



City of Freeport
Special Meeting and/or Executive Session Agenda

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

Monday, May 11, 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. Recognition and Appreciation of outgoing Councilmembers for their service to the City
- Dr. Danielle Kelly, City Manager

3: Business

- 3A. Consideration and possible action approving Ordinance No. 2026-2764 canvassing the returns and declaring the results of the May 2, 2026 election.(Clarisa Fernandez)

- 3B. Consideration and possible action approving Ordinance No. 2026-2765 canvassing the returns and declaring the results of the May 2, 2026 Charter Election.(Clarisa Fernandez)
- 3C. Administer Oath of Office to newly elected Council Members for Ward A and Ward C and sign the required affidavits.(Dr. Danielle Kelly)
- 3D. Consideration and possible action of selecting a Mayor Pro Tem.(Dr. Danielle Kelly)

4: Proclamations - Presentations and Updates

- 4A. Presentation of Completed Golf Course Bathroom Renovations - Brian Dybala, Golf Course Director
- 4B. Proclamation of the City of Freeport declaring May 3-9, 2026 as National Jailer and Correctional Officer Appreciation Week - Mayor Cain
- 4C. Proclamation of the City of Freeport declaring May 11-16, 2026 as National Police Officer Week - Mayor Cain
- 4D. Upcoming Events -
Senior Citizens Commission Trip, May 15, Rosenberg

5: Consent Agenda:

- 5A. Action regarding Minutes, April 15, 2026 and April 20, 2026 - Clarisa Fernandez, City Secretary
- 5B. Action approving Road Closures for Fort Velasco Day, Saturday, June 13th, 2026, from 8:30 A.M. – 12:00 P.M - Loretta Caddy, Interim Museum Director
- 5C. Action approving the Quarterly Investment Report for the FY26 Second Quarter, Ending March 31, 2026 - Ashlee Hurst, Finance Director
- 5D. Action approving the iCAT Windstorm Insurance Policy renewal - Ashlee Hurst, Finance Director

6: Business

- 6A. Consideration and possible action approving Individual Project Order No. 2026-04 with Kimley-Horn and Associates, Inc. for preparation of a Texas Water Development Board (TWDB) 2026 Water Supply and Infrastructure Grant (WSIG) Application.(Dr. Danielle Kelly)
- 6B. Consideration and possible action approving Resolution No. 2026-3043 an Agreement with Village of Surfside Beach - Repayment of Water Overbilling.(Dr. Danielle Kelly)
- 6C. Consideration and possible action on the approval of Texas A&M Forest Service Water Tender (Tender/Engine) Grant.(Christopher Motley)

- 6D. Consideration and possible action approving Ordinance No. 2026-2766 Amending Chapter 124, “Short-Term Rental Facilities,” by Removing the 200-Foot Density Limitation.(Christopher Duncan)
- 6E. Discuss and take possible action to initiate an investigation of Councilman George Matamoros for LYING UNDER OATH @ trial with EDC, including TAX PAYER FUNDS recovery, administrative misconduct, and the authorization of a criminal referral for allegations of perjury or lying under oath during official proceedings.(Councilman Pena)
- 6F. Discuss and consider possible action regarding a Resolution of Censure against Council Member Jerry Cain for vulgar, inappropriate, sexist, and perverted comments made to a fellow council member regarding a female resident in attendance at a public meeting.(Councilman Pena)

7: 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. Council Ward A announcements and comments.
- B. Council Ward B announcements and comments.
- C. Council Ward C announcements and comments.
- D. Council Ward D announcements and comments.
- E. Mayor announcements and comments.
- F. City Manager announcements and comments.

8: 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:

- 8A. Executive Session regarding a.) Texas Government Code, Section 551.071 (Consultation with Attorney) 1.) IDA Discussion 2.) Briarwood Property Discussion 3.) TPWD Land Swap 4.) Cause No. 125934-CV 5.) Antonelli’s proposal 6.) Recall Election

9: Reconvene into Open Session:

9A. Take any action resulting from Executive Session.

10: Adjournment

10A. 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 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 #[3.A]

Title: Consideration and possible action approving Ordinance No. 2026-2764 canvassing the returns and declaring the results of the May 2, 2026 election.

Date: May 11, 2026

From: Clarisa Fernandez, City Secretary

Staff Recommendation: Approve Ordinance canvassing the election returns and declaring the official results of the May 2, 2026, election.

Item Summary: Approval of an ordinance canvassing the returns and officially declaring the results of the May 2, 2026 election, following receipt of the certified election results. Due to agenda posting requirements, the official election results will be distributed after the May 2, 2026 election along with the ordinance and will also be posted on the City’s website.

Background Information: The City of Freeport held a general election on May 2, 2026, for the purpose of electing Council members for Ward A and Ward C. In accordance with the Texas Election Code, the governing body is required to canvass the election results and declare the official outcome. The canvass will be conducted based on the certified returns provided by the Brazoria County Elections Office.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation:

Brazoria County Elections Office will provide the certified election results.

Supporting Documentation:

None



City Council Agenda Item #[3.B]

Title: Consideration and possible action approving Ordinance No. 2026-2765 canvassing the returns and declaring the results of the May 2, 2026 Charter Election.

Date: May 11, 2026

From: Clarisa Fernandez, City Secretary

Staff Recommendation: Approve Ordinance canvassing the election returns and declaring the official results of the May 2, 2026 Charter Election.

Item Summary: Approval of an ordinance canvassing the returns and officially declaring the results of the May 2, 2026 Charter Election, following receipt of the certified election results. Due to agenda posting requirements, the official election results will be distributed after the May 2, 2026 election along with the ordinance and will also be posted on the City's website.

Background Information: The City of Freeport held a Charter Election on May 2, 2026, for the purpose of submitting proposed amendments to the City Charter to the voters. The canvass will be conducted based on the certified returns provided by the Brazoria County Elections Office.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: Brazoria County Elections Office will provide the certified election results.

Supporting Documentation:

None



City Council Agenda Item #[3.C]

Title: Administer Oath of Office to newly elected Council Members for Ward A and Ward C and sign the required affidavits.

Date: May 11, 2026

From: Dr. Danielle Kelly

Staff Recommendation: N/A

Item Summary: Administration of the Oath of Office to newly elected Council Members for Ward A and Ward C, along with the execution of all required affidavits.

Background Information: Following the canvassing of the May 2, 2026 election, newly elected officials are required to take the Oath of Office and complete all necessary affidavits prior to assuming their duties, in accordance with state law.

Special Considerations:

All required documents must be completed and filed prior to officials taking office.

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

None



City Council Agenda Item #[3.D]

Title: Consideration and possible action of selecting a Mayor Pro Tem.
Date: May 11, 2026
From: Dr. Danielle Kelly

Staff Recommendation: Staff recommends that a nomination be made and vote be taken by Council on the appointment of a Mayor Pro Tem to serve until the next regular election is held and canvassed.

Item Summary: With Mayor Pro Tem Jeff Pena no longer in office, the position is now vacant. It is important to appoint another Councilmember to serve as Mayor Pro Tem in the event that Mayor Cain is absent or unable to perform the duties of the office.

Background Information: N/A

Special Considerations: According to Section 3.04 of the Freeport Charter, "...the Council shall elect on a rotating basis among the Ward, a member of the City Council, who has been on City Council for at least two years to serve as Mayor Pro Tem". Councilman Rossow and Councilman Davis will both be eligible to serve as Mayor Pro Tem, as each will have two years of service on the Council.

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:
None



City Council Agenda Item #[4.A]

Title: Presentation of Completed Golf Course Bathroom Renovations - Brian Dybala, Golf Course Director

Date: May 11, 2026

From: Brian Dybala, Golf Director

Staff Recommendation: N/A. Project is already completed

Item Summary: Golf Course Pro Shop bathroom renovations have been completed. This was a complete renovation for the Women’s and Men’s bathroom.

Background Information: Previous bathrooms were original bathrooms without any previous updates and were in poor shape. This has led to many customer complaints. With the new bathrooms we have a lot of great feedback from our customers.

Special Considerations: N/A

Financial Impact: We are on pace to have 40,000 rounds of golf played this year. Youth and family rounds have greatly increased over the last few years. With the upgrade to the Pro Shop this will help our overall customer service goals.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. IMG_6370
2. IMG_6371
3. IMG_6372
4. IMG_6373
5. IMG_6374
6. IMG_6375
7. IMG_6376
8. IMG_6377
9. IMG_6378





















City Council Agenda Item #[4.B]

Title: Proclamation of the City of Freeport declaring May 3-9, 2026 as National Jailer and Correctional Officer Appreciation Week - Mayor Cain

Date: May 11, 2026

From:

Staff Recommendation: Staff recommends the City of Freeport recognize the week of May 3-9, 2026 as National Jailer and Correctional Officer Appreciation Week.

Item Summary:

Background Information:

Special Considerations:

Financial Impact:

Board or 3rd Party Recommendation:

Supporting Documentation:

1. Jailer Week Proc CITY

Proclamation

National Jailer and Correctional Officer Appreciation Week May 3-9, 2026

WHEREAS, there are more than 300,000 correctional officers serving in communities across the United States, including the dedicated members of the FREEPORT POLICE DEPARTMENT;

WHEREAS, National Correctional Officers and Employees Week was first proclaimed on May 5, 1984, by President Ronald Reagan when he signed Proclamation 5187 creating “National Correctional Officers Week,” to recognize the men and women who work in jails, prisons, and community corrections across the country; and

WHEREAS, National Correctional Officers and Employees Week became the official name the first week in May when, in 1986, the U.S. Senate officially changed the name from “National Correctional Officers Week”; and

WHEREAS, National Correctional Officers and Employee Week honors the work of Correctional Officers and Correctional Personnel for their service with honor, respect, and integrity; and raises the awareness of the duties, hazards, and sacrifices made by the Correctional employees; and

WHEREAS, National Correctional Officers and Employees week in FREEPORT, TEXAS recognizes our Jailers for their role in safeguarding the citizens of FREEPORT, TEXAS by providing safe, secure, and humane incarceration of offenders within their custody;

WHEREAS, National Correctional Officers and Employees week in FREEPORT, TEXAS this year wants to recognize all Jailers and Correctional officers for their acts of heroism, dedication to duty and commitment to our community.

NOW THEREFORE, BE IT RESOLVED that the City Council of the CITY OF FREEPORT, does hereby proclaim the week of May 3-9, 2026, as “Jailer and Correctional Officers Appreciation Week.”

Signed this ___ day of _____, 2026

Mayor _____

In the State of Texas, Brazoria County, City of Freeport.



City Council Agenda Item #[4.C]

Title: Proclamation of the City of Freeport declaring May 11-16, 2026 as National Police Officer Week - Mayor Cain

Date: May 11, 2026

From:

Staff Recommendation:

Staff recommends the City of Freeport recognize the week of May 11-16, 2026 as National Police Officer Week.

Item Summary:

Background Information:

Special Considerations:

Financial Impact:

Board or 3rd Party Recommendation:

Supporting Documentation:

1. Police Week Proc CITY

Proclamation

National Police Week

May 11-16, 2026

WHEREAS, there are more than 800,000 law enforcement officers serving in communities across the United States, including the dedicated members of the FREEPORT POLICE DEPARTMENT;

WHEREAS, since the first recorded death in 1786, there are currently 24,500 law enforcement officers in the United States have made the ultimate sacrifice and been killed in the line of duty;

WHEREAS, the names of these dedicated public servants are engraved on the walls of the National Law Enforcement Officers Memorial in Washington, DC;

WHEREAS, 363 new names of fallen heroes are being added to the National Law Enforcement Officers Memorial this spring;

WHEREAS, the service and sacrifice of all officers killed in the line of duty will be honored during the National Law Enforcement Officers Memorial Fund's 38th Candlelight Vigil, on the evening of May 13, 2024;

WHEREAS, the Candlelight Vigil is part of National Police Week, which will be *observed* this year in Washington DC;

WHEREAS, May 15th is designated as Peace Officers Memorial Day, in honor of all fallen officers and their families and U.S. flags should be flown at half-staff;

THEREFORE, BE IT RESOLVED that THE CITY OF FREEPORT will observe May 11-16, 2026, as National Police Week in FREEPORT, TEXAS, and publicly salutes the service of law enforcement officers in our community and in communities across the nation.

Signed this ___ day of _____, 2026

Mayor _____

In the State of Texas, Brazoria County, City of Freeport.

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Wednesday, April 15, 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
Christopher Duncan, City Attorney
Clarisa Fernandez, City Secretary
Toby Cohen, IT Director
Corey Brinkman, Police Captain
Craig Graham, Police LT
Robert Johnson, EDC Director

Visitors: David McGinty Nicole Mireles
Sam Reyna

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the special meeting of the Freeport City Council to order at 6:00P.M. on April 15, 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.

No members of the public registered to speak during audience participation.

Business

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

Mayor Cain clarified that this was a first reading only, so no action would be taken. He noted that the matter involved ongoing litigation and that EDC attorneys were not present, so legal questions might need to wait until Monday's second reading when legal counsel would be available.

EDC Executive Director Robert Johnson presented the item, explaining that the proposed settlement agreement was intended to resolve long-standing disputes related to property reversion, foreclosure actions, and competing ownership interests across multiple lots within the Velasco town site. The agreement would consolidate obligations between the Freeport Economic Development Corporation, GLNL, and AMG into a single enforceable framework facilitating infrastructure completion and residential development. Mr. Johnson noted that the City Council had previously considered a version of this agreement at its February 17, 2026 meeting, after which council directed staff to pursue additional sureties and clarifications to strengthen accountability, ensure project completion, and improve enforceability. The revised agreement included several key provisions: infrastructure completion requirements for roadway and related improvements including North Avenue N and West Royer extensions according to city requirements and shared cost participation among the parties; residential development obligations for GLNL and AMG are each responsible for development of specific lots with construction complying with applicable codes; a project completion deadline requiring certificates of occupancy by December 31, 2027; liquidated damages of \$500 per day after a 10-day cure period for failure to meet deadlines; and limited force majeure extensions with strict notice requirements. The financial impact would divide costs as follows: the Freeport Economic Development Corporation would pay 50 percent for the road, AMG 25 percent, and GLNL 25 percent.

Councilman Matamoros asked EDC Director Robert Johnson to provide background on why a settlement was needed and why the EDC and the property owners were involved. Mr. Johnson explained that there were currently six houses to be built on property located off Skinner Street, with disputed ownership at the heart of the case. Brazoria County records showed Herman Torres from GLNL and Michael Holberman from AMG as owners. Part of the property was originally conveyed by an Urban Renewal Agency directly to the EDC, while some was city-owned. Michael Holberman had foreclosed on a loan, and both Mr. Torres and Mr. Holberman were current titleholders. The settlement would have the title revert back to the EDC as it was in 2018, which aligned with the lawsuit filed by Chris Duncan. Mr. Johnson noted that the city was not a party to the lawsuit, and Mr. Duncan's lawsuit did not request the property go back to the city. Attorney Brad Ireland, representing Holberman's AMG, had filed an intervention claiming the EDC's actions were improper due to unclear deed language and development agreement requirements. He noted that Mr. Duncan's position is that the reverter clause did not need to be filed in the property records, while opposing parties dispute this interpretation and argue that such filing was required, creating uncertainty around the issue. Mr. Johnson further explained that the reverter clause governs the conditions under which the property would revert back and raised the question of whether that clause would take precedence over any mortgage interests.

City Attorney Christopher Duncan provided clarification on several points EDC Director Robert Johnson had made. Mr. Duncan explained that half the lots had belonged to urban redevelopment and half were owned by the city, with the city passing a resolution to deed those lots to the EDC. The resolution specifically stated the property would revert back to the city if the project failed. Mr. Duncan addressed the

requirement to file contracts with property records, explaining that most people understand from buying houses that while deeds and deeds of trust are filed to give notice of liens, promissory notes are not required to be filed. The deed from EDC contained the reversion clause, providing notice to anyone conducting basic title research. Mr. Duncan stated their claim was superior to subsequent lenders because they had filed first, and any basic title insurance review would have revealed the reversion clause.

EDC Robert Johnson clarified his prior remarks, addressing Mr. Duncan and noting that if he had misstated any facts. He explained that his intent was to state that on September 18, 2018, certain property was conveyed to the EDC from the Urban Development entity, while the City retained ownership of the remaining portion. He emphasized that he did not intend to imply that the EDC owned the entire property.

Councilman Davis asked about the resolution that supposedly said property would go back to the city. EDC Director Robert Johnson responded that if such language existed, it was an error, as the settlement agreement stated the property would revert back to the EDC as it was in 2018, which all parties had agreed to.

Councilman Pena expressed concern with prior statements suggesting that ownership of the property was not at issue, stating that he believed the City may have grounds to assert its ownership interest. He further noted that not all relevant parties were present at the meeting, including the full EDC Board and its legal counsel, while the City's attorney was in attendance for what he characterized as a hastily arranged special meeting driven by a lack of preparation. Councilman Pena questioned the proposed settlement agreement, referencing the original development agreement from several years prior, under which the developer was solely responsible for constructing the street infrastructure to required safety standards, including fire truck accessibility. He emphasized that these obligations were to be completed at the developer's expense and expressed concern over the shift in responsibility, whereby the City is now being asked to fund a portion of the costs. He highlighted that the project involves Freeport EDC funds, which are derived from taxpayer dollars and are intended to support responsible development. He questioned why the City is now considering covering 50 percent of the roadway costs, as well as additional expenses for expanded infrastructure, noting that earlier cost estimates did not account for utilities or long-term maintenance. He further criticized the developer and lenders, including AMG and GLNL, for failing to exercise due diligence, while also acknowledging prior shortcomings by the City and EDC in enforcing development requirements. Additionally, Councilman Pena raised concerns regarding the condition and viability of certain properties not associated with Mr. Torres, noting reports of mold and water damage, and requested inspection documentation to better understand potential liabilities. He emphasized the importance of reviewing these records before proceeding and cautioned against rushing into what he described as a potentially unfavorable agreement. Councilman Pena concluded by questioning the decision-making process behind revising the original terms to the developer's benefit and requested clarification on who authorized the shift in financial responsibility.

EDC Director Robert Johnson defended the settlement, explaining they were in litigation with a chance of losing the case. He provided cost comparisons showing the 2020 estimate was \$139,965 and the 2026 estimate was \$176,068, representing a 25.8 percent increase that closely matched cumulative inflation of 20-25 percent over the same period. Mr. Johnson stated the price increase was primarily due to inflation, with the actual cost only 1.1 percent higher than inflation-adjusted estimates.

Councilman Pena expressed strong concerns regarding the adequacy of due diligence performed in the matter, stating that he had little confidence in the negotiations and the process leading to the proposed agreement. He characterized the legal strategy as overly inclined toward settlement rather than litigation, suggesting that some counsel may prefer to settle rather than fully assert their legal position. Councilman Pena further stated that the decision to enter mediation appeared to stem from a reluctance to pursue litigation, which in his view resulted in the City now bearing 50 percent of roadway costs that were originally the responsibility of the developer. He reiterated that this shift represents the primary issue he has

with the agreement. He urged the EDC to reevaluate the terms of the agreement, emphasizing that despite the progress made, he believes the deal remains unfavorable. Councilman Pena stated his intent to vote against the agreement unless substantial revisions are made and emphasized his desire for the public to be aware of his concerns regarding the proposed settlement.

Councilman Davis asked whether the 2020 estimates were for concrete versus the current asphalt estimates, as this would affect cost comparisons. EDC Director Robert Johnson acknowledged he did not know the material specifications for the 2020 estimate but would try to provide that information.

Councilman Matamoros made a clarifying statement about attorney Christopher Duncan's removal from the EDC, stating it was due to an illegal contract signed by a president and the attorney that was never voted on.

Mayor Cain thanked EDC Director Robert Johnson for his presentation and noted that the second reading would occur on Monday with additional discussion and a vote.

Executive Session

The Council did not convene in Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 6:38P.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 20, 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
Ashlee Hurst, Finance Director
Toby Cohen, IT Director
Chris Motley, Fire Chief
Genesis Martinez, Interim Human Resources Director
Corey Brinkman, Police Captain
Craig Graham, Police LT
Juanita Cardozo, Police Department
John Perez, Interim Public Works Director
Robert Johnson, EDC Director

Visitors: David McGinty
Melanie Oldham
Con McCleester
Diane McCleester
Ron Bachman
Margaret Bachman
Rob Giesecke
Amanda Veliz
Nicole Mireles
Kenneth Hayes
Sam Reyna
Carol Parker
Mark Parker
Linda Marshall
Andrew Dill

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 20, 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 raising concerns about the criminal history of Mr. Peoples running for public office. He referenced his own experience being denied candidacy for mayor due to criminal record issues, citing Attorney General Ken Paxton's ruling, and questioned why similar standards were not applied to others. Mr. Reyna stated that if he was disqualified on that basis, others with criminal records, including individuals with harassment-related charges, should also be deemed ineligible. He referenced ongoing accusations involving Councilman Pena and Councilman Matamoros related to harassment and possible assault, and questioned why individuals with such histories are allowed on the ballot. He requested that the mayor direct legal counsel to review candidate applications for accuracy, suggesting possible perjury regarding disclosure of criminal records and recommending removal from the ballot if violations are found. Mr. Reyna then addressed a separate matter regarding an EDC subcommittee formed approximately five years ago to install two light poles and construct a deck on the riverbank at the 8-acre EDC property. He stated that Councilman Pena led the subcommittee and alleged there was no oversight of expenditures, with funds spent at Councilman Pena's discretion. He stated the project work was substandard, citing lack of a licensed electrician, absence of permits, failure to pass inspection by CenterPoint, and unsafe construction of the deck using improper materials. He stated approximately \$25,000 was spent without supporting invoices for labor or materials and noted that Councilman Pena served as EDC treasurer at that time. Mr. Reyna spoke about Councilman Pena's use of the term transparency, stating that taxpayers are being placed at risk. He concluded by thanking City Manager Dr. Danielle Kelly for displaying a plaque at City Hall commemorating the 250th anniversary of the signing of the Declaration of Independence. Mr. Reyna emphasized the importance of defending the nation's founding principles of equality, freedom, and liberty, and stated that greed and abuse of power have led to a loss of trust among Freeport residents in their local government, asserting that some council decisions are driven by personal interests, specifically Councilman Pena.

Rob Giesecke, Chairman of Port Freeport Commission, accompanied by Public Affairs Manager Amanda Veliz, extended an invitation to the Take A Child Fishing Tournament scheduled for Saturday, May 9th. He explained the event is for children ages 3-14 with two age groups, expects approximately 400 participants, and offers about 200 door prizes. Entry requires two canned goods for the Brazoria County Dream Center, and participants must bring their own tackle. The tournament runs from 8:00 AM to noon, marking its 26th year.

Proclamations - Presentations and Updates

Employee Recognitions - Employee of the Month, Genesis Martinez, Interim Human Resources Director, Human Resources Department - Dr. Danielle Kelly, City Manager

City Manager Dr. Danielle Kelly presented the employee of the month to Genesis Martinez, Interim Human Resources Director, Human Resources Department.

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

City Manager Dr. Danielle Kelly announced that the City of Freeport received the Transparency Star in Traditional Finances award from the Texas Comptroller of Public Accounts through the statewide Transparency Stars program. She explained 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 that is publicly available, understandable, and usable by the community. Dr. Kelly detailed that the program recognizes local governments exceeding minimum reporting requirements by proactively sharing financial information through budgets, financial reports, summaries, visualizations, and downloadable data. The traditional financial designation reflects high standards of transparency in core financial reporting, including public availability of multi-year budgets, audited financial statements, and detailed expenditure data in user-friendly formats. She thanked Finance Director Ashlee Hurst and her team for achieving this recognition.

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

Mike Brooks, partner with Brooks Watson and Company, presented the attached presentation titled "Attachment A".

Mayor Cain questioned whether the audit reviews every line item. Mike Brooks clarified they do not examine every transaction but provide reasonable assurance through testing significant portions of activity based on volume and risk assessment, not absolute assurance requiring complete recreation of the year's accounting.

Councilman Davis thanked Mike Brooks for the audit work and praised city staff, particularly Finance Director Ashlee Hurst and City Manager Dr. Danielle Kelly for their integrity and transparency in managing city finances. He commended the team's efforts in building a better city and managing finances effectively.

Councilman Pena asked if Mr. Brooks' firm also audits the EDC. Mike Brooks confirmed they do, explaining the EDC is included as a component unit in the financial statements presented, but they were not engaged to present a separate EDC report to council unless specifically requested.

A motion was made by Mayor Cain to receive and file the audited financial report and auditor's opinion for the fiscal year ending September 30, 2025, seconded by Councilman Matamoros with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Upcoming Events -
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 31, 2026 and April 6, 2026 - Clarisa Fernandez, City Secretary

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

A motion was made by Councilman Matamoros to approve the Consent Agenda as presented, seconded by

Councilman Rossow with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Business

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

Ron Bachman, EDC board member residing at 96 Dolphin Lane, encouraged council approval of the agreement. He stated that while one Councilman previously criticized the agreement for not including everything desired, the EDC director worked with other parties and a mediator while holding fast to principles benefiting the city. Mr. Bachman addressed concerns about concrete streets mentioned at previous meetings, noting the agreement requires streets meet Freeport requirements. He referenced concrete streets in Lake Jackson as examples of surfaces that hold up but do not remain level, becoming problematic for driving. Mr. Bachman urged reliance on professionals rather than micromanaging matters outside council expertise.

Andrew Dill expressed concerns about structures that have been deteriorating for years. He mentioned discussing the situation with a former city inspector (no longer with the city) who believed cable tension in slabs was never properly tensioned during construction, noting the absence of crimping marks typically visible after proper tensioning. Mr. Dill emphasized the importance of ensuring quality construction that will not deteriorate within 10 years, affecting residents who invest their lives and raise families in these homes.

EDC Director Robert Johnson presented the second reading of Resolution No. 2026-3042 for an EDC settlement agreement. He explained that Judge Sebesta (mediator), Brad Ireland, and Andrea Chan were present to answer questions. Johnson detailed that 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, Mr. Johnson explained, the EDC conveys property interest to GNL and AMG, while developers commit to completing required infrastructure improvements and constructing 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. Mr. Johnson noted the agreement addresses long-standing disputes related to property reversion, foreclosure actions, and competing ownership interests across multiple Velasco townsite lots. He mentioned the City Council considered a prior version at the February 17, 2026, meeting, after which council directed staff to pursue additional sureties and clarifications to strengthen accountability, ensure project completion, and improve enforceability. The agreement would be securitized as a court-ordered agreement. Mr. Johnson outlined key revisions made in response to council direction: infrastructure completion requirements for roadway and related improvements including North Avenue N and West Royere extensions according to city requirements with shared cost participation; residential development obligations requiring GL&L and AMG to develop specific lots with all construction complying with applicable city and county codes; project completion deadline requiring certificates of occupancy by December 31, 2027; liquidated damages of \$500 per day following a 10-day cure period for missed deadlines; and force majeure provisions allowing limited extensions for documented delays caused by the city or events outside developer control with strict notice requirements. The financial impact divides road completion costs as follows: Freeport EDC 50%, AMG 25%, and GL&L 25%.

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

Brad Ireland, attorney retained by Westcourt Title Insurance Company representing AMG Texas Capital, explained that AMG was one of two lenders that lent money to a now-defunct builder to construct homes in

the affected area. The default occurred in 2020, leaving AMG out approximately \$400,000 for six years. Mr. Ireland emphasized the settlement does not make AMG whole but allows them to cut losses through a compromise resolution. He noted the city and EDC are fortunate to have lenders with construction components capable of completing homes and bringing value to lots while generating additional tax revenue. From the city's perspective, Mr. Ireland described it as beneficial, getting eyesores finally constructed, completed, sold, and adding to population and tax base exactly what the original economic development agreement intended.

Councilman Davis inquired about the number of houses and AMG's involvement. Brad Ireland stated there are six houses and clarified that AMG has the two partially constructed homes still on location approximately 80% complete and is co-venturing with GL&L to construct the remaining homes. Regarding the existing structures, Mr. Ireland explained that AMG had a structural engineer conduct an inspection in 2025, determining the homes were structurally sound and consistent with city construction ordinances. While some portions would need replacement or reconstruction, complete demolition to foundation level was not necessary. Mr. Ireland noted AMG's primary business involves multifamily housing and apartment complex construction throughout the United States, with structural engineers on staff.

Mayor Cain confirmed the city was involved in the inspection process. EDC Director Robert Johnson added that Mr. Torres confirmed via text that foundations were indeed checked and engineered approved. Councilman Davis asked about drainage inclusion in road construction. EDC Director Robert Johnson confirmed roads would be built to city specifications, including drainage, noting meetings during mediation with building code officials, EDC, fire chief, fire marshal, and city manager to discuss all road and building requirements.

Councilman Pena expressed strong opposition to the settlement, stating he expected a 4-1 vote against his position. He spoke about the process, claiming eight years of problems began in 2018 with a bad start that was not beneficial for the city. Councilman Pena stated that while six houses might add 24 residents and generate approximately \$7,000 annually in tax revenue, the city was giving away at least \$200,000 worth of property and \$88,000 in infrastructure, creating a 52-year return on investment. Councilman Pena talked about the secrecy surrounding litigation and mediation over recent years, arguing that since the city owns half the property, city council should have been part of negotiations. He expressed frustration with being told to go away when seeking information, despite the mayor serving as EDC liaison. Councilman Pena questioned the reliance on experts, demanding to see actual reports and documentation before approval rather than accepting verbal assurances. He referenced past issues with incompetent and unqualified city staff members fired in 2025 due to nepotism hires, emphasizing the need for licensed professionals with accountability. Councilman Pena recounted the project's political origins, describing backroom deals involving former officials where EDC board members were told to shut up and proper procedures were ignored. He spoke about the current cost-sharing arrangement where the city pays for street construction that was originally the developer's responsibility.

Councilman Matamoros questioned each representative present. He asked Judge Sebesta about winners in the settlement, with Judge Sebesta explaining that mediated settlements rarely produce clear winners but rather good resolutions where all parties had risks. Judge Sebesta confirmed mediation confidentiality rules while noting parties could disclose information to their respective organizations. Councilman Matamoros asked attorney Andrea Chan if the agreement resolves the lawsuit for the city EDC and contains items requested at the February 17, 2026 meeting. Ms. Chan confirmed both points. He verified with Brad Ireland that AMG was satisfied to release the lawsuit against FEDC, with Mr. Ireland confirming AMG's eagerness to resolve the matter after many years. Judge Sebesta added that unlike typical 4-8 hour mediations, complex cases like this require extended time with multiple meetings involving city officials to ensure agreements meet all requirements, similar to the Port Freeport mediation he previously handled. Councilman Matamoros confirmed with EDC Director Robert Johnson that the EDC board unanimously voted to accept and move

the agreement forward. Councilman Matamoros then addressed what he termed hyperbole and flat out lies from previous meetings, referencing his research of EDC meeting minutes from June 19, 2018, August 14, 2018, and October 23, 2018. He read minutes showing Councilman Pena's attendance and votes, countering Pena's claims of opposing the project. Councilman Matamoros read specific EDC meeting minutes showing Councilman Pena's participation in unanimous votes supporting project elements, including engineering reviews and maintenance bond requirements, contradicting Councilman Pena's claims of opposition. Councilman Matamoros expressed faith in City Manager Dr. Danielle Kelly, the new building official, city staff, EDC board, and attorney Ms. Chan to ensure proper completion and compliance with city codes. He thanked all parties for their time and participation.

Councilman Pena stated this was buffoonery and defending his record of requesting due diligence, engineering reports, and financial disclosures. He spoke about the examples given actually supported his positions rather than contradicting them. Councilman Pena acknowledged Judge Sebesta's professional mediation work and attorney Ms. Chan's client representation while speaking about the process for not helping the city. Councilman Pena reiterated that he had requested information before mediation began, calling the "we are in mediation, we can not talk about it" and response lame ass excuse that persisted for years. He spoke about the EDC board members for playing cat and mouse games with information requests. Councilman Pena spoke against the settlement being "win-win" stating it was actually "win-lose" with the city suffering greater losses. He referenced EDC Director Robert Johnson's previous admission that the worst-case scenario would require starting over, which Councilman Pena had advocated throughout the process. He called for starting fresh with a public process allowing qualified developers to compete fairly rather than continuing with what he termed political backroom deals. Councilman Pena warned taxpayers this was a raw, bad deal for Freeport, predicting future problems when the settlement fails and the city faces unnecessary \$400,000 losses.

Mayor Cain stated that eight years of litigation and at least a year of mediation did not constitute rushing the decision. He thanked all participants for their hard work, including Johnson, attorneys, Judge Sebesta, and the EDC board. Mayor Cain asked Finance Director Ashlee Hurst how much money the properties currently generate for the city. Ms. Hurst responded none.

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

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

Interim Public Works Director John Perez requested park closure from 6:00 AM to 2:30 PM on Saturday, May 9th for safety concerns during the Take A Child Fishing Tournament.

A motion was made by Councilman Pena to approve the park closure for Take-A-Child Fishing Tournament on Saturday, May 9, 2026, seconded by Councilman Davis with discussion that followed.

Councilman Davis thanked Port Freeport for their annual event, noting it is essentially free for children with only canned goods required as entry fee. He praised the tournament's 26th year and encouraged families to participate, expressing hope for many more years to come.

Mayor Cain echoed Davis's sentiments, noting that while many cities can host various events, Freeport is one of few places that can hold such a unique fishing tournament. He thanked Port Freeport for 26 years of service and anticipated many more, noting that City Manager Dr. Danielle Kelly would experience her first tournament.

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

Discussion of 2026 Council Priorities Survey Results.

City Manager Dr. Danielle Kelly presented the attached presentation titled "Attachment B".

City Manager Dr. Danielle Kelly presented results from a community survey designed to gather input on key priorities for strategic planning and the upcoming budget process. The survey asked respondents to identify top priority areas, rate city service importance, and provide feedback on current performance and community needs. A total of 60 responses were received, with 77% indicating they interact with the city at least occasionally and 23% reporting limited interaction. Survey results showed clear emphasis on infrastructure and utilities as the community's highest priority, followed by city facilities and public assets, then economic development and tourism. Respondents consistently rated all major service areas as important but reflected a perceived gap between service importance and current performance, particularly in infrastructure, economic development, and overall service delivery.

Councilman Pena questioned the low response rate of 60 from a population of 10,000, suggesting future surveys could be conducted at city events with promotional items or at the beach with trash bags as incentives to increase participation.

Mayor Cain admitted initial skepticism about the survey but found value after completing it online. He shared concerns about only 60 participants and suggested extending the survey period for more information, or conducting it earlier next year to better inform the budget cycle.

City Manager Dr. Danielle Kelly agreed to explore these options, with Councilman Pena noting this was Freeport's first survey of its kind.

Councilman Rossow questioned why nearby cities like Lake Jackson, Clute, and Angleton continuously attract new businesses while Freeport struggles. He asked who was responsible for business attraction and giving Freeport opportunities. Councilman Pena responded, referencing a consultant company, Retail Strategies, from five years ago that identified two key issues: not capitalizing on waterfront strengths and socio economics, with 60% of Freeport residents at or below poverty level. He noted getting Starbucks was a victory, but explained that companies like HEB make profit-based location decisions. The recommendation was increasing residential development and new homes to improve demographics for business attraction.

Councilman Matamoros agreed infrastructure needs upgrading and charged future council members and staff to prioritize infrastructure before true growth arrives, emphasizing the need to get infrastructure correct from the beginning to avoid future issues.

Councilman Pena expanded on infrastructure concerns, noting that despite six years of focus and investment in streets, sewer, drainage, and meters with some overspending, the real problem was not lack of investment but inadequate staffing. He cited examples of improper inspections during 2023 street construction on ninth, tenth, eleventh, and twelfth streets, where the public works director Lance Petty failed to perform proper inspections, with residents recording his negligence. Councilman Pena emphasized hiring qualified, hardworking staff rather than corrupt or incompetent individuals, praising current quality staff while stressing the need for smart leadership in HR, public works, parks, beach, and assistant city manager positions.

Mayor Cain agreed with both Councilmen's points about infrastructure investment and quality over the past six years while acknowledging ongoing issues with flooding and sewer problems during rain events,

emphasizing the need to maintain momentum.

Councilman Davis agreed infrastructure should always be a priority for any city leadership team, noting it's an ongoing, never-ending, and costly endeavor requiring continuous effort. He praised the city's progress while noting opportunities for improvement through grants, mentioning the recently hired grant writer. Councilman Davis highlighted Freeport's population decline from over 12,000 to approximately 10,000, identifying tourism and foot traffic as areas where the city has failed. He argued that attracting businesses requires foot traffic and cited the city's demographics and aging population as challenges for supporting major corporations. Councilman Davis emphasized capitalizing on Freeport's unique waterfront assets, comparing successful water-based attractions in Galveston, Kemah, and New Braunfels. He advocated for sports complexes to attract families and generate weekend tourism, describing personal experiences with youth sports events drawing 400-500 people to small venues, creating opportunities for hotels, restaurants, and retail businesses.

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

Mayor Cain presented the staff recommendation to reschedule the first May 2026 meeting to Thursday, May 7, 2026, to accommodate election canvassing timelines. He explained the general election is scheduled for May 2, 2026, with the canvassing period occurring May 5-13, 2026. The adjustment allows sufficient time for election-related processes and ensures compliance with applicable timelines, as the city charter requires canvassing within five days after election day.

A motion was made by Mayor Cain to approve the rescheduling of the first May 2026 meeting to May 7, 2026, seconded by Councilman Matamoros with discussion that followed.

City Attorney Christopher Duncan confirmed the rescheduling is legal, explaining that after the election, the county certifies results and sends them to the city secretary. Once certified, the city can pass the ordinance canvassing election results, allowing new council members to be sworn in at the same meeting.

Councilman Pena questioned why a special meeting could not be called instead, as is typically done for such events, and asked if the rescheduling was legal. City Attorney Christopher Duncan confirmed it was legal with majority council vote. Councilman Pena asked about swearing-in timing for new electees. Mr. Duncan explained new council members could potentially be sworn in on the seventh, pending receipt of certified county results. When Councilman Pena asked about compliance requirements, Mr. Duncan confirmed the city would be legally compliant by holding the meeting on the seventh.

Mayor Cain noted this could potentially be the last regular scheduled meeting of the current council.

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

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

City Attorney Christopher Duncan explained the situation involving the Public Utility Commission, which controls utility rates statewide. He described how CenterPoint Energy provides transmission services while customers can choose their electric company for billing, with part of the bill going to CenterPoint for transmission fees covering power line maintenance and infrastructure. Mr. Duncan detailed that CenterPoint filed a request with the PUC for rate increases through a distribution cost recovery factor, citing disasters, extra expenses, and higher costs requiring legitimate expense recovery and transmission rate increases. The Texas Coalition of Cities for Utility Issues represents cities statewide, arguing on behalf of cities and

electricity customers to fight CenterPoint before the PUC, seeking zero or minimal rate increases. Mr. Duncan confirmed Freeport signed on with this organization, along with most Texas cities, to argue for keeping electricity rates as low as possible. Mr. Duncan explained the coalition negotiated an agreement with CenterPoint to reduce the increase amount and delay/spread recovery over a longer period, preventing quick cost recovery. The coalition requested city approval of the settlement agreement. Mr. Duncan noted that while Freeport's single vote does not have veto authority over the agreement, he recommended council approval since the city relies on the coalition to fight for the best deal on their behalf.

Mayor Cain noted CenterPoint appears to have similar infrastructure issues as Freeport. City Manager Dr. Danielle Kelly agreed with City Attorney Christopher Duncan's assessment.

A motion was made by Councilman Matamoros to approve CenterPoint's Distribution Cost Recovery Factor proposed settlement, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Work Session

Councilman Pena Ward A announcements and comments.

Councilman Pena thanked everyone who stood up for transparency and accountability and those who signed the accountability petition. He praised city staff, police, parks, and public works departments for excellent beach maintenance, noting the beach has never looked better with improved trash cans and sand clearing creating flat, navigable surfaces for low-profile vehicles. Councilman Pena addressed citizen comments, making what he termed necessary clarifications. He spoke about Sam Reyna who was also convicted of illegal gun carrying and heroin dealing with prison time, promising to release documentation. Councilman Pena disputed Mr. Reyna's claim about \$25,000, stating the actual amount was \$2,500, and that licensed electricians were hired for the project. Councilman Pena blamed stupid politics for project failures, claiming electricians were harassed and threatened by EDC board members and residents trying to prevent progress due to personal proximity concerns. He spoke about threats from current board member David McGinty and resident Gardner Campbell, who received a sweetheart riverfront deals. Councilman Pena spoke about former city manager Tim Kelty for illegally wiring \$345,000 to Covarrubias and weaponizing the code department against EDC property improvements. He spoke about former building and code director Kacey Roman of using her position to settle scores and secretly instructing CenterPoint to prevent progress, alleging her involvement in pay-to-play permits. Despite not being reappointed to the EDC in 2022, Councilman Pena stated Mr. Kelty and Ms. Roman worked together pressuring the EDC board to remain in city hall. Councilman Pena announced Mayor Cain had been formally recalled with over 300 citizen signatures submitted that day. He noted two active felony assault charges against Cindy Cain and Mr. Lovely Matamoros. Councilman Pena encouraged citizens who signed petitions to join city boards, which will have openings in May and June, urging them to take your city back. Addressing Councilman Matamoros's earlier misrepresentation of EDC minutes, Councilman Pena detailed historical conflicts involving Councilman Matamoros family cleanup contracts and subsequent lawsuits. He referenced conflicting sworn testimony between Councilman Matamoros and former Mayor Brooks Bass regarding work completion percentages, noting Mr. Bass told him the situation still makes me sick. Councilman Pena concluded by stating he was glad this might be the last meeting with one less untruthful councilman spewing lies and warned of potential defamation lawsuits in addition to assault charges. He discouraged voting for Nicole Mireles, claiming she received advice from Sam Reyna, which he described as concerning given Mr. Reyna's record.

Councilman Davis Ward B announcements and comments.

Councilman Davis thanked attendees and viewers, acknowledging criticism of past employees while praising current staff quality. He noted that while he was not present during previous problematic staff situations,

current replacements are upstanding employees doing excellent work. Councilman Davis highlighted applications for HR and assistant city manager positions from experienced candidates, praising recent hires including Reggie Harris and others with relevant experience. He emphasized the importance of experience, stating you get what you pay for and attributing past problems to lack of experienced employees and representatives. Councilman Davis expressed excitement about City Manager Dr. Danielle Kelly's experience as city manager and the overall direction toward hiring experienced professionals. He encouraged future council members to maintain open minds, agree to disagree constructively, and prioritize Freeport's interests over personal positions. Councilman Davis emphasized the importance of working together, finding each other's strengths, and supporting effective staff collaboration. He urged accountability while acknowledging that everyone makes mistakes, noting that even Jesus faced false accusations. Councilman Davis thanked candidates running for City Council, noting the limited number of people willing to serve given the challenges involved. He mentioned upcoming head-to-head races and uncontested seats, predicting significant changes ahead. Councilman Davis reported a resident concern from a church member who fell due to uneven, broken sidewalk pieces at the stop sign near Mesquite and West Broad Streets. An ambulance was called, and Councilman Davis planned to send photos to Dr. Kelly requesting repairs for the safety of elderly church members crossing the area to reach parked vehicles. Councilman Davis also mentioned another problematic spot on Ninth Street with protruding cement creating hazards for vehicles, requiring patching or repair work.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros thanked city staff, especially code enforcement, for another successful community cleanup in which he participated. He noted orderly operations and joked that while not all trash was removed, there was still a little bit left in here, will get it out soon, or maybe they will leave on their own. Councilman Matamoros reminded residents that early voting started that day for positions up for election and charter amendment items requiring voter approval to improve the city charter. Councilman Matamoros announced his support for Nicole Mireles, noting her attendance at every meeting, volunteer board service, hands-on involvement, and willingness to help the city with various issues. In his five years attending meetings first as resident, then three as councilman, he had consistently seen Ms. Mireles involved while never seeing her opponent participate. Councilman Matamoros referenced other issues with the opposing candidate involving city dealings, describing him as not the type of person desired for the position. He spoke about Captain Corruption of wanting to control the candidate as he allegedly did with Mr. Mario and others. Councilman Matamoros spoke about Councilman Pena's drunk driving mugshot while noting the absence of any criminal mugshot of himself. He defended against lies about perjury, stating he could sleep peacefully knowing his actions were proper. Councilman Matamoros reflected on his three-year tenure, acknowledging it was tough with limited accomplishments due to interference from Captain Corruption. He expressed gratitude to Ward C residents who trusted him with their votes. Councilman Matamoros challenged Councilman Pena to pursue threatened lawsuits, questioning Councilman Pena's ability to afford lawyers for existing legal issues. Councilman Matamoros concluded by reflecting on his decision to run three years ago for residents' benefit. Despite challenges, he felt comfortable with accomplished goals and enjoyed working civilly with other council members even when disagreeing on votes. Councilman Matamoros praised good city employees while noting some departed due to harassment. He expressed hope this election could move the city forward, encouraging voting for progress. He thanked residents and city employees for their dedication and hard work, concluding with this is not a goodbye, it is just see you later.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow thanked attendees and those watching online for taking time to observe council decisions. He spoke on his lifelong Freeport residence and recent 55-year high school reunion, he shared historical perspective on the city's improvements. Councilman Rossow emphasized Freeport's location six feet below sea level, noting that longtime residents remember when 2-3 inches of rain caused significant flooding. He stressed that infrastructure improvements have been tremendous, though acknowledging remaining pockets where drainage remains challenging. Councilman Rossow explained that when receiving 2-3 inches of rain in one hour while six feet below sea level, rapid water movement is impossible and will

remain a permanent challenge regardless of infrastructure investments. Councilman Rossow promoted the museum trip to Rosenberg Railroad Museum with 20 remaining seats available for residents 55 and older. Registration is at the recreation center with no cost for museum admission or meals. He highlighted successful past trips, including prime Astros game seating provided by the EDC. Councilman Rossow encouraged senior citizen participation in Monday bingo games offering nice prizes and meals. He promoted Riverfest attendance despite acknowledging it is nothing like it used to be but emphasized continued community support for the event.

Mayor Jerry Cain announcements and comments.

Mayor Cain thanked attendees and home viewers, noting the second consecutive meeting with nearly full attendance despite drizzling weather, which he considered encouraging. He emphasized the importance of audience participation for accountability. Mayor Cain reminded everyone that early voting began that day with four candidates running for two council seats plus several important charter amendments. He encouraged voting even for residents in wards without candidates, emphasizing charter amendment importance. Mayor Cain noted the historical low voter turnout, citing 400 votes in the last mayoral election from a 10,000-person population, expressing hope for improved participation. Mayor Cain reported attending a downtown vision session organized by Main Street Coordinator Maria Lopez, with EDC Director Robert Johnson and Building Official Reggie Harris also participating. The informative session featured expert presentations on downtown revitalization requirements, generating optimism about momentum and future planning. Mayor Cain praised the citywide cleanup's success, observing extensive participation with lines stretching 3½ blocks early morning and still exceeding 2 blocks by 11 AM. He thanked both citizens for participation and AmeriWaste for contractual performance and professional service. Mayor Cain highlighted AmeriWaste employees' vigilance in discovering and rescuing a dog someone had placed in a trash can, praising their immediate response calling 911 and enabling police rescue. He expressed hope for identifying and preventing recurrence of such animal cruelty. Addressing Councilman Pena's recall petition submission, Mayor Cain stated he would not use the meeting agenda to discuss the matter but warned against mistaking his silence for guilt. He promised to set the record straight when appropriate timing allowed. Mayor Cain reaffirmed his commitment to serving Freeport's best interests while remaining in office.

City Manager announcements and comments.

City Manager Dr. Danielle Kelly stated she had no additional comments.

Executive Session

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

The Regular Session closed at 8:33P.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 9:22P.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 Rossow with all present and voting "Aye" 4-1. Councilman Pena voted "Nay". Mayor Cain adjourned the meeting at 9:23P.M

Jerry Cain, Mayor

Clarisa Fernandez City Secretary

Freeport, Texas Audit Presentation September 30, 2025

Presented By: Mike Brooks, Audit Partner
April 20, 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).

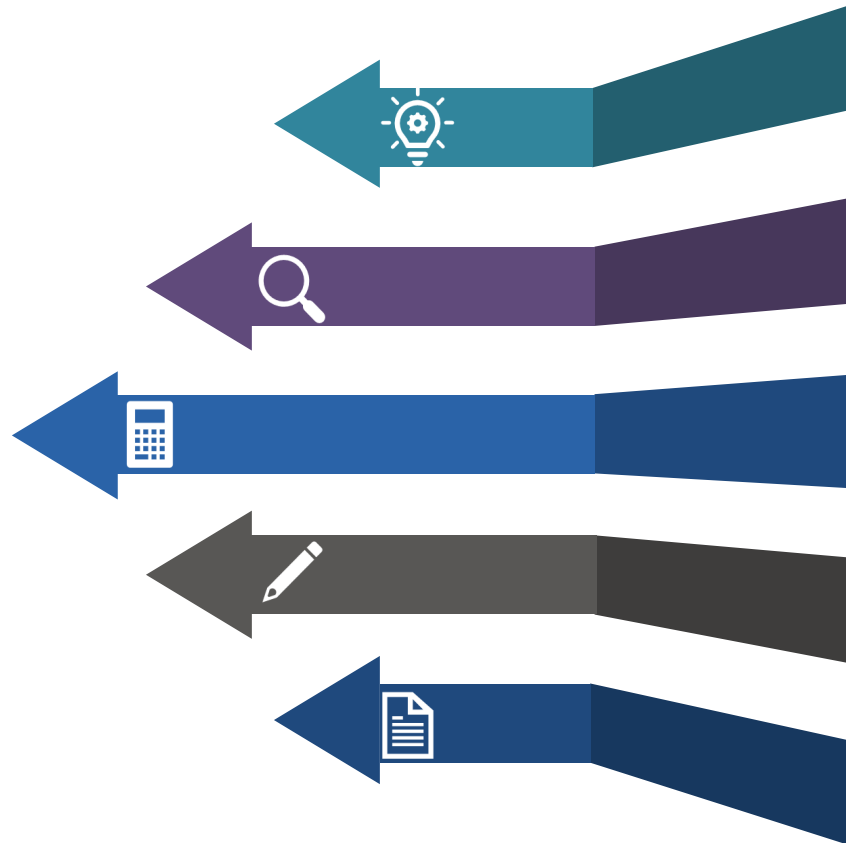
City processes and controls are evaluated and examined as part of audit assessment procedures.

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.






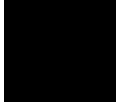
COMPONENTS OF THE ANNUAL FINANCIAL REPORT

- ❖ 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 2%.
- ❖ 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
Transfes 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

Phone 281.907.9188 | Fax 888.875.0587

14450 John F Kennedy Blvd | Ste 240

Houston, TX 77032

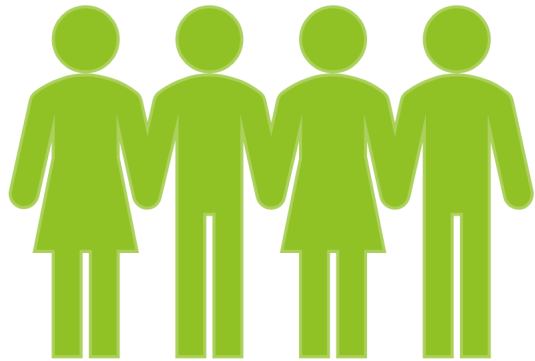
MBrooks@BrooksWatsonCPA.com

BW&C

CERTIFIED PUBLIC ACCOUNTANTS

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

We remain available throughout the year.



2026 Community Priorities Survey

City of Freeport, Texas

April 2026

Why This Survey Matters

Inform FY 2026-2027 budget priorities



Capture resident expectations and service gaps



60 responses; majority regularly interact with services



Provides clear direction for Council decision-making

What the Data Shows

- ◆ Infrastructure selected by 88% of respondents
- ◆ All service areas rated high importance (3.9+)
- ◆ Performance consistently lower (2.6-3.2 range)
- ◆ The issue is not priorities—it's delivery and perception

Top Community Priorities



Infrastructure & Utilities -
88%



Economic Development &
Tourism - 87%



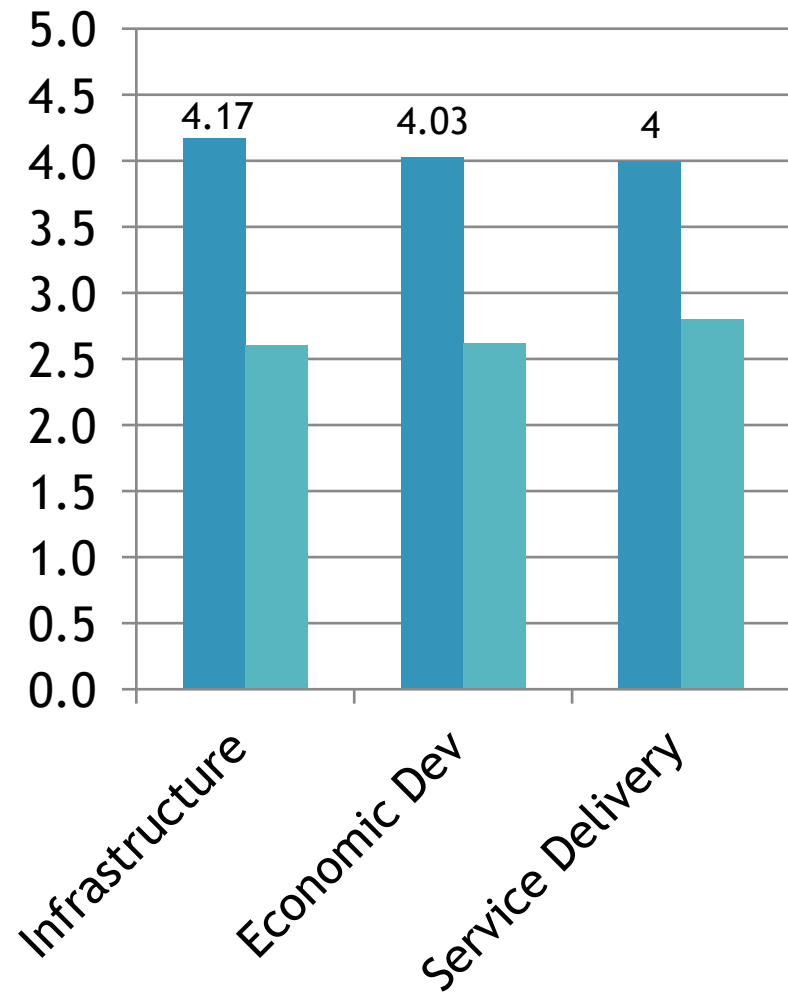
City Facilities & Public
Assets - 80%



Residents prioritize visible,
day-to-day conditions

Expectation vs Performance Gap

- ◆ Infrastructure gap: -1.57
- ◆ Economic Development: -1.41
- ◆ Service Delivery: -1.20



What We Heard from Residents



ROADS AND DRAINAGE NEED ATTENTION



DESIRE FOR SAFE PARKS AND NEIGHBORHOODS



CITY SHOULD LOOK MAINTAINED AND CARED FOR



MORE RESTAURANTS, RETAIL, AND ACTIVITY



FEEDBACK REFLECTS LIVED, DAY-TO-DAY EXPERIENCE



Strategic Takeaways

- ◆ Infrastructure is the clear priority
- ◆ Close gap between expectations and performance
- ◆ Economic development supports quality of life
- ◆ Communication shapes public perception

What This Means for Funding

This is how we translate feedback into the budget

Prioritize infrastructure and visible improvements

Shift to Priority-Based Budgeting

Fund programs aligned with community outcomes

Focus on measurable impact and transparency

Questions / Discussion



City Council Agenda Item #[5.B]

Title: Action approving Road Closures for Fort Velasco Day, Saturday, June 13th, 2026, from 8:30 A.M. – 12:00 P.M - Loretta Caddy, Interim Museum Director

Date: May 11, 2026

From: Loretta Cady, Programs Coordinator

Staff Recommendation: Staff recommends the approval of the requested road closures in reference to the Fort Velasco Day event scheduled for Saturday, June 13th, 2026.

Item Summary: The Freeport Historical Museum is hosting our 6th annual Fort Velasco Day event in Memorial Park and the museum on Saturday, June 13, 2026, from 9:00am – 12:00pm. We anticipate approximately 50 volunteers and several hundred visitors. Living historians will conduct period demonstrations including drill, black powder rifle firing, artillery, and textiles.

Road closures are requested to ensure guest safety from vehicular traffic and firearm demonstrations (powder only – not live rounds) as we anticipate large crowds. We request permission to close W and E Park on the south side of Broad and north side of 4th ST. Cannon fire demonstrations will require us to briefly close 4th ST between W and E Park, but will have staff on site to remove road blocks in case of an emergency with Fire/EMS services.

Background Information: The Battle of Fort Velasco occurred on June 25th and June 26th, 1832. The 6th annual living history event commemorates the anniversary of the battle between Mexican and Texan forces in response to the law of 1830. There will be historical re-enactors, demonstrations of early Texan life, hands-on activities, vendors, and artillery demonstrations.

Special Considerations:

All artillery demonstrations will be heavily supervised and only performed by professionals with decades of experience. All activities will be supervised and performed by skilled professionals.

Financial Impact:

All event-related expenses will be covered by the museum's budget.

Board or 3rd Party Recommendation: N/A



Supporting Documentation:

1. Flyer for Fort Velasco Day 2026
2. Map of Proposed Road Closures for Fort Velasco Day

FORT VELASCO DAY

at the Freeport Historical Museum

Saturday, June 13 9am-12pm

-Historical Reenactments - Demonstrations
of Life in 1830s Texas - Indoor and Outdoor
Games and Activities - Cannon Firing -

FREE ADMISSION



**311 East Park Avenue
Freeport, Texas 77541**

**FREEPORT
HISTORICAL
MUSEUM**

FORT VELASCO DAY 2026

OUTDOOR LAYOUT

Orange rolling barriers in place from 8:30am to 12pm

Temporary road closures on 4th street that will only go up briefly for artillery demos (5 minutes) and will come down immediately if needed for emergency vehicles.





City Council Agenda Item #[5.C]

Title: Action approving the Quarterly Investment Report for the FY26 Second Quarter, Ending March 31, 2026 - Ashlee Hurst, Finance Director

Date: May 11, 2026

From: Ashlee Hurst, Finance Director

Staff Recommendation: This report is presented for informational purposes, as required by law.

Item Summary: This report reflects that on March 31, 2026, the City’s total cash portfolio of \$27.4 million was managed in compliance with the PFIA and the City’s investment policies.

The City has had an **increase in cash** holdings of \$1,970,400 since the start of the fiscal year, including a total of \$470,120 received in interest earnings.

Background Information: The Public Funds Investment Act (PFIA), Texas Government Code, Chapter 2256 states that no less than quarterly, the Investment Officer(s) shall prepare and submit to the governing body a written report of investment transactions for all funds covered by the Act for the preceding reporting period. The presentation of this report fulfills that requirement.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. FY26 - Q2 - INVESTMENT REPORT



Quarterly Investment Report
January 1, 2026 - March 31, 2026

G/L Account	Description	Book Value	Current Interest Rate	Yield to Maturity	Maturity Date	Days to Maturity	Beginning Market Value for Period	Changes to Market Value	Ending Market Value for Period	Interest Paid YTD
Cash in Demand Accounts										
99-101-000	Operating Account	\$ 5,659,697	2.66%	2.66%	Demand	1	\$ 3,885,092	\$ 1,774,604	\$ 5,659,697	\$ 58,531
Total Cash in Demand Accounts		\$ 5,659,697					\$ 3,885,092	\$ 1,774,604	\$ 5,659,697	\$ 58,531
Invested in Government Pools										
99-105-020	TexasClass	\$ 3,534,694	3.54%	3.54%	Demand	1	\$ 3,503,753	\$ 30,941	\$ 3,534,694	\$ 65,277
99-105-010	TexPool	\$ 18,239,268	3.68%	3.68%	Demand	1	\$ 18,074,414	\$ 164,854	\$ 18,239,268	\$ 346,313
Total Invested in Pools		\$ 21,773,962					\$ 21,578,167	\$ 195,795	\$ 21,773,962	\$ 411,590
TOTAL ALL INVESTMENTS		\$ 27,433,659					\$ 25,463,259	\$ 1,970,400	\$ 27,433,659	\$ 470,120

Investment Category	Book Value	Percentage	Weighted Average Maturity (Days)
Cash in Demand Accounts	\$ 5,659,697	20.63%	1.00
Government Pools	\$ 21,773,962	79.37%	0.84
TOTAL	\$ 27,433,659	100.00%	0.87

Investment schedules presented per the provisions of the Texas Code Chapter 2256 (Public Funds Investment Act) and the City's Investment Policy.

The City requires its depository banks to provide collateral for all deposits in excess of Federal Deposit Insurance. At the end of the quarter, the market value of collateral pledged by Baker Bond Accounting to the City was \$16.47M, 290% of deposits.

Unrealized gain/loss is the difference between the market value of the City's securities and what it paid for them. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold all securities to maturity, it is unlikely that unrealized gains and losses will be realized. As of the end of the quarter, the City had no unrealized gains or losses.

Prepared By: Lily Celedon 4/15/2026
 Lily Celedon, Investment Officer Date

Verified By: Ashlee Hurst 4/15/2026
 Ashlee Hurst, Investment Officer Date



City Council Agenda Item #[5.D]

Title: Action approving the iCAT Windstorm Insurance Policy renewal - Ashlee Hurst, Finance Director

Date: May 11, 2026

From: Ashlee Hurst, Finance Director

Staff Recommendation: Staff recommends approving the renewal of windstorm insurance with the same 3% deductible.

Item Summary: The City has two windstorm insurance carriers for the various locations of the City. This is the renewal of the windstorm insurance through ICAT for Golf Course, Riverplace and the FMP Kitchen. The cost of the coverage increased by approximately \$1,465 at the current deductible of 3% to \$46,101. This is due to the fact that the insurance is based off of the rising replacement cost of each structure, as well building inspections being done on these structures. This policy was priced by McGriff and beginning October 1, 2026, we will be able to roll all of our property insurance into one policy, with their expertise.

Background Information: McGriff shops for the policy to bring the City insurance coverage. These structures on this policy have been deemed ineligible for coverage by TWIA so, iCAT is our supplemental Windstorm option.

Special Considerations: N/A

Financial Impact: Because the increase is minimal, this will be okay in the budget for this year. After October 1, 2026, we should see a refund for this policy and/or a credit on our new policy when all coverage is rolled into one policy.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. City of Freeport - 5.10.26 - Wind & Hail Only Insurance Renewal
2. ICAT Signature Docs - Insd



Windstorm Insurance Renewal Comparison
05/10/2026 - 05/10/2027

	RENEWAL	EXPIRING
Term	May 10, 2026/2027	May 10, 2025/2026
Insurance Carrier	ICAT	ICAT
Insured Values per SOV	\$2,360,588	\$2,336,021
PROPERTY COVERAGE		
Covered Perils	Wind/Hail Coverage Only	Wind/Hail Coverage Only
Per Occurrence Limit	As Per Schedule	As Per Schedule
Sub-Limits		
Wind Driven Precipitation (Annual Aggregate)	\$10,000	\$10,000
Ordinance or Law - Cov. A (Undamaged Structure)	Included in Bldg Limit	Included in Bldg Limit
Ordinance or Law - Coverage B & C combined	10% Per Bldg	10% Per Bldg
Preservation of Property	30 Days	30 Days
Pollutant Clean Up & Removal	\$10,000	\$10,000
Unscheduled Additional Property	\$10,000; Subject to \$2,500 Deductible	\$10,000; Subject to \$2,500 Deductible
Accounts Receivable	\$25,000	\$25,000
Electronic Data	\$5,000	\$5,000
Fine Arts	\$10,000	\$10,000
Valuable Papers	\$25,000	\$25,000
Food Spoilage	\$10,000	\$10,000
Utility Service Interruption	\$10,000	\$10,000
Extra Expense	Included	Included
Payroll	Included	Included
Civil Authority	21 Days	21 Days
Extended Business Income	30 Days	30 Days
Extended Rental Value	30 Days	30 Days
Extended Period of Indemnity	60 Days	60 Days
Mold Clean Up & Removal	Not Covered	Not Covered
Per Occurrence Deductibles		
Named Windstorm/Named Wind Driven Rain	3% of TIV by Policy	3% of TIV by Policy
All Other Wind/Hail /Wind Driven Rain	3% of TIV by Policy	3% of TIV by Policy
ANNUAL PREMIUM	\$46,101	\$44,636

This exhibit is for summary purposes only. Coverage shall be determined by the actual insurance policy documents.

Location 1, Building 1 Details

830 Slaughter Rd, Freeport, TX 77541

Construction Type: Wood Frame

Exterior Cladding: Other

Number of Stories: 1

Year of Construction: 2019

Total Square Footage: 3,148

Soft Story Characteristics: No

More than 31% Occupied?: Yes

Primary Occupancy: Golf and Tennis - clubhouse and enclosed buildings - Entertainment or Athletic Facilities

Secondary Occupancy: None

Roof Cladding: Steel or Metal

Roof Shape: Gable

Year Roof Last Replaced: 2019

Security: Poor

Fire Protection: Poor

Protection Class: 5

Wind Resistive: No

Soil Type: Stiff Soil

Liquefaction Value: High

Distance to Coast: 5.69 Miles

Elevation: 9.78 Feet

Flood Zone: AE

Location 2, Building 1 Details

733 Mystery Harbor, freeport, TX 77541

Construction Type: Light Metal Frame

Exterior Cladding: Other

Number of Stories: 1

Year of Construction: 2005

Total Square Footage: 7,631

Soft Story Characteristics: No

More than 31% Occupied?: Yes

Primary Occupancy: Gym, Exercise and Health Clubs; Martial Arts Studios - Entertainment or Athletic Facilities

Secondary Occupancy: None

Roof Cladding: Steel or Metal

Roof Shape: Gable

Year Roof Last Replaced: 2011

Security: Poor

Fire Protection: Poor

Protection Class: 3

Wind Resistive: No

Soil Type: Stiff Soil

Liquefaction Value: High

Distance to Coast: 4.11 Miles

Elevation: .0 Feet

Flood Zone: A

Location 3, Building 1 Details

421 N Brazosport Blvd, Freeport, TX 77541

Construction Type: Joisted Masonry

Year Roof Last Replaced: 2019

Exterior Cladding: Other

Security: Poor

Number of Stories: 1

Fire Protection: Poor

Year of Construction: 1991

Protection Class: 5

Total Square Footage: 1,224

Wind Resistive: No

Soft Story Characteristics: No

Soil Type: Stiff Soil

More than 31% Occupied?: Yes

Liquefaction Value: High

Primary Occupancy: Gym, Exercise and Health Clubs; Martial Arts Studios - Entertainment or Athletic Facilities

Distance to Coast: 4.29 Miles

Secondary Occupancy: None

Elevation: 3.2 Feet

Roof Cladding: Steel or Metal

Flood Zone: AE

Roof Shape: Gable

FOR QUOTE **TXW3122131** THE APPLICANT REPRESENTS THAT THE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

Applicant Signature:

Date:

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS STATED ABOVE AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU ALSO SHOULD KNOW THAT THE TERRORISM RISK INSURANCE ACT AS AMENDED CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Finally, the Terrorism Risk Insurance Act as amended (TRIA) is scheduled to expire on December 31, 2027. Accordingly, if you choose to accept the coverage offered herein for losses resulting from certified acts of terrorism, please note the following:

- **In the event that legislation IS NOT** passed into law extending TRIA beyond December 31, 2027, such coverage shall expire at midnight December 31, 2027, or on the termination date of the policy, whichever occurs first, and the policy shall not cover any losses or events which arise after the earlier of these dates.
 - **In the event that legislation IS** passed into law extending TRIA beyond December 31, 2027, such coverage shall expire when coverage under the policy terminates, but any coverage provided under the policy after December 31, 2027, shall be subject to all of the terms and limitations of the law extending TRIA.
-

**SUMMARY
OF THE SUBSCRIPTION AGREEMENT
AND POWER OF ATTORNEY OF
VICTOR INSURANCE EXCHANGE**

Victor Insurance Exchange (the “Exchange”) is a Domestic Surplus Lines Reciprocal Insurance Exchange existing for the benefit of its insureds (the “Subscribers”). The Exchange is an unincorporated association of those insureds, who become “subscribers” to the Exchange and gain additional rights and duties as explained below.

The attached “Subscription Agreement” governs each subscriber’s relationship with the Exchange. The Subscription Agreement also appoints a third-party, Victor Attorney-In-Fact, LLC, a Delaware limited liability company (the “AIF”), to manage and administer the day-to-day operations of the Exchange.

This Summary and Cover Letter (the “Cover Letter”) provides an overview of certain key terms of this Subscription Agreement. However, the Subscription Agreement controls your legal rights and obligations regarding the Exchange. The Subscription Agreement in its entirety is accessible at info.icat.com/subscriberagreement. For additional details regarding any matter addressed in the Cover Letter, please refer to the Subscription Agreement. You are urged to carefully read the Subscription Agreement in its entirety. By signing below, you are agreeing to be legally bound by its terms.

Surplus Contributions. Along with your insurance premium, you will pay a contribution to the Exchange known as a “surplus contribution”, which is necessary for the Exchange to operate. This contribution will be collected along with your policy premium each time you purchase a new or renewal policy from the Exchange and is set at ten percent (10%) of total annual collected premium.

Non-Assessable Policies. The policy you are currently buying is not subject to assessment under Delaware law; this means the Exchange will not ask you to pay more than the premium and the surplus contribution as a result of owning this policy. If you renew this policy in future years, the Exchange also will not ask you to pay more than the premium and applicable surplus contribution, provided the Exchange meets the requirements of assuming non-assessable policies with applicable Delaware law.

Management of the Exchange and Compensation. By signing the Cover Letter and agreeing to be bound by the Subscription Agreement, you agree to appoint the AIF to be the Attorney-in-Fact for the Exchange. The AIF will manage the day-to-day insurance operations of the Exchange. The relationship between the Exchange and the AIF is governed by the terms of the Attorney-in-Fact Agreement between the Exchange and the AIF (the “AIF Agreement”). A copy of the AIF Agreement is available via info.icat.com/Victor-Insurance-Exchange-Attorney-In-Fact

In exchange for services rendered, the Exchange will compensate the AIF in an amount equal to eighteen and one-half percent (18.5%) of the annual gross premium written by the Exchange. For additional information, please refer to the AIF compensation terms provided in the Subscription Agreement and the AIF Agreement.

Related Party Transactions. You agree that the AIF may retain affiliates to provide management services to the Exchange in support of its day-to-day insurance operations, and you agree that it is not a conflict of interest for the AIF to contract with affiliates. Please refer to Section 1.5 of the Subscription Agreement for examples of affiliated transactions.

Subscribers' Advisory Committee. The Exchange has established a Subscribers' Advisory Committee ("SAC") for the benefit of its Subscribers. The SAC is an advisory body and is not responsible for operating the Exchange. The SAC will represent the rights of the Subscribers under the Subscription Agreement.

Subscriber Savings Accounts. The Exchange may, in the sole discretion of the AIF, allocate profits or excess surplus to active Subscribers. Any such allocation will be deposited into Subscriber Savings Accounts ("SSAs"). Any distributions from SSAs will be subject to the performance of the Exchange, its ability to pay claims, and its overall financial strength. Distributions will be subject to the prior written approval of the Delaware Department of Insurance.

Arbitration. Your participation in the Exchange and agreement to be bound by the Subscription Agreement is subject to binding arbitration. The arbitration agreement is in the Subscription Agreement and governs all disputes between you, the Exchange, the AIF, and any affiliates of the AIF.

Limitation of Actions. Absent a finding of criminal or willful misconduct or recklessness, you agree that you will not sue, or name in any action or affirmative defense, the Exchange, or any affiliates of the AIF.

Impairment of Exchange. You agree that, if the assets of the Exchange are at any time insufficient to discharge the Exchange's liabilities or to maintain the surplus required under the laws of Delaware or any other jurisdiction in which the Exchange conducts business, neither the AIF, nor the affiliates of the AIF, will be liable to the Exchange or be required to make up any such deficiency or otherwise fund the Exchange.

Tax Considerations. Each prospective subscriber is advised to consult their tax advisor regarding the tax effects of a contribution or investment in the Exchange.

Assignment of Benefit. You agree that you may not, without the prior written consent of the AIF, assign any rights or obligations under the Subscription Agreement, or under any policy of insurance issued by the Exchange, to a third party.

Acceptance of Subscription Agreement and Revocable Proxy. By signing below, you agree to become a Subscriber of the Exchange, to appoint the AIF as the Attorney-in-Fact of the Exchange, and to be legally bound by the terms and conditions of the Subscription Agreement and the attached Revocable Proxy. We again encourage you to read the Subscription Agreement in its entirety.

If you fail to sign this Cover Letter but remit an application for coverage and pay the corresponding premium and surplus contribution, the Exchange may, but is not required to, deem you a Subscriber of the Exchange. Under such circumstances, you will be bound by the Subscription Agreement and the Revocable Proxy attached thereto.

Signature:

By: _____

Name:

Date:

**REVOCABLE PROXY
OF
SUBSCRIBER**

The undersigned ("Subscriber") appoints each of the members of the Subscribers' Advisory Committee (the "SAC") of Victor Insurance Exchange, a Delaware domestic reciprocal insurance company (the "Exchange"), as agents and attorneys with powers of substitution as Subscriber's lawful proxy to vote and act for Subscriber and in Subscriber's name at any meeting of the Subscribers of the Exchange.

This proxy is solicited on behalf of the management of the Exchange and will empower the holders to vote on Subscriber's behalf for any business that may properly come before any meeting of the Subscribers.

Subscriber understands that Subscriber may revoke this proxy by giving the Exchange written notice of Subscriber's revocation at least 10 days before the date of any meeting of the Subscribers of the Exchange at which this proxy is to be exercised. Subscriber further understands that if Subscriber attends a meeting, Subscriber may revoke this proxy by electing to vote in person. **Subject to the foregoing, Subscriber understands that this proxy shall be irrevocable.**



City Council Agenda Item #[6.A]

Title: Consideration and possible action approving Individual Project Order No. 2026-04 with Kimley-Horn and Associates, Inc. for preparation of a Texas Water Development Board (TWDB) 2026 Water Supply and Infrastructure Grant (WSIG) Application.

Date: May 11, 2026

From: Dr. Danielle Kelly

Staff Recommendation:

Approve Individual Project Order No. 2026-04 with Kimley-Horn and Associates, Inc. in the amount of \$25,000 and authorize the City Manager to execute the agreement.

Item Summary:

This item considers approval of an Individual Project Order (IPO) under the City's existing Master Agreement with Kimley-Horn and Associates, Inc. for professional engineering services related to grant preparation. The proposed scope of work includes preparation of a single application for the Texas Water Development Board (TWDB) 2026 Water Supply and Infrastructure Grant (WSIG) program. The effort will focus on identifying a qualifying water supply or infrastructure project and assembling the full application package for submission.

Key services include:

- Coordination with City staff to identify an eligible project
- Site visit(s) to relevant City facilities
- Preparation of TWDB required forms and supporting exhibits
- Development of an Opinion of Probable Construction Costs
- Assembly of the complete application package
- One round of revisions based on City review

The final application will be submitted by the City through the TWDB portal.

Background Information:

The TWDB Water Supply and Infrastructure Grant (WSIG) program provides funding opportunities for water and wastewater infrastructure projects. These competitive grant programs require detailed technical documentation, cost estimates, and supporting materials to



be eligible for consideration. Given the technical nature of the application and the importance of positioning the City competitively for funding, staff is recommending utilization of Kimley-Horn under the existing continuing services agreement. The consultant will provide up to approximately 90 hours of effort to prepare the application. The schedule is driven by a TWDB submittal deadline of July 30, 2026, with a required Notice to Proceed (NTP) no later than April 30, 2026 to ensure timely completion. This effort supports the City's broader objective of pursuing external funding sources to advance critical infrastructure projects without placing full financial burden on local ratepayers.

Special Considerations: N/A

Financial Impact:

The total cost for services is a lump sum of \$25,000. Invoices will be billed monthly based on the percentage of work completed.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Kimley-Horn IPO 2026-04_WSIG Application

INDIVIDUAL PROJECT ORDER NUMBER 2026-04

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant or Kimley-Horn), and the City of Freeport, Texas (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated **February 15, 2024**, which is incorporated herein by reference.

Identification of Project: Kimley-Horn will provide limited engineering services to assist the City with preparing one (1) Texas Water Development Board (TWDB) – 2026 Water Supply and Infrastructure Grant (WSIG) Application package for a water supply or water infrastructure project identified by the City.

Specific scope of basic Services:

Task 1: Grant Application

Kimley-Horn will assist with the preparation of the City’s 2026 Water Supply and Infrastructure Grant Application to TWDB. This program call will open in April 2026, at which time all requirements will be published. The following budget estimate is based on an anticipated maximum of 90 hours of Kimley-Horn effort; however, the final cost will reflect the actual hours required to complete the services requested by the City. Once the full scope of the application is released by TWDB; and if the allocated fee is determined to be insufficient, additional scope will be considered an additional service. Kimley-Horn hourly labor rate schedule is provided as an attachment. Anticipated services consist of the following:

1. Coordination with City staff to discuss potential infrastructure projects that meet WSIG requirements
2. Attend site visit of City facilities
3. Prepare TWDB Forms
4. Prepare support exhibits for identified project
5. Prepare Opinion of Probable Construction Costs
6. Submit the application to the City for review
7. Address one (1) round of comments and provide submittal materials to the City. The City will submit the application to TWDB through the application portal.

Kimley-Horn shall not have liability for or deemed in breach because of City’s failure to submit on time or properly the grant application.

Additional Services if required: Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates.

Schedule: Kimley-Horn agrees to complete the required services outlined in Task 1 for the TWDB submittal deadline date set for July 30th 2026. To meet this schedule, the City shall provide Kimley-Horn Notice the Notice to Proceed (NTP) no later than April 30th, 2026. Kimley-Horn shall not have liability for or deemed in breach because of delays caused by any factors outside of its reasonable control, consisting of but not limited to acts of the City, natural disasters, adverse weather, third parties, or governmental agencies.

Deliverables: One (1) TWDB – 2026 WSIG Application package

Task 1: Grant Application	\$25,000	Lump Sum
Contract Total:	\$25,000	

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

Direct reimbursable expenses such as express delivery services, fees, air travel, and other direct expenses will be billed at 1.15 times cost. A percentage of labor fee will be added to each invoice to cover certain other expenses such as telecommunications, in-house reproduction, postage, supplies, project related computer time, and local mileage. Administrative time related to the project will be billed hourly. All permitting, application, and similar project fees will be paid directly by the Client.

Other special terms of Individual Project Order: None.

ACCEPTED:
CITY OF FREEPORT, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.



BY: _____

BY: Stephen Kelly, P.E. _____

TITLE: _____

TITLE: Associate _____

DATE: _____

DATE: 4/10/2026 _____



City Council Agenda Item #[6.B]

Title: Consideration and possible action approving Resolution No. 2026-3043 an Agreement with Village of Surfside Beach - Repayment of Water Overbilling.

Date: May 11, 2026

From: Dr. Danielle Kelly

Staff Recommendation: Adopt Resolution No, 2026-3043 Approve an Agreement between the City of Freeport and the Village of Surfside Beach establishing terms for repayment of previously overbilled water charges.

Item Summary:

The attached agreement formalizes the repayment of \$651,641.41 in overbilled water charges to the Village of Surfside Beach. The amount has been independently verified and mutually agreed upon by both parties as the full and final sum owed under the existing interlocal water supply agreement.

The agreement establishes a structured repayment plan, including:

- An initial payment of \$325,820.71 within 10 business days of execution
- Annual payments of \$100,000 beginning September 30, 2027
- Final payment of all remaining principal and accrued interest at a rate of 3.6806%
- Flexibility for prepayment without penalty

Upon execution, the agreement also includes a mutual release of claims related to the overbilling issue, providing closure on this matter.

Background Information:

The City of Freeport and the Village of Surfside Beach operate under an existing interlocal agreement for the provision of potable water. During a recent internal review of utility billing practices, discrepancies were identified that resulted in overbilling to Surfside. Staff conducted a detailed analysis of billing records and coordinated with Surfside to verify the extent of the discrepancy. Both parties have confirmed the total overbilled amount and agree that no additional sums are owed beyond those identified in this agreement.

Special Considerations: N/A



Financial Impact:

The agreement obligates the City to repay a total of \$651,641.41 plus interest at 3.6806%.

- Immediate Impact: \$325,820.71 payment within 10 business days
- Ongoing Impact: Annual payments of \$100,000 beginning in FY 2027
- Budget Consideration: Payments will need to be incorporated into current and future utility fund financial planning

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. RESOLUTION APPROVE SURFSIDE CONTRACT 050126
2. Agreement Payment to Surfside - Revised DUNCAN

RESOLUTION NO. 2026-3043

A RESOLUTION OF THE CITY COUNCIL OF FREEPORT, TEXAS MAKING SPECIFIC FINDINGS OF FACT, CONSENTING TO A CONTRACT WITH THE VILLAGE OF SURFSIDE BEACH, TEXAS, AND AUTHORIZING THE MAYOR TO EXECUTE SAID CONTRACT.

WHEREAS, the City of Freeport (hereinafter “Freeport”) and the Village of Surfside Beach (hereinafter “Surfside”) are authorized under Chapter 791 of the Texas Government Code to enter into contracts with one another for governmental functions and services; and

WHEREAS, Freeport and Surfside entered into an Interlocal Agreement wherein Freeport agreed to supply potable water to Surfside and Surfside agreed to purchase said potable water from Freeport; and

WHEREAS, during the course of transactions between the cities under the above agreement, Surfside was overbilled and overpaid to Freeport a sum of \$651,641.41. The purpose of this Interlocal Agreement is set forth a payment schedule for Freeport to repay Surfside the overbilled sum of \$651,641.41; and

WHEREAS, the cities have independently confirmed and agree that the sum of \$651,641.41 is the full and total sum owed to Surfside under the terms of the Interlocal Agreement to sell and purchase water between the parties; and

WHEREAS, the cities agree that there are no further defaults or sums owing by either city under the Interlocal Agreement to sell and purchase water between the parties and said Interlocal Agreement remains in full force and effect; and

WHEREAS, both Cities find that the subject of this Agreement is necessary to preserve the health and welfare of the Public and that each party has the legal authority to enter into this Agreement. Further, that both parties have the legal authority to perform the governmental and service functions required by this Agreement; and

WHEREAS, all legal conditions precedent have occurred prior to the execution of this Agreement, including approval by the city councils of each respective party, after public notice and hearing, and compliance with the Texas Open Meetings Act; and

WHEREAS, both Cities find that performance under this Agreement is in the common interest of both parties and its citizens.

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

- Section 1. That the facts and recitations set forth in the preamble of this resolution and in the proposed contract be, and they are hereby, adopted, ratified, and confirmed.
- Section 2. The City Council approves the terms of the proposed contract.
- Section 3. The mayor is authorized to sign the proposed contract.
- Section 4. Notice of the agenda and conduct of this city council meeting were made in compliance with state law, including the Texas Open Meetings Act.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2026.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport, Texas

Christopher Duncan, City Attorney
City of Freeport, Texas

**AGREEMENT BETWEEN THE CITY OF FREEPORT AND THE VILLAGE OF
SURFSIDE BEACH – REPAYMENT OF WATER OVERBILLING**

**STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §**

This agreement and made and entered into this the ____ day of _____, 2026, by and between the City of Freeport, Brazoria County, Texas, an incorporated home rule municipality (hereinafter “Freeport”) and the Village of Surfside Beach, Brazoria County, Texas, an incorporated Type A general law city (hereinafter “Surfside”); whereby in consideration of the mutual covenants and stipulations contained herein, the parties to this agreement, mutually agree to the following:

WHEREAS, the City of Freeport (hereinafter “Freeport”) and the Village of Surfside Beach (hereinafter “Surfside”) are authorized under Chapter 791 of the Texas Government Code to enter into contracts with one another for governmental functions and services; and

WHEREAS, Freeport and Surfside entered into an Interlocal Agreement wherein Freeport agreed to supply potable water to Surfside and Surfside agreed to purchase said potable water from Freeport; and

WHEREAS, during the course of transactions between the cities under the above agreement, Surfside was overbilled and overpaid to Freeport a sum of \$651,641.41. The purpose of this Interlocal Agreement is set forth a payment schedule for Freeport to repay Surfside the overbilled sum of \$651,641.41; and

WHEREAS, the cities have independently confirmed and agree that the sum of \$651,641.41 is the full and total sum owed to Surfside under the terms of the Interlocal Agreement to sell and purchase water between the parties; and

WHEREAS, the cities agree that there are no further defaults or sums owing by either city under the Interlocal Agreement to sell and purchase water between the parties and said Interlocal Agreement remains in full force and effect; and

WHEREAS, both Cities find that the subject of this Agreement is necessary to preserve the health and welfare of the Public and that each party has the legal authority to enter into this Agreement. Further, that both parties have the legal authority to perform the governmental and service functions required by this Agreement; and

WHEREAS, all legal conditions precedent have occurred prior to the execution of this Agreement, including approval by the city councils of each respective party, after public notice and hearing, and compliance with the Texas Open Meetings Act; and

WHEREAS, both Cities find that performance under this Agreement is in the common interest of both parties and its citizens.

NOW, THEREFORE, BE IT RESOLVED that the City of Freeport and the Village of Surfside Beach, pursuant to Chapter 791 of the Texas Government Code, each acting through their respective governing bodies, and consideration of the value and mutual promises made herein, do hereby enter into this Agreement for Payment of Overbilled Water Charges as set forth below:

ARTICLE 1 - RECITALS

All recitals and preambles hereinabove stated are found to be true and correct and are incorporated herein and made part of this Agreement.

ARTICLE 2 – TERMS OF PAYMENT

The terms payment are set forth as follows:

- a. Freeport agrees to pay to Surfside the sum of Six Hundred Fifty-One Thousand, Six Hundred Forty-One and 41/100 Dollars (\$651,641.41) together with interest thereon from the date hereof until maturity date at the rate of 3.6806% per annum.
- b. The principal and accrued interest shall be paid as follows:
- 1) Three Hundred Twenty-Five Thousand, Eight Hundred Twenty and 71/100 Dollars (\$325,820.71) shall be paid within 10 business days of the execution of this Agreement;
 - 2) The remaining balance shall be paid in annual installments of One Hundred Thousand and 00/100 Dollars (\$100,000) on or before the September 30 of each subsequent year with the first payment being due and payable on or before September 30, 2027.
 - 3) The final installment shall include all remaining principal and accrued interest.
- c. This debt may be prepaid in whole or in part at any time without penalty. Interest will cease to accrue on any prepaid principal.

ARTICLE 3 – RELEASE

Effective upon the full execution of this Agreement, Surfside releases, acquits, and forever discharges Freeport, 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 arising from or relating to the above referenced Interlocal Agreement to sell and purchase water between the parties except any obligations arising under this Agreement.

ARTICLE 4 - AMENDMENTS

Any amendment to this Agreement shall be made in writing and on the approval of the governing body of each City.

ARTICLE 5 - RESOLUTION OF CONFLICTS

If any difference or dispute shall arise between the cities relating to the performance of this Agreement, the cities shall follow the dispute resolution process contained in the original Interlocal Agreement to sell and purchase water between the parties.

ARTICLE 6 - MISCELLANEOUS

Venue and Choice of Law: Venue for any lawsuit involving this Agreement shall be in Brazoria County, Texas and is governed by the Laws of the State of Texas.

Entire Agreement: This Agreement and the attached Exhibit A constitutes the entire Agreement and all negotiations and understandings between the parties regarding the sharing of contracted services are contained herein. The terms and conditions of this Agreement specifically replace, and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference to the nature of this Agreement.

Exhibits: All exhibits related to this Agreement and attached hereto are incorporated into this Agreement.

Notice: Any Notice or invoice required or permitted to be given under this Agreement must be in writing and shall be effective upon receipt at the address of the addressee. For the purposes of Notice the addresses of the parties shall be as follows:

If to Freeport:	City of Freeport Attn: Dr. Danielle Kelly – City Manager 1201 N. Avenue H Freeport, Texas 77541
-----------------	--

If to Surfside: Village of Surfside Beach
Attn: _____
1304 Monument Dr.
Surfside Beach, Texas 77541

Severability: If any term, provision, covenant or condition of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining portions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, invalidated or voided.

Assignment: The parties shall not assign, transfer or any encumber any right or interest in this agreement, in whole or in part, without prior written approval by the Governing Body of both parties.

Gender: Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa unless the context require otherwise.

Multiple copies: This Agreement may be executed in multiple counterparts each of which constitute an original.

Article and Section Headings: The Article and Section Headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

ARTICLE 7 - ADOPTION AND EFFECTIVE DATE

This Agreement shall become effective on the _____ day of _____, 2026, after each of the parties hereto have passed, approved and adopted a resolution passed by the governing bodies of each City, specifically agreement to the terms within this Agreement, and further directing the Mayor and City Secretary to sign this Agreement on behalf of their respective City.

Further, that upon execution of this Agreement in duplicate originals, certificates of posting this Agreement was discussed or action taken upon this Agreement be attached as Exhibits to this Agreement.

- EXHIBIT “A” Certificates of Agenda Posting; Freeport Council Meetings.
- EXHIBIT “B” Certified copies of Minutes of Freeport City Council.
- EXHIBIT “C” Certified copy of Resolution authorizing adoption of Agreement by Freeport City Council.
- EXHIBIT “D” Certificates of Agenda Posting; Surfside Council Meetings.
- EXHIBIT “E” Certified copies of Minutes of Surfside City Council.
- EXHIBIT “F” Certified copy of Resolution authorizing adoption of Agreement by Surfside City Council.

Mutually agreed and executed this _____ day of _____, 2026.

The Honorable Jerry Cain, Mayor
City of Freeport, Texas

The Honorable , Zach Parsch, Mayor
Village of Surfside Beach, Texas

ATTEST:

Clarisa Fernandez, City Secretary

Shirley Sharrock-Archuleta, City Secretary



City Council Agenda Item #[6.C]

Title: Consideration and possible action on the approval of Texas A&M Forest Service Water Tender (Tender/Engine) Grant.

Date: May 11, 2026

From: Christopher Motley, Fire Chief

Staff Recommendation:

Approve acceptance of grant funding through the Texas Forestry Service (TFS) in the amount of \$300,000 for the acquisition of a water tender (Tender/Engine).

Item Summary:

This Apparatus and Equipment Grant will support the acquisition of a water tender to enhance the department's operational capabilities. The primary intent of the grant is to improve fire protection in areas lacking established water infrastructure and to strengthen response capabilities for wild land interface fires, particularly in beachfront properties and rural acreage within the community.

The addition of this apparatus will improve water supply operations, increase firefighting effectiveness, and enhance service delivery in areas with limited hydrant access.

Background Information:

The Texas Rural VFD Assistance Program provides funding to rural VFDs for the acquisition of firefighting vehicles, fire and rescue equipment, protective clothing, dry-hydrants, computer systems and firefighter training. It is a cost-share program funded by the Texas State Legislature.

Since its inception in 2002, the program has been extremely successful in helping fire departments get the vehicles, training, and equipment that they would otherwise not have access to. Due to the usefulness of the program, we are experiencing significant demand in excess of \$200 million in outstanding requests, while currently being funded at \$16.2 million per year. Therefore, while we would like to fund every request, it unfortunately takes some time to help every department in need.

Due to recent significant wildland fires across the United States and Texas, TFS has aggressively awarded fire apparatus to address this growing concern in supporting local fire departments in providing resources to address wildland interface.



Special Considerations: None

Financial Impact:

The TFS grant operates on a reimbursement basis, with funding not to exceed \$300,000 (95% cost share). The Fire Department is currently evaluating apparatus options that meet minimum specifications while aligning with long-term fleet replacement planning. Estimated project costs are as follows: Apparatus: Approximately \$1,200,000.00, Loose Equipment: Approximately \$180,000. Vendors under consideration include General Truck Builders and Metro Fire. Final pricing and specifications remain under review.

Board or 3rd Party Recommendation:

None

Supporting Documentation:

None

Truck Guidelines

Rural Volunteer Fire Department Assistance Program

All fire departments receiving cost-share funding for the purchase of a vehicle must comply with the following special requirements:

1. All department personnel must be trained in the proper operation and maintenance of trucks, pumps, systems, and related equipment. Personnel training must be documented.
2. All vehicles acquired under this program must be maintained in firefighting service for a period of 10 years from the reimbursement check date. If a cost-shared vehicle is sold before the end of its 10-year service life under this program, the grant recipient may be required to reimburse the program for 90% of the proceeds from the sale of the vehicle. The grant recipient must notify TFS in advance and must obtain clearance to sell or transfer a grant vehicle before the end of its 10-year service life. The Funding Committee may waive on a case-by-case basis the requirement that 90% of the sale proceeds be returned to the program. Recipients receiving transferred vehicles prior to the end of their 10 year service life shall be subject to the terms and conditions as described in this section.
3. All vehicles must be meet the minimum standards as described in the attachment "Minimum Standards and Specifications for Firefighting Vehicles."
4. An Affidavit of Non-Collusion (page 2) must be completed, signed, and notarized by the seller of the vehicle. The Fire Department must submit the completed affidavit to the Texas A&M Forest Service before a grant reimbursement may be paid.
5. The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.
6. Vehicles purchased, paid in full, prior to the award date are ineligible for reimbursement under this program.

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Accept the award via [FireConnect](#).
2. Purchase the approved item(s). *Remember to obtain special approval for a pre-owned vehicle.*
3. Submit for Reimbursement via [FireConnect](#), and upload the following supporting documents:
 - Affidavit of Non-Collusion
 - Proof of Payment
 - Copies of Signed Check(s)
 - Credit Card Receipt(s)
 - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
 - Bank/Credit Card Statement(s) Showing the Purchase
4. A member of our Field Staff must perform an inspection of the vehicle at the fire station before a grant reimbursement can be issued.
5. Grants for firefighting vehicles will expire **12 months** from the approval date. Extensions may be available upon request via [FireConnect](#).

STATE OF
COUNTY OF

GENERAL AFFIDAVIT BEFORE NOTARY

AFFIDAVIT OF NON-COLLUSION

SELLER

PURCHASER

Name:

Address:

Phone:

Name:

Address:

Phone:

VEHICLE INFORMATION

Year: Make: Model:

VIN:

Date of Sale: Total Sale Price: \$

I, , the undersigned, being the duly authorized agent of the Seller, , swear that the foregoing information is true and correct to the best of my knowledge, information, and belief, and that this document correctly states the total amount of consideration for the transfer of this vehicle. I further affirm that neither I nor the above business has been a party to any collusion with the Purchaser as to the Total Sale Price of the vehicle. I further affirm that the Total Sale Price is genuine, and is not a sham or collusive price made in the interest or on behalf of any person, and that the Seller has not directly or indirectly been induced or solicited to submit a sham Total Sale Price.

By: _____ Date: _____
(Signature)

Title

STATE OF
COUNTY OF

Subscribed and sworn to before me this _____ day of _____, 20____.

Signature of Notary Public

My Commission Expires

Minimum Standards and Specs for Firefighting Vehicles

All vehicles funded under this program must be fire suppression vehicles and must meet the following minimum standards. These standards are developed to establish broad equipment categories for funding and review. They are not intended as “bid ready” equipment specifications. Departments are strongly encouraged to add capabilities and features required to meet local needs.

WEIGHT AND BALANCE

The fully loaded and equipped operating weight of the vehicle must not exceed the Gross Vehicle Weight Rating (GVWR) of the vehicle as determined by the manufacturer, nor the Gross Axle Weight Rating (GAWR) of the vehicle as determined by the manufacturer. The vehicle weight must be balanced so that the vehicle is easy to control. The vehicle center-of-gravity must be low enough to safely operate in curves and on side slopes. The vehicle must have effective brakes that can stop the vehicle without brake fade.

TANKS

- All vehicles must have a water tank with a minimum capacity of 200 gallons.
- All water tanks must be baffled.
- All water tanks constructed of mild steel must be protected from corrosion.

Small Brush Truck

Design Minimums

200 Gallon Water Tank
100 GPM Pump @ 100 psi
Ability to draft water at a minimum
of 12 vertical feet
2.5” pump discharge
Minimum ¾ ton chassis

Ultra High Pressure Option

200 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum ¾ ton chassis

Large Brush Truck (2.5/5 Ton Military)

Design Minimums

500 Gallon Water Tank
250 GPM Pump @ 40 psi
Ability to draft water a minimum of 12
vertical feet
2.5” pump discharge
Minimum 22,000 pound GVWR chassis

Ultra High Pressure Option

500 Gallon Water Tank
6 GPM Pump @ 1100 psi
Minimum 22,000 pound GVWR
chassis

Water Tender

Design Minimums

1,000 Gallon Water Tank
250 GPM Pump @ 40 psi
Minimum Dump Valve of 4.5 inch
(round or square)*
Ability to draft water a minimum of
12 vertical feet
2.5” pump discharge
Minimum 22,000 pound GVWR
chassis

*In place of a gravity dump valve,
a dedicated, hard-piped 3” or
larger discharge may be used,
supplied by a pump rated at a
minimum of 750 GPM @ 40 psi.

OTHER INFORMATION

- All slippery surfaces where personnel will step must have skid plates or abrasive surfaces to prevent personnel from slipping under wet conditions.
- Vehicle must have back-up alarm.
- Vehicle must have illuminated pump controls.
- Vehicle must have vehicle lighting and markings as required by law.
- Pumper conversions are allowed, provided they still meet the design minimums.



Notice to Purchasers of New Fire Trucks

These guidelines apply for those purchasing a truck in Texas.

The sale and lease of new motor vehicles in Texas is regulated by the Texas Occupations Code, Title 14, Regulation of Motor Vehicles and Transportation, Chapter 2301, Sale or Lease of Motor Vehicles. The law is administered and enforced by the Texas Department of Transportation (TXDOT).

The law requires that vehicle manufacturers, converters, representatives, and franchised dealers be properly licensed and that they comply with certain standards of conduct.

According to TXDOT interpretations, a franchised dealer, and only a franchised dealer, is legally allowed to sell a new fire truck in Texas. This applies whether the truck offered for sale is a manufactured vehicle or a converted vehicle.

Manufactured Vehicles

A fire truck that meets or exceeds the legal definition of a “fire-fighting vehicle” is considered a manufactured product and the entity that builds it is considered a “manufacturer”.

Manufacturers cannot sell motor vehicles directly to consumers in Texas, including municipalities, and must have at least one franchised dealer located in the state in order to maintain their license.

Converted Vehicles

A fire truck that does not meet the legal definition of a “fire-fighting vehicle” is considered a converted product (conversion). It is a new motor vehicle chassis that has something substantial done to it prior to being sold to an end-user. The entity that builds it is considered a “converter”.

Neither converters nor their representatives are allowed to sell converted vehicles directly to consumers. A new fire truck that is considered a conversion may only be sold to an end-user, including a municipality, by a Texas dealer franchised and licensed to sell the make of the chassis of the converted product.

A licensed, franchised dealer must be listed as the seller or bidder of a new vehicle. This dealer must invoice the end-user for the entire purchase price of the vehicle including the conversion package, must obtain payment for the entire purchase price, and must perform the title work on the completed vehicle.

What Should A Fire Department Do?

1. Comply with the law:
 - Determine that the manufacturer or converter of a fire truck is properly licensed to do business in Texas.
 - Determine that the fire truck is to be sold to the end-user by a licensed franchised dealer.
2. Contact Texas Department of Motor Vehicles for information:
Telephone: 1-888-368-4689
Website: <https://www.txdmv.gov/dealers>

Texas A&M Forest Service is providing this notice for educational purposes only, in an effort to promote compliance with the law. The final authority for communication, interpretation, and enforcement resides with the Texas Department of Motor Vehicles. Buyers and sellers of new fire trucks are encouraged to contact TXDOT directly for clarification and guidance.



BEST PRACTICES FOR WORKING WITH FIRE TRUCK CONVERTERS



Research and get feedback from other fire departments that have done business with the vendor(s) you are considering

Have a detailed, written contract with a completion date



Be cautious of paying up front for incomplete work

Make sure the work you're requesting is within the vendor's area of expertise





City Council Agenda Item #[6.D]

Title: Consideration and possible action approving Ordinance No. 2026-2766 Amending Chapter 124, “Short-Term Rental Facilities,” by Removing the 200-Foot Density Limitation.

Date: May 11, 2026

From: Christopher Duncan

Staff Recommendation:

Staff recommends approval of the ordinance amending Chapter 124 of the Code of Ordinances to remove the 200-foot density limitation for short-term rental properties.

Item Summary:

The proposed ordinance removes the existing requirement that prohibits a short-term rental (STR) from being located within 200 feet of another STR. This provision was previously adopted as part of regulatory updates to manage STR density within the City. Recent legal developments across the State of Texas have raised concerns regarding the constitutionality of such spacing requirements. Courts have indicated that these types of restrictions may constitute a regulatory taking, potentially exposing municipalities to legal challenges under inverse condemnation claims. This ordinance eliminates Sections 8-768(A) and (B), which establish the density limitation, while maintaining the remainder of the City’s STR regulatory framework.

Background Information: In 2021, the City adopted Ordinance No. 2021-2640, establishing regulations for short-term rental properties. In 2023, Ordinance No. 2023-2698 further amended the code, including the addition of a 200-foot separation requirement between STRs. Since adoption, evolving case law in Texas has called into question the legality of such spacing requirements, particularly when they may infringe upon private property rights. Based on this legal landscape, staff has reviewed the ordinance and is recommending removal of the density restriction to reduce potential liability and align with current legal interpretations.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

979.233.3526 Fax 979.233.8867



1201 North Avenue H. Freeport, TX 77541

1. SHORT TERM RENTAL ORDINANCE

ORDINANCE NO. 2026-2766

AN ORDINANCE AMENDING CHAPTER 124, " SHORT-TERM RENTAL FACILITIES" CONTAINED IN TITLE 11 "BUSINESS REGULATIONS" OF THE CODE OF ORDINANCES OF THE CITY OF FREEPORT, TEXAS, REMOVING THE 200 FEET DENSITY LIMITATION; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THE ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AND PROPERLY PUBLISHED FOR HEARING AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Freeport, Texas, passed ordinance 2021-2640 creating regimen of regulations pertaining to short term rental properties; and

WHEREAS, the City Council amended said regulations by passing ordinance 2023-2698, adding section 8-768 to the City Code of Ordinances with further limitations to operate a short term rental property in the City. Among other limitations, the ordinance limited the density of short term rental properties by establishing the rule that *"No Short-Term Rental shall be located within 200 feet of another Short-Term Rental measured from the nearest property line to the nearest property line."*

WHEREAS, case law from courts around the State of Texas have held that such a limitation is unconstitutional, and could be considered a "taking" of property rights by the legal theory of inverse condemnation.

WHEREAS, the City Council finds that eliminating this provision of 8-768 is in the best interest of the citizens with respect to individual property rights.

WHEREAS, the City Council finds that this Ordinance was adopted at a meeting which was open to the public and preceded by proper notice, as required by Chapter 551 of the Texas Local Government Code (the Open Meetings Act).

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

Section 1 the findings and recitations set out in the preamble to this ordinance are found to be true and correct and they are hereby adopted by the City Council and made part hereof for all purposes.

Section 2 That Sections 8-768(A) and (B) contained in Article XIII of Chapter 8 "Business and Professions" of the Code of Ordinances of the City of Freeport, Texas, is hereby voided, deleted and removed.

Section 3 Sections 8-768(C) and (D) are now designated as Sections (A) and (B).

Section 4 This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Freeport and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

Section 5 If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

Section 6 All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for City of Freeport in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

Section 7 Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Freeport in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Freeport.

Section 8 This ordinance shall take effect and be in force immediately upon its passage.

READ, PASSED AND ADOPTED this _____ day of May, 2026

Jerry Cain, Mayor

ATTEST:

Clarisa Fernandez, City Secretary

APPROVED AS TO FORM ONLY:

Christopher Duncan, City Attorney



City Council Agenda Item #[6.E]

Title: Discuss and take possible action to initiate an investigation of Councilman George Matamoros for LYING UNDER OATH @ trial with EDC, including TAX PAYER FUNDS recovery, administrative misconduct, and the authorization of a criminal referral for allegations of perjury or lying under oath during official proceedings.

Date: May 11, 2026

From: Councilman Pena

Staff Recommendation: N/A

Item Summary: City Council will discuss and take possible action to investigate Councilman George Matamoros for Lying Under Oath during the lawsuit against the EDC. The discussion will focus on the progress of fund recovery efforts and alleged financial irregularities, administrative misconduct, lack of transparency regarding project expenditures, and potential criminal referral.

Background Information: City Council is authorized to oversee the prudent management of public funds and the conduct of municipal projects. The Matamoros project has raised significant concerns regarding administrative and financial irregularities. If administrative leadership is willing to obscure relatively small discrepancies (e.g., \$6,000), there is a high probability of a lack of integrity and potential self-dealing in managing projects involving millions of taxpayer dollars. This pattern of behavior is consistent with issues identified in the Petty case, necessitating a formal review of compliance with City policies and legal fiduciary duties.

Special Considerations: Council must address the risk of "self-dealing" and ensure institutional integrity to protect city assets. Portions of this discussion regarding specific legal strategy or personnel conduct may occur in Executive Session as permitted by the Texas Open Meetings Act.

Financial Impact: The potential financial impact to the City involves the loss or recovery of millions of dollars. Failure to address these integrity issues could result in continued financial loss, increased legal liability, and mismanagement of future multi-million dollar municipal investments.

Board or 3rd Party Recommendation:

Supporting Documentation:

979.233.3526 Fax 979.233.8867



1201 North Avenue H. Freeport, TX 77541

1. MATAMOROS INVESTIGATION 2026
2. Plaintiff's First Amended Original Petition
3. Bankruptcy REDACTED

RESOLUTION 2026-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, TO OPEN AN INVESTIGATION OF ALLEGED MISCONDUCT BY COUNCILMAN GEORGE MATAMOROS.

WHEREAS, the City Council of the City of Freeport has received allegations of alleged misconduct by Councilman George Matamoros; and

WHEREAS, the Home Rule Charter to the City of Freeport provides that the City Council has the authority to. “Inquire into the conduct of any office, department or agency of the city and make investigations as to municipal affairs”; and

WHEREAS, the City Council desires to promote accountability and transparency in the business of the City and the conduct of council members; and

WHEREAS, the City Council specifically finds that this resolution does not infer in any manner that Council believes or finds that Councilman Matamoros has committed any misconduct, as any such conclusion would be premature; and

WHEREAS, the City Council finds by majority vote that the allegations made against Councilman Matamoros of such nature to merit further investigation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, BRAZORIA COUNTY, TEXAS;

SECTION 1. The findings set forth above are true and correct and adopted by the City Council.

SECTION 2. The City Council hereby **ORDERS** an investigation into the facts and circumstances of the misconduct alleged against Councilman George Matamoros. The Council authorizes the City Manager to initiate said investigation and empower any and all persons necessary in her sole judgment to perform actions in support of said investigation.

SECTION 3. PROPER NOTICE AND MEETING. It is hereby found and determined that the meeting at which this resolution was passed was attended by a quorum of the City Council, was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

Read, passed and adopted the _____ day of _____, 2026.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport

Chris Duncan, City Attorney
City of Freeport

GEORGE MATAMOROS,
d/b/a MATAMOROS CONSTRUCTION,
Plaintiff

vs.

FREEPORT ECONOMIC
DEVELOPMENT CORPORATION,
Defendant

§ IN THE COUNTY COURT-AT-LAW
§
§
§
§ NO. TWO (2) AND PROBATE COURT
§
§
§
§ BRAZORIA COUNTY, TEXAS

PLAINTIFF’S FIRST AMENDED ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, **GEORGE MATAMOROS, d/b/a MATAMOROS CONSTRUCTION,**
 (“**Matamoros**”), files his First Amended Original Petition and shows:

I.

Defendant, **FREEPORT ECONOMIC DEVELOPMENT CORPORATION, (“FEDC”),**
 is a Texas Non-Profit Corporation which has appeared and answered.

II.
PLEADINGS

Discovery is intended to be conducted under Level I of TRCP 190.2.

Under TRCP 169, Plaintiff pleads that he seeks total compensation of \$100,000.00 or less
 including damages, attorney’s fees, interest, costs and expenses.

III.
FACTS

In August 2011, **Matamoros** bid on a construction job to clean up and remove trash on
 property located at 103 Cherry Street, Freeport, Texas. At a meeting of the **FEDC** on August 25,

2011, the board of the **FEDC** accepted **Matamoros'** bid of \$24,750.00. A contract was executed shortly thereafter.

Matamoros immediately began work on the project. He secured laborers to clean up the property as called for in the contract. At a meeting on October 13, 2011, the **FEDC** board approved a partial payment to **Matamoros** of \$6,250.00.

Shortly thereafter, a business that had obtained a prior judgment against **Matamoros** Construction attempted to seized the partial payment of \$6,250.00 by serving a writ of garnishment. As a result, the **FEDC** directed Matamoros to stop all work on the project. At the time he was directed to cease working, **Matamoros** had completed 75% of the scope of work on the contract and was entitled to payment of \$18,562.00. Plaintiff, on information and belief, asserts that the garnishment was dismissed, therefore, the full \$18,562.00 is due and owing.

Matamoros has made demand on **FEDC** for the payment of \$12,312.00, but even that payment has been refused.

Matamoros will show that the judgment associated with the prior creditor has been discharged in bankruptcy and that he is entitled to be paid for his work.

IV.
FIRST CAUSE OF ACTION
BREACH OF CONTRACT

FEDC has failed and refused to honor the contract it agreed to on August 25, 2011. The original signed contract was given to Jim Barnett, President of the board, at his request and has not been returned to **Matamoros**. Nevertheless, the contract for \$24,750.00 was agreed to by **FEDC** and it was **FEDC** which breached the contract when it ordered Matamoros to cease work and when it refused to pay Matamoros.

V.
SECOND CAUSE OF ACTION
QUANTUM MERUIT

Matamoros is entitled to recover his damages under a quantum meruit equitable cause of action. Quantum Meruit is an equitable remedy that does not arise out of a contract but is independent of it. *Speck v. First Evang. Lut. Church Houston*, 233 S.W.3d 811, 815 (Tex. App.-Houston [1st Dist] 2007, no pet.).

A party asserting a quantum meruit claim based on a contract implied in law must establish that:

1. Valuable services were rendered;
2. The services were rendered for the recipient sought to be charged;
3. The services were accepted by the person sought to be charged; and
4. The services were accepted under such circumstances as reasonably notified the recipient that the party in performing such services expected to be paid by the recipient.

The evidence shows that **Matamoros** provided services to **FEDC** as requested by the **FEDC**, that **FEDC** accepted the work performed and **Matamoros** expected to be paid for this work.

VI.
THIRD CAUSE OF ACTION
UNJUST ENRICHMENT

The **FEDC** will be unjustly enriched in the amount claimed by **Matamoros** if allowed to retain the benefit conferred on it without payment of the reasonable services provided.

VII.
SOVEREIGN IMMUNITY

FEDC has pled sovereign immunity, but has not established it, in fact, is a governmental

entitled to sovereign immunity. Regardless, Plaintiff entered into a written contract with **FEDC** for the work covered by this suit. Pursuant to TEX. LOCAL GOV'T. CODE, SECT. 271.151 *et. seq.*, **FEDC** has waived sovereign immunity for the purpose of adjudicating a claim regarding breach of such contract.

VIII.
ATTORNEY'S FEES

Matamoros has presented his claim for payment to **FEDC**. As of the filing of this Petition, payment for the just amount owed has not been tendered. As a result of **FEDC's** failure to pay the claim, **Matamoros** has been required to retain legal counsel to bring this suit.

WHEREFORE, Matamoros requests that on final trial that he have:

1. Judgment against the FEDC for the reasonable value of services rendered;
2. Damages for breach of contract;
3. Reasonable attorney's fees;
4. Prejudgment and postjudgment interest as provided by the law;
5. Cost of suit; and
6. Such other and further relief to which Matamoros may be justly entitled.

[Signature on the following page]

Respectfully submitted,

LAW OFFICE OF LYNN J. KLEMENT

/s/ Lynn J. Klement

By: _____

LYNN J. KLEMENT
State Bar No. 11567900
lklement@sbcglobal.net
P.O. Box 1744
300 North Velasco
Angleton, Texas 77516-1744
(979) 849-1175
(979) 849-8928 Facsimile

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that I complied with Rules 21 and 21a of the TEXAS RULES OF CIVIL PROCEDURE on the 27th day of October, 2015.

/s/ Lynn J. Klement

LYNN J. KLEMENT

<p>Voluntary Petition</p> <p><i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): Matamoros, George</p>
<p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.</p> <p><input checked="" type="checkbox"/> <u>/s/ George H. Matamoros</u> Signature of Debtor George H. Matamoros</p> <p><input checked="" type="checkbox"/> _____</p> <p>_____ Telephone Number (If not represented by attorney)</p> <p><u>December 28, 2011</u> Date</p>	<p style="text-align: center;">Signatures</p> <p><input checked="" type="checkbox"/> _____</p> <p>_____</p> <p>_____</p>
<p style="text-align: center;">Signature of Attorney*</p> <p><input checked="" type="checkbox"/> <u>/s/ Frank Waltermire</u> Signature of Attorney for Debtor(s)</p> <p><u>Frank Waltermire 20815500</u> Printed Name of Attorney for Debtor(s)</p> <p><u>The Waltermire Law Firm, P.C.</u> Firm Name</p> <p>608 North Front Street Angleton, TX 77515</p> <p>_____ Address</p> <p><u>(979) 864-4747 Fax: (979) 864-3535</u> Telephone Number</p> <p><u>December 28, 2011</u> Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p>r</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Address</p> <p><input checked="" type="checkbox"/> _____</p> <p>_____</p>
<p><input checked="" type="checkbox"/> _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Date</p>	<p>_____</p> <p>_____</p> <p>_____</p>

B6B (Official Form 6B) (12/07) - Cont.

In re George H. Matamoros,
Elva Matamoros

Case No. _____

PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property,
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X	Debtor has a contingent claim against the City of Freeport for work not yet performed under for the City of Freeport under a written contract dated on or about August 10, 2011. The first payment under the contract of approximately \$4,600.00 for work performed was tendered to Debtor but it was garnished under Cause No. CIO-46690, which is pending in County Court at Law No. 1 of Brazoria County. Debtor would like complete his contractual duties and be paid the balance of the contract amount of approximately \$20,150.00.	C	20,150.00
	X			
	X			
			C	
			C	
	X			
	X			
			C	
	X			
	X			
	X			
	X			



City Council Agenda Item #[6.F]

Title: Discuss and consider possible action regarding a Resolution of Censure against Council Member Jerry Cain for vulgar, inappropriate, sexist, and perverted comments made to a fellow council member regarding a female resident in attendance at a public meeting.

Date: May 11, 2026

From: Councilman Pena

Staff Recommendation: N/A

Item Summary: City Council will discuss and consider possible action regarding a Resolution of Censure against Council Member Jerry Cain. The discussion involves alleged misconduct regarding vulgar, inappropriate, sexist, and perverted comments made by Council Member Cain to a fellow councilmember regarding a female resident who had attended the City Council meeting.

Background Information: The City of Freeport expects its elected officials to maintain professional decorum and respect for all citizens. Immediately following a regular City Council meeting, Councilman Cain directed an offensive and sexist remark to Councilman Jeff Pena concerning a female resident who had just participated in the proceedings to remove Freeport Captain Garivey for his sexual harrasment charges by local residents and drug testing failures. Specifically, Councilman Cain stated, "that's the best piece of ass I've ever seen in Freeport." This conduct is notably egregious as it occurred during a session where the Council was simultaneously addressing allegations of sexual harassment and misconduct involving city staff. Such behavior is a breach of the ethical standards required by the City Charter and the public trust.

Special Considerations: Council must address this documented incident to uphold the integrity of the governing body and ensure a professional environment. Portions of this discussion may occur in Executive Session as permitted by the Texas Open Meetings Act to discuss personnel conduct and potential legal implications.

Financial Impact: Failure to address documented sexist and derogatory behavior by leadership increases the City's exposure to legal liability and damages the professional reputation of the municipality. Mitigation of these risks is a priority for fiscal and administrative integrity.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

979.233.3526 Fax 979.233.8867



1201 North Avenue H. Freeport, TX 77541

1. RESOLUTION OF CENSURE MAYOR CAIN

RESOLUTION NUMBER 2026-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, CENSURING MAYOR JERRY CAIN FOR AN OFFENSIVE AND SEXIST REMARK MADE ABOUT A FEMALE RESIDENT THAT ATTENDED A CITY COUNCIL MEETING; PROVIDING FOR FINDINGS OF FACT AND AN EFFECTIVE DATE.

WHEREAS, the City of Freeport expects its elected officials to maintain professional decorum and respect for all citizens; and

WHEREAS, Mayor Jerry Cain made the following offensive and sexist remark to Councilman Jeff Pena about a female resident that attended a city council meeting to wit; “That’s the best piece of ass I’ve ever seen in Freeport”; and

WHEREAS, the City Council finds that the above statement violates the standard to which elected officials should maintain; and

WHEREAS, the City Council finds that the above comment made by Mayor Jerry Cain was vulgar, inappropriate, sexist, and perverted. Further, such statement and conduct by the Mayor warrants public censure.

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

Section 1. The facts and statements contained in the preamble are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City Council hereby finds that the comment made by Mayor Jerry Cain was vulgar, inappropriate, sexist, and perverted and demands a public censure.

Section 3. The City Council does hereby CENSURE, Mayor Jerry Cain.

Section 4. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the ____ day of January, 2023.

Jerry Cain, Mayor Pro Tem
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