

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Tuesday, September 3, 2024 at 6:00 PM at the Freeport Council Chamber located at 430 N. Brazosport Boulevard, 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:

- Lance Petty, City Manager
- David Olson, Interim City Attorney
- Clarisa Molina, City Secretary
- Cathy Ezell, Finance Director
- Toby Cohen, IT Manager
- Donna Fisher, Human Resource Director
- Crystal Ruiz, Executive Administrative Assistant
- Patti Veazey, Building Department
- Rudy Ragle, Public Works Director
- Jennifer Howell, Police Chief
- Chris Motley, Fire Chief
- Robert Johnson, EDC Director

Visitors:	David McGinty	Manning Rollerson
	Melanie Oldham	Con McCleester
	Carol Parker	Diane McCleester
	Mark Parker	Ron Bachman
	Sam Reyna	Margaret Bachman

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the meeting to order at 6:00P.M.

Invocation - Councilman

Councilman Rossow led the Invocation.

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

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

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City

Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Manning Rollerson asked when there would be new homes in the community? He said this is something that needs to be worked on real hard, and he will be going to the City with a proposal for building at least 100 homes in Freeport if there is the land capacity somewhere around here. He said he petitioned the Federal Government under the Department of Transportation to get new communities built because that is what it is for, so he is petitioning that to see if he can get a grant to build at least 100 homes in Freeport. Mr. Rollerson said the rooftops are needed for a strong tax base. He said the drainage ditches off Cherry Street the big one in the back is overgrown and is full of water that is backed up to the road. He said he also wanted to let the City know that they have to do much better with the senior citizens in the community. He said a senior citizen was lost in our community. He said just the other day he was at his house. He said so when we are supposed to be taking care, the least among us that is those less in the house. He said the man put the roof on his house and lived two and a half months, but he got the blessing that he asked for, and he was happy about that. Mr. Rollerson said he cries when he talks about this because of the simple fact that his Bible tells him young man take care of your father and take care of the old men. He said there are people in this community that need to be taken care of. He said they were inside the house shut in and asked if anybody was going to see them, feed them, talk to them? Mr. Rollerson said they just wanted to hear something from the loving community. He said his Bible tells him to treat his brothers like he wants to be treated. He said when he gets old he would like somebody to check on him and that he would not be found in his house dead. He said that is something that must be worked on. He said he has nothing else to complain about as they know he only goes to complain but he has nothing to complain but what he is saying to his brothers in the community, the Council is that they are leaders and can only lead by example. He said you can not talk about it, but you have to show it because that is what is being looked at.

Consent Agenda:

Action regarding Minutes, August 19, 2024 - Clarisa Fernandez, City Secretary

Councilman Pena said he was looking at the minutes for the last meeting and on page 14 of 87 there was a typo there that said "Councilman Pena said that this is not the first time. He said the slow response from Olson and Olson continues to happen even as it had been communicated to him by City staff. He said he knows that is why they went out on BIDs for them and he hopes they do resubmit that BID to get a better response going forward. Councilman Pena said he can not sugarcoat this stuff. He said he wants to be nice and respectful but somebody has to be the adult in the room and say the tough truths" and not the tough truths.

A motion was made by Councilman Pena to approve the City Council Meeting Minutes, From August 19, 2024 with the correction of changing though to tough on page 14 of 87 of the agenda packet, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Action regarding approving the Employee Holiday Calendar for Fiscal Year 2024-2025.

A motion was made by Councilman Matamoros to approve the Employee Holiday Calendar for Fiscal Year 2024-2025, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Proclamations - Presentations and Updates

Employee Recognitions – Lance Petty, City Manager

Upcoming Events - Red Tide Pep Rally, September 6th, BISD (TBD)

Kid Fest September 7th, 3PM-7PM

Haunting Tales of the Texas Coast Exhibit, September 16th, 9AM

Homecoming Parade and Bonfire, September 19th, BISD (TBD)

Tidalwave Fundraiser, September 20th, Tidalwave Carwash, 8AM

Back the Blue Football Game, September 26th, Hopper Field (TBD)

Fentanyl Walk, September 28th, FMP, 9AM-2PM

City Manager Lance Petty gave an update on upcoming events.

Public Hearings

Public Hearing regarding the FY2024-2025 Proposed Budget

Mayor Cain opened the Public Hearing at 6:10P.M.

Finance Director Cathy Ezell said the proposed budget is one that is very conservative this year. She said it does not include a property tax increase nor a water and sewer rate increase. She said the proposed budget has changed slightly since it was first presented and the changes included: in general fund, revenues increased slightly by \$750 and this is an increase based on actual revenue received from the industrial agreements, expenditures increased by \$5,646 and this increase is due to the addition of CPR training to the Police department and the reallocation of salaries for the Main Street Coordinator position, transfers decreased by \$21,023, this decrease is due to the department heads requests not to fund certain capital expenditures. She said the changes were a net increase to the fund balance of the general fund by \$16,128. Ms. Ezell said the water and sewer fund expenses increased \$238,345 and this increase was attributed to the increase in rates by BWA. She said the increase in the BWA rates was 13% or \$0.53 per thousand gallon increase and this was \$0.26 for operations and \$0.27 for debt service. She said the vehicle and equipment fund expenditures decreased by \$21,023 and this was due to the department heads reevaluating their capital needs. She said the EDC project fund had been decreased by \$88,735 and this was due to adjusting amounts to various projects, and they increased the amount for business improvement grants and reduced the amounts for Main Street and Gesnlr projects based on timing as reports to be received. She said the EDC marketing fund was decreased by \$25,000 and this was reduced based upon the actual expenditures for marketing. She said the general fund does have excess funds over the reserves in the amount of approximately \$2.9 million and at this time, it is the recommendation of the City Manager and the Finance Director that these funds not be spent until they see what actual expenditures there are for the repairs from Hurricane Beryl and to make it through the rest of the hurricane season if after all the repairs have been completed and funds received from FEMA and insurance are received and there are funds available for additional capital projects, the City Manager and the Finance Director will bring forth proposed projects and a budget amendment that will be done to be approved by the City Council.

Melanie Oldham resides at 1206 West Broad Street. She said she has retired as a physical therapist after 40 years and, in January, she became the director of the nonprofit Better Brazoria Clean Air Clean Water which is a 50 hour a week job. She said Jarvis Davis is her Councilman which she is thrilled about, and she was able to finally find time this weekend to look over the proposed budget. She said she was able to talk to Mr. Petty and Ms. Cathy and get some questions answered, but she still needed to talk to her Councilman Jarvis Davis about some things. She said just a reminder that the absolute deadline and the Council does not have to vote tonight and have until September 15th that they could get comments from all the public, look into it, and vote on it. Ms. Oldham said she is also on the Historical Main Street Board, which she knows has had some changes and knows Ms. Ana Silbas unfortunately left and Mr. Petty and others have been looking at how to balance out the museum job and the full-time Main Street job, but a few things she said she has talked about over and over about was how the City should hire a grant writer and, if nothing else, an ongoing consultative grant writer, because every City she has talked to it helps a City like Freeport to get those grants

and there are hundreds of those grants out there for a low economic City like Freeport but have to go after them. She said she was not saying that Ms. Cathy, Mr. Petty, and others do not, but somebody that just focuses on getting grants to improve the infrastructure and whatever it might be. She said she does not know if it was considered in this budget again, but it had been brought up several years ago. She said she knows this is going to be a little controversial, but it is coming from her and a few other folks that she has talked to in the City, but the budget this year is tight, and it is more than likely going to be even tighter next year because a big percentage of the City budget comes from the three industrial tax agreements which Mr. Kelty negotiated a 15-year deal with or whoever did with Dow, but the other one is coming up soon. She said she knows some are negotiating with for that agreement but the reality is, because of the legislature, the Cities do not have any leverage to annex any company, so there is a lot of leverage that is gone when negotiating these and the industry knows it. Ms. Oldham said it could be, but hopefully not, but depending and the City also has good attorneys and leadership, but it could be that the budget is even tighter and if they sign a nine year, ten year, fifteen year contract they always get a sweet deal, but it could be even sweeter for industry and that would make more pressure on the Council on how to spend money wisely. She said what she is bringing up is she knows it is a hard decision and just like the Council had to make the hard decision to use the East End money to fix the wastewater treatment plan instead of doing the infrastructure, and even though the Council is figuring out other ways to develop, over there on that old school land, but her opinion is and maybe others is that because of hard times maybe this time all the directors should not take the 3% raise and as they know last year they were given a 5% raise, the cost of living and a lot of people got the merit raise, but this is hard times. She said she made a request, and she knows what all the department heads make, and it is pretty darn good, and she thinks about a town of 11,000 plus and hard times, but maybe just a discussion that they consider this budget knowing what could be happening in the next few years and depending on how the tax agreement happens. She said she thinks a lot of the department heads know the situation Ms. Cathy and Mr. Petty and she thinks something that would be good for the Council to take the lead and that they know how tight the budget is because they do not know what is going to happen next year or the year after that. She said she was talking about directors and the increase and the 3% this year. She said she had more questions and only got through reading half of the proposed budget, and she really wanted to talk to her Councilman Jarvis Davis about it. She said, but again, she just wanted the Council to realize that they do not have to vote on this tonight.

Mayor Cain closed the Public Hearing at 6:19P.M.

Business

Consideration and possible action approving Tortuga Sands Beach a Re-Plat of a 41.00 Acre Tract One Block, 16 Lots said subject called Tract Recorded In County Clerk's File No. 2024008485 of the Brazoria County Official Records in the S.F. Austin Peninsular League Abstract 29 City of Freeport (Etj) Brazoria County, Texas.

Building Department Patti Foster said the owner is requesting to divide 41 acres into 16 lots. She said the special consideration is that the property is located in the City's ETJ and meets subdivision standards. She said this was approved by the Planning and Zoning on August 27th, 2024. She said there is no financial impact and the staff recommendation is to approve the replat.

Melanie Oldham said she believes this property is off of Blue Water Highway near Christmas Bay area and asked if it is actually in Freeport? She said she knows that is an area and that strip is in Freeport. She asked if the City would be getting taxes for it if they built on these 16 lots? City Manager Lance Petty said it is in the ETJ. Ms. Oldham asked, so would the City get some taxes if they built some nice beach homes on those 16 lots? Mr. Petty said not in the ETJ.

A motion was made by Councilman Matamoros to approve Tortuga Sands Beach a Re-Plat of a 41.00 Acre Tract One Block, 16 Lots said subject called Tract Recorded In County Clerk's File No. 2024008485 of the

Brazoria County Official Records in the S.F. Austin Peninsular League Abstract 29 City of Freeport (Etj) Brazoria County, Texas, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said there is no economic impact and asked if that also translates to the point of whether the City is servicing any utilities to this space? City Manager Lance Petty said no, the City is not servicing utilities. Councilman Pena asked if they would get septic systems out there? Mr. Petty said yes.

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

Consideration and possible action to adopt Ordinance No. 2024-2734 adopting the Fiscal Year 2024-2025 Budget.

Finance Director Cathy Ezell said on July 15th, 2024 the City Manager presented to the City Council a proposed budget for the Fiscal Year 2025. She said this was filed with the City Secretary, and it was placed on the website. She said they had a meeting and discussed the changes that have been made to the budget that were discussed earlier in the public hearing. She said those changes are reflected in the ordinance to adopt the budget. She said they have 15 days from October 1st to adopt the budget per the Charter. She said everything has to be filed with the County Tax assessor by the 20th of the month to ensure that the property tax bills go out in accordance. She said State law required to adopt the budget first and then the tax rate second. She said this is the ordinance to adopt the budget with the changes that were discussed in the public hearing.

A motion was made by Councilman Matamoros to adopt Ordinance No. 2024-2734 adopting the Fiscal Year 2024-2025 Budget, seconded by Councilman Rossow with discussion that followed.

Councilman Davis asked if it was the 20th of this month? Finance Director Cathy Ezell said the 20th of September is when the tax assessor collector has to have the tax rate. She said the drop-dead to do the budget per the ordinance is technically around the 19th, however because to get everything to the tax assessor collector, if it is not adopted, there would have to be a special meeting next Monday to adopt the budget and the tax rate to meet all the required deadlines. Councilman Davis asked what the 15th date was that Ms. Melanie was talking about. Ms. Ezell said it is 15 days before the first day of the month, October 1st. She said the Charter requires the budget to be adopted 15 days before the beginning of the next fiscal year so that is why next Monday there would be a special meeting as a drop-dead. City Manager Lance Petty said the budget runs from October to September. He said it starts October 1st instead of January.

Councilman Pena said he wanted to thank Ms. Oldham for coming forward and speaking out on this, and he knows that the weather is pretty inclement and prevented a lot of folks from coming out there this evening, which is why he was asking previously if they could move this particular vote to in fact on the 15th since they have that time available to them. He said as he was stating in the last meeting, because this budget is based on the tax revenue that they are expecting and asked if this was right? Finance Director Cathy Ezell said that is correct. Councilman Pena said when he can not trust the revenues, what is being reported, and or what is being spent by City Hall, he has a lot more questions that a workshop would really afford the citizens to be aware of what is going on. He said he is curious why losses were not reported, why overtimes were not reported to the public sooner or for that matter, acted upon sooner. He said he has a lot of issues with this budget in that they are talking about tightening belts and then talking about the industrial tax. He said all have known it is going to be coming in, and it is going to be lower, and so they should tighten their belts not next year but this year and like he had said earlier and has said online this budget, he does now know why they are talking out of both sides of their mouths. He said they say we have to tighten our belts, but the City is giving all the employees a raise, and then he finds out in meeting with staff that there is over \$300,000 in overtime in the Police Department and is not sure where if there are other surprises in the budget and the spending and so he starts thinking Ms. Oldham had a really good idea, and he hopes she does have a chance to speak with her Councilman and or every Councilman and that the director should take the

lead on that discount and for that matter forego the raise but he would say anybody that did not pass their performance review should not get a raise. He said in fact he would even offer anybody that made overtime that was equivalent to what the raise will be next year but made in overtime this year should also forego the raise. He said they are talking about cutting and tightening our belts, and it is completely disingenuous and completely hypocritical to say they have to tighten their belts, but they are giving each other raises, but the people that suffer is the City of Freeport. Councilman Pena said, talking about amendments going forward well that is only after the dust settles, and that is, after all the math is completed and right now the math has not been completed, and it is hard for him to trust, these numbers when he hears of all these different spending expenditures and for that matter buckets of money in every department that are used for slush funds when over the last four years he knows they have been looking at these budgets and there has been these buckets and these side buckets of money, and they are used for overages for real budgeted items and so when there is a short they pull it off of there and that is a really dishonest approach to the public to know exactly how the money is being spent and so this methodology and this process has been hurting the City, and so he can not in good conscious move forward with this and vote to approve. He said that in fact, he would hope they would wait on this and be patient about it and have one more workshop and discussion with the public, or at least the citizens can speak out about it a little more and be involved, so that they can at least try to arrive to a budget that actually has the transparency and makes the sense of what is actually being spent and what is not being spent. Councilman Pena said he said it last year and will say it again if they can cut the budget by 25% that he will resign, so that is to consider on this budget. He said if this budget is cut by the staffing, whether there are cuts or make people live here and maybe things will be operating a lot better and maybe more eyeballs will be watching what is going on with the various departments; the Parks department, Streets, Police, Fire, and City Hall. He said a 25% cut is in there and there really is, because here is the deal next year when that industrial tax comes and the deduction is there, they are going to be forced to eat that deduction, and he will not be resigning then.

Councilman Matamoros said hearing a singular resident who got up and spoke about asking directors to refuse a cost of living adjustment, he thinks it would be foolish on their part as the Council to ask the City Manager to ask his directors to do that. He said they would see the largest talent drain of directors leave because of that, and there is no other City that would ask their directors to do that. He said from what he is reading what other cities are doing, they are all raising their taxes on every single one of their residents and Freeport is not. He said they are going to the residents with a budget that is very conservative. Councilman Matamoros said he wished he knew what was going to happen with the industry and the City but he does not know and to ask the directors to not take a cost of living adjustment he is not for that. He said there are other things people have called him about that have been stated by residents that certain people in the Council want to defund the Police and things like that which he is not anywhere near that and does not want to even talk about. He said but he thinks this budget is a good budget it is a budget that will take care of the needs to keep the City running and not raise taxes on the residents. Councilman Matamoros thanked Ms. Cathy Ezell and City Manager Lance Petty for working diligently on this budget.

Councilman Davis said to be able to agree and disagree respectfully in there. He said he comes from the working field, and he works for the County. He said this is how raises are done in the County and, so, it is an overall raise. He said everybody gets the same thing. He said they lose people because they are not able to compete with the industries around here. He said as a City they need to be careful in not paying the employees. He said the City has to try to compete. He said they can not see down the future what the industry is going to want to do, but they are going to have to stay positive and hope that they do better than what they have been doing. He said he understands that for the Cities and the County it is hard and, can not afford to lose and can not afford to pay what everybody is paying and what each and every City makes and can not compete with DOW and the Port. Councilman Davis said you have to try to make them feel some kind of way and have to give them raises but be mindful too. He said it always goes up and down like if they can not afford it well, they received 3% and then will only get 1% but have to cut back some time but have to give a raise some kind of way, and he would stay positive and make this work. Finance Director Cathy

Ezell said last year they gave a 3.5% cola and this year it is 3%, and they do take that seriously when the budget is being looked at and what is around and then what the budget itself can afford, whether it is a 1%, 2%, or a 3% that they look at it, each year individually so it does move from year to year and this year it was a 3% that worked with the no tax rate increase and holding services at what they are and with no tax rate increase. She said this is a conservative budget because they did not have a dramatic increase in revenue because they are not raising tax rates and in the past couple of years the tax rate has been raised and have gotten an additional \$300,000 or \$400,000 to help move the budget forward, however this year there is not that additional revenue so that makes it conservative and tight because there was no tax increase and no big increase in any of the other revenue categories. She said the revenue kind of held itself steady, and it was adjusted to actuals and estimated a little bit up and down depending on what the actual revenue where they ended last year and where they are projected in this year. Ms. Ezell said that is what drives the expenditure side is and because they were told and Mr. Petty and herself looked at it and they brought forth the budget with no tax increase so there is not that additional \$300,000 in revenues that has been happening over the past few years, and so that is what makes this budget a tight conservative budget and that is what it is doing. She said they really did not cut back on services but the department heads actually a lot of their line individual items increased because of the costs that the expenditure side is going up a lot faster than the revenue side because the cost to do business has doubled, tripled, quadrupled in some cases. She said they were still able to hold the line and propose a tax increase this year and give the employees raises and that is why she is saying it is a conservative budget. She said the departments did not cut their individual budgets when they were given the budget itself, and they were told to give numbers to hold their services that they are currently providing services as of to date, and a lot of those line items increase because fuel is more expensive, construction supplies, fix vehicles is more expensive, and so they did up their individual line items, and they were able to meet those increases for those services and still provide a small raise a 3% raise in the budget for the employees and not raise taxes. Councilman Davis said and at the end of the year last year, at the end of the budget and asked, it was above and not under? Ms. Ezell said yes, and it is not a bunch of buckets of money that is sitting there, and one thing that helps is, like the police department, they are never fully staffed, neither is the fire department, public works is never fully staffed, and they are budgeted fully staffed and, so if they run over on overtime they have salary savings to cover overtime or have salary savings to cover a line item for something that just blew up in the middle of the year. She said like Chief Motley had a fire truck go down, and they had to pay \$20,000 in repairs to a fire truck and well, he had not been staffed all year long, so they moved that \$20,000 to repair and maintenance. She said they know that these departments are not going to be fully staffed, but they budgeted them fully staff because it gives a cushion. She said she tries to over budget expenditures and under budget revenues so that way, if revenues come in better midyear they can look to see about doing the budget projects or if expenditures are tracking less they know that is how they end up better at the end of the year because of the conservative nature at which these budgets are created. She said they under budget revenues and over budget expenditures for that reason because they do not know if a hurricane is going to hit and do not know if a fire truck is going to blow up. She said like the Police department Captain Gillchriest passed away, and they had a lot of overtime associated with his funeral, and they did not know that was going to happen, but they were able to cover those expenses because of the way everything is budgeted. Ms. Ezell said there are not any buckets of money sitting there and they are not hidden. She said she states every year when she goes up there that revenues are under budget and expenditures are over budgeted for that reason, that when they get into these things they have that money to pay for these emergencies. She said the three years that she has been here they have always ended up better than they were projected in the budget for the past three years. Mayor Cain said and they appreciated that.

Councilman Pena said he can appreciate that they want to hope for the best but they really have to prepare for the worst and that is conservative. He said hoping for the best is not going to be cutting it, and it really is not and have to be real about that. He said they talk about the cost to do business and talking about the Police department overtime. He said he is all for planning for the budget for the year but the problem with over budgeting for expenditures and underestimating for revenues is that it still ends up being this. He said

he can appreciate being this what is it over budgeting the expenditure to save for a full staff of police or full staff of parks department or full staff of fire department staff but if they do not meet that, that money should go back to the general fund, and it should not just be dilly-dally over there and then all of a sudden there is a \$300,000 overtime which is 300% greater than it has ever been and then call it a whoopsie at the end of the year but then say well it really is not a whoopsie because they already had it in the budget. Councilman Pena said he thinks more responsible leadership from the Council and oversight is that they make to budget accordingly conservatively to the staff that they have and not the staff that they hope to have, and that so, the \$300,000 overrun of the budget in overtime gets caught sooner, but what is crazy to him is that he had a conversation with senior staff, City Manager Mr. Petty, and CFO Ms. Ezell and in that conversation every Councilman had a chance to sit with them one on one, and it is his understanding that this conversation was shared by all or to all Councilman and so, this was a big concern of his because in one breath they are talking about the budget for the Police Department saying big whoopsie the \$300,000 overrun 300% greater than it has ever been he asked how did that happen, when did this happen, and why are they only talking about it now? He said because somebody had to know that they were at 100% usage of the overtime for the year. He asked who was signing those checks? He said so when it was at 200% or \$200,000 and asked why it was not brought up then or even at 100% usage, but here they are at the end of the game and in the budget cycle, and it is being brought up then so he asked how do they remedy this? He said then it was brought to his attention that senior staff also were telling him that they believe that the Police Department is not working at their full capacities and is thinking wait a minute that does not sound right. He said if you are in the leadership position of the City and managing the City and you think that some departments and some staff are only working half of their shifts and putting in a half shift effort and asked why are they only hearing about it nine months later? He asked why it was not addressed back in January or February or March when it was identified? He said maybe then we might have less overtime because if folks are only working half their staff and asked well, then why are they paying overtime? He said so there is a lot of different ways that they can make and save money but he just wants to make sure that they are being responsible about all this stuff because then he is thinking about and he had been talking about the museum budget. He asked if the museum budget went up this year or did it stay the same? Finance Director Cathy Ezell said it went up only because of the fact that they reallocated the Main Street Coordinator's position to the museum and then did some staffing changes in the museum and that is why it increased. Councilman Pena asked, so were the salaries of the directors in the museum or the Main Street director position raised per the recommendation of the July 15th budget? Ms. Ezell said the museum is now the Museum Main Street Coordinator and his salary was raised to \$75,000, which was taken from the Main Street Coordinator's salary that left, and the museum attendant was promoted to a coordinator and a full time position of attendant was funded. She said all of this was funded by the Main Street Coordinator's salary, and it was budget neutral, so between the two departments there was no increase overall. Councilman Pena said he can appreciate the budget neutral element of it all, but his 2 cents on this is and asked why they are giving a raise to the Museum Director position which was salaried originally at? Ms. Ezell said she believes it was \$42,000. Councilman Pena said across the board everybody is getting a 3.5% raise from 42 to 75 and that is almost a 100% raise, and he knows they might say well now he is wearing two hats. Ms. Ezell said correct. Councilman Pena said he will respectfully say the museum is still underperforming not only that but he is asking why are they going five days a week versus seven days a week on the museum. He said so the 5/7's of the performance of the week in terms of the job obligation, and yet they are doing less but are going to get paid twice as much. He said it did not make sense to him, and he hopes it makes sense to the Council and if they can explain it to him he would love to hear that. Councilman Pena asked if the budget contains the EDC final numbers for the year coming forward? Ms. Ezell said yes the EDC budget was approved at the last EDC meeting in August. She said the EDC had a meeting in August and the budget was approved by the EDC. Councilman Pena said he attended the downtown planning meeting last week held at the museum and Mr. Johnson had mentioned to him that they are trying to get the grants increased for the next year for the business grants. EDC Director Robert Johnson said yes the business improvement program. Councilman Pena asked if it had not been approved by the EDC board yet? Mr. Johnson said it had been approved. Councilman Pena asked if that was included in this budget? Mr. Johnson said yes. Councilman Pena said he was not sure if that had been

approved or not per the conversation they had and thought Mr. Johnson was telling him that it was still in the works. Mr. Johnson said it had been approved by the EDC board. Ms. Ezell said it went from \$150,000 to \$300,000 so they doubled their business improvement grant program in the budget that was adopted by the EDC. Mr. Johnson said they have received a huge increase in inquiries for that grant and applications and were trying to be proactive due to Hurricane Beryl. Mr. Johnson said lots of business received damaged, and some folks did not have insurance, but one thing they are requiring is that the businesses visit the Small Business Association or Administration and their banks so that were a last resort but they did feel strongly that they needed to be responsive to this and provide funding so that they can keep those businesses in business.

Mayor Cain said he would like to thank Ms. Ezell and Mr. Petty for the hard work they have put into this. He said like the rest, he has had opportunities and taken advantage of those opportunities to speak with them about concerns he had with the budget and those concerns either got taken care or came to an agreement on it he would say. He said there has been a lot of discussion about raises, and he is there to say there are a lot of employees in the City of Freeport that deserve more than a 3% raise. He said as an hourly employee that 3% may only be \$20 or \$30 on a paycheck every week, but it is substantial, and it is more than nothing, and he appreciates the fact that the budget was conservative, and he feels like he trust Mr. Petty and Ms. Ezell and they have not let the Council down on the budget. Mayor Cain said last year there was a lot of discussion about the budget and last year it was going to cause the City to go bankrupt, and that did not happen. Mayor Cain said he has faith that this budget will take the City where we need to be through the next year. He said next year there will be some hard decisions to make again and asked guess what? He said that is why they were elected to get up there.

Finance Director Cathy Ezell said she would like to thank all the department heads for their input and the hard work that they did to provide with the information that Mr. Petty and she had to create this budget and without them this budget would not have come together as it was meant. She said she wanted to thank all the department heads for all of their hard work on this budget as well.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. Councilman Pena voted "Nay", Councilman Davis voted "Aye", Councilman Matamoros voted "Aye", Councilman Rossow voted "Aye", Mayor Cain voted "Aye".

Consideration and possible action to adopt Ordinance No. 2024-2735 establishing a Tax Rate for the 2024 Tax Year.

Finance Director Cathy Ezell said staff recommends adopting the ordinance. She said this year's tax rate does not exceed the no new revenue rate and therefore the motion to adopt the proposed ordinance does not require the language of a tax increase. She said there are two motions that would be set forth and one is to adopt the maintenance and operation rate of \$0.450351 cents per \$100 and then a debt service rate of \$0.064616 per \$100 valuation. She said this would be a total tax rate of \$0.514967 per \$100 valuation of the property. Interim City Attorney David Olson said he agrees that the Council has to vote on two separate motions, and one is on debt service and one on the maintenance and operations. Mr. Olson said he would also like a third motion just to adopt the ordinance as presented. He said, and because it does not exceed the no new revenue it does not have to do be a record vote so a simple vote on each of the three motions will be sufficient. Ms. Ezell said another thing that is different than every other year, and she did verify with Mr. Olson normally, if they do a tax increase you have to ratify the budget, and they are not required to do that this year because the tax rate is not increasing revenue.

A motion was made by Councilman Matamoros to set the maintenance and operation tax rate as \$0.450351 per \$100 property valuation, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said he would just reiterate that when they are talking about the budgets and the tax rate and the budget based on the tax revenue, and he can not trust the budget because he can not trust, that they

are doing or handling the revenue projections and, or for that matter, their usage he will me voting a no on this.

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".

A motion was made by Councilman Matamoros to set the debt service tax rate as \$0.06416 per \$100 property valuation, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said he would just reiterate that he does not trust the numbers and would be voting against it.

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".

A motion was made by Mayor Cain to adopt Ordinance No. 2024-2735 establishing a Tax Rate for the 2024 Tax Year, seconded by Councilman Matamoros with discussion that followed.

Councilman Pena said he hopes that the residents at home and those that came in tonight and, for that matter, The Facts newspaper outline the discrepancies in the budget and that they ask questions and review this and more importantly making sure that they hold City Hall staff accountable for the shortages, deceptions, cover-ups, that led to this overrun, and that are still embedded in this budget. He said he will not be voting for it but is asking everybody to ask those questions because it is their money and our money.

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 to approve Resolution No. 2024-2877 amending the City of Freeport's Investment Policy.

Finance Director Cathy Ezell said it is required by the Public Funds Investment Act to review the investment policy of the City and this year and there is a change in the title. She said it was financial analyst, but the title changed to Assistant Finance Director. Ms. Ezell said that is the only change being brought forth in the policy, and it is just based on the title of a position being changed. She said so staff recommended approval of this change and the resolution.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2877 amending the City of Freeport's Investment Policy, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said he just wanted to thank all the residents and the City employees. Mayor Cain said to Councilman Pena this was for a name change. Councilman Pena said that is fine and the same point. Councilman Pena said he wants to thank all the employees that actually took the time to speak with him and for those that have reached out asking him to speak with them as well. Mayor Cain asked what did this have to do with a name change? Councilman Pena said he just wants to make sure that he makes that note.

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 approving Resolution No. 2024-2878 to approve an addendum to the bond council engagement with Bracewell LLP.

Finance Director Cathy Ezell said this is the addendum to the Bond Council's contract that they have with the City for the PID and TIRZ creations. She said they are the ones that are reviewing all the documentation to help create the developers' agreement and the PSA. She said this will not cost the City anything because

the developer is required to pay for these services as part of the development agreement, but this must be changed in, services addendum to their contract because normally it is just to do the regular City bonds and stuff like that and if the PID goes through there are different legalities and stuff, and they would represent the City for the PID bonds. She said they were the ones actually helping draft the developer agreement and Mr. Olson had read over all the documents and gave the approval to put it on the agenda.

Mayor Cain asked Interim City Attorney David Olson if he was okay with the last comment made? Mr. Olson said yes, this is really just any time you change the scope of work of legal services presented, they have to expand that in writing or malpractice insurance requires it, so this is really just a housekeeping matter.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2878 to approve an addendum to the bond council engagement with Bracewell LLP, seconded by Councilman Davis with discussion that followed.

Councilman Pena asked if this particular resolution to approve the addendum to the bond council engagement with Bracewell LLP exclusive to any particular PID or the PIDs in general for the City? Finance Director Cathy Ezell said this is exclusive to the Freeport 19 LLC PID. Councilman Pena asked if this was the PID that was over off of Skinner Street that was associated with Mr. Maddox who was intimidating and abusing the residents? Councilman Pena said he wants to make sure this is on the record and is still asking why they have not gone to market and asking for other developers to BID on this? Ms. Ezell said this is the development, but they are not working with Mr. Maddox and they are working with Mr. Jared and have asked Mr. Maddox not work with the City on this agreement and will be working with the actual developer himself. Councilman Pena said his lying eyes must be fooling him because when Mr. Jared when up there the last time presenting and soliciting their services to develop this particular property again, Mr. Maddox was right there at his side in the audience, so he was still part of that development. Mayor Cain said as a City they are not dealing with Mr. Maddox. Councilman Pena said he thinks they need to look into that LCC partnership and asked if that is something that Mr. Olson can look into to make sure that Mr. Maddox is not? Interim City Attorney David Olson said the City is not negotiating with Mr. Maddox directly and it does not mean that there is a separation of ownership interest. Councilman Pena said it is unfortunate that he is lining his pockets after attacking the residents.

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 a Professional Services Payment Agreement between the City of Freeport and Freeport 19 LLC.

Finance Director Cathy Ezell said the City is working with Freeport LLC on the development of the Skinner property. She said a professional service payment agreement is necessary between the City of Freeport and Freeport 19 LLC to ensure that Freeport 19 LLC pays for all administrative costs associated with the creation of the Public Utility District (PID) and the Tax Increment Reinvestment Zone (TIRZ). She said this agreement had already gone through Bond Council and to Mr. Olson and it has also went to the developer. She said the developer had actually read through and signed the agreement and what it does is it allows them up front to put \$35,000 in escrow. Ms. Ezell said the City pays for the administrative costs of this escrow and once the balance receipt gets down to \$10,000 the developer will be notified that more funds are necessary to keep in the escrow account.

A motion was made by Councilman Matamoros to approve a Professional Services Payment Agreement between the City of Freeport and Freeport 19 LLC, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said he just wanted to remind the public that what they are seeing tonight is a 4-1 vote

consistently and this is the same pattern of voting that he had when he was on the EDC when it was related to Realty World, voted against it because they did not present their finances and same thing he has yet to receive the finances from Maddox LLC and or Freeport 19 LLC. He said which by the way two weeks ago he made an open records request and Olson, and he had no notice, but it was pitched over to Olson and Olson and Olson and Olson got it to him on day 11 and not day 10 but he got it. He said he got the open records request, but two days later, after his initial records request, he asked for a reminder, and he reminded them again for the request for the financial for this organization that they are blessing with this deal and this bond, and yet he would like to ask again in public if he can get that information the finances for Freeport 19 LLC and or for that matter their organization does because he would like to know who in fact is a part of that organization and if in fact they are financially viable because right now they still do not know that.

Mayor Cain said they say perception is in the eye of the beholder and what he sees is a group of Councilmen that are trying to do something good for the City and one that is trying to shut it down.

Councilman Matamoros said what was just stated about Realty Word and a certain Councilman who was on the EDC board always voting against it, he can pull up October 16th, 2021 where he voted for Realty World to continue that agreement, he can pull up December 14th where he again voted for that agreement, so those statements were unequivocally false. Councilman Pena said to look at the minutes and that was the lesson of hoping for the best and not preparing for the worst. Mayor Cain said he appreciates him defending his position on this, however that has nothing to do with what they are voting on right there.

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".

Councilman Pena said he would like those documents from Olson and Olson sooner than later and in fact they should not even have to come from Olson and Olson.

Discussion on the nomination of candidates to be placed on the ballot for the Brazoria County Appraisal District Board of Directors.

Finance Director Cathy Ezell said the City received a letter from the Brazoria County Central Appraisal District where they are changing how the people are placed on the board. She said it has to be voted on by all the taxing units so they asked the City of Freeport to nominate up to five people to be placed on the ballot. Ms. Ezell said the discussion tonight is the Council could nominate five people to be placed on the ballot. She said there is already a request from Karla Clark for Council to consider her to be placed on the ballot. She said once the Council makes the determination of who they would like to be placed on the ballot it will be adopted via resolution and this will be on the next Council meeting because of the timeline that they have by resolution they will nominate up to five. She said the Council does not have to do five but can nominate up to five then the resolution will be sent to the Brazoria County CAD, and then they will take it and put it on a ballot, return the ballot to the City of Freeport giving the number of votes that they have, then at that time the Council can vote how they choose to vote. She said the Council can use all their votes for one person or votes can be spread out to numerous people.

Councilman Rossow asked if Ms. Karla Clark was one of the five? Finance Director Cathy Ezell said no that is up to the Council. Ms. Ezell said she just wanted the Council to know that Mr. Petty and herself received an email from Ms. Clark that she would like to be considered as a nominee. She said the Council can do it however they want to. She said they can discuss it or each of the Council can pick one person since there are five and each one can bring forth the nomination and then that be the five.

Mayor Cain said this will be on the agenda for next meeting to discuss and nominate up to five. He said he would encourage each of the Council members to reach out to the citizens or if someone reaches out to them and to come up with a candidate. He said he would also encourage the Council to let Mr. Petty know who the candidate is beforehand that way it can be on the agenda instead of just trying to pull straws out of the

air.

Councilman Pena asked who qualified as a nominee? Finance Director Cathy Ezell said they have to be a resident of the City of Freeport. Ms. Ezell said well that is not exactly the case because the City of Freeport can nominate the tax assessor collector, however if she is not nominated by any of the taxing units she becomes an ex-officio member of the board anyway. Councilman Pena asked so they could nominate Mr. Robert Gesiecke who is an expert at cutting traces and values? Mayor Cain said Mr. Robert Gesiecke was shaking his head no. Councilman Pena asked if shaking his head is a no that Mr. Robert Gesiecke cannot be nominated? Ms. Ezell said a resident of the City of Freeport is preferable.

Consideration and possible action approving the Interlocal Agreement between the City of Freeport and the Brazoria County Health Department.

Fire Chief Chris Motley said this is a recommendation to authorize Mayor Cain to sign a local agreement between the City of Freeport and Brazoria County Health Department. He said this was a renewal of a five year agreement. He said this interlocal agreement is used to address the point of distribution or POD for medical dispensing of mass vaccinations or medications. Chief Motley said an example is the H1N1 the swine flue disease and things like that were used for that. He said also assisted in COVID and and some other health care facilities in town that needed supplies out there to provide mass care for those that were coming in to be evaluated and so this is just a renewal. He said but an interlocal agreement and also had it rewritten that it was fair to the City because they were trying to direct all the maintenance costs and responsibility of the contents to the Cities and all his peers were not in agreement and so they got a better agreement to go forward with.

A motion was made by Councilman Matamoros to approve the Interlocal Agreement between the City of Freeport and the Brazoria County Health Department, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Adjournment

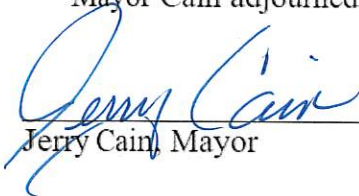
Adjournment – Jerry Cain, Mayor

Councilman Pena asked if there was no workshop?

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Councilman Rossow with all present and voting "Aye" 5-0.

Councilman Pena asked if there was going to be discussion? Mayor Cain said to Councilman Pena if he would had looked at his agenda. Councilman Pena said he wanted to ask why they are adjourning without it as part of the discussion. Councilman Pena said less transparency.

Mayor Cain adjourned the meeting at 7:18P.M.


Jerry Cain, Mayor


Clarisa Fernandez, City Secretary