated and recommending council approval. Councilman Davis asked City Manager Dr. Danielle Kelly about communication and documentation improvements since she and Mr. Javance had joined their respective teams. Dr. Kelly explained that she could not speak to the level of conversation that occurred before she

arrived, but noted that she and Mr. Javance had started at about the same time and had developed a good working relationship. She praised his responsiveness, stating she could reach him day or night and that he had addressed every concern she had brought to his attention. Councilman Davis then called Nick Meeks forward to provide his perspective as someone who had been working in the field with Veolia since Mr. Javance arrived. Mr. Meeks praised Mr. Javance's leadership, stating he believed it would definitely lead this city into the future. He highlighted the technology that Mr. Javance wanted to implement at the wastewater plant and in the field, mentioning that Mr. Javance had recently implemented a communication board for all staff to communicate work orders and information quickly between the field, office, and city hall. Mr. Meeks characterized the improvements as highly impressive and stated he supported Mr. Javance's efforts 100 percent. Councilman Davis expressed excitement about the potential for continued collaboration and growth, emphasizing that everything should be all about Freeport, all for our citizens.

Councilman Pena inquired about council engagement with Veolia since December and specifically asked Councilman Rossow about his satisfaction with responses to previous requests for fire hydrant audits and system management evidence. Councilman Rossow expressed being very satisfied with the response. He explained that he had been trying for two years to address citizen complaints about water loss and leaks, and that Veolia had quickly resolved an issue that had persisted for years. He praised their response time, noting that as someone who had worked at the plant, response time was his biggest pet peeve. He stated that Veolia's response time was good and that while he had other tasks for them, they did a very good job. City Manager Dr. Danielle Kelly added that response times had been significantly tightened up, noting that sewage leakage response time had been reduced from 12 hours to 2 hours. Councilman Pena asked about the contract's accountability mechanisms, wanting to ensure it had teeth to hold Veolia accountable for any shortcomings while also having the same teeth for the city of Freeport. He expressed concern about previous issues with city staff oversight and wanted to ensure the contract covered both sides fairly while pressing both sides to perform with nearly \$2,900,000 annually at stake. City Manager Dr. Danielle Kelly explained that Section 14 highlights penalties with escalating levels: moderate, medium, and severe penalties for nonperformance. She noted that beyond monetary penalties, the city had the ability to cancel the contract for persistent non-performance or repeat offenses. She also highlighted that the contract required monthly mutual site inspections between the city and Veolia staff per Section 1.11, allowing each side to voice concerns about maintenance needs. Additionally, she explained that Veolia would be required to attend the second council meeting every month to present or answer questions about their monthly report, followed by a staff meeting with department heads the following morning to address any issues raised by council.

City Attorney Chris Duncan elaborated on the accountability structure, explaining that he had observed a lack of oversight from the city side in the previous contract, which was essentially all or nothing. If the city was unhappy, the only option was contract termination, which was difficult given the need to maintain daily water operations. He had conceived the idea of having accountability short of termination through a system of penalties for contract violations, whether small or large. The new system included small, medium, and serious violation categories with financial penalties that increased based on the seriousness and repetitive nature of violations. Mr. Duncan stated that in final discussions with Veolia's attorney the previous week, he learned that this proposed contract for Freeport was unique and while he had been told Veolia had other similar contracts with accountability penalties, this contract was actually the only one that has penalties of this nature. He explained that the penalty schedule was not arbitrary but based on real concerns and real problems that the City has had in the past. Veolia's attorney had shown genuine concern and, after understanding the city's reasoning, had agreed to accept the penalty system. He emphasized that this was a completely unique contract that is different than Veolia has anywhere else because they were willing to perform, and he expressed faith that they would.

Councilman Pena asked Veolia representatives about their top three priorities for the remainder of 2026. Mr. Javance responded with three key initiatives: First, implementing indicators throughout the system, particularly for the clarifier which currently operated manually, requiring physical checks to detect problems. The new system would provide real-time monitoring via phone notifications for sludge levels and

blanket conditions. Second, properly training and cross-training team members across different areas rather than having specialists limited to either wastewater or water systems. Third, improving collaboration with the city, acknowledging that there had not been the best relationship previously but stating he was looking towards the future.

Councilman Pena asked City Manager Dr. Danielle Kelly about protocols for citizens to report issues and how the city would monitor response times and identify recurring problems. Dr. Kelly explained that during regular business hours, citizens would call the front desk utility staff, who would relay work orders to Veolia. After hours, they would call the non-emergency dispatch number, who would contact Veolia for emergencies. The monthly operating report would list all work orders and response times for review. She noted the new two-hour response requirement for sewage leaks and explicit language requiring Veolia to monitor and detect leaks daily as our eyes and ears out in the city. She also thanked Nick Meeks for being invaluable in ensuring the contract's technical specifications protected the city.

Councilman Matamoros asked about Appendix H, which listed 12 nonoperational fire hydrants as of the effective date, inquiring whether they would be returned to service. City Manager Dr. Danielle Kelly confirmed they had 90 days to repair them, referencing Appendix F7, which required that all fire hydrants identified as nonoperational as of the effective date as listed in Appendix H shall be repaired, replaced, or restored to service within 90 calendar days. Councilman Matamoros also asked about meter reading, noting that most meters should be new and automatically report back to the water system. Nick Meeks explained that while most meters were new, some still had issues reporting back to City Hall. Currently, 56 meters were still read manually until they could be sent for RMA and replacement. About 30-35 meters still needed to be changed out, but they were experiencing inventory shortages from Invocore. Once those are replaced, they should have a fully operational system. Councilman Matamoros concluded by hoping the city would keep Veolia accountable, acknowledging that there were a lot of issues and there still are a lot of issues that would likely surface after the contract was signed. He emphasized the importance of Dr. Kelly and city staff maintaining accountability to prevent the contract from becoming an albatross around the residents for the next five years.

Mayor Cain acknowledged that he still believed the city would be better off doing this in house which would save a considerable amount of money, but stated that was not the conversation they were having. He thanked both Veolia and city staff for listening to concerns and complaints from both citizens and council members during the process. Mayor Cain noted that by no means should anybody put all the blame on Veolia as he felt the city had their share in the shortcomings that we had as well. He hoped that oversight, which he believed had been lacking, would increase, and that communication between Veolia and the city would improve so they could move forward and come out in 5 years better than what we were when we started this process.

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

Consideration and possible action approving Resolution No. 2026-3039 to approve Veolia temporary contract extension.

Mayor Cain noted there was no need to proceed with agenda item 2B, which would have provided a temporary contract extension for Veolia.

Executive Session

Executive Session regarding a.) Texas Government Code, Section 551.071 (Consultation with Attorney)

1.) DOW IDA negotiations update 2.) Surfside Utility Billing Counteroffer.

Legal Consultation and Real Property Deliberations – All City Properties, EDC Lawsuits and ALL Ongoing City Development Agreements (Councilman Pena)

The Regular Session closed at 6:42P.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 8:20P.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 Matamoros to adjourn, seconded by Councilman Pena with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 8:20P.M.

Jerry Cain, Mayor

Clarisa Fernandez City Secretary

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, April 6, 2026 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: Danielle M Kelly, DPA, City Manager
Jennifer Howell, Police Chief/Assistant City Manager
Chris Duncan, City Attorney
Clarisa Fernandez, City Secretary
Toby Cohen, IT Director
Christopher Motley, Fire Chief
Maria Lopez, Main Street Coordinator
Juanita Cardozo, Police Department
Angela Rivera, Police Department
Jared Miller, Police Department
Robert Johnson, EDC Director

Visitors: David McGinty
Manning Rollerson
Melanie Oldham
Sam Reyna
Kenneth Hayes
Linda Marshall
Nicole Mireles

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the regularly scheduled meeting of the Freeport City Council to order at 6:01P.M. on April 6, 2026, declaring a quorum was present.

Invocation - Councilman

Councilman Matamoros led the Invocation.

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

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

Matters Subsequent to Posting.

City Manager Dr. Danielle Kelly announced that agenda item 2E would be postponed until the next meeting, explaining that the auditor's daughter went into labor, and he was unavailable to attend.

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.

Sam Reyna resides at 2002 North Avenue G. He addressed the council regarding the Veolia contract, expressing strong concerns about the agreement. Mr. Reyna discussed that the contract was worth \$2.9 million with an additional \$366,000 for repairs, totaling over \$3.266 million, which he characterized as over 25 percent of the city's general funds. He stated about the contract structure, arguing that repairs should be handled through a bid package process rather than giving a lump sum for potential repairs. Mr. Reyna detailed the penalty system in the contract, noting that penalties were capped at \$30,000, but fines could reach \$500,000. He expressed his opinion that somebody got paid regarding the contract negotiations and predicted that Veolia would breach the contract like Covarrubias and AmeriWaste Solutions had done. Mr. Reyna specifically mentioned that AmeriWaste had grabber trucks that were used initially but were now only used every six months to unload waste from trucks and trailers, forcing residents to take their waste to the company rather than having it picked up from their properties.

Manning Rollerson spoke agreeing with Mr. Reyna about the AmeriWaste contract and expressing frustration about paying for trash service. He then discussed downtown Freeport development, emphasizing the need for the city to invest in city hall downtown rather than running away from problems. Mr. Rollerson stated that the city was paying \$25,000 per month when they own the building, stating that the city should show progress and fix what they own. He expressed disappointment that the city stabbed him in the back regarding the East End situation and called for leaders to explain where they stand on constitutional rights and property rights.

Kenneth Hayes spoke about the Blue Santa golf tournament, noting that he and his wife had been supporters for years, but the event had lost support. Mr. Hayes observed that only Councilman Davis from the city was present at the recent tournament, and that raffle ticket sales and player support had declined significantly. He requested that someone at the top help support the officers who work hard on the event to restore it to its former status.

Proclamations - Presentations and Updates

Proclamation Celebrating the Outstanding Achievement of the Brazosport High School Boys Basketball Team - Mayor Cain

Mayor Cain read the Proclamation Celebrating the Outstanding Achievement of the Brazosport High School Boys Basketball Team.

Proclamation of the City of Freeport declaring April 2026 as 'Fair Housing Month' - Mayor Cain

Mayor Cain read the Proclamation of the City of Freeport declaring April 2026 as 'Fair Housing Month'.

Proclamation of the City of Freeport declaring April 11-17, 2026 as Animal Control Officer Appreciation Week - Mayor Cain

Mayor Cain read the Proclamation of the City of Freeport declaring April 11-17, 2026 as Animal Control Officer Appreciation Week.

Proclamation of the City of Freeport declaring April 12-18, 2026 as National Public Safety Telecommunicator Appreciation Week - Mayor Cain

Mayor Cain read the Proclamation of the City of Freeport declaring April 12-18, 2026 as National Public

Safety Telecommunicator Appreciation Week.

Presentation by Brooks Watson & Co. on the Audited Financial Report and Auditor's Opinion for the fiscal year ending September 30, 2025, followed by consideration to receive and file - Mike Brooks, Partner

This item was postponed as announced in Matters Subsequent to Posting.

Upcoming Events -

City Transition to Hyper-Reach for Emergency Notifications

El Nacimiento de Selena, April 11, Freeport Museum, 11:00AM-3:00PM

Reimagining Main Street, April 18, Freeport Museum, 9:00AM-11:00AM

Community Clean-up, April 18, 431 West 4th St., 8:00AM-12:00PM

Senior Bingo, April 20, RiverPlace, 10:00AM-12:00PM

Riverfest, April 24-25

Glow Zumba, April 29, Freeport Rec Center, 8:30AM

City Manager Dr. Danielle Kelly gave updates on upcoming events.

Consent Agenda:

Action regarding Minutes, March 16, 2026 - Clarisa Fernandez, City Secretary

Action approving the updated Resolution No. 2026-3040 regarding the Cybersecurity Grant - Jennifer Howell, Police Chief

Action approving purchase of Motorola Radio Console equipment to be 100% reimbursed by grant funds - Jennifer Howell, Police Chief

A motion was made by Councilman Matamoros to approve the Consent Agenda as presented, seconded by Councilman Rossow with discussion that followed.

Councilman Pena requested discussion on item 3B regarding the cybersecurity grant. Police Chief Jennifer Howell explained that the total project amount was \$108,025.60, with \$86,420.48 covered by the grant and a city match of \$21,605.60. She described the cybersecurity grant as helping enhance security features at the police department, one of several grants submitted by IT Detective David Fernandez that was awarded this year. When Councilman Pena asked for specifics about the cybersecurity measures, Chief Howell preferred to discuss the information offline, explaining she did not want to discuss security measures publicly given recent cyberattacks on other cities. She praised the work of Toby and David for keeping Freeport secure.

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

Business

Consideration and possible action approving the renewal of the Texas Main Street Program contract.

Main Street Coordinator Maria Lopez presented the item, explaining that staff recommended approval of the annual renewal of the Texas Main Street program contract between the City of Freeport and the Texas Historical Commission for the 2026 program year. She detailed that this renewal maintains Freeport's designation as an official Texas Main Street City and allows continued participation in statewide and national downtown revitalization initiatives. Ms. Lopez explained that the contract formalizes participation in the statewide Main Street network, ensuring continued access to technical assistance, training, and

resources supporting revitalization, preservation, and economic development of Freeport's historic downtown district. The agreement designates Freeport as a Texas Main Street City and allows use of the Main Street America brand and participation in a national network focused on preservation-based economic development. Under the contract, the city agrees to maintain a full-time Main Street program manager, support an active advisory board, and submit required quarterly and annual reports demonstrating program impact and progress. Participation requires adherence to statewide standards including community engagement, preservation-based development, and measurable reinvestment outcomes. Ms. Lopez noted that failure to maintain compliance could result in probation or removal from the program. The annual participation fee is \$535, which supports program services provided by the Texas Historical Commission. The Freeport Historical Commission and Main Street Advisory Board support continued participation as a critical tool for downtown revitalization and economic development.

A motion was made by Councilman Matamoros to approve the renewal of the Texas Main Street Program contract, seconded by Councilman Davis with discussion that followed.

Councilman Pena questioned the value of the \$535 fee and whether being part of the organization brought value or limitations to Freeport. Main Street Coordinator Maria Lopez responded that the Texas Historical Commission provides valuable professional advice based on what other cities are doing, including consultation from their architect and numerous on-site and virtual training opportunities. When asked about architectural consultation engagements in the past year, Ms. Lopez explained they had several consultations regarding the heritage house project, maintaining contact with Jamie Qualley, the Texas Historical Commission representative who provides expert advice. She confirmed they utilize both the Texas Historical Commission and UTSA study resources, with the Commission typically responding within 24 hours to questions about historic preservation and economic development. Councilman Pena inquired about the role of revitalization and preservation efforts compared to the UTSA consultation and whether the EDC property remained part of the scope. Ms. Lopez clarified that they had not discussed the 8.8 acres, focusing instead on manageable, doable projects within budget constraints working with the Main Street Board. When asked about a sufficient budget, Ms. Lopez explained they were working on determining needs for the next fiscal year, actively coordinating with the city manager, Main Street board, and finance director. Councilman Pena mentioned receiving budget information showing Main Street was almost \$100,000 in the red, questioning whether this represented overspending or poor budgeting. Ms. Lopez responded that for the current fiscal year, they were right on budget, only receiving budget allocations for events and advertising without detailed departmental breakdowns.

Mayor Cain thanked Main Street Coordinator Maria Lopez for her work.

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. 2026-3041 for property to be declared surplus and to be authorized for disposal through destruction in accordance with City policy.

Police Chief Jennifer Howell presented the item, explaining that the resolution concerned Sierra wireless modems previously used on vehicles with an outdated system. The department had received a new system through a grant, leaving these modems unused. On the recommendation of IT Detective, Chief Howell requested that these items be destroyed rather than auctioned or donated due to the information they store.

A motion was made by Councilman Pena to approve Resolution No. 2026-3041 for property to be declared surplus and to be authorized for disposal through destruction in accordance with City policy, seconded by

Councilman Rossow with discussion that followed.

Mayor Cain questioned the city's policy regarding the destruction of such items. Police Chief Jennifer Howell mentioned she would coordinate with IT Manager Toby regarding different destruction methods, noting that in the past some items had been used for targeting practice at the gun range, though that was not her preferred method. She expressed interest in exploring alternative destruction methods with IT.

Councilman Pena asked whether any items were telephone-related evidence or if any items were considered evidence in particular cases. Police Chief Jennifer Howell clarified these were just wireless modems that provided wireless capabilities to patrol unit equipment, not evidence in any cases.

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. 2026-3042 for an EDC Settlement Agreement.

A motion was made by Councilman Pena to move 4C into Executive Session for Attorney Consultation. The motion died due to a lack of a second.

City Manager Dr. Danielle Kelly presented the settlement agreement, explaining it resolves outstanding property ownership and development disputes involving multiple lots within the Velasco townsite and establishes a path forward for infrastructure completion and residential development. Under the agreement, Freeport EDC conveys property interests to GLNL and AMG, with developers committing to complete required infrastructure improvements and construct residential units according to city standards. The agreement includes a completion deadline of December 31, 2027, with liquidated damages for failure to meet deadlines. It also includes mutual releases of claims, dismissal of pending litigation, and provisions ensuring clear title, tax responsibility, and lien resolution. Dr. Kelly explained that council had considered a previous version at the February 17, 2026 meeting, directing staff to pursue additional sureties and clarifications to strengthen accountability and ensure project completion. The revised agreement includes infrastructure completion requirements for roadway and related improvements including North Avenue N and West Roller extensions, with shared cost participation. GLNL and AMG are each responsible for development of specific lots with all construction required to comply with applicable codes. Cost division was established at 50% to Freeport EDC, 25% to AMG, and 25% to GLNL.

A motion was made by Councilman Matamoros to approve Resolution No. 2026-3042 for an EDC Settlement Agreement as presented, seconded by Councilman Davis with discussion that followed.

City Attorney Christopher Duncan stated that he wanted to address concerns raised at the previous meeting, emphasizing that accountability to citizens and taxpayers should never be treated as an inconvenience. He explained that under state law, the Economic Development Corporation (EDC) must follow specific procedures before undertaking a project and expending funds, including holding a public hearing at the EDC level. He noted that for cities under 20,000 population, the EDC may proceed with economic development projects if it adopts a resolution determining whether the project serves a public purpose and promotes economic development. Mr. Duncan further explained that once such a resolution is passed, the project must be presented to the City Council at two separate meetings requiring two readings. Only after council approval can the EDC proceed. He added that another statutory requirement prohibits the EDC from spending authorized project funds for at least 60 days following the public hearing, allowing time for citizens to protest the expenditure through a petition and potential election. Addressing prior discussion on whether the proposal constituted a new project, Mr. Duncan stated his position that it does. He explained that the original agreement involved the EDC and Realty World Freeport (RWHP) for home construction and did not require EDC funding. In contrast, the current agreement involves different parties specifically, the financing entities rather than the original developer and requires the EDC to expend funds. He also noted

differences in the number and quality of homes, as well as other terms, indicating that nearly all material aspects differ from the original 2018 project aside from location. Based on these distinctions, Mr. Duncan advised that the project should be treated as a new project and that all required statutory procedures should be followed before the City Council votes to approve the agreement.

EDC Director Robert Johnson stated he disagreed with City Attorney Christopher Duncan's legal assessment, stating the EDC attorney believes this is merely settling litigation rather than a new project, and that two attorneys disagree on the interpretation.

Councilman Pena expressed frustration that steps discussed at the last meeting had not been completed, including an attorneys meeting to discuss property ownership details. He spoke about the lack of material legal discussion for items specifically requested and questioned why the item was on the agenda when homework assignments had not been completed. Councilman Pena emphasized that this was a new contract with different parties. Councilman Pena noted that Olson and Olson had a history of being untruthful to the city, which was why they no longer represented the city. He demanded the attorneys meet and figure out the legal issues before returning to council rather than pressuring for hasty decisions that led to the original EDC problems with Realty World.

Ms. Chan, litigation attorney for EDC, clarified that the main purpose of the lawsuit was determining who actually owns title to the lots, which cannot be decided outside of litigation. She emphasized that neither Olson and Olson nor Mr. Johnson were part of the EDC when the original agreements were made, and the settlement aims to resolve title issues while providing good housing for Freeport citizens.

Mr. Torres, speaking for the development team, expressed frustration with continued delays, stating they had started permit applications in August and could have had houses completed by now. He explained reaching out to Mr. Johnson years ago with the idea of generating mutually beneficial relationships and future housing development but felt stuck between a rock and a hard place without progress. Mr. Torres emphasized they had completed all requested homework including providing proof of funds, scope of work, budgets, and engineering through multiple meetings and calls. He expressed disappointment about potential property taxes not being collected and streets and houses not being built.

City Attorney Christopher Duncan clarified that houses could not have been built in August because the agreement was just completed the previous week. He emphasized that state law requires accountability to the public before EDC spends funds, and suggested following standard procedures that provide the safest legal approach. Mr. Duncan noted that going through the proper legal process public hearing, two readings, and a 60-day waiting period ensures no citizens can complain or file lawsuits.

Mr. Torres acknowledged his lack of understanding of legal procedures and expressed willingness to wait the required time if necessary, but requested that after 60 days, there would not be additional barriers. City Attorney Christopher Duncan assured him that his role was advising council on legal requirements, not creating arbitrary resistance, and he believed council would approve the project if proper procedures were followed.

Mayor Cain suggested scheduling a special meeting on Wednesday for the first reading to avoid further delays, emphasizing his discomfort with potential lawsuits. He noted that if moving the process two more weeks would keep the city out of lawsuits, he would feel more comfortable with that approach.

Councilman Davis withdrew his second.

Councilman Matamoros asked EDC Director Robert Johnson to clarify for everyone who ordered mediation, noting that although he knew the answer, he wanted it stated for the public because some individuals at the

prior meeting may not have heard. Mr. Johnson responded that the judge in the case ordered mediation and appointed Judge Sebesta to conduct it, confirming that they were ordered into mediation on the lawsuit and that Judge Sebesta mediated the agreement. Councilman Matamoros stated that he wanted to make that point clear and emphasized that the council was present to approve a settlement agreement, not to debate the original project. He asserted that the project had issues from the beginning and referenced prior actions involving the previous EDC attorney Christopher Duncan which was one of the reasons for his termination. Councilman Matamoros further stated that Mr. Torres had indicated he would consider requested items and agree to them if feasible, and that the EDC had expressed the same position. He then spoke about the city attorney, stating in his opinion that the attorney's advice had been horrible and referencing prior terminations. Councilman Matamoros stated that requiring additional steps would cause Mr. Torres to go through more processes and incur additional costs because of differing opinions about whether the matter constituted a new project despite being litigation. He expressed frustration with what he described as changing opinions, stating that positions had remained consistent for years but were now shifting as the matter approached resolution.

Councilman Matamoros then asked City Manager Dr. Danielle Kelly whether all items requested by council at the February meeting had been included in the agreement. Dr. Kelly confirmed that the requested deal points had been incorporated. Councilman Matamoros responded that he believed it was absolutely asinine to go through the entire process again for what he characterized as a litigation settlement, stating that while he supports transparency and public input, the process imposed more steps than necessary.

Mayor Cain thanked Mr. Torres for his patience during this process.

Councilman Matamoros withdrew his motion.

Consideration and possible action approving IPO No. 2026-03 with Kimley-Horn and Associates to design and coordinate relocating a water line for the TxDOT Gulf Boulevard/FM 523 project.

City Manager Dr. Danielle Kelly presented staff's recommendation to approve IPO No. 2026-03 with Kimley-Horn and Associates for \$45,000 for final design and coordination services associated with waterline relocation for the TxDOT Gulf Boulevard FM 523 project. The IPO authorizes Kimley-Horn to perform final design and coordination services for waterline relocations required as part of the TxDOT CCSJ 1003-01-098 Roadway Project. Services include preparation of plan and profile sheets for approximately 13 waterline conflicts, development of technical specifications and bid items, and coordination with TxDOT and TCEQ for approvals.

A motion was made by Councilman Matamoros to approve IPO No. 2026-03 as presented, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action on the approval of a POD trailer Replacement Agreement between City of Freeport and the Brazoria County Health Department.

Fire Chief Christopher Motley presented the recommendation to approve the dispensing pod trailer replacement program agreement between the City of Freeport and Brazoria County Health Department for their health pod distribution. He explained they had a trailer in service for close to 15 years that was being replaced. The city currently has an interlocal agreement for participation in the health pod for mass immunization or treatment during public health emergencies. This additional agreement covered the trailer itself, with the county taking over maintenance and housing responsibilities that the city previously handled locally. Chief Motley preferred keeping it local to monitor condition and location.

A motion was made by Councilman Matamoros to approve a POD trailer Replacement Agreement between

City of Freeport and the Brazoria County Health Department as presented, seconded by Councilman Davis with discussion that followed.

Councilman Pena asked about costs to the city, which Fire Chief Christopher Motley confirmed would be zero dollars. The trailer is housed at Station 2 and gets activated for specific events, last being activated for H1N1/swine flu and COVID-19 for immunization and testing support, but not since 2020.

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 on the approval of Texas A&M Forest Service Personal Protective Equipment (PPE) Grant.

Fire Chief Christopher Motley presented the recommendation to accept the Texas Forestry Service grant funding for PPE in the amount of \$25,000 with no city matching portion required. The grant will assist in PPE for firefighters, replacing 5 sets of gear including coats and pants for fire suppression personnel. Chief Motley emphasized the critical timing as recent PPE inspections identified several fire and EMS members' structural gear had reached or exceeded recommended service life. He explained that the Texas Commission on Fire Protection adopted NFPA standard 1851 through legislative authority, establishing a maximum 10-year lifespan for structural PPE. The grant would help bring the department into compliance.

A motion was made by Councilman Matamoros to approve Texas A&M Forest Service Personal Protective Equipment (PPE) Grant, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Freeport Fire & EMS department surplus equipment donation to College of the Mainland.

Fire Chief Christopher Motley recommended transferring ownership of the department's personal protective equipment that had completed its service life to College of the Mainland. This included the expired gear with 10 years of service. He explained that in the past, equipment was typically donated to Texas A&M Forestry Service for distribution to other departments, but they were experiencing the same abundance of expired equipment. Previously, donations went to faith-based groups for use in Mexico and Central America. Chief Motley noted they found a local need at College of the Mainland, where students could use the equipment for training other than suppression, such as rescue-type training, but not in burn houses due to the equipment's condition.

A motion was made by Councilman Matamoros to approve the Freeport Fire & EMS to donate the surplus equipment to College of the Mainland as presented, seconded by Councilman Davis with discussion that followed.

Mayor Cain sought clarification about equipment being expired for fire fighting but safe for college practice use. Fire Chief Christopher Motley explained the equipment would not be used for any structural firefighting training but could be used for other activities like rope rescue. He noted that the 10-year service life relates to vapor barrier damage over time, and some equipment proves ineffective even when stored on shelves, with repair costs often being prohibitive.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-0. The Council unanimously approved the motion. Councilman Pena was not present for this motion.

Discussion and Take Action on 2nd street property with TPWD restrictions

A motion was made by Councilman Pena to table this item (4H). The motion died due to a lack of a second.

Councilman Matamoros stated that he had requested the item be placed on the agenda because council had received legal emails that he said were not truthful. He indicated that the item related to prior discussions and stated that not everything had been forthright.

A motion was made by Councilman Matamoros to take no action on 2nd street property with TPWD restrictions, seconded by Councilman Rossow with discussion that followed.

Councilman Matamoros stated that he asked for the item to be put on the agenda because council received legal emails that he said were not truthful. He stated that the item had been discussed somewhat at the previous meeting, but that not everything had been forthright. Councilman Matamoros read the item summary into the record, stating it was for discussion and take action on Second Street property with TPWD restriction. He read the background information, stating that emails sent by legal and prior council direction from the November 17, 2025, executive session to the previous interim city manager created confusion regarding the direction of the property, and that there may be information needing disclosure that council may not be aware of. He also read the special considerations regarding removal of the property from TPWD open space restrictions and noted that the financial impact was currently unknown and that there was no board or third-party recommendation. Councilman Matamoros stated that he placed the item on the agenda because of an email in which the legal attorney stated that is not what was discussed, and alleged that Robert Johnson was overstepping his bounds. He then referenced an email dated November 18 from Dan Pennington to Robert Johnson, copying Rachel Cohen, Jennifer Howell, and Chris Duncan, which stated, "per Council's direction, please make haste with pursuing the Parkland swap on the Second Street property with the TPWD," and outlined council's interest in potential locations and supporting information including appraisals and the TPWD process. He stated that there were additional emails being provided and asserted that these documents showed that the EDC Director and EDC Board were not overstepping their bounds. Councilman Matamoros then asked Mr. Johnson whether the Second Street property had ever been tied up in any legal litigation for a project with the EDC. Mr. Johnson responded that it is currently tied up in litigation against the EDC and clarified that the City is not a party to the case. Councilman Matamoros confirmed that the property is City of Freeport property. He then questioned why the city had not been brought into the lawsuit if that was the case and stated that the legal counsel at the time failed to do so. He stated, again, another screw up, and referenced that as another reason for termination. He expressed frustration with the situation, stating that it was so frustrating to see what the council had to go through because of what he described as horrible information and that it resulted in Mr. Johnson having to bring his legal team forward at a cost to taxpayers.

Councilman Matamoros continued by asking Mr. Johnson a question and invited City Manager Dr. Danielle Kelly to also respond. He asked whether they were working together to address the matter and first asked Dr. Kelly if she was aware that the property could be tied up in possible litigation involving an EDC lawsuit, to which she responded yes. He then asked whether she was working in conjunction with Mr. Johnson and his legal team, as well as city legal counsel, to determine a course of action regarding both the property and the legal issue before council. Dr. Kelly responded that she had spoken with Mr. Johnson and relayed what had been discussed in closed session regarding her taking over the swap negotiations with TPWD. Dr. Kelly stated that Mr. Johnson provided her with documentation on a thumb drive and that she also spoke with the property manager working with Mr. Johnson to identify the proper acreage. She explained that there had been changes regarding whether measurements would be taken at the top of slope or toe of slope, and that a new survey was underway to allow for reappraisal and submission to TPWD. She clarified that she was not involved in the EDC's litigation discussions, stating that it is city property, and she has no role in their litigation. Mr. Johnson confirmed Dr. Kelly's statements as accurate, noting that he provided her with the documents and apologized for not ensuring they were included in the meeting packet. He referenced an

email from Mr. Duncan stating that he had no authority to speak for the City of Freeport and acknowledged confusion caused by communications between Mr. Duncan and the Freeport EDC, noting that those plans may not align with EDC goals and that the lack of communication was problematic. He stated that these matters had not been discussed with him and explained that the situation has created complications because the lawsuit involves only the EDC and not the City, even though the property is city-owned. Mr. Johnson explained that the EDC is attempting to resolve the lawsuit while being told it does not have standing to discuss matters with TPWD, which he described as problematic given court timelines and obligations. He stated that no coordinated plan had been discussed and that the EDC also owns 8.8 acres involved in the matter. He emphasized that the EDC never intended to make a decision on the property but was instead gathering information. He further explained that the EDC reviewed the original contract with Texas Parks and Wildlife, worked with staff to locate the original grant requiring the property to remain parkland, and coordinated with the Velasco Drainage District regarding development constraints related to the levee. He stated that property valuation for TPWD purposes is based on value rather than acreage and that the EDC was identifying comparable properties, such as O.A. Fleming and Skinner Street, consistent with prior direction. He reiterated that any decision would have been brought before council since the property belongs to the city and that the EDC's role was to gather information and provide clarity for council decision-making. Mr. Johnson stated that the situation creates a quandary because the EDC is obligated under mediation timelines while the City is not a party to the case, and that the EDC cannot act on behalf of the City, resulting in separate timelines between the court proceedings and city actions.

Councilman Pena stated that he did not want what he described as a continued misrepresentation of the facts and sought to clarify the situation. He asserted that Dan Pennington failed to follow council direction on two key issues, explaining that council had instructed him to hire a professional real estate firm to market city-owned properties, but instead he directed EDC Director Robert Johnson, who was not part of city staff nor included in that instruction. He emphasized that this directive was intentional because the EDC had not effectively marketed properties, and cited the example of a real estate sign being placed on the O.A. Fleming property without council approval and subsequently removed shortly after being questioned. He explained that the Second Street property discussions stemmed from a Fort Worth conference where council members explored the idea of developing a sports complex in Freeport, and that while council supported moving forward with that concept, they did not direct Mr. Pennington to involve Mr. Johnson. He stated that Mr. Johnson was not at fault for being assigned tasks, but that Mr. Pennington deviated from council's instructions. Councilman Pena also expressed concern that over the past two years, the EDC and its legal counsel had failed to provide updates on litigation despite repeated requests, often citing attorney-client privilege, which he argued was inappropriate given council's oversight role. He stated it was inaccurate to suggest council had knowledge of these matters. He referenced a recent executive session where council again provided direction to Dr. Kelly consistent with prior instructions and noted that complications arose when TPWD would not cooperate, which he attributed to confusion in communication and authority. He stated he was willing to take direct action if necessary to resolve the issue. He emphasized that the property is city-owned and that the lawsuit involves only the EDC, not the city, and stated he would not support using city property as part of any settlement. He reiterated that council had already decided to proceed with removing TPWD restrictions and identifying replacement land, questioning why the issue was being revisited.

EDC Director Robert Johnson acknowledged Councilman Pena's points about Mr. Pennington's direction and the RFP process failure, reading from an email stating that no real estate firms responded to the four-week RFP advertisement, making it senseless to list the property while it was being considered for the parkland swap or sports complex. Mr. Johnson addressed transparency concerns, explaining that Texas Supreme Court decisions and law referenced by Judge Sebesta, plus required mediation waivers, prevented disclosure of mediation details. He emphasized they were not trying to avoid communication but were legally constrained from sharing certain information.

Councilman Davis clarified that the issue was about telling EDC to stand down rather than transparency about the mediation case, noting confusion between different issues.

Mayor Cain encouraged EDC Director Robert Johnson and City Manager Dr. Danielle Kelly to communicate about timeframes without sharing case details but ensuring city needs for timely information were met.

Councilman Rossow supported not blaming EDC Director Robert Johnson for following Mr. Pennington's direction, emphasizing that anyone should do what their supervisor instructs. He spoke about the pattern of repeatedly discussing the same issues multiple ways and noted that Mr. Pennington needed to have input before the issue could be resolved.

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".

EDC Director Robert Johnson requested that a second communication be sent to Texas Parks and Wildlife clarifying that his actions were not miscommunication and restoring his reputation.

Work Session

Councilman Pena Ward A announcements and comments.

Councilman Pena was not present for this item.

Councilman Davis Ward B announcements and comments.

Councilman Davis praised the positive start to the meeting with the boy's basketball team proclamation and emphasized the importance of investing in youth and sports programs. He described how the room was packed when acknowledging youth, with parents, siblings, and friends present, noting this was the fullest he had seen the room during his time on council. Councilman Davis emphasized that investing in youth brings crowds and community engagement, stating that building sports complexes would bring 50–60 teams every weekend along with families and visitors. He explained how local youth currently miss opportunities because they lack transportation to play sports in Angleton, West Columbia, or Lake Jackson, leaving them sitting around without activities. Councilman Davis connected youth sports to the success of the honored basketball team, describing how he had coached youth basketball when his son was little. He noted that his son and Councilman Rossow's son were on the first team to reach state championship, which had never happened in Brazosport High School history until the team honored that evening accomplished it. Councilman Davis emphasized that sports teach more than athletic skills, including discipline, respect, and how to interact with others, providing experiences that last a lifetime. He advocated for giving Freeport youth something productive to do through sports investments, arguing this would spark growth in the community.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros addressed City Manager Dr. Danielle Kelly about the increasing illegal dumping throughout Ward C. He requested that code enforcement conduct more regular drive-bys and when issuing letters for violations, distribute them to entire blocks rather than single properties to avoid wrongly targeting innocent residents. He thanked staff for clearing a previous illegal dumping issue and requested homeowners receive documentation explaining proper bulk trash bundling procedures for new residents. Councilman Matamoros congratulated athlete Ms. White for her gold medal performance in Class 4A triple jump at the Clyde Littlefield University of Texas track and field relays, describing it as one of the toughest relays accepting only the state's best athletes. Councilman Matamoros then addressed what he characterized as transparency issues, presenting documentation of an active lawsuit Jeff Pena versus David Olson and Olson

LLP, filed September 30, 2025 in Harris County District Court where Christopher Duncan from Duncan Law Firm represents Councilman Pena. He noted that during attorney interviews, Mr. Duncan had stated he would drop existing clients if hired as city attorney but failed to do so, creating a potential conflict of interest. Councilman Matamoros expressed his inability to trust whether legal advice received was genuine or slanted to help one person, describing this as the source of his passion during the meeting. He emphasized caring about the city he grew up in and wanting to see it improve, but feeling unable to trust the advice received. Councilman Matamoros detailed receiving phone calls from city employees reporting difficulties obtaining needed items despite following proper procedures and sending emails with appropriate recipients copied. He connected these delays to previous EDC termination reasons and cited examples including delayed cleaning services contracts and delayed public information request responses. He concluded by questioning whether the attorney represents the council or one individual, presenting the active lawsuit documentation as evidence of ongoing representation conflicts.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow apologized for being late due to conducting a funeral and having to leave immediately after preaching to attend the meeting. He thanked everyone for attending and acknowledged never knowing what to expect at Freeport council meetings. Councilman Rossow reminded attendees about upcoming senior events: bingo on April 20 for citizens 55 and older, guaranteeing they would enjoy it; bingo on May 18 and July 20; and a trip on May 15 to the Railroad Museum in Rosenberg with EDC paying for the bus and including restaurant dining. He mentioned the April 18 citywide cleanup, encouraging all residents to participate in cleaning up the city. Councilman Rossow emphasized his continued love for Freeport despite any conflicts, encouraging residents with problems or concerns to contact him through the city website for his phone number and email address.

Mayor Jerry Cain announcements and comments.

Mayor Cain thanked everyone who attended, expressing pleasure at seeing every seat filled to start the meeting, with over half being young gentlemen representing the next generation. He emphasized pride in the basketball team and appreciation for those who remained throughout the meeting. Mayor Cain announced that early voting begins April 20 for upcoming elections, with vacancies in Ward A and Ward C currently held by Councilman Pena and Councilman Matamoros. He noted four candidates running for the two positions and several charter amendments on the ballot, encouraging all residents to vote regardless of their ward.

City Manager announcements and comments.

City Manager Dr. Danielle Kelly reminded everyone that the community survey was available on the city's website front page, closing Friday at midnight, and requested feedback. She announced that board applications had been extended for an additional two weeks for residents interested in volunteering on city boards.

Executive Session

Executive Session regarding a.) Texas Government Code, Section 551.071 (Consultation with Attorney) 1.) DOW IDA negotiations update 2.) Surfside Utility Billing Counteroffer.

The Regular Session closed at 9:12P.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 9:42P.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 Mayor Cain to adjourn, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 9:42P.M.

Jerry Cain, Mayor

Clarisa Fernandez City Secretary



City Council Agenda Item #[3.B]

Title: Action approving the Monthly Financial Report through March 31, 2026 - Ashlee Hurst, Finance Director

Date: April 20, 2026

From: Ashlee Hurst, Finance Director

Staff Recommendation: N/A

Item Summary: The reporting is through March 31, 2026, 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. 2026-03 - Finance Monthly Report

**City of Freeport
Monthly Financial Report
Period Ending March 31, 2026**

**Report Prepared By: Ashlee Hurst, CGFO
Finance Director, City of Freeport**



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General Fund Financials

As of March 31, 2026

Budget Summary

The revenue collected for the General Fund is \$13,759,605 or 62.6% of the total budgeted revenues.

The expenditures for the General Fund are \$9,189,369 or 42.1% of the total budgeted expenditures.

The revenues are MORE THAN the expenditures by \$4,570,236.

See the attached financial statement for more detailed information.

Revenue Producing Departments Overview

	GOLF	EMS	RECREATION
Revenues	\$ 657,969	\$ 599,541	\$ 49,378
Expenditures	\$ 716,281	\$ 559,467	\$ 166,174
Excess / Deficit	-58,312	40,074	-116,796

Accounts Payable

Reporting Period	Purchase Orders Issued	Invoices Processed	Number of Payments Issued	Total Disbursements
FY2025 Total	186	8,315	4,233	\$ 36,633,121.54
Oct'25	18	719	316	3,392,794.00
Nov'25	5	492	233	2,936,832.12
Dec'25	10	473	226	734,782.10
Jan'26	5	586	276	1,336,033.71
Feb'26	11	585	281	2,590,111.58
Mar'26	15	589	285	2,017,047.85
Apr'26				
May'26				
Jun'26				
Jul'26				
Aug'26				
Sep'26				
FY2026 Total	64	3,444	1,617	\$13,007,601.36

Hurricane Beryl

75% FEMA Reimbursement Maximum

Total Expenses to Date: \$2,330,395.78 (includes costs FEMA has deemed ineligible for reimbursement)

Potential Eligible FEMA Reimbursement: \$1,323,710.85

FEMA Payments Received: \$245,901.57

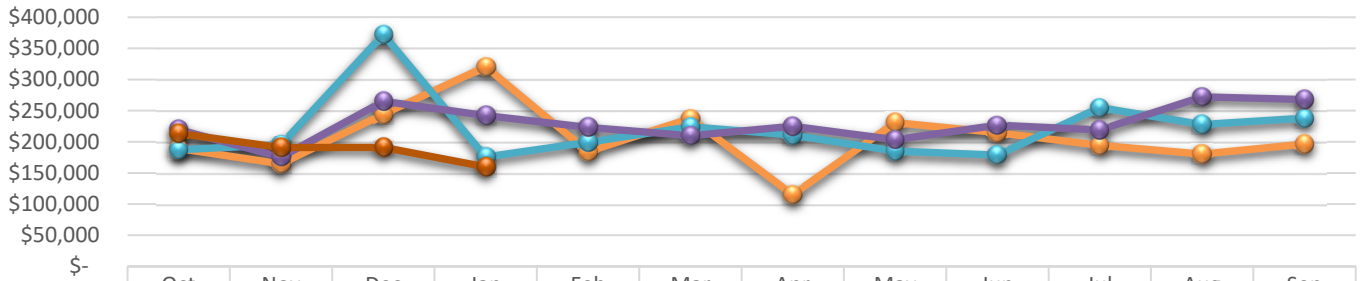
25% City Responsibility Minimum

Insurance Reimbursements: \$560,754.72

To-Date Local Share Cost: **\$445,930.21**

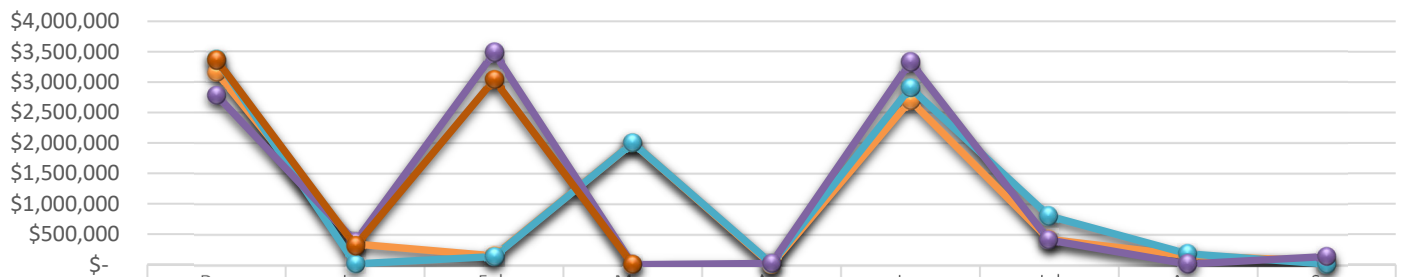
Historical Revenue Charts

SALES TAX Monthly Collections Comparison



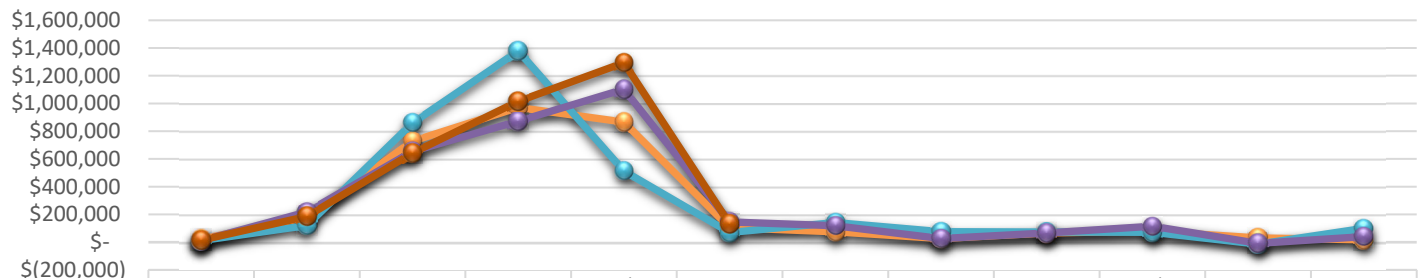
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2022-2023 Actuals	\$189,200	\$164,456	\$244,307	\$320,606	\$183,947	\$237,475	\$115,377	\$230,840	\$214,603	\$194,318	\$180,163	\$196,450
2023-2024 Actuals	\$187,001	\$195,469	\$372,542	\$175,640	\$199,262	\$224,096	\$210,815	\$185,131	\$178,668	\$254,950	\$227,787	\$237,933
2024-2025 Actuals	\$219,550	\$175,492	\$265,065	\$242,131	\$223,123	\$209,808	\$224,779	\$203,353	\$226,622	\$219,083	\$272,335	\$267,798
2025-2026 Actuals	\$213,425	\$190,772	\$191,091	\$159,842								

INDUSTRIAL DISTRICT PAYMENTS IN LIEU OF TAXES (PILOTS) Monthly Collections Comparison



	Dec	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Sep
2022-2023 Actuals	\$3,156,168	\$336,833	\$144,287	\$2,000,000	\$-	\$2,699,001	\$413,928	\$147,784	\$55,565
2023-2024 Actuals	\$3,370,775	\$12,827	\$132,828	\$2,000,000	\$15,399	\$2,906,778	\$797,623	\$176,976	\$9,816
2024-2025 Actuals	\$2,777,637	\$373,983	\$3,484,799	\$-	\$21,160	\$3,332,719	\$402,670	\$9,545	\$133,406
2025-2026 Actuals	\$3,361,441	\$306,349	\$3,037,390	\$-					

PROPERTY TAXES Monthly Collections Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2022-2023 Actuals	\$21,857	\$179,403	\$728,457	\$971,077	\$865,282	\$104,382	\$74,039	\$25,311	\$65,873	\$79,157	\$30,842	\$17,499
2023-2024 Actuals	\$10,465	\$118,922	\$860,301	\$1,378,923	\$512,902	\$69,582	\$141,277	\$75,570	\$73,434	\$70,233	\$(13,779)	\$99,587
2024-2025 Actuals	\$10,371	\$217,222	\$654,629	\$872,619	\$1,102,694	\$145,323	\$117,552	\$26,296	\$66,375	\$114,429	\$(8,647)	\$39,751
2025-2026 Actuals	\$14,259	\$185,265	\$643,187	\$1,015,398	\$1,294,531	\$132,309						

Municipal Court

FY Total Through:	March 2024	March 2025	March 2026	% Change
Citations Issued	944	832	786	-5.5%
Violations Issued	1,079	962	911	-5.3%
Total Issued	2,023	1,794	1,697	-5.4%
Active Warrants	282	278	201	-27.7%
Fees Collected**	\$ 147,141	\$ 219,885	\$ 171,674	-21.9%

** Includes Regulatory, State, & Other Agency Fees

Ongoing Initiatives

AUDIT:

The annual audit for Fiscal Year 2024-2025 was received by March 31, 2026.

BUDGET, CIP, LONG-TERM FINANCIALS:

Monthly budget meetings with departments occur to ensure transparency and accountability.

AMI WATER METER PROJECT:

Ameresco continues to push back on their completion date of the project. The Port meters are still pending installation.

Purchasing

All bids are listed on our e-bidding portal:
<https://vendors.planetbids.com/portal/81745/portal-home>

None.

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.
- FEMA – SAFER Grant – Fire Staffing Reimbursement: This grant was awarded in September 2025 to provide reimbursement for the costs of firefighter staffing expenses. The total of this grant award is \$964,345.95, including a City match of \$369,665.94 over a 3-year period. The period of performance of this grant ends in September 2029.

- FEMA – Assistance to Firefighters Grant (AFG) Self Contained Breathing Apparatus: This grant was awarded in September 2025 to provide reimbursement for the costs of purchasing “air packs”. The total of this grant award is \$110,000, including a City match of \$10,000. The period of performance of this grant ends in September 2027.
- CDBG - GLO, (Contract No. D300) WWTP Renovations: This grant project construction is complete. An extension was also granted for the performance period of this grant until April 2026. 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. GrantWorks is the grant administrator for this project. Freese and Nichols are the engineers 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 are the engineers 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.
- Office of the Governor (OOG) Rifle Resistant Body Armor: This grant was awarded in September 2025 to provide reimbursement for rifle resistant gear. The total award for this grant is \$21,720 with no City match. The period of performance of this grant ends in September 2026.
- Office of the Governor (OOG) Radio System Modernization: This grant was awarded in September 2025 to provide reimbursement for updated radio systems. The total award for this grant is \$116,398.46 with no City match. The period of performance of this grant ends in June 2026.
- Office of the Governor (OOG) Dispatch Console Replacement: This grant was awarded in October 2025 to provide reimbursement for dispatch equipment. The total award for this grant is \$97,482.63 with no City match. The period of performance of this grant ends in September 2026.
- Office of the Governor (OOG) Resilient Backup and Network Modernization: This grant was awarded in December 2025 to provide reimbursement for network improvements. The total award for this grant is \$86,420.48 with a City match of \$21,605.12. The period of performance of this grant ends in December 2026.
- 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, which delayed this project. The City advertised for bids in compliance with CDBG grant standards. The contractor for this grant is Android Construction Services, LLC. A pre-construction meeting was held on February 9,

2026. The period of performance for this project ends in August 2026. The valves were all successfully installed in March 2026.

- 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 of 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.
-

Water/Sewer Fund Financials

As of March 31, 2026

Budget Summary

The revenues for the Water/Sewer Fund are \$4,516,198 or 50.3% of the total budgeted revenues.

The expenditures for the Water/Sewer Fund are \$3,630,561 or 40.4% of the total budgeted expenditures.

The revenues are MORE THAN the expenditures by \$885,637.

See the attached financial statement for more detailed information.

Customer Billing Detail

Account Classification	Water	Sewer	Total Billed
<i>Apartment</i>	\$ 313,623	\$ 271,867	\$ 585,490
<i>Church</i>	12,846	10,103	22,949
<i>Commercial</i>	459,665	245,208	704,873
<i>Industrial</i>	940,101	514,861	1,454,962
<i>Residential</i>	634,165	491,786	1,125,951
<i>School</i>	153,714	113,236	266,950
This FY Total Billed	\$ 2,514,114	\$ 1,647,060	\$ 4,161,175
Last FY Total Billed	\$ 2,377,833	\$ 1,377,391	\$ 3,755,224
% Change in FY Billings	5.7%	19.6%	10.8%

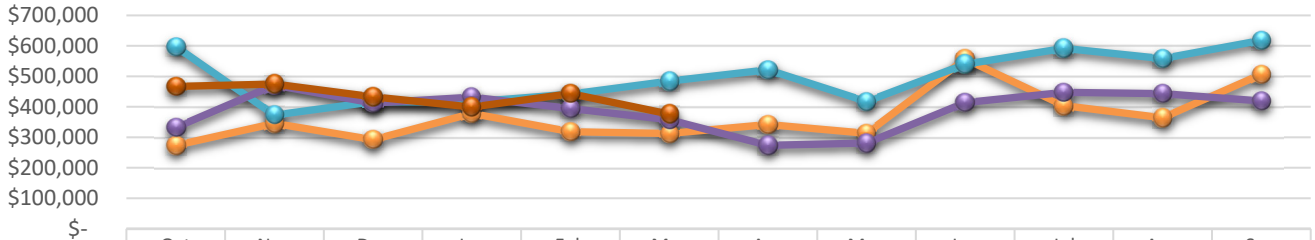
****Overall, there is a 10.8% increase in billings, when compared to the same period last fiscal year.**

Monthly Performance Overview

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Accounts Cut Off	188	133	175	177	167	208	127	133
Voluntary Account Closures	22	20	26	13	32	23	30	22
Returned Payments	8	8	7	5	4	7	8	
Failed Payment Arrangements	8	3	2	5	2	5	1	
Disconnections for Nonpayment	226	164	210	200	205	243	166	155
Idle Meters W/Usage Found	6	-	26	12	-	4	-	25
Total Back Billed	\$ 699.16	-	\$ 382.76	-	-	-	-	\$ 224.08
Total Collections Payments	-	\$ 1,055.28	\$ 903.24	\$ 1,289.27	\$ 614.01	\$ 593.94	-	\$ 1,007.24

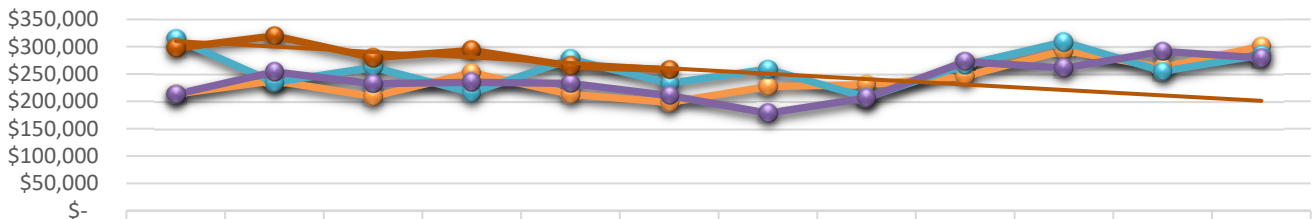
Historical Charts

Water Revenue Monthly Billing Comparison



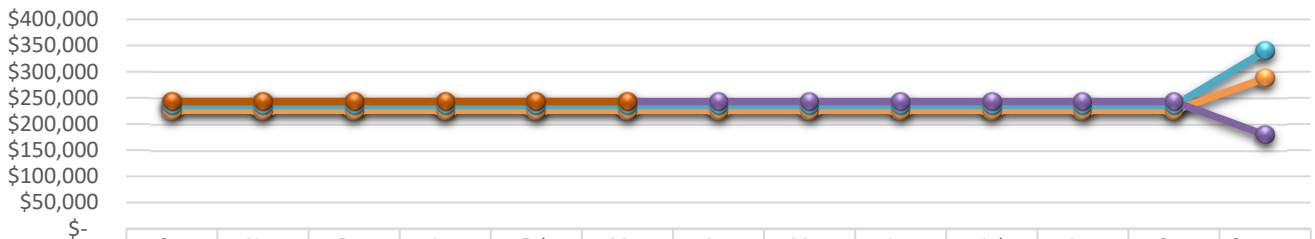
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2022-2023 Actuals	\$273,656	\$345,565	\$291,947	\$377,858	\$318,258	\$312,140	\$341,869	\$313,077	\$556,540	\$403,626	\$363,710	\$506,366
2023-2024 Actuals	\$597,163	\$372,829	\$416,317	\$415,757	\$441,255	\$484,094	\$521,461	\$417,301	\$539,848	\$591,553	\$558,209	\$617,831
2024-2025 Actuals	\$332,178	\$471,260	\$412,276	\$431,759	\$394,270	\$357,682	\$273,910	\$280,768	\$413,747	\$447,330	\$443,153	\$418,771
2025-2026 Actuals	\$466,506	\$474,586	\$432,641	\$399,209	\$443,089	\$376,032						

Sewer Revenue Monthly Billing Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2022-2023 Actuals	\$213,626	\$237,474	\$208,721	\$251,995	\$212,793	\$198,234	\$226,843	\$230,580	\$245,989	\$293,121	\$262,048	\$300,858
2023-2024 Actuals	\$314,173	\$234,472	\$262,490	\$215,777	\$277,028	\$233,015	\$258,738	\$207,129	\$266,760	\$308,572	\$255,024	\$284,679
2024-2025 Actuals	\$212,931	\$253,957	\$232,310	\$234,978	\$232,852	\$210,612	\$178,507	\$206,139	\$272,607	\$260,982	\$291,370	\$279,309
2025-2026 Actuals	\$297,213	\$319,817	\$279,845	\$293,097	\$264,653	\$258,155						

Veolia Monthly Expense Comparison



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Overage
2022-2023 Actuals	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$226,198	\$287,774
2023-2024 Actuals	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$235,359	\$339,415
2024-2025 Actuals	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$179,390
2025-2026 Actuals	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962	\$242,962							

Outstanding Balance Detail

Total Balance:	Current Due:	1 Month Due:	2 Months Due:	3 Months Due	4+ Months Due
\$ 597,319	\$ 405,747	\$ 86,055	\$ 19,622	(\$ 13,694)	\$ 99,588

Since January 2025, these outstanding balances have been reduced by:

4+ Months - \$585,022 (was \$684,610 as of 1/31/25)

3 Months - \$81,869 (was \$68,175 as of 1/31/25)

2 Months - \$63,802 (was \$83,424 as of 1/31/25)

1 Month - \$20,272 (was \$106,327 as of 1/31/25)

BWA Usage

Month	Gallons Billed	Price	Total Due	Total Usage	Difference	Previous Over (Under)	Total Over (Under)	Water Billing Profit (Loss)
Oct'24	62,000,000	4.60	\$ 285,200	53,750,000	(8,250,000)	-	(8,250,000)	\$127,076
Nov'24	60,000,000	4.60	\$ 276,000	50,696,000	(9,304,000)	(8,250,000)	(17,554,000)	\$155,702
Dec'24	62,000,000	4.60	\$ 285,200	50,460,000	(11,540,000)	(17,554,000)	(29,094,000)	\$109,024
Jan'25	62,000,000	4.60	\$ 285,200	51,932,000	(10,068,000)	(29,094,000)	(39,162,000)	\$48,508
Feb'25	56,000,000	4.60	\$ 257,600	43,745,000	(12,255,000)	(39,162,000)	(51,417,000)	\$16,310
Mar'25	62,000,000	4.60	\$ 285,200	48,619,000	(13,381,000)	(51,417,000)	(64,798,000)	(21,258)
Apr'25	60,000,000	4.60	\$ 276,000	47,590,000	(12,410,000)	(64,798,000)	(77,208,000)	\$112,026
May'25	62,000,000	4.60	\$ 285,200	62,646,000	646,000	(77,208,000)	(76,562,000)	\$193,098
Jun'25	60,000,000	4.60	\$ 276,000	46,310,000	(13,690,000)	(76,562,000)	(90,252,000)	\$188,612
Jul'25	62,000,000	4.60	\$ 285,200	49,421,000	(12,579,000)	(90,252,000)	(102,831,000)	\$176,853
Aug'25	62,000,000	4.60	\$ 285,200	57,126,000	(4,874,000)	(102,831,000)	(107,705,000)	\$106,232
Sep'25	60,000,000	4.60	\$ 276,000	56,510,000	(3,490,000)	(107,705,000)	(111,195,000)	\$114,448
Oct'25	62,000,000	4.96	\$ 307,520	62,182,000	182,000	-	182,000	\$168,657
Nov'25	60,000,000	4.96	\$ 297,600	55,346,000	(4,654,000)	182,000	(4,472,000)	\$137,645
Dec'25	62,000,000	4.96	\$ 307,520	53,722,000	(8,278,000)	(4,472,000)	(12,750,000)	\$74,556
Jan'26	62,000,000	4.96	\$ 307,520	54,291,000	(7,709,000)	(12,750,000)	(20,459,000)	\$139,290
Feb'26	56,000,000	4.96	\$ 277,760	49,679,000	(6,321,000)	(20,459,000)	(26,780,000)	\$105,599



City of Freeport
Capital Projects
 For the Period Ending March 2026

Total Construction Commitments as of 3/31/26	
Total Commitments	\$ 11,569,704.58
Enterprise	\$ 4,618,261.49
Governmental	\$ 6,951,443.09

Project	Project Status	Budgeted Cost	Spent To Date	Remaining
Fund 67 - 2021 CO Bond Fund				
Water/Sewer				
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	691,020.00	-
WWTP Improvements (D300) - 2022-2025	In Progress	1,298,130.00	1,298,130.00	-
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		\$ 2,838,996.00	\$ 2,168,360.00	\$ 675,524.00

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				
Heritage House Renovations - 2020-2025	On Hold	375,000.00	2,500.00	372,500.00
Total Funding Fund 66 - 2020 CO Bond Fund		\$ 1,373,000.00	\$ 550,859.03	\$ 822,140.97

Fund 14 - Streets & Drainage Funds				
Public Works				
None				
Total Funding Fund 14 - Streets & Drainage Fund		\$ -	\$ -	\$ -

Fund 21 - Facilities & Grounds CIP				
Admin				
City Hall Renovations - 2020-2021	On Hold	750,000.00	66,784.00	683,216.00
Fire/EMS				
Temp. Modular Building - 2022-2023	In Progress	426,095.00	577,021.28	-
Fire Station 1 Driveway - 2022-2023	In Progress	10,000.00	2,488.25	-
Golf Course				
Fairway Program - 2023-2024	In Progress	320,000.00	83,195.82	236,804.18
Golf Cart Annual Repair Path - 2025-2026	In Progress	10,000.00	-	10,000.00
Golf Course Bathroom Replacement - 2025-2026	In Progress	35,000.00	30,874.32	4,125.68
Police				
Jail Facility Renovation - 2022-2023	In Progress	77,320.18	-	77,320.18
Server Room Ventilation - 2023-2024	In Progress	12,500.00	-	12,500.00
Public Works				
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
Splashpad Replacement - 2025-2026	In Progress	20,000.00	-	20,000.00
Total Funding Fund 21 - Facilities & Grounds CIP		\$ 1,677,665.18	\$ 760,363.67	\$ 1,060,716.04

Fund 22 - Vehicle & Equipment Replacement Fund				
Fire/EMS				
Equipping New Reserve FF - 2022-2023	In Progress	12,000.00	12,000.00	-
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	21,306.60	-
Tire Replacement for Fire Engines - 2025-2026	In Progress	13,000.00	-	13,000.00
Information Technology				
None				

Administration				
None				
Golf Course				
None				
Police				
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	5,364.07	8,635.93
Purchase of (3) Vehicles - 2025-2026	In Progress	350,000.00	10,354.22	339,645.78
Replace PD Building Camera & Storage	In Progress	12,000.00	-	12,000.00
Server Relocation - 2025-2026	In Progress	28,000.00	-	28,000.00
Surveillance Cameras - Council Chambers	Complete	7,995.77	7,995.77	-
Public Works				
Concrete Saw - 2025-2026	In Progress	6,256.00	2,653.00	3,603.00
Vibratory Plate Compactor - 2025-2026	In Progress	1,595.00	1,950.00	(355.00)
Jumping Jack - 2025-2026	In Progress	2,998.00	3,095.00	(97.00)
15' Batwing Mower - 2025-2026	In Progress	29,000.00	-	29,000.00
Zero Turn Mower - 2025-2026	In Progress	14,000.00	13,228.02	771.98
Total Funding Fund 22 - Vehicle & Equipment Replacement		\$ 581,844.77	\$ 98,191.78	\$ 485,859.59

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

Fund 25 - Projects Fund				
Admin				
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	1,879,262.99	419,383.04
WWTP Improvements Grant Overage (D300) - 2023-2025	In Progress	6,754,500.00	5,851,567.55	902,932.45
Public Works				
None				
Total Funding Fund 25 - Projects Fund		\$ 11,454,500.00	\$ 7,730,830.54	\$ 3,723,669.46

Grant Funded Projects (Various Funds)				
Administration				
GLO Beach Maintenance Grant - 2024-2025	In Progress	473,943.00	-	473,943.00
EDA Brownfield Grant - 2024-2025	In Progress	500,000.00	7,400.00	492,600.00
Fire/EMS				
FEMA SAFER - Fire Staffing Reimbursement - 2025-2028	In Progress	964,345.95	-	964,345.95
FEMA AFG - Self-Contained Breathing Apparatus - 2025	In Progress	108,900.00	-	108,900.00
Police				
OOG - Rifle Resistant Body Armor - 2025-2026	In Progress	21,720.00	-	21,720.00
OOG - Dispatch Console Replacement - 2025-2026	In Progress	97,482.63	-	97,482.63
OOG - Resilient Backup and Network Modernization - 2025-2026	In Progress	86,420.48	-	86,420.48
OOG - Radio System Modernization - 2025-2026	In Progress	116,398.46	-	116,398.46
Public Works				
TDEM MIT - City Hall Generator - 2024-2025	In Progress	425,000.00	72,090.00	352,910.00
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	69,300.00	130,700.00
Water/Sewer				
CDGB MIT Harvey - WWTP Improvements (D300) - 2021-2025	In Progress	5,991,468.00	5,991,468.00	-
CDBG MIT Water Improvements (E164) - 2023-2026	In Progress	1,868,000.00	54,626.00	1,813,374.00
Total Funding Grant Projects		\$ 10,130,735.52	\$ 6,295,484.00	\$ 4,801,794.52



City of Freeport

General Fund

Schedule of Revenues & Expenditures - Budget vs Actuals
For the Period End Mar 2026

	Current Fiscal Year, 2025-2026					Prior Year
	Budget FY 2025-2026	Mar-2026 Actual	Year-to-Date Actual	Y-T-D Variance	Y-T-D % of Budget	Mar-2026 Y-T-D Actual
RESOURCES						
Property Taxes	3,419,000	132,309	3,011,979	(407,021)	88.1%	3,002,858
Industrial Taxes	10,475,000	-	6,705,181	(3,769,819)	64.0%	6,636,419
Sales Tax	2,680,000	350,933	946,221	(1,733,779)	35.3%	902,238
Franchise & Other Taxes	689,000	9,087	335,324	(353,676)	48.7%	326,000
Permits	152,800	20,622	105,698	(47,102)	69.2%	93,185
EMS	999,500	12,334	599,541	(399,959)	60.0%	595,847
Garbage	790,600	67,581	407,781	(382,819)	51.6%	392,519
Recreation/Rental	96,300	6,556	49,378	(46,922)	51.3%	48,377
Golf	1,198,300	155,274	657,969	(540,331)	54.9%	539,203
Municipal Court	230,050	22,964	108,831	(121,219)	47.3%	151,780
Grants	-	-	-	-	#DIV/0!	15,453
Lease Income	134,545	1,454	13,823	(120,723)	10.3%	35,723
Interest Earned	330,000	-	171,591	(158,409)	52.0%	185,925
Insurance Recovery	35,000	-	404	(34,596)	1.2%	202,829
Miscellaneous	572,927	28,757	546,930	(25,997)	95.5%	131,426
Transfers In	169,635	14,136	98,954	(70,681)	58.3%	-
TOTAL ACTUAL RESOURCES	\$ 21,972,657.00	\$ 822,005.42	\$ 13,759,604.89	\$ (8,213,052.11)	62.6%	\$ 13,259,780.85
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 21,972,657.00	\$ 822,005.42	\$ 13,759,604.89			\$ 13,259,780.85
EXPENDITURES						
Administration	2,514,355	183,775	1,400,585	(1,113,770)	55.7%	1,046,409
Information Technology	327,950	20,515	201,359	(126,591)	61.4%	264,219
Service Center	221,240	16,069	112,424	(108,816)	50.8%	110,685
Municipal Court	257,280	18,013	116,220	(141,060)	45.2%	153,949
Police	7,177,261	423,027	2,907,649	(4,269,612)	40.5%	2,888,172
Fire	2,093,076	133,039	666,545	(1,426,531)	31.8%	784,169
EMS	1,353,560	83,627	559,467	(794,093)	41.3%	556,599
Building	495,859	34,330	191,457	(304,402)	38.6%	236,043
Garbage Collection	755,000	62,375	312,736	(442,264)	41.4%	358,300
Street & Drainage	1,997,432	96,017	672,262	(1,325,171)	33.7%	724,755
Beach Fund Expense	42,850	1,300	1,628	(41,222)	3.8%	7,017
Main Street	183,560	8,486	94,429	(89,131)	51.4%	8,555
Historical Museum	346,419	18,961	112,835	(233,584)	32.6%	133,965
Sr Citizens Commission	18,000	272	9,336	(8,664)	51.9%	5,318
Library	42,200	1,402	11,007	(31,193)	26.1%	17,011
Parks	1,267,715	104,689	536,315	(731,400)	42.3%	552,646
Golf	1,537,973	102,371	716,281	(821,692)	46.6%	639,821
Recreation	488,381	28,723	166,174	(322,207)	34.0%	140,774
Transfers Out	686,849	57,237	400,662	(286,187)	58.3%	711,665
TOTAL EXPENDITURES	\$ 21,806,960.00	\$ 1,394,228.46	\$ 9,189,369.32	\$ (12,617,590.68)	42.1%	\$ 9,340,071.23
EXCESS/(DEFICIT)	\$ 165,697.00	\$ (572,223.04)	\$ 4,570,235.57			\$ 3,919,709.62

Notes to the Financial Statement:

- Due to timing of agenda deadlines, some revenues aren't received prior to the preparation of this report.



City of Freeport

Water & Sewer Fund

Schedule of Revenues & Expenditures - Budget vs Actuals

For the Period End Mar 2026

	Current Fiscal Year, 2025-2026					Prior Year
	Budget FY 2025-2026	Mar-2026 Actual	Year-to-Date Actual	Y-T-D Variance	Y-T-D % of Budget	Mar-2026 Y-T-D Actual
RESOURCES						
Water Revenue	5,310,218	376,032	2,458,909	(2,851,309)	46.3%	2,131,500
Sewer Revenue	3,101,000	258,155	1,649,567	(1,451,433)	53.2%	1,359,590
Water Tap Fee	12,000	550	550	(11,450)	4.6%	7,719
Sewer Tap Fee	5,000	1,200	1,200	(3,800)	24.0%	1,000
Connect & Penalty Fees	155,000	15,937	98,936	(56,064)	63.8%	80,574
Bad Debt Write-Off	1,000	1,081	4,482	3,482	448.2%	258
Interlocal Revenue	30,000	5,418	5,418	(24,582)	18.1%	-
Interest Earned	15,000	-	22,841	7,841	152.3%	2,512
Misc. Income	209,227	7,044	232,454	23,227	100.0%	(524)
Returned Check Fees	1,400	180	1,050	(350)	75.0%	775
Utility Reimbursements	145,000	14,462	40,791	(104,209)	28.1%	36,231
Grant - CDBG GLO	-	-	-	-	0.0%	721,935
TOTAL ACTUAL RESOURCES	\$ 8,984,845.00	\$ 680,059.08	\$ 4,516,198.28	\$ (4,468,646.72)	50.3%	\$ 4,341,568.32
Use of Fund Balance	-	-	-	-	-	-
TOTAL RESOURCES	\$ 8,984,845.00	\$ 680,059.08	\$ 4,516,198.28			\$ 4,341,568.32
EXPENDITURES						
Salaries	181,880	12,577	74,171	(107,709)	40.8%	56,095
Benefits	93,741	6,166	35,264	(58,477)	37.6%	26,114
Supplies	38,500	520	32,542	(5,958)	84.5%	16,384
Services	7,366,600	562,145	3,381,921	(3,984,679)	45.9%	3,203,628
Maintenance	14,000	100	22,408	8,408	160.1%	22,616
Sundry	31,950	275	31,671	(279)	99.1%	28,751
Capital Outlay	467,135	-	52,585	(414,550)	11.3%	1,483,712
Transfer to Debt Service	641,039	-	-	(641,039)	0.0%	301,650
Transfer to General Fund	150,000	-	-	(150,000)	0.0%	150,000
TOTAL EXPENDITURES	\$ 8,984,845.00	\$ 581,782.14	\$ 3,630,561.47	\$ (5,354,283.53)	40.4%	\$ 5,288,949.25
EXCESS/(DEFICIT)	\$ -	\$ 98,276.94	\$ 885,636.81			\$ (947,380.93)

Notes to the Financial Statement:

Revenues have trended OVER expenditures for the past six (6) months. This is an improvement when compared to previous years.



City of Freeport
Fund Balance Summary
 For the Period End Mar 2026

	Audited Fund Balance 9/30/2025	Year-to-Date Revenue	Year-to-Date Expense	Transfers In/(Out)	Unaudited Fund Balance 9/30/2026
OPERATING FUNDS					
10 - General Fund	11,876,004.40	13,759,604.89	9,189,369.32	-	16,446,239.97
56 - Water / Sewer Fund	26,178,269.66	4,516,198.28	4,092,000.91	-	26,602,467.03
	\$ 38,054,274.06	\$ 18,275,803.17	\$ 13,281,370.23	\$ -	\$ 43,048,707.00
RESERVE FUNDS					
64 - Debt Service Fund	519,255.00	846,073.72	-	-	1,365,328.72
	\$ 519,255.00	\$ 846,073.72	\$ -	\$ -	\$ 1,365,328.72
BOND/CAPITAL PROJECT FUNDS					
66 - 2020 CO Bond CIP Fund	1,067,587.44	14,178.59	-	-	1,081,766.03
67 - 2021 CO Bond CIP Fund	2,000,031.01	27,467.08	966,455.55	-	1,061,042.54
68 - AMI Water Meter Project Fund	(3,231,378.67)	4,378.33	-	-	(3,227,000.34)
	\$ (163,760.22)	\$ 46,024.00	\$ 966,455.55	\$ -	\$ (1,084,191.77)
INTERNAL SERVICE FUNDS					
14 - Street & Drainage Fund	2,747,743.31	36,492.67	-	-	2,784,235.98
21 - Facilities & Grounds Fund	2,208,336.25	46,642.70	47,652.29	-	2,207,326.66
22 - Vehicle & Equipment Fund	6,926.29	385,175.94	49,577.81	-	342,524.42
23 - IT Fund	223,591.94	2,969.52	-	-	226,561.46
	\$ 5,186,597.79	\$ 471,280.83	\$ 97,230.10	\$ -	\$ 5,560,648.52
SPECIAL PURPOSE FUNDS					
16 - Marina Operations Fund	1,114.08	77.05	-	-	1,191.13
18 - Hotel-Motel Tax Fund	393,267.13	32,686.92	5,000.00	-	420,954.05
24 - City-EDC Project Fund	48,998.75	20,214.66	11,453.75	-	57,759.66
25 - Port Projects Fund	3,159,666.56	43,347.06	1,626,940.15	-	1,576,073.47
26 - Riverfest Fund	-	-	10,400.00	-	(10,400.00)
40 - Court Technology Fund	22,752.47	310.29	-	-	23,062.76
41 - Court Security Fund	111,000.46	1,482.19	-	-	112,482.65
42 - Combined Muni Court Bldg Sec & Tech	746.05	6,096.39	-	-	6,842.44
43 - State Narcotics/Chapter 59 Fund	217,879.56	8,530.70	-	-	226,410.26
44 - Federal Narcotics/EQ Share Fund	-	-	-	-	-
45 - Civil Service Commission Fund	-	-	14,415.62	-	(14,415.62)
70 - TIRZ No. 1 Fund	963,358.39	311,851.09	51,791.10	-	1,223,418.38
71 - Freeport 19 LLC Development	155.49	7,376.49	8,237.27	-	(705.29)
	\$ 4,918,938.94	\$ 431,972.84	\$ 1,728,237.89	\$ -	\$ 3,622,673.89
GRANT FUNDS					
12 - City Grants	(0.30)	7,400.00	420,642.13	-	(413,242.43)
17 - Beach Maintenance Fund	-	-	-	-	-
100 - Hurricane Beryl Fund	(1,741,751.31)	128,053.14	807.45	-	(1,614,505.62)
	\$ (1,741,751.61)	\$ 135,453.14	\$ 421,449.58	\$ -	\$ (2,027,748.05)
OTHER FUNDS					
80 - Capital Assets	(10,453,459.91)	-	-	-	(10,453,459.91)
87 - Clearing Fund	-	-	-	-	-
90 - Long-Term Liabilities	(13,365,146.81)	-	-	-	(13,365,146.81)
	\$ (23,818,606.72)	\$ -	\$ -	\$ -	\$ (23,818,606.72)
EDC FUNDS					
30 - Economic Development Fund	4,863,939.35	530,491.82	663,115.27	-	4,731,315.90
31 - EDC Projects Fund	1,543,299.04	379,166.69	686,818.73	-	1,235,647.00
33 - EDC Marketing Fund	150,721.91	43,750.00	1,266.31	-	193,205.60
34 - Series 2001 - Debt Svc Fund	17,904.16	210.21	-	-	18,114.37
	\$ 6,575,864.46	\$ 953,618.72	\$ 1,351,200.31	\$ -	\$ 6,178,282.87
TOTAL CITY FUNDS	22,954,947.24	20,206,607.70	16,494,743.35	-	26,666,811.59
TOTAL EDC FUNDS	6,575,864.46	953,618.72	1,351,200.31	-	6,178,282.87
TOTAL ALL FUNDS	\$ 29,530,811.70	\$ 21,160,226.42	\$ 17,845,943.66	\$ -	\$ 32,845,094.46

Notes to the Financial Statement:

None



City of Freeport
Cash Balance Summary
 For the Period End Mar 2026

	Audited Cash Balance 9/30/2025	Year-to-Date Activity	Unaudited Cash Balance 9/30/2026
OPERATING FUNDS			
10 - General Fund	17,178,470.41	(291,802.94)	16,886,667.47
56 - Water / Sewer Fund	1,519,307.63	133,894.96	1,653,202.59
30 - EDC Fund	2,052,041.82	96,754.37	2,148,796.19
	\$ 20,749,819.86	\$ (61,153.61)	\$ 20,688,666.25
RESERVE FUNDS			
64 - Debt Service Fund	1,242,858.84	71,882.38	1,314,741.22
	\$ 1,242,858.84	\$ 71,882.38	\$ 1,314,741.22
BOND/CAPITAL PROJECT FUNDS			
66 - 2020 CO Bond CIP Fund	1,081,766.03	-	1,081,766.03
67 - 2021 CO Bond CIP Fund	1,275,984.69	(214,942.15)	1,061,042.54
68 - AMI Water Meter Project Fund	334,249.66	-	334,249.66
	\$ 2,692,000.38	\$ (214,942.15)	\$ 2,477,058.23
INTERNAL SERVICE FUNDS			
14 - Street & Drainage Fund	2,784,235.98	-	2,784,235.98
21 - Facilities & Grounds Fund	2,222,100.98	(14,774.32)	2,207,326.66
22 - Vehicle & Equipment Fund	321,277.79	21,246.63	342,524.42
23 - IT Fund	226,561.46	-	226,561.46
	\$ 5,554,176.21	\$ 6,472.31	\$ 5,560,648.52
SPECIAL PURPOSE FUNDS			
16 - Marina Operations Fund	1,191.13	-	1,191.13
18 - Hotel-Motel Tax Fund	406,149.48	14,804.57	420,954.05
24 - City-EDC Projct Fund	59,395.91	(1,636.25)	57,759.66
25 - Port Projects Fund	2,505,492.37	(459,068.55)	2,046,423.82
26 - Riverfest Fund	-	(10,400.00)	(10,400.00)
40 - Court Technology Fund	23,062.76	-	23,062.76
41 - Court Security Fund	112,482.65	-	112,482.65
42 - Combined Muni Court Bldg Sec & Tech	5,505.30	1,337.14	6,842.44
43 - State Narcotics/Chapter 59 Fund	220,526.69	5,883.57	226,410.26
44 - Federal Narcotics/EQ Share Fund	-	-	-
45 - Civil Service Commission Fund	(6,974.72)	(7,440.90)	(14,415.62)
70 - TIRZ No. 1 Fund	1,223,418.38	-	1,223,418.38
71 - Freeport 19 LLC Development	16,374.65	-	16,374.65
	\$ 4,566,624.60	\$ (456,520.42)	\$ 4,110,104.18
GRANT FUNDS			
12 - City Grants	(1,553,872.58)	(124,514.75)	(1,678,387.33)
17 - Beach Maintenance Fund	-	-	-
100 - Hurricane Beryl Fund	(1,742,558.76)	128,053.14	(1,614,505.62)
	\$ (3,296,431.34)	\$ 3,538.39	\$ (3,292,892.95)
TOTAL CITY FUNDS	\$ 31,509,048.55	\$ (650,723.10)	\$ 30,858,325.45

Notes to the Financial Statement:

None

Report Certification



City of Freeport
Monthly Financial Report
Prepared by: Ashlee Hurst, CGFO – Finance Director

For the Month Ended **March 2026**

Certification of Report Accuracy

I hereby certify that the financial statements and supporting schedules contained in this Monthly Financial Report for the period ending **March 2026** are true and correct to the best of my knowledge.

This report reflects the financial condition of the City of Freeport based on the information available at the time of preparation and has been prepared in accordance with generally accepted accounting principles (GAAP) and applicable City policies.

Ashlee Hurst

4/6/2026

Signature

Date



City Council Agenda Item #[4.A]

Title: Second reading: Consideration and possible action approving Resolution No. 2026-3042 for an EDC Settlement Agreement.

Date: April 20, 2026

From: Dr. Danielle Kelly

Staff Recommendation:

Discuss and take possible action regarding approval of a Settlement and Release Agreement between the Freeport Economic Development Corporation (FEDC), GL&L Holdings, LLC (GL&L), and AMG Texas Capital, LLC (AMG).

Item Summary:

The proposed agreement resolves outstanding property ownership and development disputes involving multiple lots within the Velasco Townsite and establishes a path forward for infrastructure completion and residential development. Under the agreement, FEDC conveys property interests to GL&L and AMG, and in return, the developers commit to completing required infrastructure improvements and constructing residential units in accordance with City standards. The agreement includes a defined completion deadline of December 31, 2027, with liquidated damages assessed for failure to meet that deadline. The agreement also includes mutual releases of claims among the parties, dismissal of pending litigation, and provisions ensuring clear title, tax responsibility, and lien resolution.

Background Information:

The proposed agreement is intended to resolve long-standing disputes related to property reversion, foreclosure actions, and competing ownership interests across multiple lots within the Velasco Townsite. It consolidates obligations between FEDC, GL&L, and AMG into a single enforceable framework that facilitates infrastructure completion and residential development. The City Council considered a prior version of the agreement at its February 17, 2026 meeting. Following discussion, Council directed staff to pursue additional sureties and clarifications to strengthen accountability, ensure project completion, and improve overall enforceability.

In response to Council's direction, the agreement has been revised and supplemented with the following key changes:



- **Infrastructure Completion Requirements**

The parties agree to complete roadway and related infrastructure improvements (including N. Avenue N and W. Roeller extensions) in accordance with City requirements, with shared cost participation among the parties.

- **Residential Development Obligations**

GL&L and AMG are each responsible for development of specific lots, with all construction required to comply with applicable City and County codes.

- **Project Completion Deadline**

Certificates of Occupancy must be issued for all units by December 31, 2027.

- **Liquidated Damages**

Failure to meet the completion deadline results in liquidated damages of \$500 per day, following a 10-day cure period.

- **Force Majeure and Extension Provisions**

Limited extensions are allowed for documented delays caused by the City or events outside the developer's control, with strict notice requirements.

Special Considerations: None.

Financial Impact: The costs of completion will be divided as follows:

- i. To FEDC, 50%;
- ii. To AMG, 25%; and
- iii. To GL&L, 25%.

Board or 3rd Party Recommendation: The FEDC agreed to enter into a mediated settlement for the Freeport Economic Development Corporation vs. RWPH Freeport, LLC court case. The FEDC Board voted on February 10, 2026 to recommend approval of the mediated settlement to the Freeport City Council.

Supporting Documentation:

1. Council Resolution (2)
2. EDC Settlement Agreement (1)

RESOLUTION NO. 2026-3042

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 settlement agreement:

1. Settlement agreement between Freeport Economic Development Corporation and RWPH Freeport LLC.;

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 _____, 2026.

APPROVED:

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

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the “Agreement”) is entered into in multiple counterparts effective upon the date last executed by all of the parties to this Agreement (the “Effective Date”).

1. Parties to this Agreement. This Agreement is made and entered into by and among Freeport Economic Development Corporation (“FEDC”), GL&L Holdings, LLC (“GL&L”), and AMG Texas Capital, LLC (“AMG”). FEDC, GL&L, and AMG are collectively referred to as the “Parties.”

2. The Property. The Parties have distinct interests in the real property legally described as:

LOTS 1, 2, 3, 6, 7, 8, 9, 10, 19, AND 24, BLOCK 694, IN THE VELASCO TOWNSITE OF THE CITY OF FREEPORT, TEXAS ACCORDING TO THE MAP OR PLAT OF SAID TOWNSITE RECORDED IN VOLUME 32, PAGE 14 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS

and

LOTS 4, 5, 11, and 12, BLOCK 694, IN THE VELASCO TOWNSITE OF THE CITY OF FREEPORT, TEXAS ACCORDING TO THE MAP OR PLAT OF SAID TOWNSITE RECORDED IN VOLUME 32, PAGE 14 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS

(collectively, the “Property” and the individual platted lots making up the Property are hereinafter sometimes referred to by lot numbers).

For the purposes of clarity, the Parties’ interests are defined as follows:

- a. FEDC executed a Special Warranty Deed to RWPH Freeport, LLC (“RWPH”) conveying Lots 1, 2, 3, 6, 7, 8, 9, 10, 19, and 24 and a Special Warranty Deed to RWPH conveying Lots 4, 5, 11, and 12. These Special Warranty Deeds were recorded on November 13, 2018 at Instrument

Nos. 2018057542 and 2018057543, respectively, in the Official Public Records of Brazoria County, Texas.

- b. RWPH executed a Deed of Trust to AMG secured by Lots 1, 2, 3, and 4. The Deed of Trust was recorded on March 3, 2020 at Instrument No. 20200011068 in the Official Public Records of Brazoria County, Texas. AMG foreclosed on Lots 1, 2, 3, and 4 by a substitute trustee sale on May 7, 2024, and Lots 1, 2, 3, and 4 were conveyed to AMG by a Substitute Trustee's Deed recorded on May 8, 2024 at Instrument No. 2024019704 in the Official Public Records of Brazoria County, Texas.
- c. RWPH executed a Deed of Trust to GL&L secured by Lots 5 and 6 and a Deed of Trust secured by Lots 7 and 8. These Deeds of Trust were recorded on April 2, 2020 at Instrument Nos. 2020017198 and 2020017191, respectively, in the Official Public Records of Brazoria County, Texas. RWPH executed a Deed of Trust and Security Agreement to GL&L secured by Lots 5, 6, 7, 8, 9, 10, 11, and 12. The Deed of Trust and Security agreement was recorded on April 5, 2021 at Instrument No. 2021020963 in the Official Public Records of Brazoria County, Texas. The Deed of Trust secured by Lots 7 and 8 was renewed and extended by an agreement recorded on June 3, 2021 at Instrument No. 2021036496 in the Official Public Records of Brazoria County, Texas. RWPH executed a Deed in Lieu of Foreclosure to GL&L relating to Lots 5 and 6, a Deed in Lieu of Foreclosure relating to Lots 7 and 8, and a Deed in Lieu of Foreclosure relating to Lots 5, 6, 7, 8, 9, 10, 11,

and 12. These Deeds in Lieu of Foreclosure were recorded on May 14, 2025 at Instrument Nos. 2025022430, 2025022431, and 2025022432, respectively, in the Official Public Records of Brazoria County, Texas.

3. Purpose of Agreement. This Agreement is being entered into to settle any and all known, unknown, past, present, and future claims that were, could have been, or that in the future could be asserted by and between the FEDC, GL&L, and AMG relating in any way to any and all matters that were or could have been alleged or asserted relating to Lots 1, 2, 3, 7, 8, 9, 10, 11, and 12. The remaining Lots 19 and 24 are not addressed by this Agreement.

All such matters are referred to collectively herein as the "Claims."

4. Consideration. The consideration for this Agreement includes the following:

a. FEDC, AMG, and GL&L agree to contract for completion of the roadways, sidewalks, ditches, and culverts and other access routes (including, but not limited to, the construction of the roadway on N. Avenue M and the extension of W. Roeller connecting N. Avenue N and N. Avenue M) in accordance with the requirements stipulated by the City of Freeport as per Exhibit A attached to this Agreement, with AMG and GL&L making the application for the necessary variance with the City of Freeport. The costs of completion will be divided as follows:

i. To GL&L, 25%, to be paid to the contractor at the commencement of construction of the road;

- ii. To AMG, 25%, to be paid to the contractor at the commencement of construction of the road; and
- iii. To FEDC, 50%, to be paid to the contractor at the completion of construction of the road.

The construction of N. Avenue N will be completed within in four (4) weeks after approval of the road construction plans by the City of Freeport, subject to Acts of God, including weather delays. The extension of W. Roeller connecting N. Avenue N and N. Avenue M will be complete within four (4) weeks after the completion of N. Avenue N.

- b. AMG agrees to complete development of Lots 1, 2, 3, and 4 set forth in Exhibit B (AMG's scope of work) according to the published building codes and standards of Brazoria County, Texas, and the City of Freeport and comply with all city and county ordinances.
- c. GL&L agrees to complete development of Lots 5, 6, 7, 8, 9, 10, 11, and 12 set forth in Exhibit C (GL&L's scope of work) according to the published building codes and standards of Brazoria County, Texas, and the City of Freeport and comply with all city and county ordinances.
- d. The developments described in Exhibit B and Exhibit C shall be completed and Certificates of Occupancy issued on all structures by December 31, 2027 "the "CO Deadline"). If either Developer fails to obtain Certificates of Occupancy for their portion of the entire Project by the CO Deadline, such Developer shall pay to FEDC liquidated damages in the amount of Five Hundred **Dollars (\$500.00) per calendar day** for

each calendar day beyond the CO Deadline that the Developer's portion of the Project remains incomplete. Liquidated damages shall begin accruing after a ten (10) calendar day cure period following written notice from the City that the CO Deadline has passed without issuance of the requisite Certificates of Occupancy. The parties acknowledge that:

- i. Actual damages resulting from delay are difficult to quantify;
 - ii. The per-day amount represents a reasonable estimate of administrative, infrastructure, economic development, and opportunity costs to the City; and
 - iii. The liquidated damages are intended as compensation for delay and not as a penalty.
- e. The CO Deadline may be extended only for:
- i. Documented delays directly caused by the City that materially impact construction progress;
 - ii. Force majeure events beyond Developer's reasonable control.
- f. Either Developer must provide written notice within five (5) business days of any event claimed to justify an extension, including an event of Force Majeure. Failure to provide timely notice constitutes waiver of such claim. Developer's obligations under this Agreement shall be suspended for the duration of a Force Majeure event. "Force Majeure" includes all events outside the reasonable control of the Developer, including acts of third-parties such as City inspectors, City permitting office and other regulatory personnel that prevent the Developer from

discharging its duties under this Agreement. Should the delay be caused by an act of any City official, employee or representative, the City may remedy the Force Majeure event and upon doing so, shall give notice to the Developer that the Force Majeure event has been cured. Such notice shall trigger resumption of Developer's duty to perform under the Agreement and end the suspension of such obligations. The suspension of obligations under this provision shall extend the deadline for completion of the Project by the number of days under which the Force Majeure suspended performance.

- g. Within 7 days of the Effective Date of this Agreement, FEDC agrees to execute and record the Special Warranty Deeds attached to this Agreement as Exhibits D and E, conveying Lots 1, 2, 3, and 4 to AMG and Lots 5, 6, 7, 8, 9, 10, 11, and 12 to GL&L, respectively.
- h. FEDC agrees to indemnify AMG and GL&L for any property taxes assessed from the Reversion Date (as such term is hereinafter defined) through the Effective Date of this Agreement.
- i. FEDC agrees to indemnify AMG and GL&L for all city liens, including, but not limited to, weed and mowing liens assessed against the Property from the Reversion Date through the Effective Date of this Agreement.
- j. FEDC agrees to take all reasonably prudent actions in order to provide clear title to all properties conveyed to AMG and GL&L.

- k. This Agreement shall be contingent upon the City of Freeport releasing any and all liens filed against AMG and GL&L for weeding and mowing filed prior to the Effective Date.
- l. FEDC agrees to pay any unpaid property taxes, including delinquencies and/or penalties, if any, incurred prior to the Effective Date, and to represent and defend the interests of AMG and GL&L in any lawsuits filed prior to the Effective Date against AMG and GL&L.
- m. Construction by AMG and GL&L shall follow the schedule set forth in Exhibit F.

The Parties acknowledge and agree that the consideration for this Agreement is sufficient.

5. Acknowledgement of Reversion. AMG and GL&L acknowledge the following:

- a. As to Lots 1, 2, 3, and 4, AMG's security interest and Substitute Trustee's Deed was subject to the right of reversion contained in the Special Warranty Deed from FEDC to RWPH.
- b. As to Lots 5, 6, 7, 8, 9, 10, 11, and 12, GL&L's security interest and conveyance from RWPH was subject to the right of reversion contained in the Special Warranty Deed from FEDC to RWPH.
- c. Pursuant to the reversion clause, Lots 1, 2, 3, 7, and 8 reverted to FEDC as of November 8, 2018 (the "Reversion Date").

6. Release by Freeport Economic Development Corporation. Effective upon the full execution of this Agreement, Freeport Economic Development Corporation, on behalf of themselves and their predecessors, successors, assigns, attorneys, heirs,

and representatives, and all persons claiming by or through any of them, releases, acquits, and forever discharges AMG Texas Capital LLC and GL&L Holdings LLC, as well as their respective predecessors, successors, assigns, attorneys, insurers, agents, officers, directors, employees, and representatives, of and from any and all known and unknown claims, causes of action, demands, damages, remedies, debts, contracts, costs, expenses, losses, and any other claims or causes of action that they have, may have, or ever had against AMG Texas Capital LLC and GL&L Holdings LLC arising from or relating to (i) the Claims and (ii) Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, except any obligations arising under this Agreement.

7. Release by AMG Texas Capital LLC. Effective upon the full execution of this Agreement, AMG Texas Capital LLC, on behalf of themselves and their predecessors, successors, assigns, attorneys, heirs, and representatives, and all persons claiming by or through any of them, releases, acquits, and forever discharges Freeport Economic Development Corporation, as well as their respective predecessors, successors, assigns, attorneys, insurers, agents, officers, directors, employees, and representatives, of and from any and all known and unknown claims, causes of action, demands, damages, remedies, debts, contracts, costs, expenses, losses, and any other claims or causes of action that they have, may have, or ever had against Freeport Economic Development Corporation arising from or relating to (i) the Claims and (ii) Lots 1, 2, 3, and 4, except any obligations arising under this Agreement.

8. Release by GL&L Holdings LLC. Effective upon the full execution of this Agreement, GL&L Holdings LLC, on behalf of themselves and their predecessors, successors, assigns, attorneys, heirs, and representatives, and all persons claiming by

or through any of them, releases, acquits, and forever discharges Freeport Economic Development Corporation, as well as their respective predecessors, successors, assigns, attorneys, insurers, agents, officers, directors, employees, and representatives, of and from any and all known and unknown claims, causes of action, demands, damages, remedies, debts, contracts, costs, expenses, losses, and any other claims or causes of action that they have, may have, or ever had against Freeport Economic Development Corporation arising from or relating to (i) the Claims and (ii) Lots 5, 6, 7, 8, 9, 10, 11, and 12, except any obligations arising under this Agreement..

9. Dismissal with Prejudice. Within seven (7) days of the Effective Date of this Agreement:

- a. FEDC and AMG will file an agreed judgment, non-suiting the claims and finding that Lots 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, and 12 reverted to FEDC as of November 8, 2018 in the lawsuit filed under Cause No. 110723CV, in the 412th Judicial District of Brazoria County, Texas. Additionally, FEDC will execute and record a release of the notice of lis pendens recorded at Instrument No. 2023045976 in the Official Public Records of Brazoria County, Texas.
- b. FEDC will take the necessary steps to correct the Brazoria County Tax Roll to reflect FEDC as the owner of the Property from the Reversion Date, through the date of execution of the Special Warranty Deeds attached to this Agreement as Exhibits D and E, conveying Lots 1, 2, 3, and 4 to AMG and Lots 5, 6, 7, 8, 9, 10, 11, and 12 to GL&L.

10. Attorneys' Fees. All attorneys' fees and costs will be borne by the Party or Parties incurring same; provided however, that if any Party brings an action at law or in equity to enforce or seek redress for breach of this Agreement, the prevailing Party in such action shall be entitled to its reasonable attorneys' fees in addition to all other appropriate relief.

11. Warranties and Representations. Each Party hereto represents and warrants as follows:

- a. Before executing this Agreement, he, she, or it became fully informed of the terms, contents, conditions, and effect of this Agreement;
- b. He, she, or it is legally competent to execute this Agreement;
- c. This Agreement is fully and forever binding on each of them;
- d. Before executing this Agreement, the signatories to this Agreement fully informed the necessary persons or entities of the terms, contents, conditions, and effect of this Agreement;
- e. No promise or representation of any kind has been made except as is expressly stated in this Agreement;
- f. In entering this Agreement, he, she, or it has had the benefit of the advice of lawyers of his, her, or its own choosing and is entering into this Agreement freely, by his, her, or its own choice and judgment, and without duress or other influence;
- g. He, she, or it owns the claims being settled and released and has not assigned or transferred the same in whole or part;
- h. He, she, or it understands that this Agreement is a full, final and complete release of the opposing party identified above and that the consideration identified above is the only benefit the Parties shall ever receive from each other in connection with the Lawsuit; and
- i. The signatories to this Agreement warrant and represent they have full and final authority to execute this Agreement on behalf of themselves or the entities indicated.

12. No Admission of Liability. This Agreement is entered into for the purpose of compromising disputed and doubtful claims. The execution of this Agreement is not intended to be, and shall not be, an admission by any Party of any liability whatsoever and shall not constitute an admission by any Party of the validity of the claims and defenses held or asserted by any other Party.

13. Tax/Credit Consequences. This Agreement is enforceable regardless of its tax or credit consequences. The Parties understand and agree that the payment set forth in this Agreement reflects the settlement of disputed legal claims and that the Parties make no representations regarding the Agreement's tax or credit consequences.

14. Modification. This Agreement shall not be altered, amended or modified by oral representation made before or after the execution of this Agreement. All amendments or changes of any kind must be in writing and executed by all Parties.

15. Counterparts and Effective Date. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute one agreement to be effective as of the Effective Date, as defined above. Fully executed photocopies, facsimiles, or electronic copies of this Agreement may be treated as an original.

16. Severability. If any provision of the Agreement or the application thereof is held invalid by a court, arbitrator, or government agency of competent jurisdiction, the Parties agree that such a determination of invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions and thus shall remain in full force and effect or application.

17. Binding on Successors. This Agreement shall inure to the benefit of the respective heirs, successors, and assigns of the Parties, and each and every one of the releasees shall be deemed to be intended third-party beneficiaries of this Agreement.

18. Interpretation of Agreement. It is acknowledged and agreed that all Parties participated in drafting this Agreement and that this Agreement will not be construed against any Party on the basis that its counsel prepared the initial draft of this Agreement or otherwise. The validity, effect and construction of this Settlement and Release Agreement shall be governed by the laws of the State of Texas.

19. Complete Agreement. This Agreement constitutes a single, integrated, written contract expressing the entire understanding and agreement between the Parties, and the terms of the Agreement are contractual and not merely recitals. No other agreement, written or oral, express or implied, exists between the Parties with respect to the subject matter of this Agreement, and the Parties declare and represent that no promise, inducement or other agreement not expressly contained in this Agreement has been made conferring any benefit upon them.

20. Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto evidence their agreement by execution thereof on the dates indicated below.

FREEMPORT ECONOMIC DEVELOPMENT CORPORATION

By: _____

Title: _____

Date: _____

AMG TEXAS CAPITAL LLC

By: _____

Title: _____

Date: _____

GL&L HOLDINGS LLC

By: _____

Title: _____

Date: _____

EXHIBIT A TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE



Concrete Creations LLC
 17710 TerranovaWestDr
 Spring, TX 77379
 8327227893
 concretecreations79@gmail.com
 www.ConcreteCreationsTexas.com

ADDRESS

City of Freeport
 430 N Brazosport Blvd,
 Freeport, TX 77541

Estimate 1879

DATE 12/18/2025

Project Name: North Avenue M Freeport TX (Asphalt St.)

ACTIVITY	QTY	RATE	AMOUNT
12/18/2025			
Lime, Crushed Concrete, & Asphalt Installation to approx.: 8,400 SF (not to exceed)	8,400	8.9604762	75,268.00
1. Layout new road and cul-de-sa c 2. Scrape and remove grass and debris 3. Haul off all waste and excess material 4. Roll and compact subgrade to 99% compaction 5. Install 6 inches of crushed concrete (TXDOT-approved material) 6. Roll and compact base to 99% compaction 7. Apply SS-1 Tack Coat 8. Install 2 inches of Type D smooth asphalt, roll and compact for traffic-ready surface within 24 hours Total Turnkey Project (includes dirt work, base work, and asphalt installation):			
1. Install sidewalks only on the front side of the Houses	720	12.50	9,000.00
Broom Finished concrete 4" thick #3 rebar 16" OC 3000 PSI Clean up included			

Contact Concrete Creations LLC to pay.
 North Avenue M Freeport TX (Asphalt St.)

Exclusions:

EXHIBIT A TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

- Tax
- Permits
- Any Fees
- Off-Site work
- Any unforeseen objects below 8" Intermediate and Final Cleaning;
- Job site will be left clean in good condition at the end of every workday.
- Appropriate measures will be taken to eliminate dust/debris contamination outside of work area. Signs will be posted to warn any personnel of the work going on in this area.
- Thorough final clean once work has been completed.

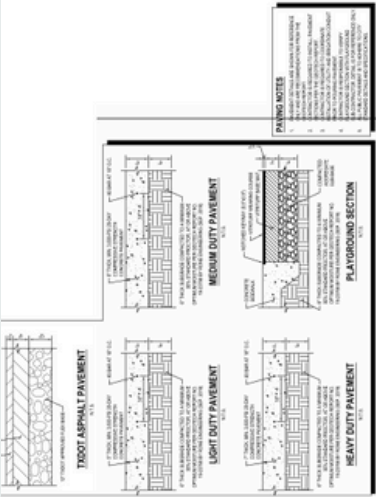
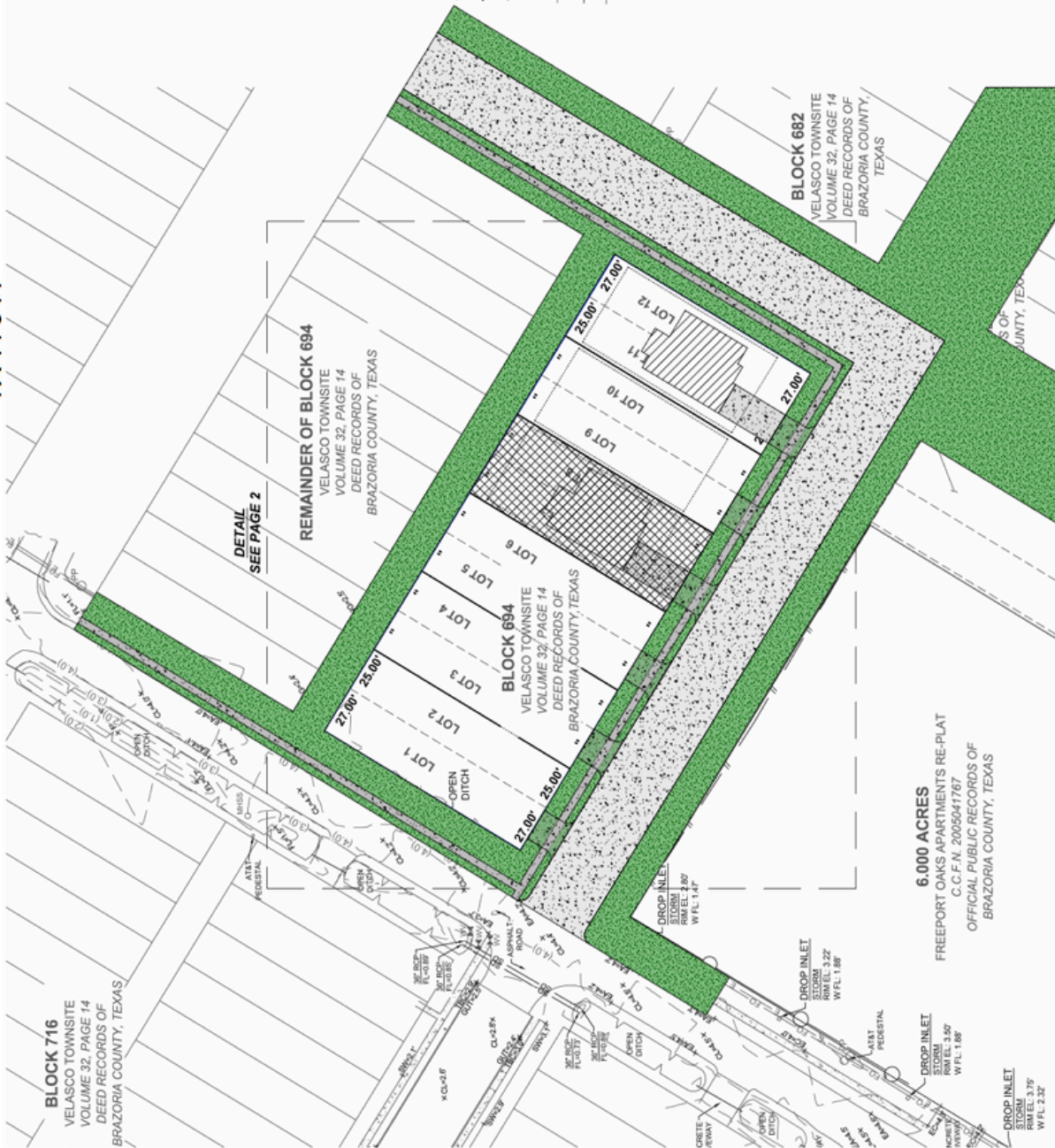
TOTAL \$84,268.00

Accepted By

Accepted Date



1120 North Ave N, Freeport,
TX 77541



2 DETAILS PAVING
1/64" = 1'-0"

- LEGEND:**
- H.C.M.R. - HARRIS COUNTY MAP RECORDS
 - C.C.F.N. - COUNTY CLERK'S FILE NUMBER
 - R.O.W. - RIGHT-OF-WAY
 - SUBJECT TRACT
 - EASEMENT
 - OVERHEAD ELECTRIC LINE
 - FIBER OPTIC LINE
 - WATER LINE
 - STORM DRAIN LINE
 - SANITARY SEWER LINE
 - PP - POWER POLE
 - M.H.S.T. - STORM MANHOLE
 - M.H.S.S. - SANITARY SEWER MANHOLE
 - W.V. - WATER VALVE
 - F.H. - FIRE HYDRANT
 - L.P. - LIGHT POLE
 - TREE
 - CHAIN LINK FENCE
 - STREET LIGHT



SITE PLAN
1" = 30'-0"

6.000 ACRES
FREEPORT OAKS APARTMENTS RE-PLAT
C.C.F.N. 2005041767
OFFICIAL PUBLIC RECORDS OF
BRAZORIA COUNTY, TEXAS

EXHIBIT B TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE



Concrete Creations LLC
 17710 TerranovaWestDr
 Spring, TX 77379
 8327227893
 concretecreations79@gmail.com
 www.ConcreteCreationsTexas.com

ADDRESS

City of Freeport
430 N Brazosport Blvd,
Freeport, TX 77541

Estimate 1880

DATE 12/18/2025

Project Name: W Roeller St. Freeport TX (Asphalt St.)

ACTIVITY	QTY	RATE	AMOUNT
12/18/2025			
Lime, Crushed Concrete, & Asphalt Installation to approx.: 8,160 SF (not to exceed)	8,160	8.9828431	73,300.00
1. Layout new road and cul-de-sac 2. Scrape and remove grass and debris 3. Haul off all waste and excess material 4. Roll and compact subgrade to 99% compaction 5. Install 6 inches of crushed concrete (TXDOT-approved material) 6. Roll and compact base to 99% compaction 7. Apply SS-1 TackCoat 8. Install 2 inches of Type D smooth asphalt, roll and compact for traffic-ready surface within 24 hours Total Turnkey Project (includes dirt work, base work, and asphalt installation):			

Contact Concrete Creations LLC to pay.
 North Avenue M Freeport TX (Asphalt St.)

Exclusions:

- Tax
- Permits
- Any Fees
- Off-Site work
- Any unforeseen objects below 8"

EXHIBIT B TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Intermediate and Final Cleaning;

- Job site will be left clean in good condition at the end of every workday.
- Appropriate measures will be taken to eliminate dust/debris contamination outside of work area. Signs will be posted to warn any personnel of the work going on in this area.
- Thorough final clean once work has been completed.

TOTAL

\$73,300.00

Accepted By

Accepted Date

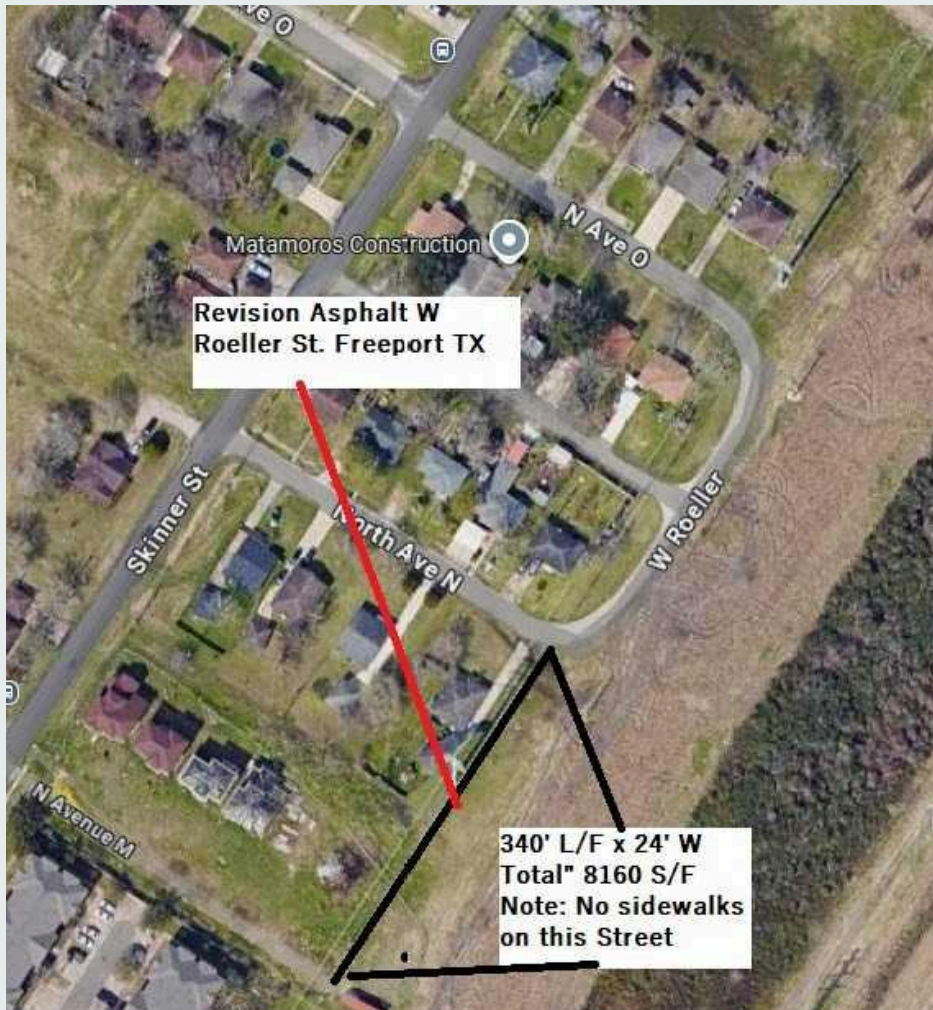


EXHIBIT B TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

TOTAL

\$18,500.00

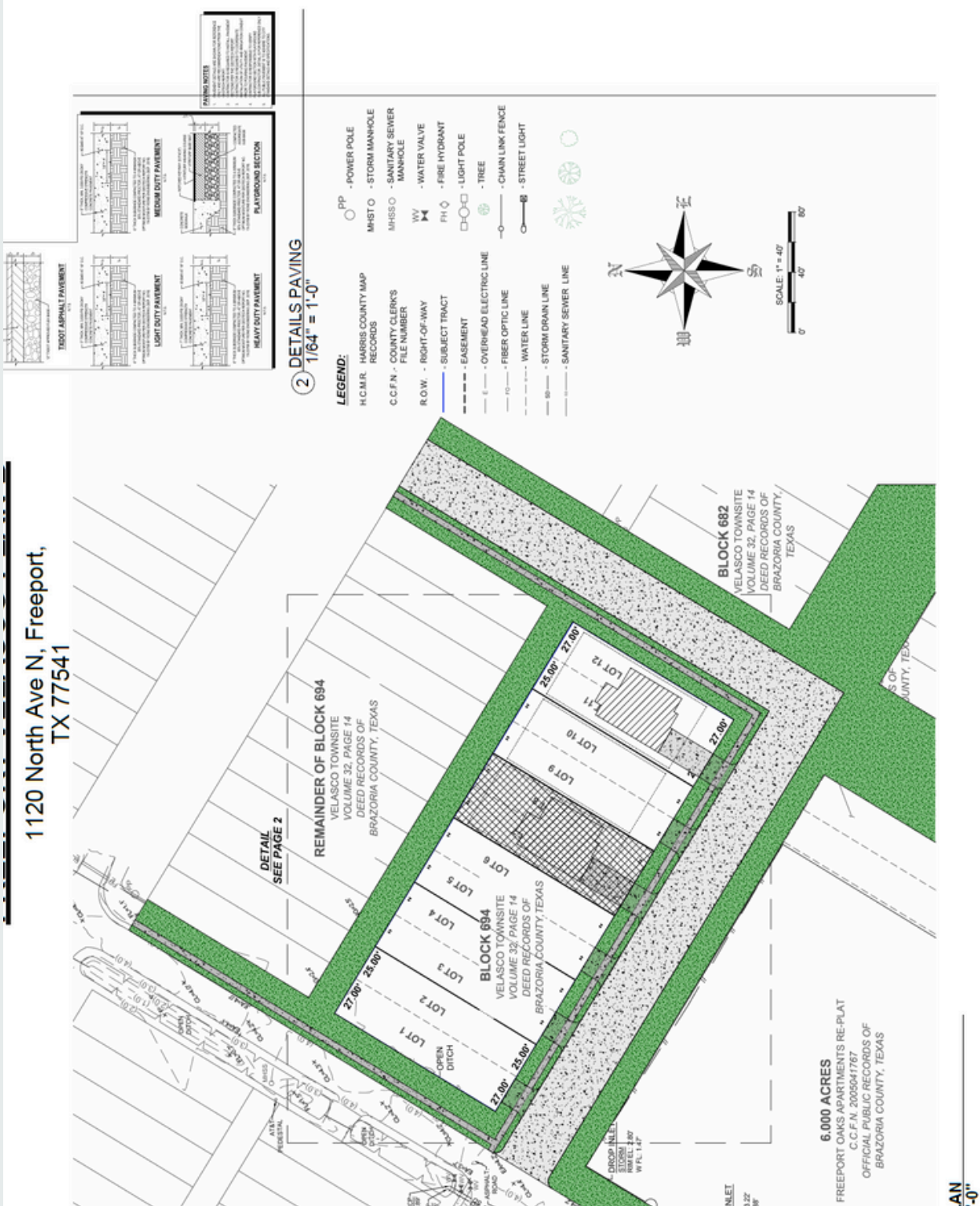


EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Description	Total Cost	DRAW 1	DRAW 2	DRAW 3	DRAW 4
Foundation PostTension	\$ 13,950.00	\$ 13,950.00			
Foundation Plumbing	\$ 3,450.00	\$ 3,450.00			
Driveway	\$ 6,900.00	\$ 3,450.00	\$ 3,450.00		
Framing	\$ 38,565.00	\$ 38,565.00			
Roofing	\$ 5,500.00	\$ 5,500.00			
Exterior Veener and Stucco	\$ 7,440.00		\$ 7,440.00		
Paint Siding	\$ 2,340.00		\$ 2,340.00		
Sliding window systems	\$ 4,940.00	\$ 4,940.00			
Principal Door 36 in. x 80 in. Left-Hand Inswing Narrow Lite Frosted Glass Black Painted Fiberglass Prehung Front Door	\$ 699.00	\$ 699.00			
Patio Door 71.5 in. x 79.5 in. 580 Series White Vinyl Left-Hand Sliding Patio Door with LowE Glass	\$ 521.00	\$ 521.00			
Fire Door 36 in. x 80 in. x 1-3/4 in. Shaker 1-Panel Solid Core White Primed Pine Wood Interior Door Slab	\$ 300.00		\$ 300.00		
Plumbing Interior	\$ 9,000.00	\$ 4,500.00	\$ 4,500.00		
Electrical	\$ 15,600.00	\$ 7,800.00		\$ 7,800.00	
HVAC Turn Key Labor and Material 5 Ton 14 SEER2 80% AFUE 90,000 BTU ACiQ Gas Furnace and Air Conditioner System - Multi-Positional. 100 MBH. area to 2500 SF	\$ 14,500.00	\$ 7,250.00	\$ 7,250.00		
Insulation R19, R36 and Blowing	\$ 4,140.50	\$ 4,140.50			
Wall and Ceilling system, 1/2" drywall, taped, Float & texture ready for paint	\$ 14,175.00		\$ 14,175.00		
Paint Interior	\$ 6,885.00		\$ 6,885.00		
Trim	\$ 2,640.00		\$ 2,640.00		
Doors	\$ 4,080.00		\$ 4,080.00		
Harware	\$ 2,960.00		\$ 2,960.00		
Carpet, Olefin, 15 oz	\$ 1,575.00			\$ 1,575.00	
LVP Material	\$ 3,187.50			\$ 3,187.50	
Bathrooms and Half Bath tile	\$ 8,900.00			\$ 8,900.00	
Bathtub, Toilets, Sinks and Farm Sink	\$ 2,600.00			\$ 2,600.00	
Bathrooms and Half Bath Trim	\$ 1,500.00			\$ 1,500.00	
Bathrooms Shower Glass & Mirros Turnkey Contract	\$ 2,900.00				\$ 2,900.00
Kitchen, economy grade Cabintes	\$ 5,900.00				\$ 5,900.00
Vanities, Laundry and Pantry Economy Grade Material	\$ 3,700.00				\$ 3,700.00
Stairways 14 risers, oak treads, box stairs	\$ 4,650.00			\$ 4,650.00	
Countertop Slaps	\$ 3,300.00				\$ 3,300.00
Labor Countetops Slabs	\$ 1,575.00				\$ 1,575.00
Water heater, electric, 40 gallon	\$ 750.00		\$ 750.00		
Fireplace	\$ 880.00				\$ 880.00
Appliances	\$ 4,500.00				\$ 4,500.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Door Garage Turnkey Contract	\$ 1,950.00			\$ 1,950.00	
Sprinkler Drainage & Landscaping Material	\$ 1,200.00				\$ 1,200.00
Gutters	\$ 2,800.00				\$ 2,800.00
Inspections - Subcontractor	\$ 600.00		\$ 600.00		
Exterior Ligthts	\$ 550.00			\$ 550.00	
Interior Shelves	\$ 1,800.00				\$ 1,800.00
TOTAL COST	\$ 213,403.00	\$ 94,765.50	\$ 57,370.00	\$ 32,712.50	\$ 28,555.00

\$ 103.29

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

RMG Construction LLC
 24650 Clay Rd
 Houston, TX 77493 US
 +18326202606
 e.garay@rmgconstruction.net
 http://www.rmgconstruction.net



Estimate

ADDRESS

Freeport
 1121 North Avenue 1
 Freeport, Tx 77541

SHIP TO

Freeport
 1121 North Avenue 1
 Freeport, Tx 77541

ESTIMATE # 1104

DATE 10/03/2025

WORK ORDER #

House 1

SUPERVISOR NAME

Manrique Amaya

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Service Location	1120 North Avenue M, Freeport, TX	1	0.00	0.00
	Interior Rehab & Structural Repairs	Interior Rehab & Structural Repairs			0.00
	framing Rehab	Repairs and reinforcements to interior/exterior walls and ceilings due to age, moisture, or prior damage.	1	11,545.00	11,545.00
	Wall & Ceiling System	Installation of " drywall throughout home. Includes taping, floating, sanding, and texture, ready for paint.	1	3,240.00	3,240.00
	Interior Paint	Full interior painting using durable, washable paints. Includes walls, ceilings, and trim.	1	6,680.00	6,680.00
	Doors & Trim	Replace or install new baseboards, window casings, door casings, and other interior moldings.	1	3,830.00	3,830.00
	Interior Door	Install new shaker-style solid core doors throughout bedrooms, bathrooms, and closets.	1	1,395.00	1,395.00
	Fire-Rated Door	Solid core fire-rated door between garage/living space per code.	1	250.00	250.00
	Insulation	Blown-in attic and wall	1	1,135.00	1,135.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		insulation for improved thermal performance and energy savings.			
	Interior Shelving Rehab	Repair and replace built-in shelving in closets, pantry, and storage areas.	1	925.00	925.00
					Subtotal: 29,000.00
	Plumbing, Electrical & Mechanical Systems	Plumbing, Electrical & Mechanical Systems	1	0.00	0.00
	Plumbing	Re-pipe or repair of interior plumbing (copper or PEX), including waste lines and supply lines.	1	4,650.00	4,650.00
	Foundation	Pressure test of under-slab plumbing systems to identify leaks before closing floors/walls.	1	1,850.00	1,850.00
	Electrical & Lighting	Rewire and upgrade of all electrical systems, outlets, panels, breakers, and lighting per code.	1	16,450.00	16,450.00
	HVAC	Install complete gas furnace and A/C system (SEER2), sized for 2,500 sq. ft. home. Includes ductwork.	1	14,500.00	14,500.00
	Water Heater	Supply and install 40-gallon electric water heater for home's hot water needs.	1	694.00	694.00
					Subtotal: 38,144.00
	Kitchen, Baths & Laundry Areas	Kitchen, Baths & Laundry Areas	1	0.00	0.00
	Kitchen Remodeling	Supply and install upper and lower cabinets. Includes soft-close hinges and basic layout.	1	5,994.00	5,994.00
	Bathroom Remodeling	Install vanities in bathrooms, as well as storage in laundry and pantry.	1	4,551.00	4,551.00
	Counter top	Fabrication and installation of quartz or granite slab countertops in kitchen and baths.	1	3,818.00	3,818.00
	Plumbing	Supply of bathtubs, toilets, sinks (farm sink in kitchen), and faucets.	1	2,590.00	2,590.00
	Flooring	Floor and wall tile materials for full and half	1	8,788.00	8,788.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		baths. Includes shower surrounds.			
	Bathroom Remodeling	Towel bars, paper holders, and decorative hardware.	1	500.00	500.00
	Bathroom Remodeling	Custom shower enclosures and vanity mirrors installed.	1	3,330.00	3,330.00
					Subtotal: 29,571.00
	Flooring & Finishes	Flooring & Finishes			0.00
	Flooring	Vinyl plank flooring — water-resistant, durable, and low-maintenance	1	2,950.00	2,950.00
	Flooring	Installation of LVP on 14 stair risers and treads for a seamless finish.	1	2,567.00	2,567.00
	Carpet	15 oz Olefin carpet installed in bedrooms or other designated areas. Includes padding.	1	1,457.00	1,457.00
	Door Hardware	Door knobs, cabinet pulls, locks, and miscellaneous hardware throughout home.	1	2,750.00	2,750.00
					Subtotal: 9,724.00
	Doors, Windows & Exterior Upgrades	Doors, Windows & Exterior Upgrades			0.00
	Front Door	Pre-hung fiberglass front door with frosted glass insert. 36X80 Enhanced curb appeal & security.	1	648.00	648.00
	Windows	Sliding windows repairs	1	1,406.00	1,406.00
	Garage door	Garage door install with opener.	1	1,804.00	1,804.00
	Exterior Work	Patch, repair, or new stucco/veneer to refresh exterior surfaces.	1	6,882.00	6,882.00
	Exterior Work	New LED fixtures for porch, garage, and yard for security and ambiance.	1	510.00	510.00
	Exterior Work	New aluminum gutter system for water drainage and foundation protection.	1	2,590.00	2,590.00
	Exterior Work	Concrete repair or pour of new driveway section.	1	7,262.00	7,262.00
	Exterior Paint	Paint siding	1	2,165.00	2,165.00
	Roof Repairs	Roof repair	1	2,544.00	2,544.00
					Subtotal: 25,811.00
	Landscaping	Landscaping			0.00
	Plumbing	New sprinklers, drainage	1	1,110.00	1,110.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		systems, and basic front yard landscape refresh.			
	Fireplace	Supply and install electric or gas fireplace insert with basic surround.	1	407.00	407.00
	Appliances Installation	Range, refrigerator, dishwasher, and microwave — installed.	1	4,720.00	4,720.00
	Inspections	Coordination of third-party inspections to ensure code compliance.	1	600.00	600.00
					Subtotal: 6,837.00

SUBTOTAL	139,087.00
TAX	0.00
TOTAL	\$139,087.00

Accepted By

Accepted Date

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

RMG Construction LLC
 24650 Clay Rd
 Houston, TX 77493 US
 +18326202606
 e.garay@rmgconstruction.net
 http://www.rmgconstruction.net



Estimate

ADDRESS

Freeport
 1121 North Avenue 1
 Freeport, Tx 77541

SHIP TO

Freeport
 1121 North Avenue 1
 Freeport, Tx 77541

ESTIMATE # 1106

DATE 10/06/2025

WORK ORDER #

1124 North Avenue M - Lot # 1

SUPERVISOR NAME

Manrique Amaya

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Service Location	1124 North Avenue I, Freeport, TX 4 bedrooms 3.5 baths	1	0.00	0.00
	Interior Rehab & Structural Repairs	Interior Rehab & Structural Repairs			0.00
	framing Rehab	Repairs and reinforcements to interior/exterior walls and ceilings due to age, moisture, or prior damage.	1	11,545.00	11,545.00
	Wall & Ceiling System	Installation of " drywall throughout home. Includes taping, floating, sanding, and texture, ready for paint.	1	3,240.00	3,240.00
	Interior Paint	Full interior painting using durable, washable paints. Includes walls, ceilings, and trim.	1	6,680.00	6,680.00
	Doors & Trim	Replace or install new baseboards, window casings, door casings, and other interior moldings.	1	3,830.00	3,830.00
	Interior Door	Install new shaker-style solid core doors throughout bedrooms, bathrooms, and closets.	1	2,785.00	2,785.00
	Fire-Rated Door	Solid core fire-rated door between garage/living space per code.	1	250.00	250.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Insulation	Blown-in attic and wall insulation for improved thermal performance and energy savings.	1	1,135.00	1,135.00
	Interior Shelving Rehab	Repair and replace built-in shelving in closets, pantry, and storage areas.	1	925.00	925.00
					Subtotal: 30,390.00
	Plumbing, Electrical & Mechanical Systems	Plumbing, Electrical & Mechanical Systems	1	0.00	0.00
	Plumbing	Re-pipe or repair of interior plumbing (copper or PEX), including waste lines and supply lines.	1	4,650.00	4,650.00
	Foundation	Pressure test of under-slab plumbing systems to identify leaks before closing floors/walls.	1	1,850.00	1,850.00
	Electrical & Lighting	Rewire and upgrade of all electrical systems, outlets, panels, breakers, and lighting per code.	1	16,450.00	16,450.00
	HVAC	Install complete gas furnace and A/C system (SEER2), sized for 2,500 sq. ft. home. Includes ductwork.	1	14,500.00	14,500.00
	Water Heater	Supply and install 40-gallon electric water heater for home's hot water needs.	1	694.00	694.00
					Subtotal: 38,144.00
	Kitchen, Baths & Laundry Areas	Kitchen, Baths & Laundry Areas	1	0.00	0.00
	Kitchen Remodeling	Supply and install upper and lower cabinets. Includes soft-close hinges and basic layout.	1	5,994.00	5,994.00
	Bathroom Remodeling	Install vanities in bathrooms, as well as storage in laundry and pantry.	1	4,551.00	4,551.00
	Counter top	Fabrication and installation of quartz or granite slab countertops in kitchen and baths.	1	3,818.00	3,818.00
	Plumbing	Supply of bathtubs, toilets, sinks (farm sink in kitchen), and faucets.	1	2,590.00	2,590.00
	Flooring	Floor and wall tile	1	8,788.00	8,788.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
		materials for full and half baths. Includes shower surrounds.			
	Bathroom Remodeling	Towel bars, paper holders, and decorative hardware.	1	500.00	500.00
	Bathroom Remodeling	Custom shower enclosures and vanity mirrors installed.	1	3,330.00	3,330.00
					Subtotal: 29,571.00
	Flooring & Finishes	Flooring & Finishes			0.00
	Flooring	Vinyl plank flooring — water-resistant, durable, and low-maintenance	1	2,950.00	2,950.00
	Flooring	Installation of LVP on 14 stair risers and treads for a seamless finish.	1	2,567.00	2,567.00
	Carpet	15 oz Olefin carpet installed in bedrooms or other designated areas. Includes padding.	1	1,477.00	1,477.00
	Door Hardware	Door knobs, cabinet pulls, locks, and miscellaneous hardware throughout home.	1	2,750.00	2,750.00
					Subtotal: 9,744.00
	Doors, Windows & Exterior Upgrades	Doors, Windows & Exterior Upgrades			0.00
	Front Door	Pre-hung fiberglass front door with frosted glass insert. 36X80 Enhanced curb appeal & security.	1	648.00	648.00
	Windows	Sliding windows repairs	1	1,406.00	1,406.00
	Garage door	Garage door install with opener.	1	1,804.00	1,804.00
	Exterior Work	Patch, repair, or new stucco/veneer to refresh exterior surfaces.	1	6,882.00	6,882.00
	Exterior Work	New LED fixtures for porch, garage, and yard for security and ambiance.	1	510.00	510.00
	Exterior Work	New aluminum gutter system for water drainage and foundation protection.	1	2,590.00	2,590.00
	Exterior Work	Concrete repair or pour of new driveway section.	1	7,262.00	7,262.00
	Exterior Paint	Paint siding	1	2,165.00	2,165.00
	Roof Repairs	Roof repair	1	2,544.00	2,544.00
					Subtotal: 25,811.00
	Landscaping	Landscaping			0.00

EXHIBIT b TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
	Plumbing	New sprinklers, drainage systems, and basic front yard landscape refresh.	1	1,110.00	1,110.00
	Fireplace	Supply and install electric or gas fireplace insert with basic surround.	1	407.00	407.00
	Appliances Installation	Range, refrigerator, dishwasher, and microwave — installed.	1	4,720.00	4,720.00
	Inspections	Coordination of third-party inspections to ensure code compliance.	1	600.00	600.00
					Subtotal: 6,837.00

SUBTOTAL	140,497.00
TAX	0.00
TOTAL	\$140,497.00

Accepted By

Accepted Date



Construction Specification Book (Spec Book)

Project Name:

Freeport Residential Development

Project Address:

Freeport, Texas, USA

1102 N Ave M Freeport TX

1106 N Ave M Freeport TX

1110 N Ave M Freeport TX

1114 N Ave M Freeport TX

Owner:

GL&L Holdings

Project Type:

Ground-up residential development

Project Scope:

The project consists of the development and construction of four residential units, including site development, infrastructure, and vertical construction. The scope includes grading, utilities installation, foundations, structural framing, building envelope, mechanical, electrical, and plumbing systems, as well as interior and exterior finishes.

2. Project Description

This project is designed as a **modern residential community**, incorporating contemporary architectural design, efficient construction systems, and high-quality finishes.

The development is intended to provide:



- Functional and efficient layouts
- Durable and code-compliant construction systems
- Energy-efficient building performance
- Compatibility with coastal environmental conditions



3. Applicable Codes and Standards

The project shall comply with the following codes and regulations:

- **International Building Code (IBC)** – Latest adopted edition
- **International Residential Code (IRC)** (if applicable)
- **International Energy Conservation Code (IECC)**
- **National Electrical Code (NEC)**
- **International Plumbing Code (IPC)**
- **International Mechanical Code (IMC)**
- **Local City of Freeport Ordinances and Amendments**
- **Texas Windstorm Requirements (if applicable)**

4. Design Criteria



Codes and Standards

- **Governing Code:**
2021 International Residential Code (IRC), as amended locally
 - **Referenced Standard:**
ASCE 7 (Wind Design per IRC Section 1609)
-

Occupancy Classification

- **Use:** Residential – Single Family
-

Structural Design Basis

- **Foundation Type:**
Post-tensioned slab-on-grade
 - **Soil Bearing Capacity:**
2,000 PSF (assumed unless geotechnical report states otherwise)
 - **Concrete Strength:**
Minimum 3,000 PSI
-

Wind Design Criteria

- **Ultimate Wind Speed (Vult):**
132 MPH (3-second gust)
- **Exposure Category:**
Exposure B
- **Design Method:**
Per IRC Section 1609.3



- **Windstorm Compliance:**
All exterior envelope components (doors, windows, garage doors, and roof systems) shall comply with Texas Department of Insurance (TDI) windstorm requirements
 - **Impact Resistance:**
Impact-resistant glazing systems required
-

Roof Design Criteria

- **Roof Live Load:**
10 PSF
 - **Roof Sheathing:**
Minimum 1/2" plywood or APA rated equivalent
 - **Roof Slope:**
Minimum 4:12 unless otherwise noted
 - **Load Path:**
Continuous load path from roof to foundation required
-

Framing System

- Wood framing construction
 - Rafters and joists per structural plans
 - Connections per manufacturer specifications
-

Flood and Site Criteria

- **Flood Zone:** To be verified per FEMA FIRM maps
- **Base Flood Elevation (BFE):** To be determined



- **Finished Floor Elevation (FFE):** Shall comply with local jurisdiction requirements and be set above BFE
-

Energy Code Criteria

- **Energy Code:**
2021 International Energy Conservation Code (IECC)
 - **Climate Zone:**
Zone 2A (Hot-Humid – Texas Gulf Coast)
-

Construction Requirements

- All dimensions shall be verified in the field prior to construction
 - Contractor shall coordinate all trades and disciplines
 - Windstorm inspection and certification required prior to project completion
-

5. Building Systems Overview

The project incorporates the following primary systems:

- Reinforced concrete foundations
- Wood frame structural system
- Exterior wall assemblies with moisture and thermal protection
- Pitched or low-slope roofing system
- Energy-efficient windows and doors
- Central HVAC systems



- Standard residential plumbing and electrical systems
-

6. Energy Performance

The building envelope and mechanical systems are designed to meet or exceed the requirements of the **International Energy Conservation Code (IECC)**, including:

- Insulation R-values per code
 - High-performance glazing systems
 - Efficient HVAC equipment
 - Air sealing and moisture control strategies
-

7. Coastal and Environmental Considerations

Given the project location in **Freeport, Texas (coastal region)**, the design incorporates:

- Wind-resistant construction methods
 - Enhanced roof fastening systems
 - Moisture and corrosion-resistant materials
 - Compliance with applicable coastal and windstorm regulations
-

8. Quality and Execution Standards

All materials and construction methods shall comply with:

- Manufacturer specifications
- Industry standards (ASTM, ANSI, etc.)
- Approved construction documents
- Local inspection requirements



General Requirements

- Contractor shall verify all dimensions in the field prior to construction
 - Contractor responsible for coordination between all trades and disciplines
 - All work shall comply with applicable codes and approved construction documents
 - Obtain all required permits, inspections, and approvals
 - Windstorm inspection and certification required prior to completion
 - Maintain site safety, cleanliness, and proper material storage
-

Concrete

- Post-tensioned slab-on-grade foundation system
 - Minimum concrete strength: 3,000 PSI
 - Soil bearing capacity: 2,000 PSF (unless otherwise specified by geotechnical report)
 - Vapor barrier installed below slab per code
 - Reinforcement per structural drawings and post-tension design
 - Anchor bolts and embeds per structural requirements
-

Wood / Structural Framing

- Wood framing construction
- Wall studs, rafters, and joists per structural plans
- Rafters typically spaced at 16" O.C. unless otherwise noted
- Roof framing per approved roof framing plans
- All framing connections per manufacturer specifications
- Continuous load path from roof to foundation required



Thermal and Moisture Protection

- Weather-resistant barrier (WRB) installed on exterior walls
- Roof underlayment per manufacturer and code requirements
- Flashing installed at all openings, penetrations, and transitions
- Roofing system installed per manufacturer specifications
- Moisture protection systems installed to prevent water intrusion

Openings (Windows / Doors)

- Impact-resistant windows and exterior glazing systems required
- Exterior doors to comply with windstorm requirements
- Garage doors rated for wind load compliance
- Installation per manufacturer specifications
- All openings properly flashed and sealed

Interior Finishes

- Interior wall finishes: gypsum board (drywall)
- Moisture-resistant drywall in wet areas as required
- Interior paint per project finish schedule
- Flooring: tile, carpet, or other finishes as specified
- Trim, baseboards, and interior doors per project design

Plumbing

- Plumbing system installed per IRC and local code



- Water supply and distribution per approved plans
 - Drain, waste, and vent (DWV) system per code
 - Fixtures installed per manufacturer specifications
 - Water heater installed per code and energy requirements
-

HVAC

- HVAC system installed per approved mechanical design
 - Equipment sized per Manual J or equivalent
 - Ductwork installed per manufacturer specifications
 - Ventilation provided per code requirements
 - System designed for Climate Zone 2A (Hot-Humid)
-

Electrical

- Electrical system installed per NEC and local code
- Service panel and distribution per approved plans
- Lighting fixtures and outlets installed per code
- Grounding and bonding per NEC requirements
- Smoke detectors and safety devices installed per code

A handwritten signature in black ink that reads "Frank Martin".

Builder - General Contractor

Frank Martin

CEO, Martin Develop + Design

www.martindevelopdesign.com

Email: ceo@martindevelopdesign.com

Phone: (281) 939- 2964

1250 W Sam Houston Pkwy S, Houston, TX 77042 Suite 402

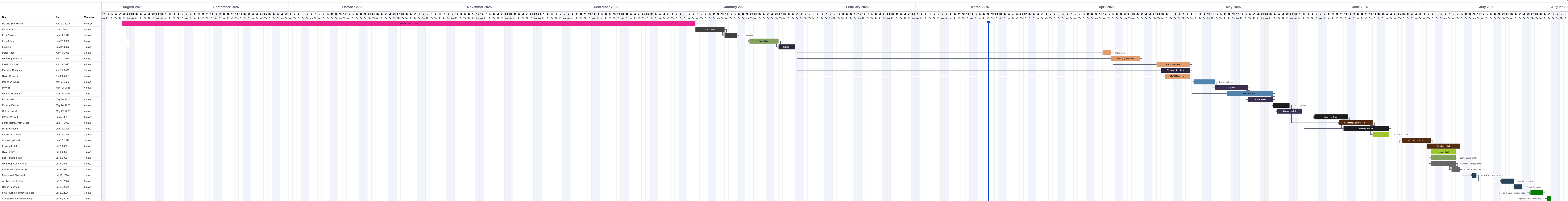


EXHIBIT C TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

1250 W Sam Houston Pkwy S, Houston, TX 77042-1941

Phone: 2819392964



Bill to: Owner (Freeport House 1 (with slab))
 1114 North Avenue M
 Freeport, TX 77541

Invoice date: Mar 3, 2026
Invoice ID: FRH1-0001
Amount due: \$196,803.00
Due date: Mar 3, 2026

Freeport House 1 (with slab): DRAW

Items	Cost types	Description	Qty/Unit	Unit price	Price
Driveway 03200 Site Work Material	Material	Driveway	1.00 Each	\$6,900.00	\$6,900.00
Framing 03300 Site Work Subcontractor	Material	Framing	1.00 Each	\$20,000.00	\$20,000.00
Framing 03300 Site Work Subcontractor	Labor	Framing	1.00 Each	\$18,565.00	\$18,565.00
Roofing 03300 Site Work Subcontractor	Material	Roofing	1.00 Each	\$5,500.00	\$5,500.00
Exterior Veener and Stucco 03200 Site Work Material	Material	Exterior Veener and Stucco	1.00 Each	\$7,440.00	\$7,440.00
Paint Siding 03300 Site Work Subcontractor	Material	Paint Siding	1.00 Each	\$2,340.00	\$2,340.00
Sliding window systems 03200 Site Work Material	Material	Sliding window systems	1.00 Each	\$4,940.00	\$4,940.00
Principal Door 36 in. x 80 in. Left-Hand Inswing Narrow Lite Frosted Glass Black Painted Fiberglass Prehung Front Door 03200 Site Work Material	Material	Principal Door 36 in. x 80 in. Left-Hand Inswing Narrow Lite Frosted Glass Black Painted Fiberglass Prehung Front Door	1.00 Each	\$699.00	\$699.00
Patio Door 71.5 in. x 79.5 in. 580 Series White Vinyl Left-Hand Sliding Patio Door with LowE Glass 03200 Site Work Material	Material	Patio Door 71.5 in. x 79.5 in. 580 Series White Vinyl Left-Hand Sliding Patio Door with LowE Glass	1.00 Each	\$521.00	\$521.00
Fire Door 36 in. x 80 in. x 1-3/4 in. Shaker 1-Panel Solid Core White Primed Pine Wood Interior Door Slab 03200 Site Work Material	Material	Fire Door 36 in. x 80 in. x 1-3/4 in. Shaker 1-Panel Solid Core White Primed Pine Wood Interior Door Slab	1.00 Each	\$300.00	\$300.00
Plumbing Interior 03300 Site Work Subcontractor	Material	Plumbing Interior	1.00 Each	\$9,000.00	\$9,000.00
Electrical 03300 Site Work Subcontractor	Material	Electrical	1.00 Each	\$15,600.00	\$15,600.00

EXHIBIT C TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Items	Cost types	Description	Qty/Unit	Unit price	Price
HVAC Turn Key Labor and Material 5 Ton 14 SEER2 80% AFUE 90,000 BTU ACiQ Gas Furnace and Air Conditioner System - Multi- Positional, 100 MBH, area to 2 03300 Site Work Subcontractor	Material	HVAC Turn Key Labor and Material 5 Ton 14 SEER2 80% AFUE 90,000 BTU ACiQ Gas Furnace and Air Conditioner System - Multi-Positional, 100 MBH, area to 2500 SF	1.00 Each	\$14,500.00	\$14,500.00
Insulation R19, R36 and Blowing 03200 Site Work Material	Material	Insulation R19, R36 and Blowing	1.00 Each	\$4,140.50	\$4,140.50
Wall and Ceilling system, 1/2" drywall, taped, Float & texture ready for paint 03300 Site Work Subcontractor	Material	Wall and Ceilling system, 1/2" drywall, taped, Float & texture ready for paint	1.00 Each	\$14,175.00	\$14,175.00
Paint Interior 03300 Site Work Subcontractor	Material	Paint Interior	1.00 Each	\$6,885.00	\$6,885.00
Trim 03200 Site Work Material	Material	Trim	1.00 Each	\$2,640.00	\$2,640.00
Doors 03200 Site Work Material	Material	Doors	1.00 Each	\$4,080.00	\$4,080.00
Harware 03200 Site Work Material	Material	Harware	1.00 Each	\$2,960.00	\$2,960.00
Carpet, Olefin, 15 oz 03200 Site Work Material	Material	Carpet, Olefin, 15 oz	1.00 Each	\$1,575.00	\$1,575.00
LVP Material 03200 Site Work Material	Material	LVP Material	1.00 Each	\$3,187.50	\$3,187.50
Bathrooms and Half Bath tile 03200 Site Work Material	Material	Bathrooms and Half Bath tile	1.00 Each	\$8,900.00	\$8,900.00
Bathtub, Toilets, Sinks and Farm Sink 03200 Site Work Material	Material	Bathtub, Toilets, Sinks and Farm Sink	1.00 Each	\$2,600.00	\$2,600.00
Bathrooms and Half Bath Trim 03200 Site Work Material	Material	Bathrooms and Half Bath Trim	1.00 Each	\$1,500.00	\$1,500.00
Bathrooms Shower Glass & Mirros Turnkey Contract 03300 Site Work Subcontractor	Material	Bathrooms Shower Glass & Mirros Turnkey Contract	1.00 Each	\$2,900.00	\$2,900.00
Kitchen, economy grade Cabintes 03200 Site Work Material	Material	Kitchen, economy grade Cabintes	1.00 Each	\$5,900.00	\$5,900.00
Vanities, Laundry and Pantry Economy Grade Material 03200 Site Work Material	Material	Vanities, Laundry and Pantry Economy Grade Material	1.00 Each	\$3,700.00	\$3,700.00
Stairways 14 risers, oak treads, box stairs 03300 Site Work Subcontractor	Material	Stairways 14 risers, oak treads, box stairs	1.00 Each	\$4,650.00	\$4,650.00

EXHIBIT C TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Items	Cost types	Description	Qty/Unit	Unit price	Price
Countertop Slaps 03200 Site Work Material	Subcontractor	Countertop Slaps	1.00 Each	\$3,300.00	\$3,300.00
Labor Countetops Slabs 03300 Site Work Subcontractor	Subcontractor	Labor Countetops Slabs	1.00 Each	\$1,575.00	\$1,575.00
Water heater, electric, 40 gallon 03200 Site Work Material	Subcontractor	Water heater, electric, 40 gallon	1.00 Each	\$750.00	\$750.00
Fireplace 03200 Site Work Material	Subcontractor	Fireplace	1.00 Each	\$880.00	\$880.00
Appliances - No Refrigerator 03200 Site Work Material	Subcontractor	Appliances - No Refrigerator	1.00 Each	\$2,200.00	\$2,200.00
Door Garage Turnkey Contract 03300 Site Work Subcontractor	Subcontractor	Door Garage Turnkey Contract	1.00 Each	\$1,950.00	\$1,950.00
Sprinkler Drenajes & Landscaping Material 03200 Site Work Material	Subcontractor	Sprinkler Drenajes & Landscaping Material	1.00 Each	\$1,200.00	\$1,200.00
Gutters 03200 Site Work Material	Subcontractor	Gutters	1.00 Each	\$2,800.00	\$2,800.00
Inspections Subcontractor 03300 Site Work Subcontractor	Subcontractor	Inspections Subcontractor	1.00 Each	\$600.00	\$600.00
Exterior Ligth 03200 Site Work Material	Subcontractor	Exterior Ligth	1.00 Each	\$550.00	\$550.00
Interior Shelves 03200 Site Work Material	Subcontractor	Interior Shelves	1.00 Each	\$1,800.00	\$1,800.00
Fence - Rear Only 03200 Site Work Material	Subcontractor	Fence - Rear Only	1.00 Each	\$3,100.00	\$3,100.00
Totals:					\$196,803.00

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DATE: _____, 2026

GRANTOR: FREEPORT ECONOMIC DEVELOPMENT CORPORATION (FEDC)

GRANTEE: AMG Texas Capital LLC (AMG)

CONSIDERATION: Ten and No/100 Dollars (\$10.00) and other good and valuable consideration

PROPERTY:

LOTS 1, 2, 3, and 4, BLOCK 694 VELASCO TOWNSITE, of the City of Freeport, Texas, according to the map or plat of said townsite recorded in Volume 32, page 14 of the Deed Records of Brazoria County, Texas.

Exceptions to Conveyance and Warranty: All Prior easements, rights-of-way, and perspective rights, whether of record or not; all presently recorded instruments, other than liens and conveyances, that affect the property; taxes for the current year, the payment of which Grantee, AMG, assumes.

Grantor, FEDC, for the Consideration expressed and subject to the Special Covenant and the Exceptions to Conveyance and warranty, grants, sell, and conveys to Grantee, AMG, the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor bind Grantor and Grantor's Heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Special Covenant and the Exceptions to Conveyance and Warranty

When the context requires, singular nouns and pronouns include the plural.

EXHIBIT D TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Executed and acknowledged by _____ to be effective the _____ day of _____, 2026.

Robert Johnson, Executive Director
FREEPORT ECONOMIC DEVELOPMENT
CORPORATION

THE STATE OF TEXAS
COUNTY OF BRAZORIA

§
§
§

ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2026, by Robert Johnson, in his capacity as President of Freeport Economic Development Corporation.

NOTARY PUBLIC in and for State of Texas

My Commission Expires: _____

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DATE: _____, 2026

GRANTOR: FREEPORT ECONOMIC DEVELOPMENT CORPORATION (FEDC)

GRANTEE: GL&L LLC (GL&L)

CONSIDERATION: Ten and No/100 Dollars (\$10.00) and other good and valuable consideration

PROPERTY:

LOTS 5, 6, 7, 8, 9, 10, 11, and 12, BLOCK 694 VELASCO TOWNSITE, of the City of Freeport, Texas, according to the map or plat of said townsite recorded in Volume 32, page 14 of the Deed Records of Brazoria County, Texas.

Exceptions to Conveyance and Warranty: All Prior easements, rights-of-way, and perspective rights, whether of record or not; all presently recorded instruments, other than liens and conveyances, that affect the property; taxes for the current year, the payment of which Grantee, GL&L, assumes.

Grantor, FEDC, for the Consideration expressed and subject to the Special Covenant and the Exceptions to Conveyance and warranty, grants, sell, and conveys to Grantee, GL&L, the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor bind Grantor and Grantor's Heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Special Covenant and the Exceptions to Conveyance and Warranty

When the context requires, singular nouns and pronouns include the plural.

EXHIBIT E TO SETTLEMENT AGREEMENT AND MUTUAL RELEASE

Executed and acknowledged by _____ to be effective the _____ day of _____, 2026.

Robert Johnson, Executive Director
FREEPORT ECONOMIC DEVELOPMENT
CORPORATION

THE STATE OF TEXAS §
 § ACKNOWLEDGMENT
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Robert Johnson, in his capacity as President of Freeport Economic Development Corporation.

NOTARY PUBLIC in and for State of Texas

My Commission Expires: _____

SCHEDULE OF PERFORMANCE

Action	Description	Due Date
Effective Date	Date the Settlement Agreement is Signed	
Government Approval Application Deadline	Apply for all permits necessary from government agencies	Within 3 months of Effective Date
Government Approvals	Receive final permits necessary from all government agencies	Within 6 months of Government Approval Application Deadline
Notification of Government Approvals	Developer must notify EDC of receipt of government approvals	Upon receipt of government approvals
Commencement Deadline	Commence construction evidenced by erection of exterior walls	Within 2 months of Government Approvals
CO Deadline	Certificate of Occupancy obtained for entire project	Within 14 months of Government Approvals



City Council Agenda Item #[4.B]

Title: Consideration and possible action approving the park closure for Take-A-Child Fishing Tournament on Saturday, May 9, 2026.

Date: April 20, 2026

From: John Perez

Staff Recommendation:

Approve the temporary closure of Freeport Municipal Park on Saturday, May 9, 2026, to accommodate the annual Port Freeport Take-A-Child Fishing Tournament.

Item Summary:

Port Freeport has requested use of Freeport Municipal Park to host its annual Take-A-Child Fishing Tournament, a long standing community event that serves families across the region. Due to recent changes in the City's policy regarding the rental and use of public facilities, formal Council authorization is required to close the park to general public access for the duration of the event. The requested closure will allow for safe event operations, including participant registration, fishing activities, and awards programming.

Background Information:

The Take-A-Child Fishing Tournament is an annual event hosted by Port Freeport that promotes outdoor recreation, youth engagement, and community involvement. The event has become a well-established tradition in Freeport and is supported by numerous local sponsors and volunteers. The 2026 event is scheduled for Saturday, May 9, 2026, at Freeport Municipal Park and includes the following activities:

- Registration (8:00 a.m. – 10:00 a.m.)
- Fishing Tournament (9:00 a.m. – 11:00 a.m.)
- Weigh-in, awards, and door prizes (11:00 a.m. – 12:00 p.m.)

The tournament is open to youth ages 3–14 and encourages family participation. Entry to the event consists of two canned food items per participant, which are donated to the Brazoria County Dream Center, supporting local families in need. This event regularly draws a large



number of participants and spectators and requires coordinated use of the park's waterfront, open space, and parking areas.

Special Considerations: N/A

Financial Impact: There is no direct fiscal impact anticipated to the City. Any City support services (e.g., public works or police presence) will be managed within existing departmental budgets or coordinated as part of standard event support.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. PRINT 2603-007 Port Freeport TACFT 11x17

Saturday, May 9

Freeport Municipal Park

Artwork by Everly Berry
Our Lady Queen of Peace
2026 Logo Contest Winner

3rd Place
\$100 Visa Gift Card

1st Place
Laptop & Accessories

2nd Place
\$200 Visa Gift Card



EVENT SCHEDULE

Ages 3-14

8:00 a.m. - 10:00 a.m. | Registration

9:00 a.m. - 11:00 a.m. | Fishing Tournament

11:00 a.m. - 12:00 p.m. | Weigh-In & Awards

WHAT TO EXPECT

- Door Prizes & Giveaways
- Free Face Painting & Snow Cones
- First 400 Registrants Receive A T-Shirt & Goodie Bag

WHAT TO BRING

- Entry Fee: Two Canned Food Items
- Your Own Fishing Equipment (Bait Provided)

EVENT INFO

For Details & ADA Accommodation

Request Forms, Visit:

PortFreeport.com/community

Para Información En Español, Visite: PortFreeport.com



TAKE-A-CHILD FISHING TOURNAMENT

THANK YOU TO OUR SPONSORS!

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GOLD

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EVENT SPONSOR

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City Council Agenda Item #[4.C]

Title: Discussion of 2026 Council Priorities Survey Results.
Date: April 20, 2026
From: Dr. Danielle Kelly

Staff Recommendation:

Receive and discuss the results of the 2026 Council Priorities Community Survey and provide direction on priority areas to guide the FY 2026–2027 budget development process.

Item Summary:

The City conducted a community survey to gather input on key priorities to inform the City Council’s strategic planning and upcoming budget process. The survey asked respondents to identify their top priority areas, rate the importance of various City services, and provide feedback on current performance and community needs. A total of 60 responses were received. Of those respondents, 77% indicated they interact with the City at least occasionally, while 23% reported limited interaction.

Survey results indicate a clear emphasis on Infrastructure & Utilities as the community’s highest priority, followed by City Facilities & Public Assets and Economic Development & Tourism. Respondents consistently rated all major service areas as important to the City’s future. Feedback also reflects a perceived gap between the importance of services and current performance, particularly in infrastructure, economic development, and overall service delivery.

Background Information:

As part of the City’s annual planning process, Council identified the need to incorporate community input into the development of strategic priorities. The survey was distributed through multiple channels, including online access and QR code outreach, to encourage participation from a broad cross-section of the community. The survey was structured to:

- Identify top priority areas (ranked selection)
- Evaluate importance of key service categories
- Assess current performance levels
- Capture open-ended feedback from residents



The results of this survey are intended to inform Council’s discussion and help establish community-aligned priorities prior to finalizing budget direction.

Special Considerations:

Survey responses highlighted several recurring themes in open-ended feedback, including:

- Infrastructure needs (roads, drainage, sidewalks, utilities)
- Public safety concerns (visibility, park safety, code enforcement)
- City appearance and cleanliness
- Economic development and downtown revitalization
- Parks, youth activities, and community amenities

While the survey provides valuable insight, it represents a limited sample size and should be considered alongside other data, operational needs, and financial constraints.

Financial Impact:

There is no direct fiscal impact associated with receiving this report. However, the priorities identified through this process will inform future budget allocations and capital planning decisions.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. 2026 Community Priorities Survey Report 041326



City of Freeport, Texas

2026 Community Priorities Survey Report

Informing priorities. Guiding decisions.

Prepared for:
Mayor and City Council

Prepared by:
City Manager's Office

April 2026

EXECUTIVE SUMMARY

The 2026 Community Survey was conducted to provide City Council with direct input from residents regarding the City's priorities, service delivery, and areas of concern. While the total number of responses is modest, the results present a clear and consistent narrative regarding community expectations and perceived gaps in performance. The alignment across multiple question types, including priority rankings, importance ratings, and open ended responses, provides confidence that the findings are directionally reliable and reflective of broader community sentiment.

The data indicates a strong and dominant emphasis on infrastructure and utilities as the City's highest priority, selected among the top three priorities by approximately 88% of respondents. This theme is reinforced across both quantitative rankings and qualitative feedback, with residents frequently citing road conditions, drainage, sidewalks, and overall infrastructure reliability as areas in need of attention. These concerns were often described in practical terms, reflecting the direct impact on mobility and daily quality of life.

In addition to infrastructure, respondents identified city appearance, public safety, and economic development as key areas of focus. Across nearly all categories, services were rated as highly important to the City's future, generally exceeding 3.9 on a 5-point scale. However, performance ratings consistently lagged behind, typically ranging between 2.6 and 3.2, indicating a measurable gap between community expectations and perceived service delivery.

The results provide a clear framework for Council consideration: residents are asking for a renewed focus on foundational services, visible improvements to the physical condition of the community, and continued progress toward a more active and economically vibrant city. Collectively, the findings suggest that prioritizing core infrastructure, strengthening neighborhood conditions, and enhancing economic activity will be critical to aligning service delivery with community expectations.

SURVEY OVERVIEW AND METHODOLOGY

The survey was distributed through online platforms and community outreach efforts as part of the City's broader initiative to align Council priorities with community input prior to the FY 2026 – 2027 budget cycle.

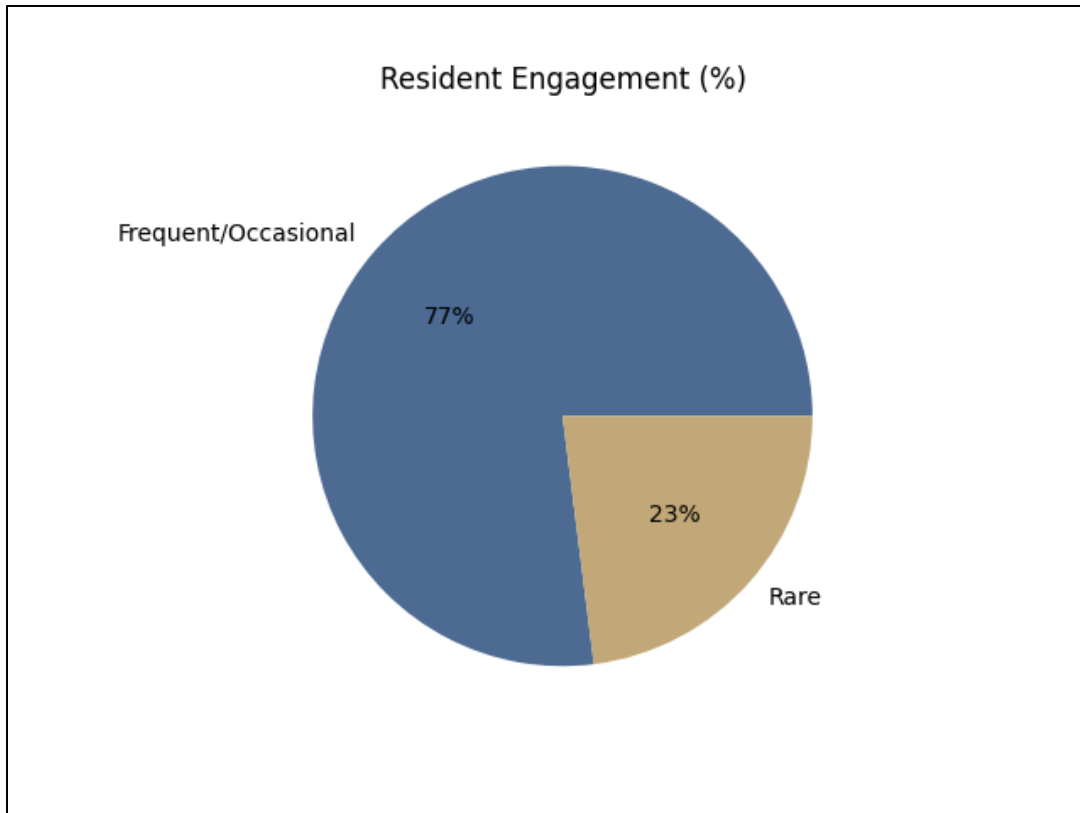
A total of 60 responses were received. For purposes of this report, 'N' refers to the number of responses associated with a given data point and may vary depending on the question. Of those respondents, approximately 77% indicated they interact with City services at least occasionally, while 23% reported limited interaction. This level of engagement suggests that most respondents have a working familiarity with City services and operations. The survey included:

- Priority ranking across six strategic categories
- Importance ratings for key service areas
- Performance evaluations of current City services
- Open ended responses to capture qualitative feedback

While the survey is not statistically representative, it provides meaningful directional insight and should be considered alongside operational data and fiscal constraints.

RESIDENT ENGAGEMENT

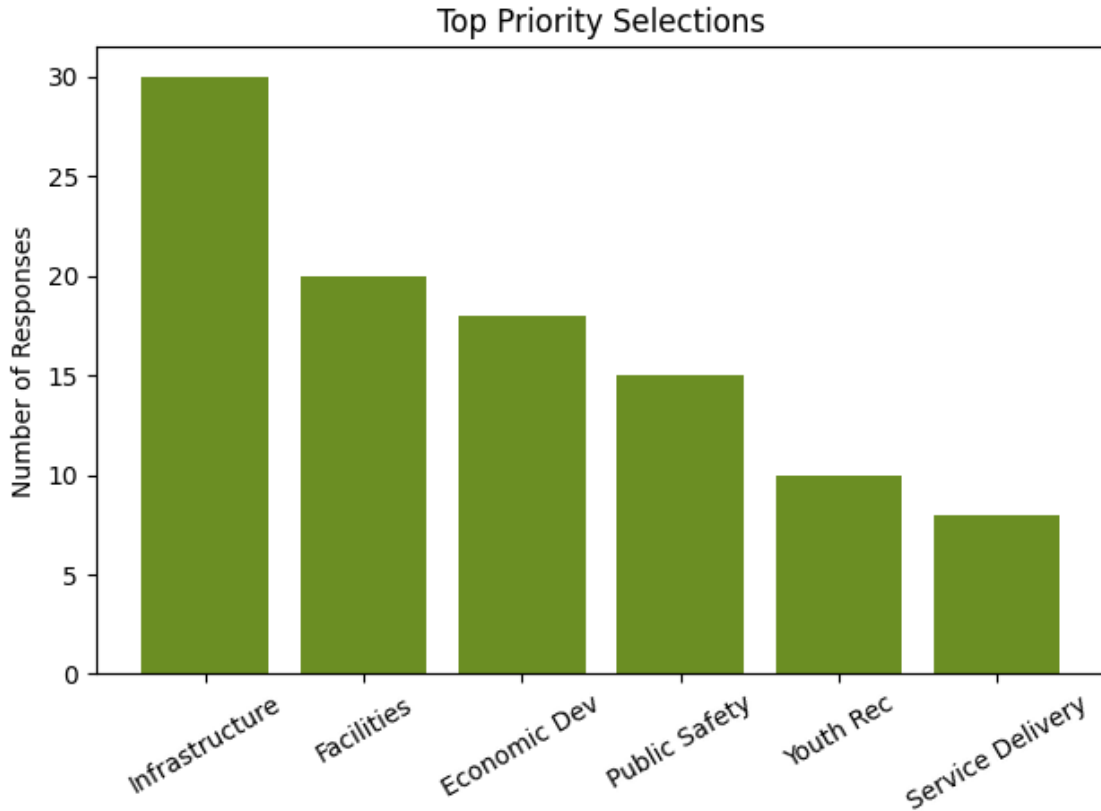
The majority of respondents report at least occasional interaction with City services, providing confidence that feedback reflects lived experiences with City operations. This level of engagement suggests that respondents are not only aware of City services but are actively encountering them in their day to day routines, whether through infrastructure use, public safety presence, or community facilities.



This distribution reinforces that the survey results are grounded in input from individuals who are directly experiencing City services, lending greater credibility to the priorities and concerns identified throughout the survey.

PRIORITY AREA FINDINGS

Survey responses indicate a clear hierarchy of priorities. Infrastructure and utilities emerged as the most consistently identified priority, selected among the top three priorities by approximately 88% of respondents (N=53), followed by economic development and tourism (87%) and city facilities and public assets (80%).

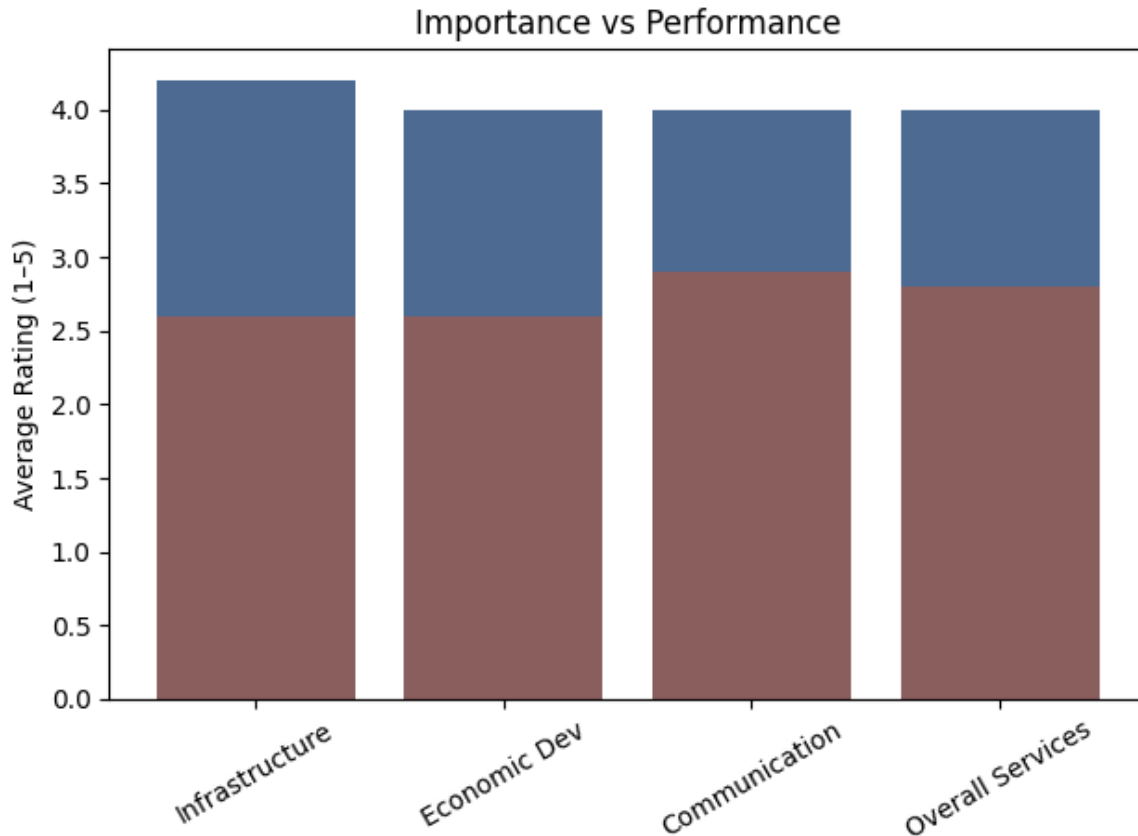


Residents are primarily focused on the physical condition of the city, including roads, drainage, sidewalks, and public spaces. Economic development also appears consistently, particularly in relation to retail opportunities, downtown revitalization, and overall economic activity.

Public safety and youth recreation, while still important, were generally ranked below infrastructure and economic concerns. Municipal service delivery was less frequently identified as a top priority, suggesting that residents are more focused on visible, tangible outcomes than administrative functions.

IMPORTANCE AND PERFORMANCE ANALYSIS

Respondents were asked to evaluate both the importance of various service areas and the City's current performance. While all categories were rated as important, a consistent gap emerged between importance and perceived performance.



The chart compares average importance ratings (blue) to current performance ratings (red) across key service areas. The visible gap between the two represents the difference between community expectations and perceived service delivery, highlighting where improvements may be most needed. The most significant gaps were identified in the following areas:

- **Infrastructure & Utilities**
 - Importance: 4.17
 - Performance: 2.60
 - **Gap: -1.57**
- **Economic Development**
 - Importance: 4.03
 - Performance: 2.62
 - **Gap: -1.41**
- **Overall Service Delivery**
 - Importance: 4.00
 - Performance: 2.80
 - **Gap: -1.20**

For context, all categories were rated above 3.9 in importance, indicating that residents view these services as critical to the City’s future. However, performance ratings generally ranged between 2.6 and 3.2, reflecting a consistent perception that current service levels are not fully meeting expectations.

This data indicates that residents are not only identifying priorities but also clearly signaling where they believe improvements are most needed. The magnitude of these gaps, particularly in infrastructure, highlights both a service delivery challenge and an opportunity to improve communication regarding ongoing efforts and progress.

COMMUNITY FEEDBACK THEMES - QUALITATIVE INSIGHTS

Open ended responses provide additional depth and reinforce the quantitative findings. While individual comments varied in specificity, a clear and consistent set of themes emerged across the dataset, reflecting residents' lived experiences and day to day interactions with City services.

Infrastructure concerns were the most frequently cited issue. Residents pointed to deteriorating road conditions, drainage challenges contributing to localized flooding, and gaps in sidewalk connectivity. These concerns were often described in specific, localized terms, underscoring their direct impact on mobility and quality of life.

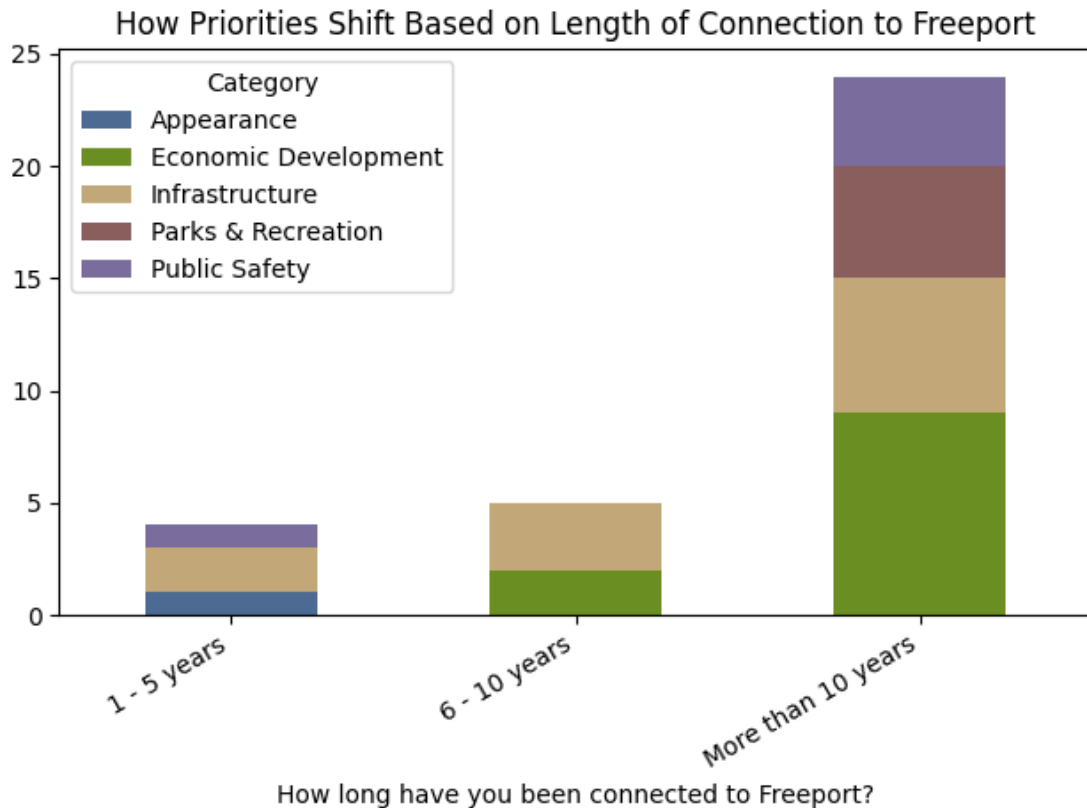
Public safety and neighborhood conditions also emerged as key themes. Respondents expressed concerns related to park safety, visibility of law enforcement, loitering, and inconsistent code enforcement. Feedback in this area frequently emphasized a desire for increased presence, consistency, and accountability in maintaining safe and orderly environments. City appearance and cleanliness were closely tied to these concerns. Residents referenced blighted properties, lack of maintenance, and overall aesthetic conditions, often linking these issues to community pride and quality of life.

Economic development feedback focused on attracting retail and dining options, supporting existing businesses, and revitalizing downtown and waterfront areas. Many respondents expressed a desire for Freeport to become a more active and attractive destination.

Additional themes included a need for enhanced parks and recreation opportunities, particularly for youth, as well as improved communication, transparency, and cohesion in local governance.

RESIDENT TENURE ANALYSIS

An analysis of responses by length of connection to Freeport provides additional insight into how perceptions and priorities vary across the community. By grouping respondents based on the duration of their connection, ranging from long-term residents to newer members of the community, the survey allows for a more targeted understanding of how expectations, satisfaction levels, and areas of concern differ based on lived experience. This distinction helps identify whether feedback reflects long standing issues or more recent trends in service delivery.



Residents with more than 10 years of connection to Freeport demonstrated the most consistent pattern in their responses. This group placed greater emphasis on:

- Public safety
- Infrastructure conditions
- Overall city appearance

These responses often reflected concern about long term trends and changes within the community, suggesting a perspective shaped by lived experience over time.

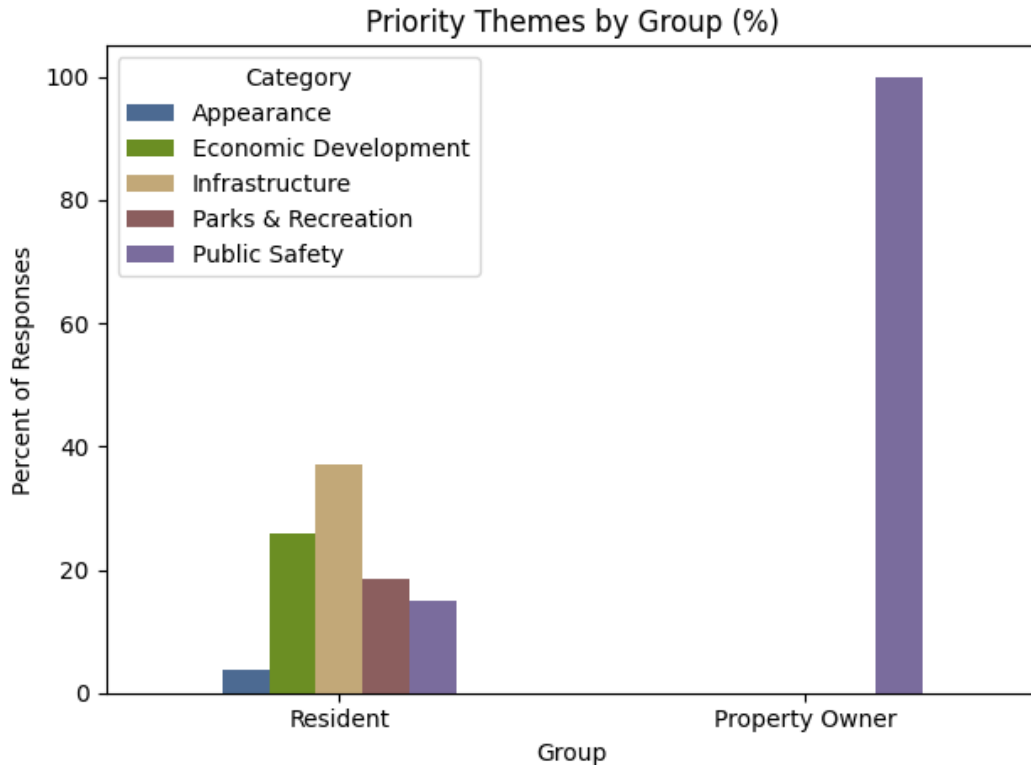
In contrast, newer residents (less than 5 years) provided more varied responses, with a broader focus on amenities, parks, and general improvements. While infrastructure remained important, their feedback was less concentrated on specific deficiencies and more oriented toward overall livability. Residents in the mid-range tenure categories (5–10 years) did not show a strong dominant pattern, indicating a more balanced or transitional perspective.

Across all tenure groups, infrastructure remained a recurring theme, reinforcing its role as a foundational priority for the City.

RESPONDENT TYPE ANALYSIS

In addition to evaluating responses based on length of connection to the community, survey results were analyzed based on how respondents identify their relationship to Freeport. This includes residents and property owners, representing the two most prominent respondent groups.

To better understand differences across these groups, responses were analyzed based on the percentage distribution of priorities within each group, allowing for a more accurate comparison of relative preferences rather than being influenced by the total number of responses in each category.



The analysis provides insight into how priorities vary across groups. However, the distribution of responses differs significantly between residents and property owners. While resident responses reflect a balanced distribution across multiple priority areas, led by infrastructure, followed by economic development, public safety, and other concerns, the property owner group shows a concentrated emphasis on public safety.

This concentration reflects a limited number of responses within that group and should be interpreted with caution. As a result, direct comparison of proportional priorities between the two groups is constrained.

Despite this limitation, the results still reinforce a broader theme observed throughout the survey: respondents are primarily focused on foundational issues, including infrastructure conditions, public safety, and overall community quality.

STRATEGIC OBSERVATIONS

The survey results provide several key insights for Council consideration. First, infrastructure is clearly the dominant community priority. This provides strong alignment between resident expectations and the City’s need to invest in core systems, including roads, drainage, and utilities.

Second, the consistent gap between importance and perceived performance highlights the need to ensure that service delivery improvements are both effective and visible. Residents must be able to see and understand progress in order for perception to align with reality.

Third, economic development, while not always the top ranked priority, appears consistently across responses and is closely tied to broader concerns about quality of life, community identity, and long term sustainability.

Finally, communication plays a critical supporting role. Improving how the City communicates progress, projects, and outcomes may help bridge the gap between service delivery and public perception.

FINANCIAL IMPLICATIONS

There is no direct fiscal impact associated with receiving this report. However, the priorities identified through this survey will inform the development of the FY 2026 – 2027 budget and may influence future allocation of resources across departments, capital projects, and strategic initiatives.

CONCLUSION

The 2026 Community Survey provides a clear and consistent picture of resident priorities and perceptions. While limited in size, the responses align across multiple data points and present a cohesive narrative regarding the City’s current challenges and opportunities.

Residents are asking for a focus on foundational infrastructure, improved public safety and city conditions, and progress toward economic vitality. These findings will serve as a critical input as Council establishes priorities and moves forward with the upcoming budget process.



City Council Agenda Item #[4.D]

Title: Consideration and possible action regarding the rescheduling of the first May 2026 meeting to May 7, 2026.

Date: April 20, 2026

From: Mayor Cain

Staff Recommendation: Staff recommends approval of rescheduling the first May 2026 meeting to Thursday, May 7, 2026.

Item Summary: This item is for consideration and possible action to change the date of the first regular meeting in May 2026 to May 7, 2026, in order to accommodate the election canvassing timeline.

Background Information:

The General Election is scheduled for May 2, 2026. In accordance with state requirements, the canvassing period will take place from May 5 through May 13, 2026. Adjusting the meeting date allows sufficient time for election-related processes to begin and ensures compliance with applicable timelines. Per the City Charter, canvassing must be conducted five (5) days after Election Day.

Special Considerations: Rescheduling the meeting to May 7, 2026, helps avoid conflicts with canvassing activities and related election procedures.

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

None



City Council Agenda Item #[4.E]

Title: Consideration and possible action on CenterPoint's Distribution Cost Recovery Factor proposed settlement.

Date: April 20, 2026

From: Christopher Duncan

Staff Recommendation: Staff recommends that City Council authorize the City Manager to notify the Texas Coalition of Cities for Utility Issues (TCUC) that the City of Freeport agrees to and will not oppose the proposed settlement in CenterPoint Energy's pending Distribution Cost Recovery Factor (DCRF) case.

Item Summary:

CenterPoint Energy has filed a request with the Public Utility Commission of Texas (PUCT) to increase distribution rates through its Distribution Cost Recovery Factor (DCRF) by approximately \$108.1 million. If approved as originally filed, the request would result in an estimated increase of approximately \$1.85 per 1,000 kWh per month for a typical residential customer. The parties involved in the case, including the Texas Coalition of Cities for Utility Issues (TCUC), have reached a proposed settlement agreement. Under the terms of the settlement:

- CenterPoint has agreed to reduce its requested increase by approximately \$6.2 million.
- CenterPoint will defer recovery of approximately \$72.3 million annually in future capital costs associated with its System Resiliency Plan (SRP).
- These deferred costs will not be included in any DCRF filing prior to July 1, 2029.

While the immediate reduction in the requested rate increase is modest, the deferral of future cost recovery provides additional ratepayer benefit by delaying impacts associated with significant capital investments.

Background Information:

The DCRF is a regulatory mechanism that allows electric utilities to recover certain distribution related capital costs between base rate cases. Recent legislative changes have significantly limited the scope of review available to municipalities and the PUCT in DCRF proceedings. Additionally, DCRF cases are subject to an expedited timeline, with the PUCT required to issue a final decision within approximately 75 days of filing. These constraints



reduce the ability of intervening parties, including municipalities, to materially alter the outcome through litigation.

TCUC, which represents participating municipalities including the City of Freeport, has evaluated the proposed settlement and determined that it represents a reasonable and balanced outcome given the statutory limitations and procedural timeline. TCUC has advised that a contested case is unlikely to yield a more favorable result. Because municipalities no longer retain original jurisdiction over DCRF cases, formal Council action is not required. However, direction from Council is being sought to ensure alignment with City policy and transparency in decision making.

Special Considerations:

- The proposed settlement reflects both a reduction in the immediate rate increase and a significant deferral of future cost recovery.
- Proceeding to a contested case carries risk of a less favorable outcome due to limited review authority and expedited timelines.
- Participation in the settlement aligns the City with the broader coalition of municipalities represented by TCUC.

Financial Impact:

The settlement will affect utility rates paid by residents and businesses. The agreement reduces the magnitude of the proposed increase and delays additional future rate impacts associated with system resiliency investments.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

None

Monthly Golf Course Report March 2026

For the month of March, we produced the highest revenue for any given month on record. This is a great sign heading into our busiest months of the year.

Our goal revenue wise was \$112,000.00 and we ended the month at \$142,523.00. This was \$20,000 higher than last March. If we can continue or grow off this month and weather cooperates, we are looking at having a profitable year. This is extremely rare for a Muni course. Especially for a course that does not have a grill and climate-controlled pavilion to rent for additional revenue.

One area we did see a big jump in revenue is membership. With the increase in green fee rates, we have seen more guests sign up as members to avoid the increased green fee and cart rates. While we did do \$20,000 more in revenue this March vs last March, the rounds played were almost even. We now have over 300 members compared to 250 last March.

As I listen to council speak on our youth as our future, I strongly agree and that is why we host the Brazosport Golf Team. We also held three high school events with one being a district tournament. To grow our local youth programs, we offer free golf to kids 14 and under. We have also partnered with Youth On Course that helps promote kids 18 and under discounted rates and memberships. We have now seen close to 700 rounds played by our local youth.

I also have heard comments that we have less than 5% of the residents playing our course, which in actuality is around 12%. That is a really strong percentage for this size community. Even better is 88% of the guests drive from out of town to play our course with groups coming to play monthly from Houston. This is a plus as they hopefully are eating locally and spending money in Freeport.

As stated in previous reports, the biggest concern is still the poor shape of the proshop, including the mold issues and electrical being a hazard and not up to code.

I have attached detailed numbers on all areas of the 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	33,000	33,000	33,000	26,000	25,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	495,000
Rec(taxable)	0	0	0	0	0	0	0	0	0	0	0	0	0
Golf Cart	10,000	9,000	9,000	7,000	8,000	13,000	13,000	12,000	13,000	12,000	12,000	12,000	130,000
Merchandise	14,000	14,000	14,000	12,000	11,000	19,000	19,000	19,000	19,000	17,000	16,000	16,000	190,000
Prep Food	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	1,500	1,500	18,000
Beer Sales	7,000	6,000	6,000	5,000	5,000	9,000	9,000	9,000	9,000	9,000	8,000	9,000	91,000
Drinks/Chips	3,500	3,500	2,500	2,500	2,500	5,000	5,000	5,000	5,000	4,500	4,500	4,500	48,000
Memberships	16,000	16,000	17,000	17,000	17,000	19,000	20,000	20,300	21,000	21,000	21,000	21,000	226,300
Total	\$84,500	\$82,500	\$82,500	\$70,500	\$69,500	\$112,000	\$118,000	\$117,300	\$119,000	\$115,500	\$113,000	\$114,000	\$1,198,300

Actual													
Category	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Green Fee	37,426	47,003	31,575	30,632	32,903	50,614							230,153
Rec(taxable)	0	0	0	0	0	0							0
Golf Cart	10,530	13,466	10,967	9,146	10,239	14,978							69,326
Merchandise	18,677	18,699	14,594	16,115	20,040	25,748							113,873
Prep Food	1,241	1,467	1,554	1,507	1,456	5,044							12,269
Beer Sales	8,297	8,576	6,791	5,945	5,950	11,036							46,595
Drinks/Chips	4,066	4,507	3,642	3,342	3,653	5,011							24,221
Memberships	21,587	25,409	21,514	23,641	22,783	29,692							144,626
Total	\$101,824	\$119,127	\$90,638	\$90,328	\$97,024	\$142,523	\$0	\$0	\$0	\$0	\$0	\$0	\$641,063

Over/Under	\$17,324	\$36,627	\$8,138	\$19,828	\$27,524	\$30,523							\$139,964
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Rounds of Golf

Month	Fy2022-2023	Fy2023-2024	Fy2024-2025	Fy2025-2026
OCT	2692	2363	2798	2885
NOV	1153	2109	2557	3434
DEC	2028	2348	2749	2637
JAN	2125	1182	1627	2681
FEB	2176	2241	2539	2809
MAR	2961	3444	3881	3887
APR	2740	3285	3680	
MAY	2776	3461	3709	
JUN	3094	3378	3276	
JUL	3393	806	4554	
AUG	2811	3266	3471	
SEP	2897	2883	3366	
				□
	30846	30766	38207	18373

Memberships

Month	FY2022-2023	FY2023-2024	FY2024-2025	FY2025-2026
OCT	194	188	198	285
NOV	184	186	202	294
DEC	186	189	210	290
JAN	174	187	210	288
FEB	178	198	234	297
MAR	195	201	251	309
APR	192	203	253	
MAY	196	211	254	
JUN	186	213	255	
JUL	162	201	286	
AUG	183	194	285	
SEP	187	205	266	

□

Revenue 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	2025-2026
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	\$ 101,824.00
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	\$ 119,127.00
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	\$ 90,638.00
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	\$ 90,328.00
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	\$ 97,024.00
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	\$ 142,523.00
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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 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	\$ 134,135.00	\$ 134,135.00
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	\$ 1,229,983.11	\$ 641,464.00



MONTHLY OPERATING REPORT

**Freeport, Texas | Water & Wastewater Operations
March 2026**

Prepared by Veolia



TABLE OF CONTENTS

- 1. Plant Operations**
 - ***Wastewater Treatment***
 - ***Purchased Water***
- 2. Maintenance**
- 3. Collection & Distribution**
- 4. Meter Reading**
- 5. Health & Safety**

PLANT OPERATIONS

Section 1

WASTEWATER TREATMENT



EXECUTIVE SUMMARY

The City of Freeport Wastewater Treatment Plant



1.053
Average
MGD



32.655
Total Million
Gallons Treated



1.8
Total Inches
of Rain

The City of Freeport Slaughter Road Wastewater Treatment Plant



0.0068
Average
MGD



0.211
Total Million
Gallons Treated



1.6
Total Inches
of Rain

Monthly Work Activities Summary

Parameter	March 2026	Year to Date
Recordable Accidents	0	0
Lost Time Accidents	0	0
Restricted Duty Days	0	0

Plant Operations

Plant Operational Progress Report:

This month, there were no maintenance projects, no permit violations, and no customer service calls. Two sanitary sewer overflow (SSO) were recorded, while there were no wastewater or manhole repairs required. Overall, operations remained stable and in compliance.

Wastewater Treatment Plant: Operations Summary

Licensed Operators:

- Jerry Meeks, Jr. - Class B Wastewater
- Isaac Opfer - Class C Wastewater

Compliance

City of Freeport Wastewater Treatment Plant

The City of Freeport WWTP had no permit exceedance during the month, the average effluent concentrations of TSS/BOD are 4.58/6.39 mg/L respectively. Enterococci results were average for the month with a geometric mean of 20.5 MPN. The average D.O. was 7.92 mg/L and the average chlorine reading was 1.55 mg/L.

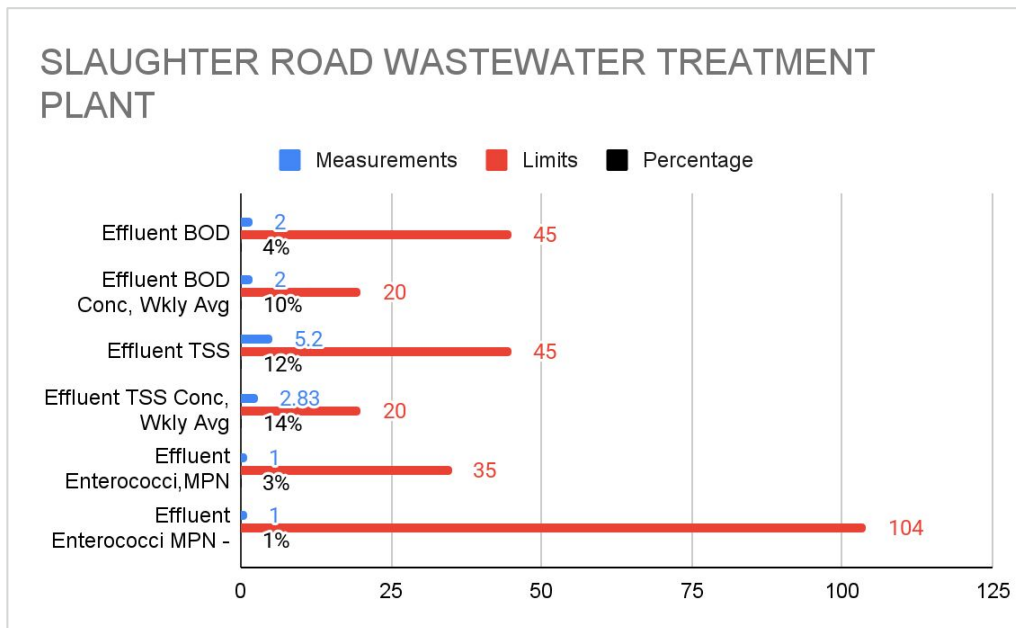
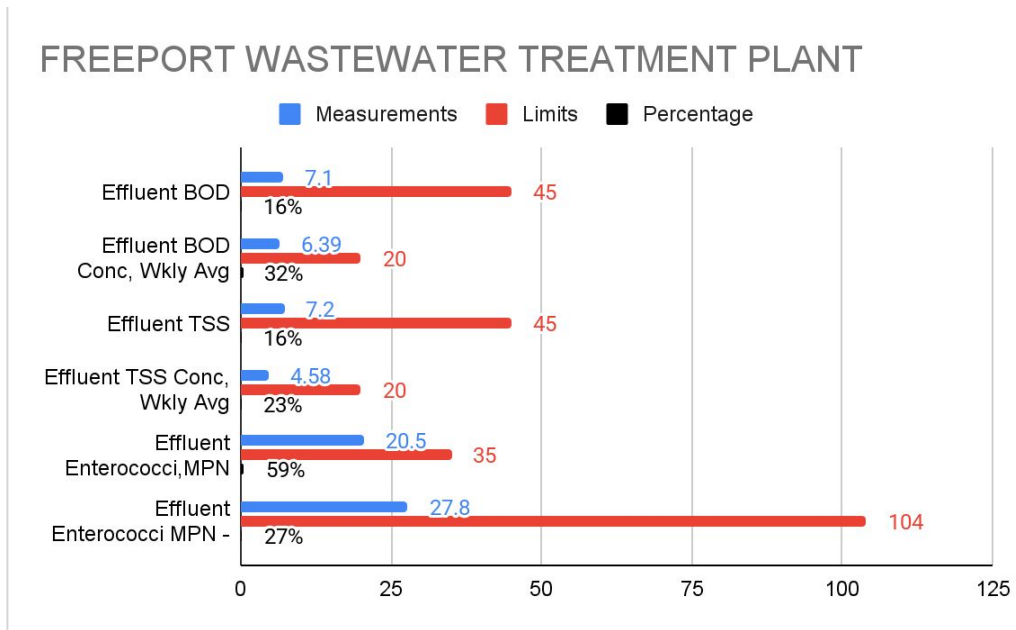
Slaughter Road Wastewater Treatment Plant

The City of Freeport - Slaughter Road WWTP had no permit exceedance during the month, the average effluent concentrations of TSS/BOD are 2.83/<2.00 mg/L respectively. Enterococci results were average for the month with a geometric mean of <1.0 MPN. The average D.O. was 6.09 mg/L and the average chlorine reading was 1.19 mg/L.

Summary

To ensure continued compliance with permit limits and to protect effluent quality, Veolia has been focused on key process control measures. These practices are essential for reliable treatment performance and will remain priorities moving forward:

- Regularly removing excess sludge, 13.06 tons, to maintain optimal biological treatment and prevent process upsets.
- Monitoring and controlling dissolved oxygen levels to ensure effective treatment performance and high effluent quality.
- Managing clarifier sludge blankets at lower levels, **average 2.75 feet**, in the package plant to reduce the risk of solids carryover and maintain consistent operations.
- Maintaining proper chlorine residuals to achieve effective disinfection, safeguard public health, and reduce pathogen levels in the receiving environment.
- Continuing these proactive measures to keep the facility in compliance while planning future process optimizations to further enhance treatment efficiency and reliability.



OPERATIONS

Section 1

PURCHASED WATER



EXECUTIVE SUMMARY

The City of Freeport Water Usage



1.728
Average
MGD



53.56
Total Million
Gallons Used



1.8
Total Inches
of Rain

The City of Freeport - Slaughter Road Water Usage



0.019
Average
MGD



0.598
Total Million
Gallons Used



1.6
Total Inches
of Rain

Monthly Work Activities Summary		
Parameter	March 2026	Year to Date
Recordable Accidents	0	0
Lost Time Accidents	0	0
Restricted Duty Days	0	0

Compliance

Licensed Operators:

- Edmund Ruiz, Jr. - Class C Groundwater
- Jerry Meeks, Jr. - Class C Groundwater
- Keith LaRue - Class C Groundwater

City of Freeport Water Production

City of Freeport water distribution had no permit exceedance during the month, the average chlorine residual was 2.66 mg/L.

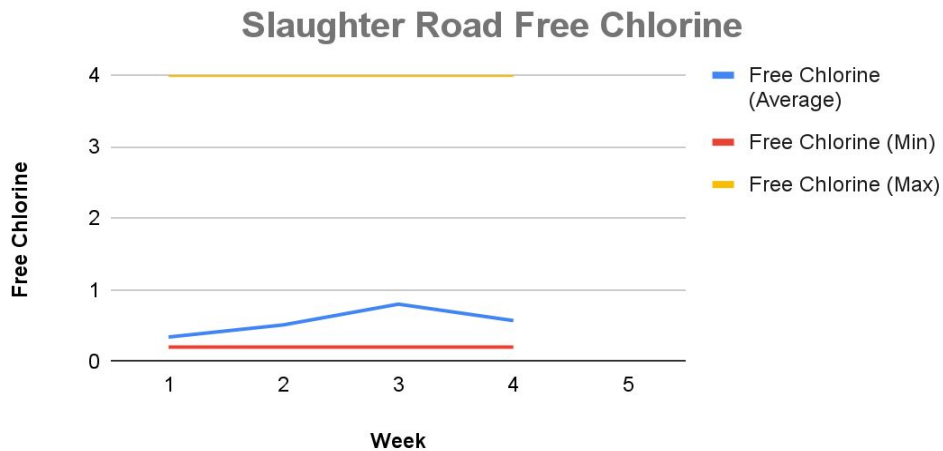
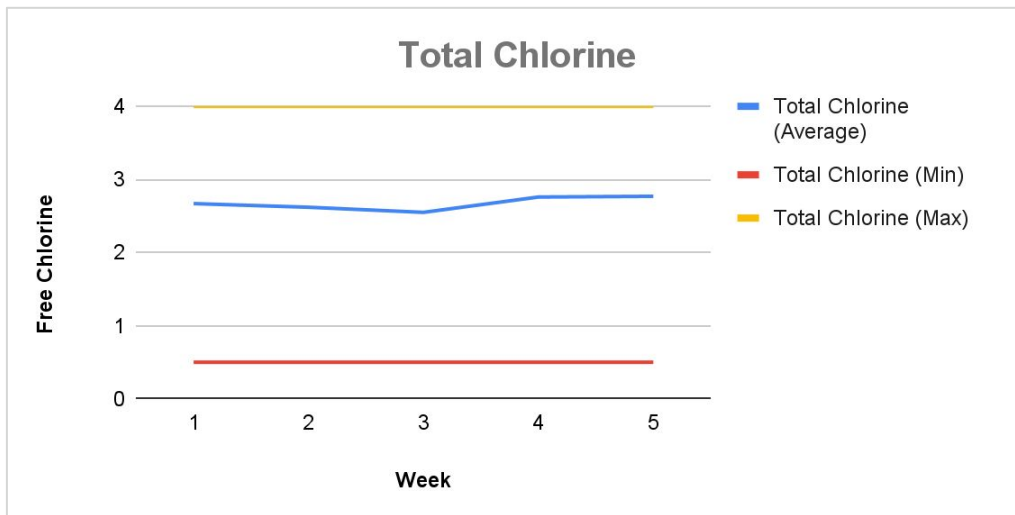
City of Freeport Slaughter Road Water Production

City of Freeport water distribution had no permit exceedance during the month, the average chlorine residual was 0.55 mg/L.

Summary

To maintain regulatory compliance and ensure reliable distribution system performance, routine practices are carried out each month. These measures help prevent water quality degradation and support compliance with state and federal drinking water standards:

- Conducting monthly flushing of dead-end lines and fire hydrants to improve circulation, remove stagnant water, and maintain water quality throughout the city.



MAINTENANCE

Section 2



Maintenance

The maintenance team completed 10 corrective maintenance and 235 preventive maintenance work orders.

Wastewater Treatment Plant

Preventative and Corrective Work Orders can be provided at a later date.

EQUIPMENT STATUS LEGEND	
Green	Online
Yellow	Work In Progress
Red	Offline
Purple	Not Present

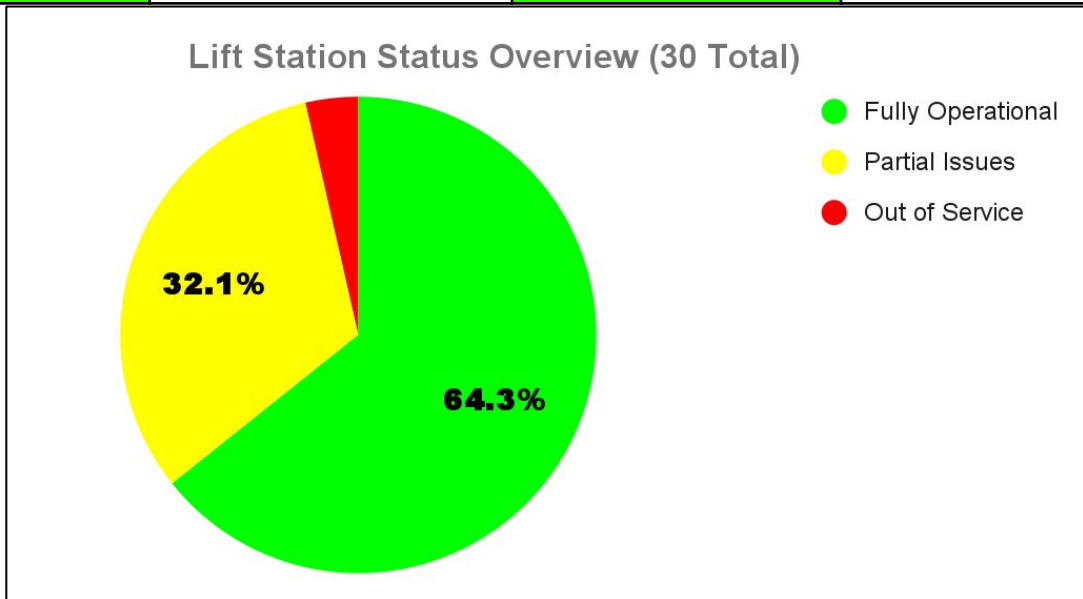
City of Freeport Wastewater Treatment Plant:

Current Equipment Status

EQUIPMENT	STATUS NOTES
Package Plant - 1.58 MGD (70%)	
Package Plant Clarifier Drive	In operation
Helisieve (Headworks)	In operation
Package Plant Blower #1	In operation
Package Plant Blower #2	In operation
Package Plant Blower #3	In operation
Package Plant Blower #4	In operation
Package Plant Blower #5	In operation
Trickling Filter Plant - 0.68 MGD (30%)	
Primary Clarifier	Not in operation - Clarifier arms broke in the basin and caused unit to go down
Secondary Clarifier	Not in operation - Not in operation due to primary clarifier being down
Trickling Filter	Not in operation - Distribution arms are in need of replacement
Digester	
Digester Aerator West	In operation
Digester Aerator North	In operation
Digester Aerator East	Needs to be replaced - Aerator motor is in hand.
Digester VFD North	In operation
Digester VFD East	In operation
Digester VFD West	In operation
Chemical Feed Systems	
Chlorine Feed System	In operation
SO2 Feed System	Not in operation - Hurricane Beryl took out the feed system; we are feeding sodium bisulfite in place of SO2

City of Freeport WWTP Lift Stations: Current Equipment Status

EQUIPMENT	STATUS NOTES	EQUIPMENT	STATUS NOTES
Lift Stations		Lift Stations (Cont'd)	
Kelly Lane (2 Pumps)	Pump #2 is out; needs to be replaced	Lift Station #15 (3 Pumps)	
Lift Station #1 (2 Pumps)	Pump #1 needs electrical work and bypass is installed for backup.	Lift Station #16 (2 Pumps)	
Lift Station #2 (2 Pumps)	Not in operation; not in use	Lift Station #17 (1 Pump)	
Lift Station #3 (2 Pumps)		Lift Station #18 (2 Pumps)	
Lift Station #4 (2 Pumps)		Lift Station #19 (2 Pumps)	
Lift Station #5 (2 Pumps)		Lift Station #20 (2 Pumps)	One pump is down for maintenance.
Lift Station #6 (2 Pumps)		Lift Station #21 (2 Pumps)	
Lift Station #7 (6 & 1 Bypass)	Pump #4 is on hand, awaiting call back from Hahn for guide rails to be installed.	Lift Station #22 (2 Pumps)	Pump #2 out; discharge line is being rebuilt and pump is being replaced
Lift Station #8 (2 Pumps)		Lift Station #23 (2 Pumps)	Pump #2 out; discharge line is being rebuilt and pump is being replaced
Lift Station #9 (2 Pumps)		Lift Station #24 (2 Pumps)	Pump #1 out; discharge line is being rebuilt and pump is being replaced
Lift Station #10 (2 Pumps)		Lift Station #25 (2 Pumps)	
Lift Station #11 (2 Pumps)		Lift Station #27 (2 Pumps)	Running on bypass
Lift Station #12 (2 Pumps)		Lift Station #28 (2 Pumps)	Pump #1 out; discharge line is being rebuilt and pump is being replaced
Lift Station #13 (2 Pumps)		Lift Station #29 (2 Pumps)	
Lift Station #14 (2 Pumps)		Williams Diesel (1 Pumps)	



City of Freeport Water Distribution: Current Equipment Status

EQUIPMENT	STATUS NOTES
Water Pump Station	
W. 8th St. (3 Pumps)	All pumps are operational.
S. Ave F (3 Pumps)	Pump #3 needs to be replaced; ongoing City capital project

City of Freeport - Slaughter Road Water Distribution: Current Equipment Status

EQUIPMENT	STATUS NOTES
Groundwater Plant	
Plant (2 Pumps)	Both pumps are operational.

COLLECTION & DISTRIBUTION

Section 3



Collection (Wastewater): Operations Summary

Highlights

The team successfully managed collections and treatment operations with no permit violations or non-standard conditions. Two sanitary sewer overflows were recorded, while customer service calls, wastewater repairs, and manhole repairs remained at zero. Preventive maintenance remained a priority, with 235 work orders completed alongside 10 corrective work orders, and all 29 pump stations were routinely monitored and maintained as scheduled.

Task Summary

- Routine maintenance, including jetting lines and manholes.
- The Collection team cleaned a total of **12,847 feet** of sewer line this year.
- These efforts help maintain system capacity, reduce the risk of blockages, and support reliable wastewater service for the community.

Distribution (Water): Operations Summary

Staff Highlights

- The entire team successfully completed this month's Veolia University safety and operational training, reinforcing our commitment to safe, efficient, and reliable operations.

Operational Wins

- The new package plant is in full operation, and doing great.

Task Summary

- The Water Distribution team focused on system reliability through valve exercising, fire hydrant flushing, and dead-end flushing.
- In total, 19 hydrants and 6 dead ends were flushed, helping maintain water quality, ensure fire protection readiness, and improve overall system performance. Log can be provided upon request.
- The team also performed multiple distribution system repairs to address leaks and maintain reliable water service.

METER READING

Section 4



Meter Reading

Operations Summary

Operational Wins

- The Meter Reading team has been focused on core responsibilities, including rereads, connects, and disconnects. These efforts help keep services running smoothly for customers and ensure the system operates reliably. Moving forward, the team will continue to take a proactive approach to maintain efficiency and consistency.

Water Distribution System Operations & Maintenance	
New Connects	32
Reconnects	9
Disconnects	47
Off for Non-payment	
Off & Lock	44
Rereads	30
Repaired water leaks on City Lines	5
Customer Leaks	5
Replaced Meters	2
Pulled Meters	1
Line Locates	2
New Water Taps	
Hung Tags	
Replaced Service Lines	
Replaced Water Meter Valves	
Water Received From BWA	53.56 MG
Hydrants Flushed	19
Chlorine Residual mg/L (Low, High, Average)	1.99 / 3.50 / 2.66

HEALTH & SAFETY

Section 5



Health & Safety

Monthly Summary

- Daily tailgate safety talks continued across all departments, focusing on seasonal hazards (e.g., heat stress, confined space, and traffic safety).
- Ongoing emphasis on PPE compliance, situational awareness, and incident prevention.
- In addition to the daily Toolbox Meetings that reinforce safety awareness and support a culture of continuous improvement, the team also participates in monthly Flash Training sessions. These focused topics provide timely guidance on seasonal tasks and encourage discussion and hands-on activities to strengthen safe, effective work practices (see topics on the following pages).

Safety Milestone

- On March 11, 2026, the team proudly reached **21 years without a recordable incident**, a testament to our strong safety culture and commitment to protecting one another every day.
- March 2026 marks 253 consecutive months with no recordable incidents!



LIFE SAVING RULES

Before starting a task, I always perform a mental safety assessment and stop if it's unsafe.



TRAFFIC MANAGEMENT

I stay out of the path of moving vehicles or energised equipment.



TRAFFIC MANAGEMENT

I always drive free from drugs and alcohol. I fasten my seat belt and I do not handle any communication device when driving.



TRAFFIC MANAGEMENT

I signal, slow down and check surroundings, before turning and reversing.



WORK AT HEIGHT

I keep my harness attached at all times when working at height and I protect others from falling objects.



EXCAVATION & TRENCHING

I enter excavations or trenches only if they are protected against collapse.



CONFINED SPACES

I test the atmosphere and always have an attendant outside before entering & while working in a confined space.



CONTROL OF HAZARDOUS ENERGY

I lock, tag and ensure zero state (mechanical, chemical, electrical, hydraulic, etc...) before any operation.



ELECTRICITY

I identify electricity networks and check that electrical equipment or circuits are de-energized/isolated before any operation.



HOT WORKS

I perform hot work only if the fire and explosion risks have been eliminated.



LIFTING OPERATIONS

I never work or walk under suspended loads.



HAZARDOUS MATERIALS

I only handle hazardous material if I understand the hazards and apply proper control measures.



HIGH PRESSURE WATER, HYDROBLASTING, JETTING

I ensure the integrity and compatibility of all equipment for the pressure used, and verify the operation of the emergency stop.



CITY OF FREEPORT
FREEPORT FIRE & EMS DEPARTMENT

131 East 4th Street
Freeport, Texas 77541
Phone (979) 233-2111
Fax (979) 233-4103

Christopher Motley
Chief / EMC

Mike Praslicka
EMS Coordinator

To: Dr. Danielle Kelly, City Manager

From: Christopher D. Motley, Fire Chief

Date: April 20, 2026

Re: February 2026

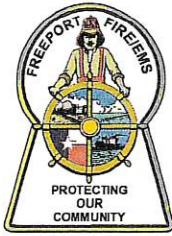
Response alarms: Fire - 11
 EMS - 186
 Total - 197

Significant Events: Air Ambulance transport: 3
 Mutual Aid Request: EMS response: 6 FIRE 0
 Mutual aid given to other cities to cover EMS response: 2 FIRE 1
 Two EMS units working calls at the same time: 42
 Three working EMS alarms: 7
 Four working EMS alarms: 0
 Five working EMS alarms: 0
 Transport rate: 66%

Infrastructure:

- Station #1: HAVC system replaced units in November and still not properly functioning. I requested immediate attention from City maintenance. The system did not properly operate through the hard freeze including upstairs HVAC system and engine bay gas heaters.
 - The upstairs air conditioners have been repaired and operating. Worked performed by outside licensed HVAC vendor.
Update: As of today, HVAC system is running. A compressor is being replaced under warranty. After replacement an oiler trap will be installed in line to prevent the compressor failure.
 - The new air conditioners for downstairs are being inspected and investigated for not cooling or not operating properly.
Update: The HVAC air flow unit has been replaced with the correct unit. The air flow is pulling from the return air and flowing to the discharge of the room. Prior it was reverse flow with the purchase of the wrong unit.
 - At the request of staff, Fire Station #1 scheduled a mold and moisture analysis of the building. The analysis was complete with a protocol report. This report has been reviewed by third party and corrective action is addressing the HVAC systems.
Update: Temperature and Humidity monitors have been placed in the building to check the HVAC performance.

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facebook.com/FreeportFire
fire@freeport.tx.us



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Christopher Motley
Chief / EMC

Mike Praslicka
EMS Coordinator

-
- Station #2: Emergency generator is installed pending CenterPoint natural gas installation.
 - Station #2 Fire Marshal is addressing the fire protection sprinkler system and fire alarm to receive a certificate of occupancy.
 - Old Station #2: Soffit and fascia have been removed from building. Installation will be performed by city maintenance department to reinstall the fascia board. PW no-action
 - Ambulance 906: (New Ambulance) OOS pending parts from manufacture and Yaklin over engine/alternator pulley system.
 - Ambulance 907: (Old Ambulance) Returned back to service. Unit placed on front line to respond to calls. Rear A/C unit pending repair.
 - Ambulance 908 (New Ambulance) In service pending tire replacement.
 - Ambulance 909: (Old Ambulance) In service first out. This ambulance has a history of electrical issues after an accidental discharge of a fire extinguisher.

Emergency Management:

- Recovery: Finance is working with FEMA representatives for reimbursement.

Grants:

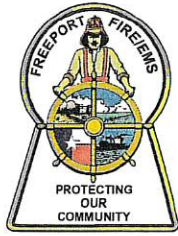
FEMA AFG program has been suspended due to Congressional Funding of Homeland Security.

- FEMA AFG – SCBA grant. February '26 contact SCBA vendors to quote.
- FEMA AFG – S.A.F.E.R. grant. February '26 schedule FEMA webinar on this grant. This webinar was canceled by the FEMA due to government shut down.
- FEMA AFG – RADIO grant. Completed close out documentation pending FEMA acceptance In progress.
- FEMA AFG – TRAINING grant. Completed close out documentation pending FEMA acceptance

Personnel: Staffing

- Fire Fighter Vacancy: Zero. The two vacancies in February have been filled.
- Fire Fighter Vacancy: S.A.F.E.R. 3 positions. Three offers of employment have been made pending certification and completion of backgrounds.
- Fire Fighter Vacancy: Two (Part-time)
- EMS Vacancy: One (Part-time).
- Employee of the Month: No nomination this month

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Chief / EMC

Mike Praslicka
EMS Coordinator

Education/Fire/EMS Clinicals

- Brazosport College Five EMT students
- BISD High School Students every Tuesday and Thursday.

Training/Drills/Table Top Exercise

- TEEX FLNG training Four Firefighters

Public relations

- Brazoria County Firefighters Association Fire Commission
- Brazoria County City Association meeting
- Easter Egg Extravaganza
- Memorial Child Care: Read to a Child



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Christopher Motley
Chief / EMC

Mike Praslicka
Deputy Chief

Paul Pennington
Fire Marshal

Freeport Fire & EMS Department

Fire Marshal Monthly Report

Month: March 2026

Prepared by: Paul Pennington Fire Marshal

Summary Overview

- Total Inspections Conducted: 19
- Re-inspections: 10
- Fire Investigations: 3
- Oil Spill sunken vessel: 1
- Plan Reviews: 10
- Permits: 2
- Meetings: 9
- Public Relations: 4

Fire Investigations

- 905 N Ave J- apartment fire
- 706 W. 8th- Electrical pole fire
- 1601 TX-332-Pier 30 fire on wood dec

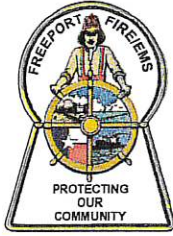
Plan Review & Permitting

- Fireworks permits application and reviews
- Grand Marocco tour vessel at Port of Freeport
- Fireworks permit application-Museum
- Fireworks permit application- 420 Old Brazos

Public Education

- Freeport Intermediate Walkthrough
- Knox Box program (BISD)- Checking Knox box for keys

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Deputy Chief

Paul Pennington
Fire Marshal

Emergency Management / Special Operations

- Bryan Mound EOC coordination and prep
- Bryan Beach safety check- Weekly

Training & Professional Development

- TEEX Freeport-LNG Fire School- College Station-week class
- IAAI Arson Conference – San Marcos-Week class



PUBLIC WORKS MONTHLY REPORT

Date: March 2026

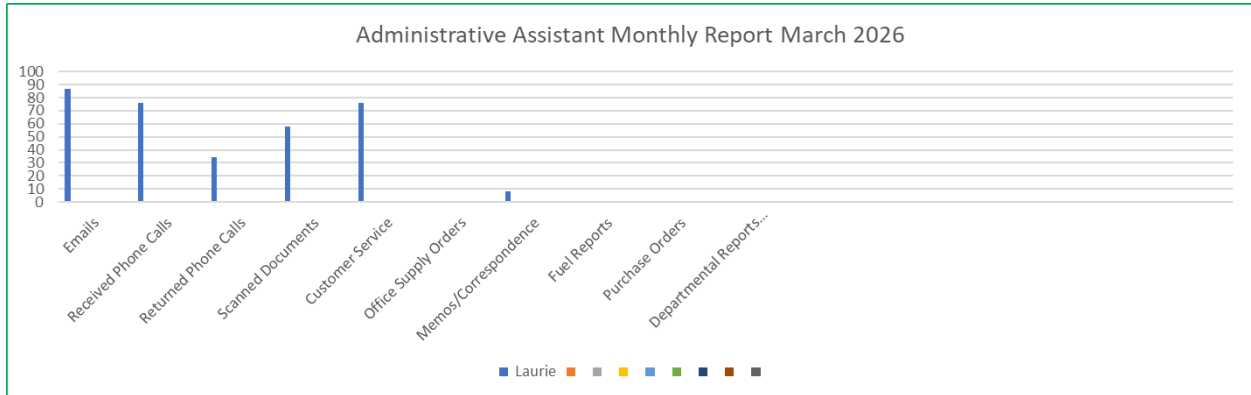
From: John Perez, Interim Director of Public Works

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

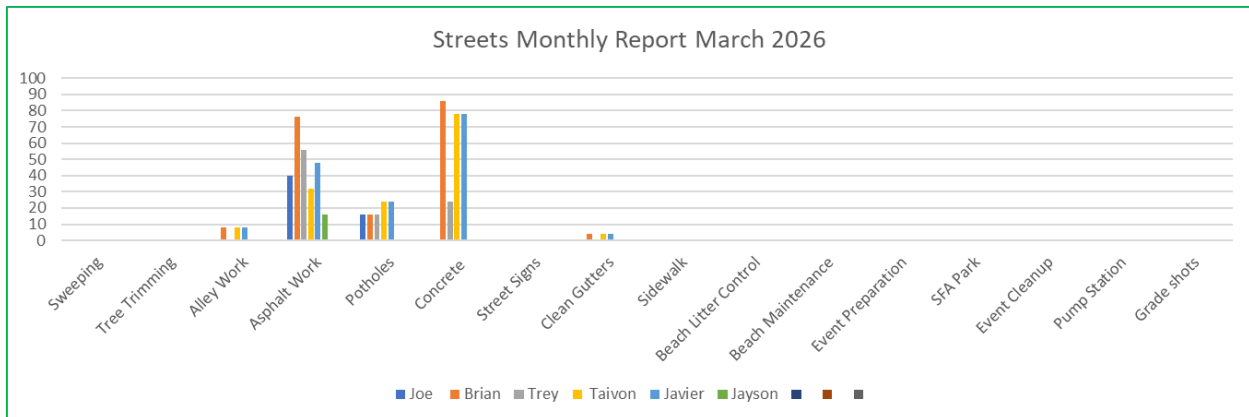


Streets Division:

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

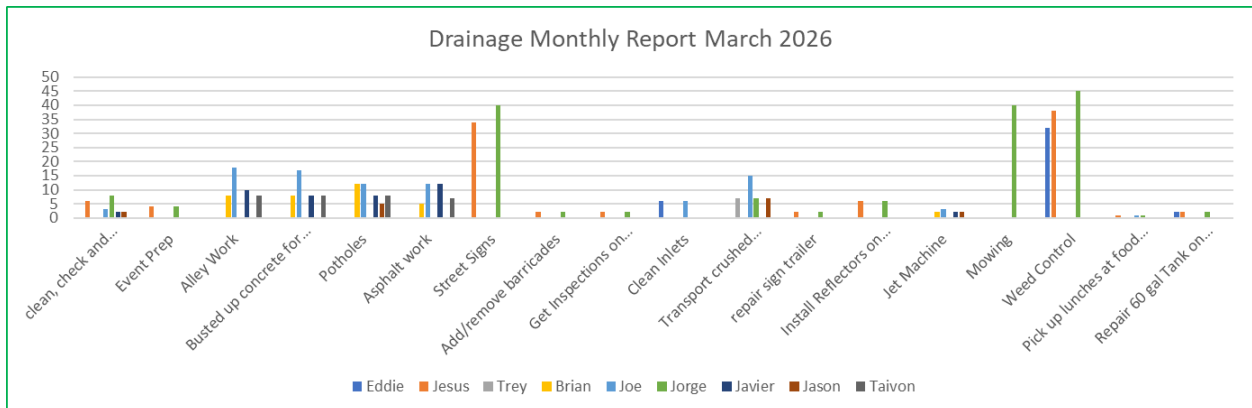


Drainage Division:

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:

- Sign replacement
- Mowing drainage areas
- Culvert installation
- Clean culverts

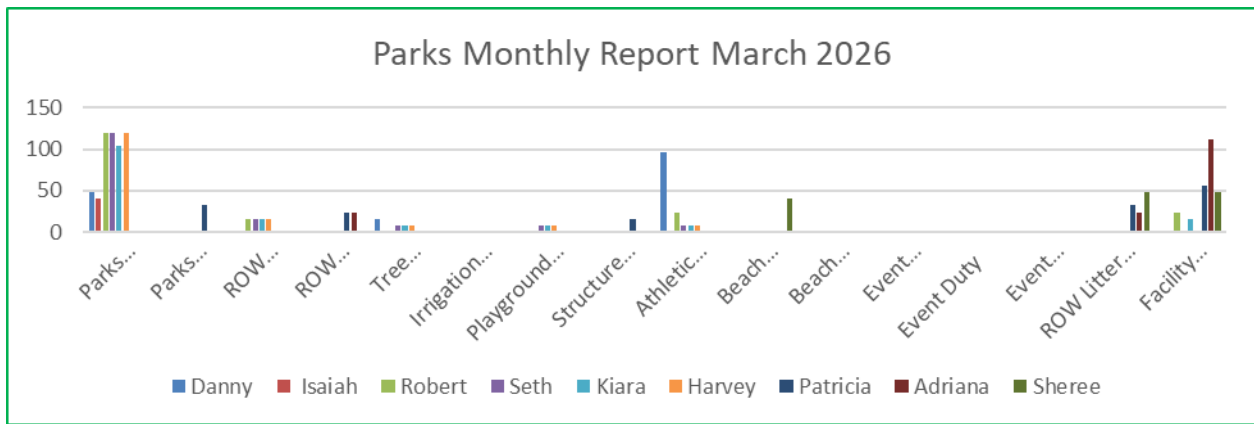


Parks Division:

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
- Cleaning Facilities
- Above average rental set ups and tear downs

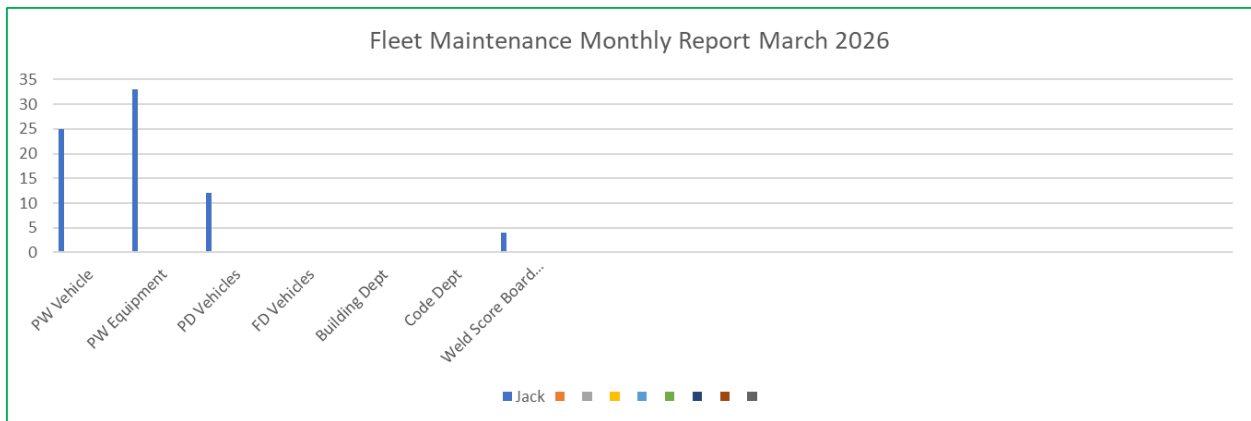


Fleet Division:

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

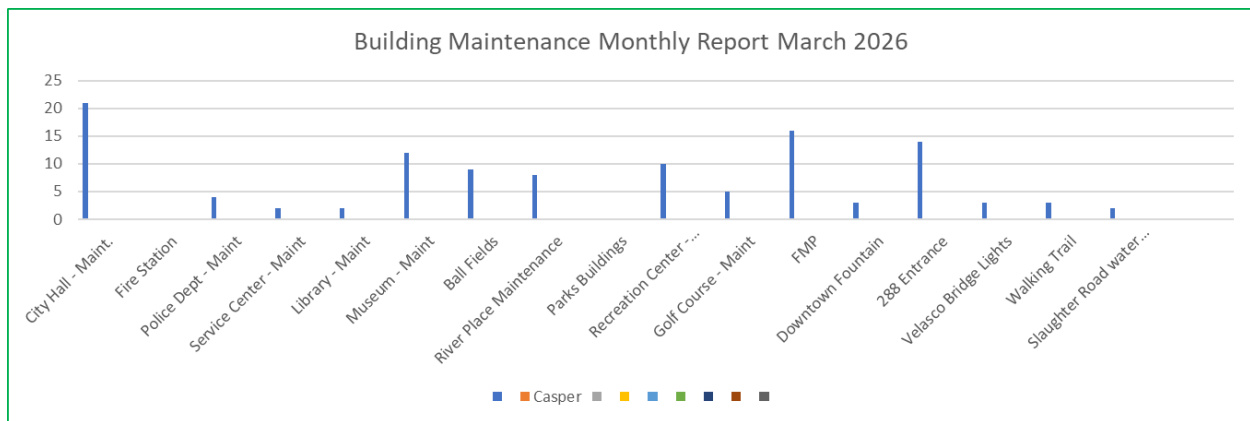


Building Maintenance Division:

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:

- Upkeep on Multiple Buildings
- Museum Maintenance



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.

March 2026

Program & Staff Updates

Staffing

- The division remains fully staffed.

Zumba

- **Instructor:** 1
- **Class Schedule:**
 - Mondays: 8:30–9:30 a.m.
 - Fridays: 6:00–7:00 p.m.

HIIT Fitness Class

- **Instructor:** 1
- **Class Schedule:**
 - Tuesdays: 9:00–10:00 a.m.
 - Thursdays: 5:30- 6:30 p.m.



Mat Pilates

- Instructor: 1
- Class Schedule:
 - Tuesdays: 5:30- 6:30 p.m.
 - Fridays: 9:00–10:00 a.m.

Silver Sneakers

- continues to support senior fitness programming.

Events Summary

Held in March

- **Watercolor Workshop: March 6th @ 12:00–3:00 p.m.**
- **Easter Eggstravaganza: March 28th @ 9:00 a.m.**

Upcoming Events

- **RiverFest: April 24 & 25**
- **Glow Zumba: April 29th @ 8:30 a.m.**



Social Media Engagement

Freeport Recreation Page

2025	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
People follow The Freeport Recreation page	4236	4238	4251	4273	4294	4331	4348	4353	4380	4410	4442	4472
2026	Jan	Feb	March									
People follow The Freeport Recreation page	4522	4579	4693									

The Freeport Recreation Facebook page continues to show steady growth, increasing from 4,472 followers in December 2025 to 46,93 followers in March 2026.

Revenue Report

Membership Revenue

Adult: \$375

Senior: \$3

Student: \$156

Total Membership Revenue: \$534



Membership Check- Ins

Membership Type	Check-Ins
Individual	33
Senior	21
Family	3
Senior Family	2

Facility Usage Summary

	Amount
Non-Profit Sports Field Hours	37.5 hrs
Paid Sports Field Rentals	0
Paid Facility Rentals (RiverPlace, VCH, FMP, Gazebos)	11





LET'S CELEBRATE INTERNATIONAL DANCE DAY WITH

GLOW ZUMBA

This session will be lit with black lights and neon lighting. Glow sticks will be provided! Wear neon or white to glow under the lights while you dance through a full Zumba workout. All fitness levels are welcome!

APRIL 29TH AT 8:30 AM

FREEPORT RECREATION CENTER
803 MYSTERY HARBOR LN
FREEPORT, TX 77541



www.freeport.tx.us

The City of
FREEPORT



APRIL 24 & APRIL 25

FREEPORT MUNICIPAL PARK

Petting Zoo

Cornhole Tournament

Photo Booth

Face Painting

Vendors

Car & Jeep Show

Water Slides

Trackless Train

BBQ Cookoff

LIVE BAND PERFORMANCES

FRIDAY

Los Aviadores Del Sur

Los Morales

SATURDAY

Kate Watson

Cole Phillips



www.freeport.tx.us





FREEPORT POLICE DEPARTMENT

430 N. Brazosport Blvd • Freeport, TX 77541 • 979.239.1211 • Fax 979.239.2075

MARCH 2026 REPORT

I. CALLS FOR SERVICE

2091 Zuercher Records Management System (RMS) reports to follow.

II. INCIDENTS

133 cases were reported for the month.

Zuercher Records Management System (RMS) reports to follow.

III. TRAFFIC CONTACTS

678 traffic stops were reported for the month.

Zuercher Records Management System (RMS) reports to follow.

IV. ANIMAL CONTROL

103 animal control calls reported for the month.

V. CODE ENFORCEMENT

90 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).

- 155 Various training during the month for the department personnel.

VII. COMMUNITY EVENTS

The following are upcoming events:

- April 24th – 25th Riverfest

VIII. COMPLAINTS and COMPLIMENTS

Complaint over officer's response not being professional.

Complaint over animal control response; explained the law limitations.

IX. STAFFING

DISPATCHERS:

We are full staff.

JAILERS:

We are full staff.

ACOS:

We are full staff.



CODE ENFORCEMENT:

We have a Health/Code Officer and a Code Supervisor positions open.

CROSSING GUARDS:

We are full staff.

POLICE OFFICERS:

We have 4 patrol openings. We have 2 conditional job offers and are processing backgrounds at this time.

PROMOTIONS:

Nathan Curtis was promoted to Sergeant from the Code Supervisor position.

SPECIAL ANNOUNCEMENTS:

None.

Freeport Police Department

Monthly Call For Service CC

Printed on April 13, 2026

Description	Totals	
911 CALL	54	54
911 HANG UP	13	13
ABANDONED VEHICLE	4	4
ALARM - BUSINESS	17	17
ALARM - MEDICAL	2	2
ALARM - RESIDENTIAL	4	4
AMBULANCE CALL - FREEPORT	164	164
AMBULANCE CALL - OYSTER CREEK	12	12
AMBULANCE CALL - SURFSIDE	42	42
ANIMAL CONTROL - GENERAL	103	103
ASSAULT	4	4
ATTEMPT TO SERVE - WARRANT	7	7
AUTO THEFT	3	3
BAR CHECK	10	10
BEACH PATROL	3	3
BROADCAST	16	16
BURGLARY - BUILDING	1	1
BURGLARY - HABITATION	1	1
BURGLARY - MOTOR VEHICLE	1	1
CAPIAS PRO FINE	1	1
CHECKED OUT	2	2
CITY ORDINANCE VIOLATION	4	4
CIVIL MATTER	14	14
CIVIL STANDBY	8	8
CLERK CHECK	91	91
CLOSE PATROLLING AREA	244	244
CLOSE PATROL REQUEST	3	3
CODE ENFORCEMENT	86	86
COMMERCIAL VEHICLE ENFORCEMENT	2	2
COURTESY TRANSPORT	5	5
COURT VIDEO REVIEW	1	1
CPS RELATED INVESTIGATION	9	9
CRASH - HIT & RUN	5	5
CRASH - MAJOR	4	4
CRASH - MINOR	15	15
CRIMINAL MISCHIEF	1	1
CRIMINAL TRESPASSING	11	11
DEBRIS IN ROADWAY	4	4
DISCHARGE FIREARM	4	4
DISTURBANCE PHYSICAL	17	17
DISTURBANCE VERBAL	25	25
DISTURBANCE WEAPONS	1	1

Description	Totals	
Duplicate Call	3	3
FIRE - ALARM	5	5
FIRE CALL	9	9
FLAGGED DOWN	10	10
FOLLOW UP	26	26
FOUND PROPERTY	2	2
FRAUD	7	7
GAS/CHEMICAL RELEASE	1	1
HARASSMENT	3	3
HOSPICE DEATH	1	1
INCIDENT REPORT	7	7
INSPECTION	1	1
JAIL INSPECTION	15	15
JUVENILE COMPLAINTS	9	9
LOST ARTICLE/PROPERTY	2	2
MENTAL HEALTH CALL/REFERAL	8	8
MISCELLANEOUS	36	36
MISSING PERSON	3	3
MOTORIST ASSIST	8	8
NARCOTICS COMPLAINT	1	1
NOISE COMPLAINT	32	32
OPEN DOOR/WINDOW	1	1
OTHER AGENCY ASSIST	14	14
PARKING VIOLATION	1	1
PRISONER TRANSPORT	10	10
PUBLIC INTOXICATION	1	1
RECKLESS DRIVER	23	23
REPORT DROPPED IN ERROR	4	4
REPOSESSION VEHICLE	16	16
RUNAWAY	3	3
SEXUAL OFFENSE	1	1
SPEAK WITH OFFICER	59	59
SPECIAL ASSIGNMENT	3	3
SPECIAL WATCH	1	1
SUBJECT CONTACT	44	44
SUSPICIOUS CIRCUMSTANCE	45	45
SUSPICIOUS NOISE	3	3
SUSPICIOUS SUBJECT	22	22
SUSPICIOUS VEHICLE	29	29
SWAT	1	1
TERRORISTIC THREATS	4	4
THEFT	7	7
TOWED VEHICLE	3	3
TRAFFIC COMPLAINT	13	13
TRAFFIC CONTROL	1	1
TRAFFIC STOP	493	493

Description	Totals	
UNAUTH USE OF A VEHICLE	2	2
UNWANTED SUBJECT	31	31
WARRANT CLASS B OR ABOVE	3	3
WARRANT MUNICIPAL	2	2
WATER / STREET DEPT CALLOUT	3	3
WELFARE CONCERN	17	17
	24	24
Totals	2091	2091

Freeport Police Department

Monthly Incidents CC

Printed on April 13, 2026

Reported	Case Number	Offenses	Description
03/01/26	FPD26-0236	DUTY ON STRIKING UNATTENDED	CRASH - HIT & RUN
03/01/26	FPD26-0237	CRIMINAL TRESPASS	BURGLARY - MOTOR VEHICLE
03/01/26	FPD26-0238	ASSAULT BY PHYSICAL CONTACT	DISTURBANCE VERBAL
03/01/26	FPD26-0239	BURGLARY HABITATION INTEND	ASSAULT
03/02/26	FPD26-0240	PUBLIC INTOXICATION	UNWANTED SUBJECT
03/02/26	FPD26-0241	FAIL TO REMAIN AND REPORT	SUSPICIOUS VEHICLE
03/02/26	FPD26-0243	INCIDENT REPORT	SUSPICIOUS VEHICLE
03/02/26	FPD26-0242	SEXUAL ASSAULT - rape	SEXUAL OFFENSE
03/02/26	FPD26-0244	FAIL TO REMAIN AND REPORT	CRASH - HIT & RUN
03/02/26	FPD26-0245	SEXUAL ASSAULT - sodomy	SEXUAL ASSAULT
03/02/26	FPD26-0247		REPORT DROPPED IN ERROR
03/02/26	FPD26-0248	FAILURE TO MAINTAIN FINANCIAL	TRAFFIC STOP
03/02/26	FPD26-0246		CRASH - HIT & RUN
03/03/26	FPD26-0249	FAILURE TO APPEAR; ALLOWING	WARRANT MUNICIPAL
03/03/26	FPD26-0250	ASSAULT BY PHYSICAL CONTACT	ASSAULT
03/04/26	FPD26-0251	RESIST ARREST SEARCH OR	FIRE CALL
03/05/26	FPD26-0252	CITY WARRANT	ATTEMPT TO SERVE - WARRANT
03/05/26	FPD26-0253	INCIDENT REPORT	MISSING PERSON
03/05/26	FPD26-0254	INCIDENT REPORT	HOSPICE DEATH
03/05/26	FPD26-0255	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
03/06/26	FPD26-0256	FRAUD - GENERAL	FRAUD
03/06/26	FPD26-0257		FRAUD
03/06/26	FPD26-0258	CREDIT CARD OR DEBIT CARD	FRAUD
03/06/26	FPD26-0259	DRIVING UNDER THE INFLUENCE	TRAFFIC STOP
03/07/26	FPD26-0260	DRIVING WHILE INTOXICATED	TRAFFIC STOP
03/07/26	FPD26-0261	PROH SUBSTANCE/ITEM IN	TRAFFIC STOP
03/07/26	FPD26-0262	POSS CS PG 3< 28G; POSS CS PG	SUSPICIOUS SUBJECT
03/07/26	FPD26-0263	INTERFER W/PUBLIC DUTIES	MENTAL HEALTH CALL/REFERAL
03/07/26	FPD26-0264	CRIMINAL MISCHIEF/CLASS C	SUSPICIOUS CIRCUMSTANCE
03/07/26	FPD26-0265	INCIDENT REPORT	AUTO THEFT
03/08/26	FPD26-0266	DRIVING WHILE INTOXICATED	TRAFFIC STOP
03/08/26	FPD26-0267	POSSESSION OF DRUG	WELFARE CONCERN
03/08/26	FPD26-0268		REPORT DROPPED IN ERROR
03/08/26	FPD26-0269	PUBLIC INTOXICATION	UNWANTED SUBJECT
03/08/26	FPD26-0270	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
03/08/26	FPD26-0271	INCIDENT REPORT	JUVENILE COMPLAINTS
03/09/26	FPD26-0274	FRAUD - GENERAL	SPEAK WITH OFFICER
03/09/26	FPD26-0275	OPERATE MOTOR VEHICLE	TRAFFIC STOP
03/09/26	FPD26-0276	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
03/09/26	FPD26-0277	EXPIRED OPERATOR'S LICENSE	TRAFFIC STOP
03/10/26	FPD26-0278	ASSAULT CAUSES BODILY INJURY	DISTURBANCE WEAPONS
03/10/26	FPD26-0279	CRIMINAL MISCHIEF >=\$750<\$2,500	DISTURBANCE VERBAL
03/10/26	FPD26-0280	POSSESSION OF DRUG	TRAFFIC STOP

Reported	Case Number	Offenses	Description
03/11/26	FPD26-0281	FRAUD - GENERAL	SPEAK WITH OFFICER
03/11/26	FPD26-0282	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
03/12/26	FPD26-0283	PUBLIC INTOXICATION	SUSPICIOUS CIRCUMSTANCE
03/12/26	FPD26-0284	UNL CARRYING WEAPON; DRIVING	TRAFFIC STOP
03/12/26	FPD26-0285	THEFT PROP >=\$750<\$2,500	THEFT
03/12/26	FPD26-0286	FRAUD - GENERAL	FRAUD
03/12/26	FPD26-0287	OPEN CONTAINER; DRIVING WHILE	TRAFFIC STOP
03/13/26	FPD26-0288	OPEN CONTAINER; POSSESSION	TRAFFIC STOP
03/13/26	FPD26-0289		REPORT DROPPED IN ERROR
03/13/26	FPD26-0290	INCIDENT REPORT	INCIDENT REPORT
03/13/26	FPD26-0291		ANIMAL CONTROL - GENERAL
03/13/26	FPD26-0292	RESIST ARREST SEARCH OR	RUNAWAY
03/14/26	FPD26-0293	CITY WARRANT; CAPIAS WARRANT	TRAFFIC STOP
03/14/26	FPD26-0295	PUBLIC INTOXICATION	AMBULANCE CALL - FREEPORT
03/14/26	FPD26-0294	ASSAULT BY PHYSICAL CONTACT	DISTURBANCE PHYSICAL
03/14/26	FPD26-0296		TRAFFIC STOP
03/14/26	FPD26-0297	PUBLIC INTOXICATION	SUBJECT CONTACT
03/15/26	FPD26-0298	THEFT CLASS C	THEFT
03/15/26	FPD26-0300	INCIDENT REPORT	DISTURBANCE PHYSICAL
03/15/26	FPD26-0299	INCIDENT REPORT	BAR CHECK
03/15/26	FPD26-0301	PUBLIC INTOXICATION; POSS CS	SUSPICIOUS VEHICLE
03/15/26	FPD26-0302	THEFT PROP >=\$2,500<\$30K	THEFT
03/15/26	FPD26-0303	ASSAULT CAUSES BODILY INJ	SUSPICIOUS CIRCUMSTANCE
03/15/26	FPD26-0304	ASSAULT CAUSES BODILY INJ	DISTURBANCE PHYSICAL
03/15/26	FPD26-0305	INCIDENT REPORT	CRASH - HIT & RUN
03/15/26	FPD26-0306	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
03/16/26	FPD26-0307	CPS/APS REFERRAL	SUSPICIOUS VEHICLE
03/16/26	FPD26-0308	INCIDENT REPORT	SPEAK WITH OFFICER
03/16/26	FPD26-0310	FRAUD - GENERAL	SPEAK WITH OFFICER
03/16/26	FPD26-0309	OTHER JURISDICTION WARRANT	ATTEMPT TO SERVE - WARRANT
03/16/26	FPD26-0311	PUBLIC INTOXICATION	MISCELLANEOUS
03/16/26	FPD26-0312	PUBLIC INTOX W/3 PRIOR	CRIMINAL TRESPASSING
03/17/26	FPD26-0313	INCIDENT REPORT	ABANDONED VEHICLE
03/17/26	FPD26-0314	CREDIT CARD OR DEBIT CARD	FRAUD
03/17/26	FPD26-0315	DEATH INVESTIGATION	AMBULANCE CALL - FREEPORT
03/17/26	FPD26-0316	CITY WARRANT	TRAFFIC STOP
03/18/26	FPD26-0317	INCIDENT REPORT	FOUND PROPERTY
03/18/26	FPD26-0318	THEFT PROP >=\$2,500<\$30K	THEFT
03/18/26	FPD26-0319	DRIVING WHILE INTOXICATED 2ND	SUSPICIOUS VEHICLE
03/19/26	FPD26-0320	PUBLIC INTOXICATION	MENTAL HEALTH CALL/REFERAL
03/19/26	FPD26-0321	CITY WARRANT	SUSPICIOUS CIRCUMSTANCE
03/20/26	FPD26-0322	PUBLIC INTOXICATION	BAR CHECK
03/20/26	FPD26-0323	PUBLIC INTOXICATION	SUSPICIOUS VEHICLE
03/21/26	FPD26-0324	POSSESSION OF DRUG	TRAFFIC STOP
03/21/26	FPD26-0325	INDECENT ASSAULT	SPEAK WITH OFFICER
03/21/26	FPD26-0326	ASSAULT FAMILY/HOUSEHOLD	ASSAULT
03/22/26	FPD26-0327	PUBLIC INTOXICATION	SUSPICIOUS VEHICLE

Reported	Case Number	Offenses	Description
03/22/26	FPD26-0328	INCIDENT REPORT	DISTURBANCE VERBAL
03/22/26	FPD26-0329	INCIDENT REPORT	DISTURBANCE PHYSICAL
03/22/26	FPD26-0330	HARASSMENT OF PUBLIC	AMBULANCE CALL - FREEPORT
03/22/26	FPD26-0331	PUBLIC INTOXICATION	DISTURBANCE PHYSICAL
03/23/26	FPD26-0332	CITY WARRANT	SUBJECT CONTACT
03/23/26	FPD26-0333	CITY WARRANT	TRAFFIC STOP
03/23/26	FPD26-0334	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
03/23/26	FPD26-0335	THEFT PROP >=\$100<\$750	THEFT
03/23/26	FPD26-0336	RESIST ARREST SEARCH OR	DISTURBANCE PHYSICAL
03/24/26	FPD26-0337	DEATH INVESTIGATION	AMBULANCE CALL - FREEPORT
03/24/26	FPD26-0338	THEFT PROP >=\$100<\$750	THEFT
03/24/26	FPD26-0339	CAPIAS WARRANT	WARRANT MUNICIPAL
03/24/26	FPD26-0340	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
03/24/26	FPD26-0341		RUNAWAY
03/25/26	FPD26-0342	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
03/26/26	FPD26-0343	CAPIAS WARRANT; DISPLAY	TRAFFIC STOP
03/26/26	FPD26-0344	TERRORISTIC THREAT OF	TERRORISTIC THREATS
03/27/26	FPD26-0345	POSS CS PG 1/1-B <1G	TRAFFIC STOP
03/27/26	FPD26-0346	UNL CARRYING WEAPON; DRIVING	TRAFFIC COMPLAINT
03/27/26	FPD26-0347	CAPIAS WARRANT	PRISONER TRANSPORT
03/27/26	FPD26-0348	CAPIAS WARRANT	PRISONER TRANSPORT
03/27/26	FPD26-0349		SPEAK WITH OFFICER
03/27/26	FPD26-0350	PUBLIC INTOXICATION	PUBLIC INTOXICATION
03/27/26	FPD26-0351	FAILURE TO MAINTAIN FINANCIAL	RECKLESS DRIVER
03/28/26	FPD26-0352	CAPIAS WARRANT	TRAFFIC STOP
03/28/26	FPD26-0354	AGG ASSLT W/DEADLY WEAPON;	CRIMINAL MISCHIEF
03/28/26	FPD26-0353	INCIDENT REPORT	DISTURBANCE PHYSICAL
03/28/26	FPD26-0355	CAPIAS WARRANT	PRISONER TRANSPORT
03/28/26	FPD26-0356	INCIDENT REPORT	DISTURBANCE VERBAL
03/28/26	FPD26-0357	INCIDENT REPORT	FOUND PROPERTY
03/28/26	FPD26-0358	OTHER JURISDICTION WARRANT	ANIMAL CONTROL - GENERAL
03/28/26	FPD26-0359	FLEEING POLICE OFFICER	TRAFFIC STOP
03/29/26	FPD26-0360	PUBLIC INTOXICATION	DISTURBANCE PHYSICAL
03/29/26	FPD26-0361	FAILURE TO MAINTAIN FINANCIAL	TRAFFIC STOP
03/29/26	FPD26-0362	FRAUD - GENERAL	FRAUD
03/29/26	FPD26-0363	DRIVING WHILE LICENSE INVALID;	TRAFFIC STOP
03/30/26	FPD26-0364	PUBLIC INTOXICATION; DRIVING	TERRORISTIC THREATS
03/30/26	FPD26-0365	CAPIAS WARRANT	CAPIAS PRO FINE
03/30/26	FPD26-0366	CRIMINAL TRESPASS	CRIMINAL TRESPASSING
03/30/26	FPD26-0367	ASSAULT CAUSES BODILY INJ	DISTURBANCE PHYSICAL
03/31/26	FPD26-0368	THEFT CLASS C	THEFT
03/31/26	FPD26-0369	INCIDENT REPORT	INCIDENT REPORT
03/31/26	FPD26-0370	INCIDENT REPORT	DISTURBANCE PHYSICAL

Total Records: 133

Freeport Police Department

Monthly Traffic Stops CC

Printed on April 13, 2026

Descriptions	Totals	
Advice Given	2	2
Arrest	38	38
Arrest; Vehicle Towed	13	13
Citation Issued	160	160
Citation Issued ; Advice Given	5	5
Citation Issued ; Report Taken	2	2
Contact Made	2	2
Disregard / Event Cancelled	3	3
Duplicate Call	2	2
Handled By Officer / Deputy	7	7
Written Warning Issued	444	444
Totals	678	678

Violation List (Custom)

Open From Date: 03/01/2026

Open To Date: 03/31/2026

Show Address: N

Exclude PattiFoster Files: Y

File#	Violation	Open Date	Status
25-003219	Garbage Collections	03/02/2026	Open
25-003219	Sanitation	03/02/2026	Open
25-003219	Exterior Structure - Good Repair	03/02/2026	Open
25-003219	General - Water System Required	03/02/2026	Open
25-003219	Water Heating Facilities	03/02/2026	Open
25-003219	Responsibility - Mechanical and Electrical	03/02/2026	Open
25-003219	Unpermitted short-term rentals prohibited	03/02/2026	Open
25-003219	Short-term rental permit required	03/02/2026	Open
26-000443	Unpermitted short-term rentals prohibited	03/02/2026	Closed
26-000443	Short-term rental permit required	03/02/2026	Closed
26-000435	Neglected Premises	03/03/2026	Open
26-000468	Residential - Permits Required	03/04/2026	Closed
26-000472	Residential - Permits Required	03/04/2026	Open
25-003217	Unpermitted short-term rentals prohibited	03/09/2026	Open
25-003217	Short-term rental permit required	03/09/2026	Open
26-000490	Disposal of garbage	03/09/2026	Open
26-000503	Growth or accumulation of weeds, rubbish, and the like.	03/10/2026	Closed
26-000504	Growth or accumulation of weeds, rubbish, and the like.	03/10/2026	Closed
26-000505	Junked vehicles	03/10/2026	Open
26-000505	Neglected Premises	03/10/2026	Open
26-000505	Prohibited storage	03/10/2026	Open
26-000505	Motor Vehicles/Inoperable/Unlicensed	03/10/2026	Open
26-000466	Recreational Vehicles outside an RV park	03/10/2026	Closed
26-000466	Junked vehicles	03/10/2026	Closed
26-000509	Growth or accumulation of weeds, rubbish, and the like.	03/11/2026	Closed
26-000511	Residential - Permits Required	03/11/2026	Closed
26-000512	Disposal of garbage	03/11/2026	Closed
26-000513	Outdoor Storage of Materials - in Public View	03/11/2026	Closed
26-000513	Junked vehicles	03/11/2026	Closed
26-000513	Neglected Premises	03/11/2026	Closed

26-000513	Motor Vehicles/Inoperable/Unlicensed	03/11/2026	Closed
26-000514	General - Water System Required	03/11/2026	Closed
26-000517	Disposal of garbage	03/11/2026	Open
26-000523	Growth or accumulation of weeds, rubbish, and the like.	03/11/2026	Open
26-000530	Growth or accumulation of weeds, rubbish, and the like.	03/12/2026	Open
26-000538	Growth or accumulation of weeds, rubbish, and the like.	03/12/2026	Open
26-000538	Neglected Premises	03/12/2026	Open
26-000542	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000544	Outdoor Storage of Materials - in Public View	03/13/2026	Open
26-000544	Neglected Premises	03/13/2026	Open
26-000547	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000549	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Open
26-000551	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000552	General - Water System Required	03/13/2026	Closed
26-000553	Disposal of garbage	03/13/2026	Closed
26-000554	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000555	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000556	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000557	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000560	Disposal of garbage	03/13/2026	Open
26-000561	Growth or accumulation of weeds, rubbish, and the like.	03/13/2026	Closed
26-000574	Residential - Permits Required	03/16/2026	Closed
26-000584	Disposal of garbage	03/17/2026	Closed
26-000585	Disposal of garbage	03/17/2026	Closed
26-000587	Growth or accumulation of weeds, rubbish, and the like.	03/17/2026	Closed
26-000588	Growth or accumulation of weeds, rubbish, and the like.	03/17/2026	Open
26-000588	Prohibited repair, assembly or disassembly of motor vehicle	03/17/2026	Open
26-000589	Disposal of garbage	03/17/2026	Closed
26-000590	Growth or accumulation of weeds, rubbish, and the like.	03/17/2026	Closed
26-000592	Disposal of garbage	03/17/2026	Closed
26-000591	Junked vehicles	03/17/2026	Open
26-000593	Disposal of garbage	03/17/2026	Closed
26-000594	Disposal of garbage	03/17/2026	Closed
26-000596	Disposal of garbage	03/17/2026	Open
26-000599	Growth or accumulation of weeds, rubbish, and the like.	03/17/2026	Open
26-000601	Growth or accumulation of weeds, rubbish, and the like.	03/17/2026	Open

26-000602	Disposal of garbage	03/17/2026	Open
26-000603	Disposal of garbage	03/17/2026	Closed
26-000605	Parking for more than 48 hours Prohibited	03/17/2026	Closed
26-000606	Disposal of garbage	03/17/2026	Closed
26-000600	Disposal of garbage	03/18/2026	Open
26-000611	Growth or accumulation of weeds, rubbish, and the like.	03/18/2026	Open
26-000626	Growth or accumulation of weeds, rubbish, and the like.	03/19/2026	Open
26-000628	Growth or accumulation of weeds, rubbish, and the like.	03/19/2026	Open
26-000631	General Penalty- Illegal Dumping	03/23/2026	Closed
26-000631	Growth or accumulation of weeds, rubbish, and the like.	03/23/2026	Closed
26-000643	Growth or accumulation of weeds, rubbish, and the like.	03/25/2026	Open
26-000645	Growth or accumulation of weeds, rubbish, and the like.	03/25/2026	Open
26-000650	Growth or accumulation of weeds, rubbish, and the like.	03/25/2026	Open
26-000652	Junked vehicles	03/26/2026	Open
26-000654	Growth or accumulation of weeds, rubbish, and the like.	03/26/2026	Open
26-000689	Growth or accumulation of weeds, rubbish, and the like.	03/31/2026	Open
26-000690	Growth or accumulation of weeds, rubbish, and the like.	03/31/2026	Open
26-000693	Neglected Premises	03/31/2026	Open
26-000693	Motor Vehicles/Inoperable/Unlicensed	03/31/2026	Open
26-000693	Disposal of garbage	03/31/2026	Open
26-000694	Junked vehicles	03/31/2026	Open
26-000694	Parking for more than 48 hours Prohibited	03/31/2026	Open
26-000694	Prohibited repair, assembly or disassembly of motor vehicle	03/31/2026	Open
26-000696	Neglected Premises	03/31/2026	Open
		Total Violations	90



Human Resources Monthly Report

Date: April 13, 2026

HR TEAM: Genesis Martinez

HR Services Team Priorities and Results for March 2026:

- **Welcomes and Well-wishes:**
 - **We are excited to welcome:**
 - Dalton Crawford – Firefighter/EMT – Fire/EMS
 - Jayson Cooper – Maintenance Tech I – Streets
 - Isaiah Marin – Maintenance Tech I – Parks
- **Training/Coaching/Performance Improvement:**
 - **Performance Issues Addressed:** We had zero (0) employee termination for performance this month.
- **Employee Turnover/Recruiting/Hiring Progress:**
 - **Employee Turnover:** We had two (2) employee separations in March. One from the Code Department, and one from the Public Works Department.
 - **Internal Transfers/Promotions:**
 - Nathan Curtis – promoted from Code Enforcement Supervisor to Sergeant in the Police Department
 - **Recruiting:** Active recruiting searches include:
 - Part-time EMT
 - Firefighter/EMT – Full and Part Time
 - Code Enforcement Supervisor
 - Code Enforcement Officer
 - Jailer
 - Patrol Officer
 - Building Maintenance Lead Technician
 - Maintenance Tech I
 - Recreation Center Lifeguard
 - **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 zero (0) unemployment appeals during the month of March.
 - **Workers Compensation Claims:** We had two (2) active Workers Comp. claims in March.
 - **Family & Medical Leave Cases (FMLA)-** We had three (3) active FMLA cases in March.
 - **Training/Development:** Assigned Sexual Harassment and Ethics training to new hires. Attended the ERP Pro 10 - Pre-User Group Payroll Processing Training.
 - **Benefits and Payroll:** Had remote meetings with Evergreen for Market Review of Salary Survey.

- **Recruiting:** Please see attached sheet for Applicant Stats for month of January.

Priorities for February:

- **Training/Development** – Follow up on assigned trainings.

Month of March 2026 Applicant Stats

Opened Jobs – 3
Closed Jobs – 5
New Applicants – 133
Interviewed – 7
Hired – 4
 External – 4
 Internal – 0

Views vs. Starts – 11.3%
Starts vs Completes – 70.3%

Application Source

City of Freeport Website – 34
Linkedin Organic – 29
Texas Municipal League – 21
Indeed – 20
Other - 17

Qualified Applicants Source

Linkedin Organic – 29 (100%)
ZipRecruiter Organic – 8 (100%)
Employee Referral – 5 (100%)
Jobs2Careers – 1 (100%)
Job Inventory – 1 (100%)

Total Applicants per Job

Assistant City Manager – 53
Executive Administrative Assistant – Office of the City Manager – 32
Human Resource Director – 22
Public Works Director – 20
Patrol Officer – 7

Qualified Applicants per Job

Assistant City Manager – 49
Executive Administrative Assistant – Office of the City Manager – 30
Human Resource Director – 20
Public Works Director – 16
Patrol Officer – 6