

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, October 7, 2024 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:

- Lance Petty, City Manager
- David Olson, Interim City Attorney
- Clarisa Fernandez, City Secretary
- Ashlee Ferguson, Interim Finance Director
- Toby Cohen, IT Manager
- Donna Fisher, Human Resource Director
- Rudy Ragle, Public Works Director
- Crystal Ruiz, Executive Administrative Assistant
- Shelby Araujo, Building Official
- Jennifer Howell, Police Chief
- Chris Motley, Fire Chief
- Brian Dybala, Golf Course Director
- Robert Johnson, EDC Director

Visitors:	David McGinty	Manning Rollerson
	Glen Crawford	Carol Parker
	Sam Reyna	Mark Parker
	Nicole Mireles	Karen Tait

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.

Sam Reyna resides at 2002 North Avenue G. He said he does not know if the Council is familiar with Proposition A that was adopted in Houston in November. He said Houston is a Home Rule City just like Freeport and a Mayor-controlled City just like Freeport. He said when voters approved Proposition A in November they gave City Council members more power to place items on weekly City Council agendas. Mr. Reyna said a power that was previously welded solely by the Mayor and now three or more City Council members have the power to add items to Council agendas. He said the City Council members have the same type of leverage and same type of flexibility to be able to put items on the agenda and to have such item or items considered by the Council. He said we should replicate Houston's Proposition A and place this measure on the ballot at the next uniform election. He said the Mayor is vested with too much power and authority. He said to let the citizens decide if they want their Ward representatives to share that power. He said any two members of this governing body may request an item to be placed on the agenda, but the Mayor has to approve the request, but he can also modify the item. He said he is a prime example of that abuse of power. Mr. Reyna said he submitted a candidacy package to place his name on the ballot as the Mayor's candidate. He said he was advised that he was not eligible to be a candidate for elected office because of his felony conviction, but it was still up to the City Council to approve and place his name on the ballot. Councilman Matamoros and Councilman Rossow submitted a request to place an item on the agenda. He said that item read discussion and possible action, and it is his opinion that the Mayor modified that request item to read as follows: discussion and clarification. Mr. Reyna said he should have placed the item on the agenda as written and not modified as Councilman Matamoros and Councilman Rossow had written it and that is how it should have been placed on the agenda. Mr. Reyna said this amendment is needed to the charter. He said it would not need the 40,000 signatures like Houston and all that is needed here in Freeport is 271 registered voters' signatures on the petition. He said any two of the Council members would be able to place any item on the agenda as written and not modified. He said to get this ordinance passed.

Manning Rollerson said he was there today for two things. He said he would like to know why the City has not set up the meeting yet with the Department of Homeland as such, they have been trying for the last, God knows how long, but he knows there is a meeting on Thursday with the Port of Freeport and is wondering why the City is not setting up this meeting, and it needs to happen. He said the City itself is part of the nonsense to those people on the East end. He said the City should be held accountable, and that is wrong, plain and simple, and that is why he is suing the City. He said they should know how to treat their citizens no matter what color they are, and the Council represents them all. Mr. Rollerson said his second thing was why are people still living in houses in this community with no windows? He said it shows a lack of responsibility. He said Churches were being condemned. He said the buildings across the street are not being condemned and trash is still everywhere. He said we do not have communities, but they are saying they are building communities, and it is supposed to happen, but when you go down the road to Walker Royal Realty and never get the communities and Jason Wong or whoever and will never get them. Mr. Rollerson said they have had the land too long as it is and never built anything in this city, but still falling for the same over and over again. He said it could not happen. He said his grandchildren are supposed to have a future and the Council take it arrogant and cavalier to what they are doing, but it is not about the Council, it is about his grandchildren. He said that is how the Council should look at it, because what is done today depends on them and that is what is being left. He said that it is the generation that is supposed to be building on what they build and asked what are we building, what have we built in Freeport? He said they can look at what this generation has done for Freeport, and it is gone, and it shows all kinds of corruption from the top to the bottom, and it should not be. He said we should have leaders that care about the future and the next generation because that is what they live to do.

Consent Agenda:

Councilman Pena asked that item 2B be moved to Regular Session.

Action regarding Minutes, September 16, 2024 and September 23, 2024 - Clarisa Fernandez, City Secretary

A motion was made by Councilman Matamoros to approve the Minutes, September 16, 2024 and September 23, 2024, seconded by Councilman Pena with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Action approving Resolution No. 2024-2882 regarding authorizing the Mayor to sign all documentation regarding the transfer of property to Aaron R. and Lucy M. Ware- Laura Cramer, Special Projects Supervisor

Interim City Attorney David Olson said Ms. Ware was working with her title company to get this wrapped up, and he guesses the underwriters for the title company were concerned about authority even though the ordinance itself authorizes the Mayor to execute the deed, and it did not go so far as to authorize the Mayor to execute the rest of the closing documents. Mr. Olson said this is to clean that up to make the underwriters with the closing agent happy.

Councilman Pena said, these dots here he wants to make sure the public is aware and, for that matter, that the Council is aware, that this is to basically make sure that they can ensure or should say underwrite the title insurance and asked if this was correct? Interim City Attorney David Olson said that is correct. Councilman Pena said in terms of the provisions that were discussed previously in terms of the City being able to have the property revert back to them in the case that the property was sold and the conditions of building were not met and asked if those provisions were clearly on there? Mr. Olson said he does believe that the warranty deed has some reversionary interest, that if they do not build within a certain amount of time, or they do other things, there are some trigger things that were part of the original letter and part of the acceptance. Councilman Pena said he knew at the last meeting there was discussion and that it was not only what was inherent in the last agreement or the original agreement but making sure that the current agreement included language that specifically dictated the terms of what those claw back provisions would be in terms of whether the Wares would actually sell the property prior to building it that the City would have first right of refusal at the price that the City sold to them and asked if that was correct? Mr. Olson said whatever terms were negotiated as part of that original contract that was executed are in the deed. Councilman Pena asked if they are in the deed right now? Mr. Olson said if it was part of the original discussion. Councilman Pena asked if they needed to be in the deed, or did they also need to be in the resolution agreement between the City and the Wares? Mr. Olson said earnest money contracts are not property interests, they are just kind of an agreement there are remedies if the parties do not follow through, but yes, any reversionary interest needs to be in the deed itself. Councilman Pena said he just wants to make sure, because the last thing he wants is for the City to lose that property and then not have the ability to act on it in the case that it just gets flipped and there has been no construction made on it in the three-year period. Councilman Pena asked if Mr. Olson was attesting that Olson and Olson were verifying? Mr. Olson said he is attesting that he saw the deed and it had the reversionary interest. Mr. Olson said everything that was a part of the initial negotiation is in the paragraph of the deed it is a reversionary interest to the benefit of the City if the grantee does not comply with those conditions. Councilman Pena said two of the main conditions were they had a timetable to perform, and they also could not sell it. Mr. Olson said correct.

Councilman Matamoros asked if the deed with warranty granter mailing address was the old City Hall address if that would be an issue? Interim City Attorney David Olson said no, that is not an issue.

Councilman Pena asked if the deed can not be transferred to LLC and has to remain in the individual's name and asked if this was correct? He said if there was any attempt for the deed to be transferred over to an LLC to avoid any kind of shell gaming of the property and, for that matter, liability and asked if there are terms in

the deed that dictate that it is disallowed, otherwise that would cause default of the contract? Interim City Attorney David Olson said, correct as per the language in the deed itself, the first condition is the grantee cannot sell or in any way transfer ownership of the property without providing the grantee grantor to the City the first runner refusal. Councilman Pena asked if it gave any language there in terms of notice in the case that they were trying to finance it under an LLC or anything like that? Councilman Pena said, because at the same time, he wants to make sure they put the clamps down on this and wants to make sure they are also afforded the flexibility to seek financing if that is what they so choose to do, and if they so choose to do it under an LLC, which is typical under a lot of construction especially when it is not primary. Mr. Olson said if they wanted to do anything that transfers an interest, they would have to go to the City first, because at that point, the Council could permit because all the Council is doing is giving the first right of refusal and some are automatic reversionary interest, and it just gives the right to exercise a purchase. Councilman Pena said he understands that it is just the way the same way banks work is that if you change the name on the deed they will have a clause trigger and, for that matter, call it a loan, but that is only if and only if they actually catch it. Councilman Pena said he is hoping to make sure that there is language there that they have to specifically notify the City. Mr. Olson said if they were going to violate the deed, they would not. Councilman Pena said that was a problem because, just like they had Realty World, and they went out, and they built those houses when they were supposed to first build the street and nobody was watching it and there was no language to dictate initially that they were required to notify the City for that matter put in the street. Councilman Pena said he was wondering if they might need that language, so the City does not get caught with, oh shoot, now it is under an LLC and the City has nothing and what is the recourse at that point, because now they are covered. Mr. Olson said buy the property back when it comes to the attention of the City. Councilman Pena said this is kind of like the Marina deal. Mr. Olson said a provision can be put in there and if they are going to do something in direct violation of a reversionary interest, they are probably not going to be forthright with the City about their intentions. Councilman Pena said he just wants to make sure that language is in there, and he does not know if they can have that language added in there. Mr. Olson said not under this agenda item. Councilman Pena said closings get postponed all the time and there is no time sensitivity on this other than the interest of the City, and he wants to make sure to protect the interest of the City and make sure to cover the bases so that there are no whoopsies going forward and, for that matter, the City has no recourse on a property that got changed under an LLC.

Mayor Cain said he feels like there was a lot of conversation about this and put good protection on it. Councilman Pena asked Mayor Cain if he appreciates the protection he is trying to articulate right? Councilman Pena said he thinks Mr. Olson does. Mr. Olson said he gets it, and it is just part of the game trying to like anything else that is in violation of some terms when negotiating whether it is through a property interest or just contractually, and that is always a challenge. Councilman Pena said he just wants to be on the record that he is asking for this, and it is important, because with any agreement going forward the City does not want to be stuck the way they are with Realty World and then caught up in a lawsuit the way the EDC is right now.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2882 regarding authorizing the Mayor to sign all documentation regarding the transfer of property to Aaron R. and Lucy M. Ware, seconded by Councilman Davis with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Proclamations - Presentations and Updates

Upcoming Events - Senior Harvest Fest October 14th 10:00A.M. Riverplace
Fright Night October 24th 6-9P.M. Riverplace/FMP

City Manager Lance Petty gave an update on upcoming events.

Business

Consideration and possible action approving the Golf Cart Lease Renewal with Yamaha.

Golf Course Director Brian Dybala said this is just for the renewal of the lease. He said there was a correction on it. He said the correction was that the fleet requested is 2025 and they had 2021's. He said this is just a four-year renewal and would stay with Yamaha. He said Yamaha has been the best service, and they have been the most dependable fleet they have had, and it is the cheapest out of the other BIDs. Mr. Dybala said the difference with this fleet would be there would be an additional five carts and all that is just because the rounds of golf have gone up quite a bit and there are busy times when they have to block these tee times and round out of golf carts and so it would help to get those tee times back in and would bring an additional revenue. He said the rate it started with when it was passed on the budget was \$70,000 when it started and negotiated this down to \$67,000 and so it comes in a bit cheaper. He said, based off of last year's fiscal year, they made \$122,000 in revenue, so it doubled even with the new increase and rates, but to also offset that the rates have been increased by about \$5, and it would help offset some of those costs.

A motion was made by Councilman Matamoros to approve the Golf Cart Lease Renewal with Yamaha, seconded by Councilman Rossow with discussion that followed.

Councilman Pena asked how many units there are that are going to be under the lease total? Golf Course Director Brian Dybala said right now there are 55 carts and will add five more to be a total of 60 plus this also comes with the range of utility carts and three additional utility carts. Councilman Pena asked if this is basically renewing the current lease agreement? Mr. Dybala said yes, it is a four-year lease, and it has been four years and so it is just a renewal. Mr. Dybala said it was one of the cheapest and their service is local in Richmond and when they are called they are there within a day or two, which works great, but they have been the most dependable and so it is kind of an easy choice. Councilman Pena asked if this is kind of like an auto lease renewal or, for that matter, even an auto lease, where basically, if you go lease a car, turn it in get a new lease, you get a new car and, so if they are getting new equipment all together? Mr. Dybala said yes, these would be 2025s. Councilman Pena asked, so all 60 units will be 2025s? Mr. Dybala said yes. Councilman Pena asked if in the lease agreement is the City required to pay any maintenance? Mr. Dybala said they just have the regular upkeep. He said they are gas carts so putting gas in them, maintenance checking the tires, cleaning the engine, and the oil. Mr. Dybala said they put a grease on the brake just to keep from corroding, but other than that, that is all. Councilman Pena asked if one of the carts goes sideways or, for that matter, just breaks down will replace it? Mr. Dybala said yes unless it is force play, but yes, they are called, and it is under warranty, and they go fix it, and it is nice because usually they fix it within two days. Councilman Pena said in terms of collective total maintenance cost for the last four years on the lease and asked if Mr. Dybala had a number on what that figure might have been? Mr. Dybala said they have been pretty dependable and are staying under \$5,000 on maintenance and that includes the oil on 55 of the carts. Councilman Pena said that is reasonable.

Councilman Rossow said to Golf Course Director Brian Dybala to keep up the good work, he is doing a great job.

Mayor Cain said to Golf Course Director Brian Dybala he appreciates what he is doing at the Golf Course. He said the numbers that Mr. Dybala has been turning in year over year are tremendous. He said to keep up the good work.

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

Consideration and possible action approving placement and use of a mobile office at the 1000 Block of West Second and South Velasco.

Mayor Cain moved this item to Executive Session.

Mayor Cain asked Building Official Shelby Araujo to go to the Executive Session.

The regular session closed at 6:28P.M. and the Council entered into the Executive Session.

Executive Session ended at 6:37P.M. and the Council entered back into Regular Session.

A motion was made by Councilman Matamoros to approve the placement and use of a mobile office and for the City to issue permits for 90 days for the use of this mobile office, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving the contract with Ameresco for the implementation of an advanced metering infrastructure system and meter replacement project under Local Government Code 302.

City Manager Lance Petty said there have been two workshops concerning this item and, using TIPS cooperative, purchasing the City selected and signed a project development agreement with Ameresco in February 2024 under a process called Performance Contracting (PC). He said PC is enabled through Texas Local Government Code 302 and allows the cities to implement capital intensive improvements utilizing energy and operational savings and revenue increases from inaccurate meters to offset the cost of the improvements, and it is guaranteed. He said as part of the PDA Ameresco's scope of work included evaluation, design, and development of solutions for the above-mentioned areas. He said as detailed audit, including site visits, meter testing, utility database analysis, and technical evaluation of technology cost, and overall solution design, the scope and pricing were developed. Mr. Petty said all aspects of the turn-key solution and implementation are covered; engineering design, selection and bidding of technologies and products, installation, software integration, data conversion and transfer permits, training, and commissioning. He said through the Performance Contracting process, Ameresco guarantees the accuracy of the meters, which ensures capturing the loss of revenue from meter inaccuracies. He said if guarantees are not met, Ameresco will write a check for the shortfalls or replace failed equipment. He said a third party licensed professional engineer in Texas validated and reviewed the calculations and the guarantee. Mr. Petty said if approved, the contract will only be validated after financing has been secured and a notice to proceed has been issued from the City. He said the turnkey project cost is \$3,480,210.00 with an O&M Cost Savings of \$93,000.00 a year and the capture of lost water and unaccounted for revenue due to inaccurate meters of over \$305,000.00 in year one. He said currently staff is receiving loan offers and terms in the amount of \$3,500,000.00 that will be brought to the Council at a later date.

A motion was made by Councilman Matamoros to approve the contract with Ameresco for the implementation of an advanced metering infrastructure system and meter replacement project under Local Government Code 302, seconded by Councilman Rossow with discussion that followed.

Mayor Cain said there were two good work sessions on this with a lot of discussion, a lot of questions, and a lot of questions answered.

Councilman Davis said he was concerned about the budget that was presented to the Council, and it was presented as conservative and the need to hold back and be careful this year because of the hurricane and does not know what is coming up with the hurricane insurance and what will have to be paid and any more hurricanes coming, and it sounded like a tight budget. Councilman Davis said he likes the upgrade and knows it needs to happen, but it is the timing that sounded conservative, and then it got a price of \$3,000,000 plus. He asked if the City was going to be applying for a loan? City Manager Lance Petty said it is a budget-neutral item, and it is designed to support itself and pay for itself. Mr. Petty said part of the Ameresco contract is if it does not meet their projections, yes, they will cover the shortfalls of that. Mr. Petty said the City is currently looking for options for funding this project and knows that approving this tonight basically gives him authority to issue a PO to the metering company because it takes a little bit to get the meters all

together, but this contract does not go forward unless the City has financing in place and issues a notice to proceed. Mr. Petty said this project will take five to six months once the meters are here to be put in place, and we are looking for financing that will be designed to start at the completion of the project. Mr. Petty said twelve months from that date there will be the first payment, which, the first year, will be an interest-only payment, and then, following that there will be the full payments and that way there are not any budget shortfalls. Mr. Petty said they are looking for funds to cover it because the loan did not take place five or six months prior to the revenue-generating meters in place. Mr. Petty said the Interim Finance Director and himself are being diligent in finding the financing that makes sense for this project, but it is designed to cover itself and pay for itself.

Councilman Pena said he had a question as it relates to the sense of urgency related to this matter, and so he started asking some questions to the City Hall staff when this came up back in February, and he was trying to get an idea of how bad the water meter systems really were. He said the conversation he had with Mr. Petty was that the water meters he was told are working pretty effectively, but there are probably maybe 10% and maybe conservatively speaking, 25% of the meters that are not working or that seem to be faulty in one way or another, and so that tells him there are 75% up to 90% of the meters that are working. He said he was just wondering and asked if they have a flat tire and have four tires and, or do you buy a whole new car or just fix that tire? He said he was curious and asked if the City staff looked at just filling in the gap in interest of budgets are tight as it was exclaimed several times during the budget process and then here they are looking to spend \$3.5 million. He said he could understand and appreciate if this was a hemorrhaging problem where 90% of the meters were busted but when they are at 10% and maybe up to 25%, and he is wondering and asked, has an alternative solution been pursued to look at simply just fixing that flat tire, that 25%, that one in four, or for that matter that one tenth? He said before he wants to green-light any kind of pursuit of \$3.5 million to buy a new car, he would like to know what it would take to just fix the flat tire and that is even generous because they do not even know if the tire is actually flat, and it might be less than 25%.

Chad Nobles with Ameresco said the way he would phrase Councilman Pena's question about what is broken was, so you actually have 100% of the meters that are reading less, and so what happens is when they test the meters, and it is not that you, could go out and, fix the 10% because what is happening is every meter is supposed to be reading 100% accuracy which means every citizen pays their fair share and so what you have is you have citizens whose meters are reading 80% accurate, 90% accurate, and some are actually reading nothing on the low flow side. Mr. Nobles said you can not just patch those because the average meter is reading 90% accurately, which means it may be failing on the low flow side but reading 100% on the high flow side. Mr. Nobles said this is revenue that is currently being lost as a City. He said, so you are paying to treat water, and you are paying to read meters manually right now, which is at the tune of almost \$100,000 to read meters in operational costs, and so that is money that is being thrown out the door, whereas this is actually going to read the meters every day and give the citizens the transparency the data that they are looking for to improve the operational services for the citizens, and they will be able to see that data take matters in their own hand and figure out if they have a leak or continuous water usage. He said kind of set some alerts, but the revenue that is being lost is actually new revenue and that the only way to collect that revenue is by doing the meter replacement project. Mr. Nobles said it is not in the budget right now, and it will never be in the budget, because the only way to capture it is to put a brand-new meter in the ground that reads accurately.

Councilman Pena said he hears and understands what Mr. Chad Nobles is saying, and it makes sense in terms of the point he is trying to make, but it does not make sense from what he has heard. Councilman Pena said what he heard was that the City meters are working just fine at 75% not 100% of them are busted either reading too high or reading too low, what Mr. Nobles is describing is more alarming to say that really there is 100% dysfunctional meters where they are either reading too high or too low, and he is not sure if they are strictly just reading too low but might be reading too high. Councilman Pena said his conversations with City staff outside of Mr. Nobles who is the contractor bidding this work. Councilman Pena said to forgive

his cynicism it is in the interest of Mr. Nobles to say they are all busted. Councilman Pena said he is over here just trying to play devil's advocate and lean on really trying to make sure that the City's best interests are served. Councilman Pena said when he hears City staff saying for all the rereads that there been throughout the years last two or three years that 75% to 90% have come back legit and that 10% to 25% maybe they had to go out and get the meter get it tested and or replaced and so that is where he is kind of like who does he believe here. He said he is just leaning on just trying to be cost savvy about this and if there is an approach to Mr. Nobles to offer a solution to maybe the identified 10% to 25% of meters that have been faulty, but it is his understanding that 10% to 25% have already been identified and replaced, and so he is just kind of curious and asked what is being fixed? Councilman Pena said he knows it is very alarming to hear that the City is losing all this revenue, but what he is hearing from the staff is that the meter reads are coming back legit and asked what do we say to that? Mr. Nobles said mechanical meters, which are the ones that are in the system, and he has only seen them twice in his career of 25 years doing this read high, and it is only one particular brand that actually is out there that reads high and the City does not have that brand. Mr. Nobles said all mechanical meters, as they age, water goes through the quality of water, and they slow down so they read less than what it is. Mr. Nobles said when he says read less that means they are not accurately recording the water that goes through it. He said when staff, makes a comment about they went out and reread the meter if their meter says it has 10,000 gallons on it that meter matches what the meter reader read it says 10,000 gallons, but that does not mean that 10,000 gallons went through the meter and what he is saying is based on third party testing is you pumped 11,000 gallons through that meter and the meter only recorded 10,000 gallons and so staff is correct in saying that the meter read that they physically see on the meter says 10,000 gallons but the meter itself was not recording the water that was going through it and so out of the 68 that were tested roughly 29 of those out of 68 would be considered failures for standpoint basically. He said the other ones that read fairly average but still have over a high percentage and when you extrapolate that out you can not necessarily pinpoint the meters that have failed. Mr. Nobles said that the other thing that they looked at is the meters and some of the current meters on the ground may only be good for their warranty and may only be good for half a million gallons of water on a typical 5/8 by three quarters. Mr. Nobles said there are meters that read 1.8 million gallons so they are way past their useful life, which is why they see the decline. Mr. Nobles said some of these meters may read 100% at the average flow, but on the low flow they are reading zero, which means you are losing all of those low flow devices that you have in house right now that are not picking up and that is why that revenue is where it is.

Mayor Cain asked, so those that have old pipes in the house where there is not much pressure are getting a good rate on the water? Chad Nobles with Ameresco said yes, it could be. Mr. Nobles said one of the other reasons why they are trying to replace those that are on the ground is because you are trying to get a system that is getting away from the manual reading so you do not want to go retrofit. He said he was going to use Councilman Pena's analysis of if you do not want to put an old tire on a brand-new car and so what you are trying to do is get that new tire with a new radio that is going to be able to read these signals electronically instead of manually and provide that data. Mayor Cain said one issue he has with the analogy of the flat tire is, when you have a flat tire you know which tire is flat, but when you have thousands of meters out there, we do not know which ones are read right and which ones are not.

Councilman Pena said we do not want to throw out the baby with the bath water and there is no doubt about that, but they could also be smart about it. He said you may not have a flat tire, you may just have a low tire and all you have to do is put a little air in it, and you are going to maximize your mileage, but you do not want to replace the whole car because you have a low tire either. He said, with the numbers that were provided, 29 out of 68 that were tested, that is 42% return, and asked, so 42% of the meters were tested and failed? Mr. Nobles said 42 of the 68 that were tested, and so they would extrapolate that over the five. Councilman Pena said no 29 out of 68 not 42 of the 68. Councilman Pena said 29 of the 68 had a problem, but they were not accurate, and he is just curious what the threshold of variance for that was being the metric used for failure so if there was a greater than 10% variance then it was categorized as broken and junk. Councilman Pena asked what the threshold was Mr. Nobles used? Mr. Nobles said they used the AWWA

standard which says if a meter does not meet repaired meter or meter accuracy then it is considered a bad meter, which is basically 1.5% and so if it is reading 98.5% or higher it is doing good. Mr. Nobles said there are meters reading 56%, 77%, 84%, 14%, and 82% and those are the ones that are considered failures. Councilman Pena said that is good information to know because then you can scrub that data too. He said he is just trying to make sure that they do not make a sweeping decision that is highly costly to the City when the solution might be solvable at a very economic level and a very incremental method that does not bankrupt the City and, for that matter, put the City in an unnecessary stress of financing \$3.5 million. Councilman Pena said if the numbers had proven that all the meters are completely dilapidated and outdated and are just losing money and, for that matter, the residents are over paying, it would be a different conversation, but again, he does not see that logic and, for that matter, that line of argument and, for that matter, he is not even sure that the data supports it. Councilman Pena asked what was the national standard organization that Mr. Nobles referenced? Mr. Nobles said American Water Works Association. Councilman Pena said American Water Works Association says that if there is greater than 1.5% variance off of the true measure, then replace it. Councilman Pena said that is a really high threshold or a low threshold he should say to qualify as a good and usable meter. He said if they think about and hate to continue with the automobile analogy or for that matter, any kind of other equipment that the City buys or leases, but if they get a 98.5% return on its use, and he is thinking about those golf carts and if they get 90% usage out of that golf cart that is pretty good and is just curious out of these 29 they are at 90% usage and or for that matter 85% usage, and he would say anything below 80 maybe a B student so if they have B student meters anything less than that and maybe want to operate on a meter so a 90% or higher and is wondering what that number was. Councilman Pena asked of the 29 meters how many of those were 90 and above, and so maybe that then drops that number from 29? Mayor Cain said the Council should have a workshop on this item to where this could be discussed. Councilman Matamoros said he thought they did, but just one person did not show up. Councilman Pena said he was at the first one. Councilman Matamoros said not at the second one. Councilman Pena said this is what this is for, and it says discussion and possible action, but he is not sure that any of the questions he is articulating were actually asked. Mayor Cain said that is what the work session was for. Councilman Pena said no, this is also part of that process, but if the Council do not want to and the Mayor just wants to go ahead and summarily cut off any kind of logical questioning, it is his call. Councilman Pena said he is just trying to make sure the public understands the kinds of questions that need to be asked about this so that they are not going down a rabbit hole of spending money that they do not need to, especially on the heels of the Council being told over the last three months that the City does not have any money. Mr. Nobles said, financially just for the public's record, this project, if executed, will generate almost \$2 million of positive cash flow for the City over a 15-year period and that includes all financial costs and covers the cost of this project. Mr. Nobles said this is probably the only project that will self-fund itself and pay for itself. Councilman Pena said the break even point is year 15. Mr. Nobles said no, the break even point is much sooner than that, it is positive \$2 million almost in cash at year 15. Mr. Nobles said it is generating almost \$117,000 a year of positive cash flow for the City. Councilman Pena asked what was the break even point is it 117 divided into 3.5? Mr. Nobles said no, it is positive every single year and would have to run the math backwards, but you are basically paying for all the interest, all the principal, all operating expenses, and basically still generating \$120,000 every single year, of positive cash flow for the City which will allow to do other projects that are needed in the budget to be done. Mayor Cain asked if Mr. Nobles calculations are wrong if he will cut the City a check? Mr. Nobles said his calculations were based on all the three years worth of data and if the meters come back inaccurate then he will have to cut a check, but is hoping and guaranteeing that the meters will remain accurate because that is what they guarantee. Councilman Pena said if all the meters were as problematic as being described he would be more inclined to move forward this but the logic and the reasoning and, for that matter, the measuring on this here is no science, and he can stand on there. Councilman Pena said the metrics are not strong enough, so that is what he has for that point. Councilman Pena said the second point he wanted to make was, since the City has been in a transition recently with the departure of the CFO who was also the department head of the water department, and it is his understanding that they will still need to make sure to get the house in order first because they move forward on any of this and any of these other projects as it relates to the water

department. He said he would like to make sure that the water department is in a steady state and that the staff knows how to use the current software and that the billing issues are resolved. Mayor Cain said there would be training along with this. Councilman Pena said there was training on the current software for the water department and there is still a training issue and a knowledge-based issue because of the turnstile of manner of employment in the water department, and he is hoping to get this first settled at a steady state where everybody knows how to use the software to make sure that the billing is right. Mayor Cain said it first has to be in place before they can learn how to use the software. Councilman Pena said they already have the software, and he is talking about the current software. City Manager Lance Petty said with the current software, he has met with each water clerk, and they are not requesting any more training. Councilman Pena said he would like to see a higher percentage of them. Mayor Cain said training in the billing department is not what is being discussed tonight. Councilman Pena said this is the water department. Mayor Cain said the billing and water department is not what is being discussed tonight. Mayor Cain said what is being discussed is the replacement of the meters. Councilman Pena said this was all going to touch the same staff. He said the same staff is going to be affected by this and so there is going to still be cross training software training on the previous one that was purchased a year and a half ago, as well as this one and if so, they should find the financing for it to do it as well. Councilman Pena said he is not sure why they are trying to push this so hard and fast right now when they still have not let the dust settle on who is going to be leading these departments and, for that matter, whether these departments are actually stable. Councilman Pena asked if they are confident enough to move forward? Mayor Cain said yes. Councilman Pena said that the water department is operating at an efficient level and what that official level number is based on the number of disconnection notices this month. Mayor Cain said they are not discussing competency in the water department and are discussing meters. Councilman Pena said if you are trying to buy a new car for the staff and the staff does not know how to drive and asked why would the Mayor buy them a car? Mayor Cain said that money is being thrown away and every gallon of water that is being distributed without getting paid for it is being thrown away. Councilman Pena said he is looking at the metrics, and he is looking at who is doing the work and is asking to get both of them right and they are not. Mayor Cain said he is looking at the money that is being lost by not charging for the water that is being used. Councilman Pena said it was going to be money wasted. Mayor Cain said last week was a good meeting about this with a lot of questions, comments, and answers.

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 ratify the contract between the City of Freeport and the U.S. Department of Energy.

City Manager Lance Petty said staff recommended the ratification of the contract. He said U.S. Department of Energy has brought forward a ten-year contract in which the City provides their Strategic Petroleum Reserve Project water only services. He said the contract was signed by the City Manager on September 19, 2024. He said, after legal review, the Federal Government needed the contract signed before October 1, 2024, in order to have the contract funded. He said the contract was reviewed and approved by the City Attorney. Mr. Petty said the U.S. Department of Energy had a ten-year contract with the City to provide water only service to their Bryan Mound facility. He said the City Council approved an extension of the contract on August 19th, 2024 to expire on September 30th, 2024, and to extend the current ten-year contract. He said the U.S. Department provided a new ten-year contract. He said the U.S. Department of Energy pays the full rates for outside the City limits commercial customer. Mr. Petty said they average \$10,800, and they are obligated to \$1.3 million per contract per year.

Manning Rollerson asked if that was only Bryan Mound or LNG also within that? Mayor Cain said just Bryan Mound.

A motion was made by Councilman Matamoros to ratify the contract between the City of Freeport and the U.S. Department of Energy, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The

Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2024-2883 amending Resolution No. 2024-2880 nominating candidates for a position on the Board of Directors of the Brazoria County Appraisal District.

City Manager Lance Petty said a little bit of house cleaning here as far as amending the resolution, Ms. Karla Clark was appointed by the Council. He said she had made contact with City Hall and asked for her name to be removed from that board.

Interim City Attorney David Olson said this is housekeeping, and it makes sense to go ahead and take formal action to remove her. He said she had no desire to serve.

A motion was made by Councilman Davis to approve Resolution No. 2024-2883 amending Resolution No. 2024-2880 nominating candidates for a position on the Board of Directors of the Brazoria County Appraisal District, seconded by Councilman Rossow with discussion that followed.

Councilman Matamoros asked if Ms. Clark gave a statement as to why she wanted to be removed? City Manager Lance Petty said no.

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 Resolution No. 2024-2884 to award the City of Freeport Depository Contract to Texas Gulf Bank and allow the City Manager to sign the contract.

Interim Finance Director Ashlee Ferguson said the City's current depository contract expires on November 30th, 2024. She said the City went out for Request for Applications for depository services. She said Texas Gulf Bank is the depository that is being recommended to award the City's depository services. Ms. Ferguson said the City had its depository services with Texas Gulf Bank for the past five years. She said the current contract expires on November 30th. She said as required by statute, the City went out for RFA's for the City and five responses were received. She said it was narrowed down to two banks, Texas Gulf and Third Coast Bank. She said staff invited Third Coast Bank in for an interview, and they are located in downtown Lake Jackson. She said after reviewing all the services provided, the staff recommend staying with Texas Gulf Bank, and they are located in Freeport and have provided excellent service over the past five years. She said as far as financial impact, that Texas Gulf Bank offers no charges for their services and has included the interest revenue into the budget.

A motion was made by Councilman Rossow to approve Resolution No. 2024-2884 to award the City of Freeport Depository Contract to Texas Gulf Bank and allow the City Manager to sign the contract, seconded by Councilman Davis with discussion that followed.

Councilman Davis said he just wanted to welcome aboard and good luck to Interim Finance Director Ashlee Ferguson.

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

Second Reading and Consideration and possible action approving Resolution No. 2024-2881 Local Business Improvement Grant Program.

EDC Director Robert Johnson read Resolution No. 2024-2881 Local Business Improvement Grant Program. He said the major change to the grant this year is that they have updated for this year alone from \$150,000 to \$300,000. He said he was dealing with applications and people going to the office that day to apply all day and so there is a robust demand for this. He said many people are trying to dig out from

Hurricane Beryl.

Mayor Cain said this is basically just increasing the amount of money that they are willing to give out due to the hurricane.

EDC Director Robert Johnson said, and this is just for this year and does not anticipate this being ongoing for next year. He said this was just to address this year's hurricane.

Councilman Rossow asked so at the end of the year, is it over? EDC Director Robert Johnson said yes at the end of the year unless there is something that happens next year but he does not anticipate next year going to the Council and asking to approve \$300,000 and this is just for this fiscal year alone. Mayor Cain said it is not necessarily a calendar year and so this will go on to October. Councilman Rossow asked if this was all Hurricane Beryl related? Mr. Johnson said they are not saying it has to be, but because of the increased demand, they are still accepting normal applications, but because of the increased demand and almost everyone he has seen affected is applying or has applied or is in the process of applying to address a need because of Hurricane Beryl. Councilman Rossow asked, so once they apply, the EDC goes out and looks at it? Mr. Johnson said yes they work with the applicant, and it is up to the pleasure of the board to consider the application and the merits of that application.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2881 Local Business Improvement Grant Program, seconded by Councilman Davis with discussion that followed.

Councilman Davis asked if he could put in an application? He said he needed some help too. EDC Director Robert Johnson said yes.

Councilman Rossow asked when they would stop receiving applications? EDC Director Robert Johnson said it would be September 30, 2025. Mr. Johnson said this will only be one fiscal year. Councilman Matamoros said or till funds run out. Mr. Johnson said yes until funds ran out, then they could not accept any more applications. Councilman Rossow asked if there was such a thing as too low or too high on the application? Mr. Johnson said there are guidelines and separate categories for the different and for instance, property improvement is up to \$10,000, and it is a dollar for dollar match program. Councilman Davis asked where they get the applications from? Mr. Johnson said his office or can be emailed. Councilman Rossow asked if it matters if they already received money from FEMA? Mr. Johnson said the board has indicated that they are looking for, as he mentioned, the last time the board was looking for the applicants to exhaust all their resources and that is one of the considerations they are taking, it is not a mandate, but it is a consideration as they deliberate on it that they go to FEMA, Small Business Administration, Banks, Insurance, etc. Mr. Johnson said one of the board members would like for the EDC to be the place of last stop of resort. Councilman Rossow asked, so the EDC is the last resort? Mr. Johnson said they asked the applicants to please produce their SBA documents and insurance information to show that they have exhausted that.

Councilman Pena asked if somebody had applied for one of the grants previously they are able to reapply? EDC Director Robert Johnson said yes as long as it is a previous fiscal year, and they can not get two in the same year. Councilman Pena asked if they got approved in 2022-2023 if they are able to apply for another one this year? Mr. Johnson said yes. Councilman Pena asked about no limitations other than the guidelines themselves? Mr. Johnson said other than the guidelines themselves. Councilman Pena asked who is responsible for making sure that the money gets paid back if the business fails? Mr. Johnson said that contract management is one on one and it would be the EDC. Councilman Pena asked if that provision was a new provision in this particular grant program or has that been a staple for all the grant program since its inception? Mr. Johnson said he can not speak about its inception, but it is in the grant where there are claw back agreements that they must stay in business for a year in order to receive the grant and, so again the routine grant administration monitors that. Councilman Pena asked in terms of being in business, does not

that mean that a company is allowed to sell their business? He asked if that is responsibility that is transferred or forgiven, or how does that work? Mr. Johnson said they have never run into that situation and it is a hypothetical and if they should, it would be something that the board would have to consider. Mr. Johnson said that has never happened, but it would be something that would be deliberated upon and could say the EDC needs the money back because it is a different business. Mr. Johnson said he thinks the intent of the grant is that they want a business to sustain, and if ownership changes, that would be something that would be evaluated and say the business is still extant. Councilman Pena said he is all for making sure that we support the local businesses, the local mom and pops and making sure they get every opportunity to these grants. Councilman Pena said he is also making sure we do our part as the City and the EDC that in fact, are enforcing the same guidelines not just on the approval but on the execution and, for that matter, the responsibility of these businesses go under. Councilman Pena asked if Mr. Johnson was aware of any business right now that has received the grant in the last couple of years that he is aware that the provisions of claw backs are in place that are out of compliance? Mr. Johnson said there are a couple that have happened, but he can not speak to it because it is under legal right now. Councilman Pena asked, so right now the EDC is pursuing the recollection of those funds that were granted previously? Mr. Johnson said again he can not discuss that, and it is being reviewed by legal. Councilman Pena said he has been made aware in the City by residents and by businesses and by City staff that, in fact, there are businesses that have received these grants that have done under and there is whether the EDC the taxpayers are going to get reimbursed those monies, and so he is hoping that there is a method in place and there is a process in place and that is being followed through so that nothing falls through the cracks. He said he goes back to Realty World and nobody was doing the enforcement of making sure that they were actually getting their permits in place and so that the streets were built first versus the houses first. He asked who is in charge of that in the EDC? He asked, was it a board member? He asked if it was Mr. Johnson or his staff? Mr. Johnson said it would be his staff and him as administration of those grants and make sure that the rules and regulations of the grants are followed. Councilman Pena asked if there are quarterly or monthly briefings on what the grant program is, and who is on board, and who is in default or what kind of updates are being maintained to address the possibilities or for that matter, making sure that all the award winners are actually in compliant? Mr. Johnson said if something come up, it is reported to the board. Councilman Pena asked at this point every grant award winner over Mr. Johnson's tenure has either followed through or is in business or if they fail to comply? Mr. Johnson said it has been taken to the attention of the board. Councilman Pena said he is just trying to understand the logic there so that the business owners in the community understand this. He said, so they go to the SBA and local bank and asked what the other one was? Mr. Johnson said funding, bank, and insurance. Councilman Pena said so they go to FEMA, go to the bank. Mr. Johnson said FEMA is dealing more with houses, so it would be more the SBA than FEMA, because they are really not geared for business. Councilman Pena said that they exhaust their insurance claims, exhaust SBA, banking, and asked if they are denied by those parties, why would the EDC be inclined to support them? Councilman Pena said, because typically, if a bank is not going to support these guys to give them a loan because they are not financially viable to lend against to start their business, and asked why would the EDC do that? Mr. Johnson said that is not what was said, but what was said was they are trying to see them approved by a bank, have them maximize all their resources, and not if you get rejected by a bank go to the EDC. Councilman Pena said that is not what he heard but so what Mr. Johnson was saying that if people are then denied by SBA, bank, and or insurance then the EDC. Mr. Johnson said he did not say denied he said they are looking for the applicants to go to them and exhaust so they can get all that they can before they go to the EDC. Councilman Pena said he was going to give an example and if a business goes to the bank or SBA and or through their insurance, and they are not able to get any funding and asked is it fair for them to say go to the EDC and will still provide funding? Mr. Johnson said that is not what they are saying, but the board will consider that and will probably say this might be a risk or does not know what the board would do but will take it into consideration, however, having said that, that is not what they were saying, but are saying they would like the applicants to go to those places to get as much as they possibly can before they go to the EDC. Councilman Pena said all he is trying to get at is and ask what is the risk assessment policy and in which a qualifying policy is because it seems relatively ambiguous at this point, and so he is trying to get some

clarity on that. Councilman Pena said at this point he is not sure that he has full clarity on it other than Mr. Johnson personally is reassuring or making the assurance that they can still go to the EDC as long as they went to the SBA and not talking about whether they got approved or not approved but to go to the EDC as long as they went to talk to Mr. Smith at SBA and if they went to speak to Mr. Parker at their bank, whether they got approved or not go back to the EDC and might consider it anyway. Councilman Pena said if Mr. Johnson was saying if it was kind of a very subjective policy. Mr. Johnson said the board considers different loans but, there is not again the policy is not if you get rejected by the bank then go to the EDC. Councilman Pena asked if it is not? Mr. Johnson said it is not.

Councilman Rossow asked if this was a loan or a grant? EDC Director Robert Johnson said it is a grant, it is a dollar for dollar, so they match a dollar and the EDC matches a dollar. Councilman Pena said it has clawback provisions like a loan because it has performance requirements.

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 Resolution No. 2024-2885 deeming body worn camera system surplus and donating to local agency.

Police Chief Jennifer Howell said she had two different items for tonight and the first one was regarding body worn cameras. She said recently they obtained a new grant for body worn cameras as the previous ones were listed as end of life and, so now that they have those items replaced and everything, they were looking to be able to deem those forward to another agency that was in need of those. She said Alvin ISD had reached out and requested those body worn cameras, and so she is asking the Council tonight to deem those surplus so that they can forward those to Alvin ISD Police Department.

A motion was made by Councilman Davis to approve Resolution No. 2024-2885 deeming body worn camera system surplus and donating to local agency, seconded by Councilman Pena with discussion that followed.

Councilman Rossow asked if Police Chief Howell had said those cameras had expired? Police Chief Howell said they are classified as end of life, meaning the manufacturer will no longer repair them. Councilman Rossow said they are out of warranty. Police Chief Howell said once they break they are broken and can not get them updated or repaired, which is why they went for a new grant to be able to get updated cameras that would be in warranty that were able to be repaired. Councilman Rossow asked how would Alvin ISD be able to use them if they can not be repaired or be replaced? Police Chief Howell said they currently have that system and, as they have ones that break, they are not able to replace them, and with having our additional ones, they will be able to have those in and so, when they have one that breaks they can take one or use one to replace, but they unfortunately do not have the funding to be able to purchase new ones at this time. Police Chief Howell said an old one is better than not one at all.

Councilman Pena said along that same line of questioning he is thinking about the feasibility and functionality of these systems for any Police Department and, obviously we are not able to use them on our force because they are being considered defective and not usable. Police Chief Howell said they were still using them and would still use them, but since they received a grant to be able to purchase new ones, then it was a great opportunity to be able to move forward with the new ones and then that way, when they had the other ones break they just did not have a box of broken cameras. She said that having 32 staff and then the camera numbers, dwindling down, then the cameras did not start being able to make a full shift and so, in the middle of the shifts, the officers had to go back to the department and put one on the charger because it turns into sharing cameras instead of cameras that are individually issued. Councilman Pena said he was a little confused and Police Chief Howell had said first of all that they were defective and so that is why they were trying to pursue the new ones, but now she is saying there are new ones and as some of the cameras are becoming defective or breaking down, then they are replacing those and asked are they defective or are they

working and or which one is it? Police Chief Howell said no they were classified as end of life and, so therefore, the manufacturer considers them that they will no longer service them and, for the manufacturer, they are considered defective, null, and void just because they do not replace them, repair them, and make the parts for them anymore, and so they move on to their newer camera systems. Councilman Pena said he had a question, and maybe he just watched a lot of Matlock or a lot of Hill Street Blues but is thinking about when somebody gets arrested and body camera is going and there is some lawsuit saying the camera is defective, and what was it covering and so it becomes a liability to the Police Department and asked why would another Police Department want to assume either this, the dysfunctional equipment or that additional liability? Councilman Pena said he would think that they would not. Police Chief Howell said, because again, it would be better than having nothing at all and that is an ever bigger liability, and so they are at least trying to be able to have cameras and know that there is a chance that the cameras are going to stop functioning, but you have a higher probability of having those videos as compared to having nothing at all. She said she would want the chance of her guys having something compared to nothing at all.

Councilman Rossow asked how many new cameras Police Chief Howell was talking about that they were going to receive? Police Chief Howell said 35 new ones. Councilman Rossow asked if each officer had his own camera? Police Chief Howell said yes.

Councilman Matamoros said being in IT and knowing what the end of life is and then knowing that they are giving the cameras to an ISD makes him a little leery. He asked when they are donating they would also be donating everything that pertains to them, such as cameras, transfer stations, Wi-Fi, HD bases, and magnetic maps? Police Chief Howell said yes, anything that was with the body worn camera system will be provided for them as well. Councilman Matamoros said in doing so and being in IT knowing that these have firmware that could be different, we may have one version of firmware newest and Alvin ISD may have an older version and if it is the end of life they can not update it, there will be an issue. He said that is where he is leery of because he does not want to donate an item, and it fails in the middle of a critical situation, and he does not want it to come back and say well Freeport knew it was end of life and they donated. Councilman Matamoros said this is where he has some trepidation about this and that it is the end of life and with his background. He said as he read within the resolution it does state that they are no longer and these are given as is. Police Chief Howell said an additional document is also typed up that they have to sign for it at that time as well as they have with any of their surplus equipment and not only are they provided with a copy of the resolution and then they also have to sign acknowledging and confirming that they are releasing liability from the City. Councilman Matamoros said and, so of all these devices that they are donating and asked how many of these are working or are all of these working or are they damaged or donating parts? Police Chief Howell said she does not have those numbers but there is a mix of working and there is a mix of some that are damaged and some that just have parts. She said she is sure that Alvin ISD does the same as any other PD does, and she knows that in her department they will take a knob off of one because it does not work and then take the button off that one because that one is missing a button but that device is not working and trying to Frankenstein some things. She said she does not know how many are working or how many are for parts. Councilman Matamoros asked if the equipment that is being donated is going to be wiped? Police Chief Howell said yes, all of the videos are cleared from prior to., but they are actually cleared at the end of every shift, but before taking them out of service and everything, the IT Detective went through everything and cleared and made sure everything was cleared out before they got ready for this. Councilman Matamoros asked if, on the base all the network settings are being cleared out? Police Chief Howell said yes, correct.

Mayor Cain said he would assume there is full disclosure with Alvin ISD so they are more than aware of what the Police Department is donating. Police Chief Howell said yes they know they are end of life and that is why they asked for them, just because it is the same system that they have, but they do not have the money or did not get a grant or did not apply, but do not know which one to be able to buy a new system. Mayor Cain said from what he is hearing that is one of the major concerns. Councilman Matamoros said yes,

it is a major concern and also who it is going to and those are his two biggest concerns. Mayor Cain said in his opinion, if they are aware that this is not an iPhone 16, and it is an iPhone 5 that they are getting, they can still make a phone call and can still take pictures. Police Chief Howell said they have brand-new cameras, but there could also be a chance that, while using a brand new cameras that it could also go down and not record a major critical incident. She said this is technology it sometimes works and sometimes it does not, but at least in that situation they would have the warranty to be able to get it replaced but would not change the critical incident and miss the video on it.

Councilman Pena asked what the total amount was for the grant for the new ones? Police Chief Howell said she does not remember but would have to go back and look at that. Councilman Pena asked what the total price tag for the new system was? Police Chief Howell said she did not know, and she had been doing budget stuff all day, and she had a lot of numbers in her head and does not want to say anything wrong. Councilman Pena asked what the assessed value was for the current system that they are donating or looking to donate? Police Chief Howell said it would not have an assessed value since it is the end of life. Interim City Attorney David Olson said it has been fully depreciated.

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

Consideration and possible action approving Resolution No. 2024-2886 deeming in car camera system surplus and donating to local agency.

Police Chief Jennifer Howell said this is part of where they obtained the grant. She said they had the body worn cameras and then also replaced the in-car cameras, and so the previous in-car cameras are part of the same vendor, however, Angleton PD had requested those and so it just so happened that they did not need the body camera, but they needed the in-car where Alvin ISD needed the body camera and not the in-car. She said she is asking for these items to be deemed surplus and to be able to donate these to Angleton PD.

A motion was made by Councilman Davis to approve Resolution No. 2024-2886 deeming in car camera system surplus and donating to local agency, seconded by Councilman Rossow with discussion that followed.

Mayor Cain said this is pretty much same situation the car cameras going to Angleton is the main difference.

Councilman Pena said it seems like all the surrounding cities get our trained police officers and all of our equipment. Councilman Pena asked do we get anything? Police Chief Howell said since she has been here they have been very fortunate to get several grants, and so they have been lucky to be able to get some new things, but she was informed and everything that there are a number of things that they have previously received from the Sheriff's Office and Pasadena Police Department and she knows things have been paid forward before. She said they had lucked in the opportunity for some good grants thanks to Detective Fernandez for going aggressively after those.

Councilman Matamoros said he was going to ask one last time and asked if everything had been wiped from the in-car camera? Police Chief Howell said yes.

Councilman Davis said he wanted to thank the Police Department for all they have been doing and when he called the other day about a funeral escort, that person that had died that was somebody that the Police Department had checked on during the storm and so his wife wanted him to let the Police Department know that she really appreciated it because they stopped by there more than one time and checked on him and offered to bring them drinks and food if they needed anything. He said they are 90 something years old, and she just wanted him to tell them thank you for all they were doing. Police Chief Howell said thanks and she would pass that along.

Councilman Rossow said he must put this on the record, and it is more blessed to give.

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

Consideration and possible action approving Resolution No. 2024-2887 updating City bank account signatories.

Interim Finance Director Ashlee Ferguson said Texas Gulf Bank requires a resolution designating which City officials are authorized to make transactions. She said this resolution would remove the former Finance Director Cathy from the list of signatories and then just leave the Mayor, Mr. Petty, and herself on the account as the contacts that are able to make transactions. She said she recommended approval of the resolution.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2887 updating City bank account signatories, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution 2024-2888 amending designated signatories for the City's TexPool account.

Interim Finance Director Ashlee Ferguson said this is going to be the same situation for the investment account held with TexPool by updating to have the former Finance Director Cathy removed, and it leaves Mr. Petty and herself listed as representatives with full access, and then it leaves the Mayor with the inquiry access only. She said so she recommended approving the resolution.

A motion was made by Councilman Matamoros to approve Resolution 2024-2888 amending designated signatories for the City's TexPool account, seconded by Councilman Davis with discussion that followed.

Councilman Pena asked how many signatures are needed for any of these particular transactions on the City's TexPool account? Interim Finance Director Ashlee Ferguson said she is pretty positive that it was two, but she has personally not done a transaction to say. Councilman Pena said he meant to ask the same question about the City Bank account signatory and asked if it was also two? Ms. Ferguson said the City account is just one and then the bank called to verify it. Councilman Pena asked if they needed to have a provision where they have at least two people signing in there and that language in there to avoid a Covarrubias situation? Interim City Attorney David Olson asked if Councilman Pena was talking about TexPool? Mr. Olson said that is part of the agreement with TexPool and this is just simply a resolution authorizing the signatories, but he could pull that agreement just to verify and make sure that it is part of that, but they are going to have some conditions for participating in their pool and one of those conditions is the participants would have designated authorized signatories, and it would have all that outlined. Councilman Pena asked if a minimum of two? Mr. Olson said he would have to take a look at the agreement just to verify that. Councilman Pena asked if he could also make sure that agreement on the bank also? Mr. Olson said on the bank it is just one but he can look at their depository bank agreement and if there is not an agreement he would be happy to provide that to the Council. Councilman Pena asked Mayor Cain if right now it was just one? Mayor Cain said he was not certain. Mr. Olson said he was not certain either. Mr. Ferguson said on the City account there are certain transactions that does take two, but for her to send an ACH file or initiate a wire, that is a two person and someone has to initiate and someone has to approve it. Councilman Pena asked if there was also a threshold? Ms. Ferguson said \$500,000. Councilman Pena asked so anything above \$500,000 requires two? Ms. Ferguson said anything \$500,000 requires bank approval which is by phone. Councilman Pena said he thought there was a threshold for the City Manager of \$50,000 for the City Manager then after that, it requires multiple signatures. City Manager Lance Petty said it was actually reduced to \$30,000. Councilman Pena asked so it was \$30,000 and then after that it was two signatures? Mr. Petty said then it had to go to be advertised for BID. Councilman Pena said he just wants to

make sure they have that provision in all the accounting.

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

Consideration and possible action approving the CDBG CO-OP grant agreement between Brazoria County and the City of Freeport.

Interim Finance Director Ashlee Ferguson said this grant was applied for back in April 2024 with the County CDBG program for \$220,000. She said this would fund the installation of two 12" valves and nineteen 8" valves at multiple locations throughout the City. She said the City was approved to receive that in grant funding with a service period of October 1st, 2024 to December 31st, 2025. She said the City historically has participated in the Brazoria County's CDBG grant program. She said the County receives the funds from HUD and then allocates those funds to participating cities. Ms. Ferguson said the City would have to pay \$8,000 in addition to that \$220,000 to fund the entire project that was applied for and what was approved for. She said staff recommends approving and signing the agreement to accept the grant funding.

Mayor Cain asked if the additional \$8,000 was included in the budget? Interim Finance Director Ashlee Ferguson said yes.

A motion was made by Councilman Matamoros to approve the CDBG CO-OP grant agreement between Brazoria County and the City of Freeport, seconded by Councilman Davis with discussion that followed.

Mayor Cain asked what are the benefits of putting in these valves? City Manager Lance Petty said it will enable the water department to be able to isolate sections of lines when they have emergency line repairs. Mr. Petty said Veolia did mark up a map of where they have deficiencies with isolation, and it will cut down on it if they notice when sometimes they have a water main break, and they have to shut down half the City and so this helps them isolate just certain areas instead of having to kill a large section of the City. Mayor Cain said that is the answer he was hoping Mr. Petty would say.

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 award the bid for Freeport Municipal Golf Course Structure Replacement to Tra-Con and have the City Manager sign the contract.

Public Works Director Rudy Ragle said staff recommended awarding the contract to Tra-Con. He said on September 19, 2024, BIDS were open for Request for Proposal #2024-09, Freeport Municipal Golf Course Structure Replacements. He said Tra-Con was the lowest bidder with a BID of \$71,635.00. He said the City of Freeport solicited proposal for repairs to the Golf Course these repairs are damage caused by Hurricane Beryl. He said the City advertised the Request for Proposal on September 3, 2024, and September 10, 2024. He said on September 19th the City received two proposals. He said Tra-Con was the lowest bidder at \$71,635. Mr. Ragle said Tra-Con has done work for the City on many occasions and the City has been happy with their work. He said the financial impact the City will apply for a FEMA grant for this project which will pay 75% of the project if awarded. He said the funding for this will come from the fund balance.

A motion was made by Councilman Matamoros to award the bid for Freeport Municipal Golf Course Structure Replacement to Tra-Con and have the City Manager sign the contract, seconded by Councilman Rossow with discussion that followed.

Councilman Davis asked if this was in the budget plan? City Manager Lance Petty said this was a damage from Hurricane Beryl and FEMA would be paying 75% of the repairs, the City will be paying for the remainder 25%, and then will be going back to the Council with the budget amendment at a later date for these repairs since there are so many throughout the City. Councilman Davis asked if FEMA was not

guaranteed? Mr. Petty said they would cover 75% of it. Mr. Petty said all the documents and everything have been submitted and they are working closely with them to cover these expenses.

Councilman Pena said he was curious and asked who was managing this project that Tra-Con is going to be facilitating or and implementing? Councilman Pena asked if that was going to be the Public Works or the Golf Department? City Manager Lance Petty said Public Works will be overseeing the project. Councilman Pena said he was kind of curious as to why the Golf Director was not asking for this or facilitating this? Councilman Pena asked, is that typically because it goes through Public Works exclusively? Mr. Petty said typically Public Works has the knowledge and experience to oversee projects like this. Councilman Pena said he is just trying to get a sense of how the projects are in terms of repairs to the City structures, buildings, roofs, Golf Course, and who that falls upon and knows that last year the conversation was had of who handled a lot of these projects and most fell to Mr. Petty and that was because he was the Assistant City Manager and asked or if that was because he was the Director of Public Works? Mr. Petty said he was both. Interim City Attorney David Olson said the latter because of his relationship with Public Works to oversee these types of projects. Councilman Pena said it was not a legal question, it was just a logistical organization question. Councilman Pena asked if Mr. Petty had been the Public Works Director, would he have facilitated all those anyway? Mr. Petty said yes absolutely.

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 award the bid to Hog Construction Services for Freeport Municipal Park Structure Replacements and have the City Manager sign the contract.

Public Works Director Rudy Ragle said staff recommended awarding the BID to Hog Construction. He said on September 20, 2024, the City received proposals for RFP 2024-10 Freeport Municipal Park Structure Replacements. He said Hog Construction Services was the lowest bidder with a bid of \$38,477. He said the City of Freeport solicited for Request for Proposals for Freeport Municipal Park Structure Replacements. He said this project is for Hurricane Beryl damage. Mr. Ragle said the City advertised the RFP on September 4, 2024, and September 11, 2024. He said on September 20, 2024, the City received three proposals. He said Hog Construction submitted the lowest bid of \$38,477. He said the City will apply for a FEMA grant for this project. He said if the City is awarded a grant, the grant will cover 75% of the project. He said the cost of this project would come out fund balance.

A motion was made by Councilman Pena to award the bid to Hog Construction Services for Freeport Municipal Park Structure Replacements and have the City Manager sign the contract, seconded by Councilman Davis with discussion that followed.

Councilman Pena said it was made mentioned that Tra-Con had done work for the City previously and asked if that was also true for Hog Construction? Public Works Director Rudy Ragle said Hog Construction has done some other construction projects, nothing major, but they did have a very good list of structures they have done in the package that was turned in their RFP. Councilman Pena asked if they had experience and recommendations? Mr. Ragle said yes. Councilman Pena said he was not sure what the due diligence was on Hog or for that matter, any contractor that has done work with the City or has not done work with the City. He said he is always skittish about new contractors. Mr. Ragle said he believed in the past and to not quote him on this, but he knows he has some relationships with some of the guys that he knew within the City that work for him, and he came very highly recommended. Councilman Pena said he appreciates that and is just curious and asked if we did the due diligence in terms of whether they were insured and bonded? Mr. Ragle said he believes that is all in the RFP. Councilman Pena asked if the insurance and bonding were verified? City Manager Lance Petty said the insurance is verified, and they are not required to be bonded unless it is \$150,000. Councilman Pena said insurance is verified, and so we are good to go. Mr. Petty said everything would be verified a second time before issuing a notice to proceed.

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 award the Bid for Freeport Riverside Park Roof Replacements to Tra-Con and have the City Manager sign the Contract.

Public Works Director Rudy Ragle said staff recommended approval. He said on October 1st, 2024 bids were opened for Request for Proposal #2024-12 Freeport Riverside Park Roof Replacement. He said Tra-Con was the only bidder with a bid of \$71,465.00. He said the City of Freeport solicited proposals for repairs to the Riverside Park Roofs. He said these repairs are for damage caused by Hurricane Beryl. He said the City advertised the Request for Proposals on September 11, 2024 and September 18, 2024. On October 1st, 2024 the City received one proposal. He said Tra-Con submitted a proposal for the amount of \$71,465.00. He said Tra-Con has done work for the City on many occasions and the City has been happy with their work. Mr. Ragle said the City will apply for a FEMA grant for this project, which will pay 75% of the project if awarded. He said the fund for this will come from the fund balance.

A motion was made by Councilman Matamoros to award the Bid for Freeport Riverside Park Roof Replacements to Tra-Con and have the City Manager sign the Contract, seconded by Councilman Rossow with discussion that followed.

Councilman Pena said the Riverside Roof Replacement and asked which roof is specifically being talked about? City Manager Lance Petty said these are the press boxes at the ball fields. Public Works Director Rudy Ragle said it is for the concession stand and press boxes at Riverside Park. Councilman Pena asked how many structures? Mr. Ragle said he believed four. Councilman Pena asked if they knew how many squares of roofing that was and what type of roofing that was? Mr. Ragle said they are all shingle roof but do not have the right measurements on him right now. Councilman Pena asked what Mr. Ragle would say is the biggest roof in terms of linear footage? Mr. Ragle said linear footage is probably going to be the maintenance and it has two garages on it as well as the bathroom building. Councilman Pena asked maybe a 20X20? Mr. Ragle said no, it is bigger than that and roughly guesstimates maybe a 40X60. Councilman Pena said he was just trying to make sure that, talking about structures, he was thinking of some small pavilion that was 20X20, and now they are spending \$71,000 for a roof on a 20X20 roof which makes absolutely no sense but those numbers jive. Mr. Petty said there are numerous structures and on one of them at the senior field the roof actually came completely off the building that they had to rebuild. Councilman Pena said he knew there was only one bid and asked if there was anything that could be done to improve the participation. Mr. Ragle said, as of right now, with all the contractors that are so busy right now, a lot of them are just not bidding because they have so much work they can not get to.

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 award the bid for Freeport Dugout Roofing Structure Replacements to Tra-Con and have the City Manager sign the contract.

Public Works Director Rudy Ragle said staff recommended awarding the contract to Tra-Con. He said on September 3, 2024 Bids were opened for Request for Proposal #2024-13, Freeport Dugout Roofing Structure Replacements. He said Tra-Con was the only bidder with a bid of \$45,480.00. Mr. Ragle said the City of Freeport solicited proposals for repairs to the Freeport Dugout Roofing Structure Replacements at Riverside and SFA parks. He said these repairs are for the damage caused by Hurricane Beryl. He said the City advertised the Request for Proposals on September 17, 2024, and September 24, 2024. He said on October 3, 2024 the City received one proposal. He said Tra-Con was the only bidder at \$45,480.00. He said Tra-Con has done work for the City on many occasions and the City has been happy with their work. He said the City will apply for a FEMA grant for this project which will pay 75% of the project if awarded. He said the funding for this will come from the fund balance.

A motion was made by Councilman Davis to approve the Freeport Dugout Roofing Structure Replacements, seconded by Councilman Matamoros with the addendum to have the City Manager sign the contract with discussion that followed.

Councilman Pena said this reminds him of a contract situation that there were a couple of years ago and awarded construction street of street repairs or park repairs to the Rec Center to the boat ramp, and he thinks also over at the Velasco house as well to one contractor, and the dollar per square foot seemingly was arbitrary and nothing was consistent, and so he thought here there is one contractor that is getting every deal number one, and why are we not getting the same dollar per square foot for each one and then the discussion was well its is different depths etc. and he said if you are going to get more than two then maybe then there is a discount afforded to the City and maybe there is a threshold all of a sudden you are into an automatic pricing and was wondering and asked if that was not something that they can go back and ask Tra-Con to say the City is giving you all these contracts is there a discount that they can give the City on this? Mr. Ragle said by doing an RFP he does not think it can be done that way. Interim City Attorney David Olson said the only time you are in a position where you negotiate is when you do a request for qualifications, like with an engineer or an architect. Mr. Olson said these are sealed responses in all fairness to everybody else and the City is not in a position to negotiate a lower contract after the award. City Manager Lance Petty said the contractors trying to get a job through an RFP they pretty much shoot their lowest prices to the City as well. Councilman Pena asked, so unless it is an RFQ it is not doable? Mr. Olson said it is correct and that is not only for the fairness of the process but to all the other people that submitted proposals to that they are putting their best foot forward. Mr. Olson said the best way to handle that is to couple them as part of the same request and see if the City gets some sort of discount but can not alter the proposal as submitted. Councilman Pena asked like Mr. Olson said maybe going forward they will be pulled so that they might be able to negotiate? Mr. Olson said he is not sure if there are enough economies of scale there to matter, but probably not. Councilman Pena said when they are there. Mr. Olson said if they are there, absolutely that is something to talk about.

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

Executive Session

Executive Session regarding a.) (Consultation with Attorney) 1.) Industrial Contracts 2.) Audit Discussion 3.) Water Rates pursuant to Section 551.071.

The regular session closed at 8:09P.M. and the Council entered into the Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

Executive Session ended at 8:45P.M. and the Council entered back into regular session.

There was no action from Executive Session.

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 8:45P.M.


Jerry Cain, Mayor


Clarisa Fernandez, City Secretary