

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, December 2, 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
- Crystal Ruiz, Executive Administrative Assistant
- Laura Cramer, Special Projects Supervisor
- Wade Dillon, Museum Manager
- Rudy Ragle, Public Works Director
- Jennifer Howell, Police Chief
- Juanita Cardozo, Police Department
- Alex Johnson, Police Department

Visitors:

David McGinty	Kenneth Hayes
Flora Green	Manning Rollerson
Con McCleester	Pamela Dancy
Diane McCleester	

Call to Order:

Call to Order - Jerry Cain, Mayor

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

Mayor Cain said for the record, Councilman Pena was not present.

Invocation - Councilman

Councilman Rossow led the Invocation.

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

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

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and

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

Mayor Cain said for the record, Councilman Pena made it to the meeting at 6:01P.M.

Pamela Dancy said the Christmas lights look great. She said she wanted to thank the Police Department for catching that gentleman, and she was not sure if he was a gentleman or not, but the guy in his car that she saw online, and they caught him. She said he was wherever he was. She said thank goodness and off the streets and nobody was hurt. Ms. Dancy said, speaking about the Police Department, one of our citizens received a code violation, and he showed it online, and it said the Code Department is with the Police Department, and it said from the Police Department on top of that citation. She said she does not know whoever thought of doing that and putting the Police Department up on a code violation, but she feels like it rather or what the motive was behind that if is intimidation tactic like maybe they respond quicker if we put it from Police Department. She said she feels like it is an intimation and a form of bullying to residents. Ms. Dancy said she thinks it needs to be changed. She said she would like to talk about and would like to know if the Council can put on the agenda just a friendly reminder about the mom-and-pop restaurants and if the Council can come up with a solution whenever a contractor hits water lines and how they will be helped out. She said this audit thing she does not understand if they audit just some of the books, all the books, because she feels like something is happening with the W-2s and with all the IRS stuff that is showing up that was not paid. She said she did not know what in the world Ms. Cathy was doing but she thinks she should have been excused immediately after the first time and she was not. She said either the auditors are not going through the general ledger or they are going through everything, and they are reporting their findings to the Council but the Council is not reporting the findings to the residents, and then they find out later that there is money owed on receivables that should have been cleared up that kind of thing. Ms. Dancy said she would like to know what they do for the amount of money they get paid. She said people ask her all the time what is going on and she saw it on the agenda on that little meeting on Veterans Day about the contractor and Mr. Kely. She said people are concerned about that, and they want to know what is going on, and how can we not find somebody to take that case and file a subpoena for his bank records and find out where the money went.

Flora Green said she has lived in the City for over 20 years now. She said she is a proud owner of two properties that are in Freeport. She said she did not know when she bought these properties someone else was interested in the properties. She said she had been getting a lot of patrol by her house and lights coming into her house. She said this report happened on February 26th, 2024 between the hours of 9:00P.M. and 10:00P.M. She said there was a knock on her door and her husband was in a wheelchair, and she was in the shower and when she got out, and she opened the door it was Freeport Police Department. She said two patrol cars and one sheriff's department. She said she asked them "can I help you?". She said the officer asked if she could step outside, and she said no, that she was not stepping outside, and she asked what she could help them with. She said she closed the door and went back in. She said she called the Freeport Police Department and asked dispatch to tell the officer to remove himself because she did not know why he was there. She said the officer knocked again, and she opened and said yes and the officer told her if she stepped over there on her neighbor's property which works for the Sheriff's department and is a police officer there at the sheriff's department, she would be charged with trespassing. She said she did not know that Freeport Police Department responded to civil matters. Ms. Green said Mr. Hernandez should have conducted himself in a more professional way, and it should have been a civil matter, not a matter for the Police Department to come out to her house with their lights on threatening her about a property line. She said it was not acceptable. She said two days later there came Code Enforcement. She said she has an RV, and it is

within code violation, and she does not have it plugged up to sewer nor to water, and she has had it plugged up to power. Ms. Green said Mr. Cramer has some pictures where he states she is in code violation, and she looked up the code violation and said she was not in violation of any code. Ms. Green said a couple of days later at night, she had Freeport Police Department shining their bright lights into her house. She said her husband had a stroke, and they were shining lights into her house. She said she tried to speak to Chief Howell about the situation. Ms. Green said her neighbor Zane Hernandez, which works for the Brazoria County Sheriff's Department and the two officers that were at her door, the one that spoke and threatened her Officer Miller, and then also another officer, Sergeant Graham. She said Sergeant Graham is the one she has the video where he is standing out by the car and Officer Miller is the one that is up there on her video threatening her, telling her that if she steps over on her neighbor's property she will be charged with trespassing. She said she was speechless because 9:30 at night time, they are knocking at her door about a property line. She said that is not acceptable.

Manning Rollerson resides at 126 West Sixth Street in Freeport, Texas. He said he also wanted to iterate on that concern because those are two African American people. He said Gardner Campbell's family have a reputation and do not ever forget about 2005 and they wanted to see how to kill a n****r. He said at the end of the day that family has a reputation and these people living in their homes have no business and Freeport Police have no business handling a civil matter. He said those officers from Freeport need to be held accountable because there have been a lot of issues with Freeport officers pulling cars over from the back talking about the tags are out. He said it can not be read until there is an infraction, and they say they just ran the tags because they felt like it, and they can not do that because it is illegal, but that is what they are doing. He said they are parking in the middle of the highway down there with the lights off in the middle of the night and the patrol cars are not noticeable, and the sides have to be noticeable, and the front has to be noticeable and also the lights have to be noticeable. He said they are writing tickets sitting in the middle of that medium in the middle of the night with no lights on and that is dangerous and that has to stop, and he has plenty of recordings and those he will turn over in to the Justice Department because of the issue with Ms. Green. Mr. Rollerson said his concern was Gardner Campbell running things in Freeport. He asked how is it possible that Gardner Campbell could use the police in the first place? Mr. Rollerson said that seems like a leadership breakdown with officers not following the rules of the City or law enforcement. He said that is a problem with the safety of every race and person in the City. He said he also wanted Mr. Matamoros to apologize to every cancer victim in the City and everybody that lost a family member. He said his mom was amputated piece by piece by cancer. He said at the end of the day he needed to apologize or resign one or the other because it was hurtful. He said people have family members that died. He said to remember Officer Abigail she was an officer here. He said it shows a lack of respect and accountability there. He said he also wanted to know what the Council came up with when they are going to do this audit and asked if it was an independent audit not done by Olson and Olson but done by an independent agency? He said, because at the end of the day there is too much money bleeding out of Freeport and there is no accountability. He said somebody had to wake up there. He said he really wants a federal investigation into the City. He said there was too much going on. He said there are racial problems going on and money issues going on. He said there is no respect for the public going on and all of this has to stop. He said the Council are the leaders of the City and the responsibility falls on the Council and when they do nothing about it, it just shows the credibility of the City. He said there is an issue of toxic dumping in the City in the middle of the night by LNG since June up to May 21st they have been emitting gas in the community every night and nobody is being notified by LNG because they self report. He said the Council has to do something. He said he had the reports before TCE got the reports. He said he got the press statement before anybody in the Council got the press statement. He asked how that is possible and the Council is the entity that protects the residents. He said he gets the statements from them before the Council gets them. He said to the Council they have to wake up.

David McGinty said the last two are really hard to follow with this, but this is an important thing for him to get to. He said there are many citizen comments throughout the year most tend to be negative due to the

nature of these meetings. He said this chamber is the place of last resort for citizens' concerns to be raised in, and he fully realized that. He said, but his comment this evening was only positive and hopefully a little bit uplifting for the citizenry of the City. He said he is using this platform to publicly thank the 100 plus citizens, volunteers, local businesses and last but not least, the City of Freeport for making the 2024 City of Freeport Superfeast a resounding success once again. He said our City's sponsorship of money, facilities and personnel is so very appreciated. He said by providing this platform to showcase how our citizens, young and old, from every walk of life, can come together and serve the greater good by preparing and serving up a great meal, giving thanks and giving Freeport a sense of community. He said while he is not a native of Freeport, he is truly Freeport proud to be involved in this worthy cause. He offered a big thank you to Freeport and all the volunteers that made Freeport Super Fest possible and successful this year, after last year, after the year.

Mayor Cain asked Mr. David McGinty if the kitchen worked as planned for this? Mr. McGinty said yes.

Proclamations - Presentations and Updates

Upcoming Events -

December 7th- Blue Santa Children's Pancake Breakfast at RiverPlace. 8:30A.M. Entry time for sensory friendly children and their family 9:00A.M. Entry for all other children and their family.

December 10th & 11th-Blue Santa First Responder Parade. Starts at dark each night. More details will be provided at a later time as to which section of the city will be patrolled each night.

December 12th-Freeports Founding Lecture 11:00A.M. Freeport Historical Museum.

December 13th Holiday on the Brazos at FMP 6:00pm-8:30pm.

December 14th-Christmas Ornament Making 11:00A.M. Freeport Historical Museum.

City Manager Lance Petty gave an update on upcoming events.

Proclamation declaring December 2nd, 2024 as Freeport is a Tourism Friendly Community.

Mayor Cain read the Proclamation declaring December 2nd, 2024 as "Freeport is a Tourism Friendly Community".

Business

Consideration and possible action on the approval of City Council meeting minutes from November 18, 2024. (Clarisa Fernandez)

A motion was made by Councilman Matamoros to approve the City Council meeting minutes from November 18, 2024, seconded by Councilman Rossow with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Consideration and possible action approving the Mayor to sign the annual Brazoria County MS4 Stormwater Coalition Annual Report.

Special Projects Supervisor Laura Cramer said annually the City submits the Phase II Small MS4 Annual Report to TCEQ and must be signed by the Mayor. She said this report documents the annual municipal actions required by law. She said TCEQ oversees the Stormwater Management Program which manages the storm sewer systems throughout the state. She said there are five minimum control measures required by the state, which include: 1. Public education, outreach and involvement, 2. Illicit discharge detection and elimination, 3. Construction site stormwater runoff control, 4. Post-construction stormwater management in areas of new development and redevelopment, 5. Pollution prevention and good housekeeping for municipal operations. Ms. Cramer said in the previous reporting period the City had over 10,000 yards of litter and garbage collected. She said the City had no illicit discharges reported and there were no stormwater permits or development plans issued.

A motion was made by Councilman Matamoros to approve the report and approve Mayor Cain to sign it, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved

the motion.

Consideration and possible action approving Resolution No. 2024-2896 authorizing a revision to the City of Freeport Policy Handbook Chapter 5- Standards of Conduct adding Section 5.28 CDL Training Program.

Human Resource Director Donna Fisher said this policy is being added to establish guidelines for the payment of the training expenses for the commercial driver's license training at the previous meeting, and the Council had asked her to come up with a policy to recover costs if someone left the City immediately after getting their license and so this policy addresses that.

A motion was made by Councilman Matamoros to approve Resolution No. 2024-2896 authorizing a revision to the City of Freeport Policy Handbook Chapter 5-Standards of Conduct adding Section 5.28 CDL Training Program, seconded by Councilman Rossow with discussion that followed.

Councilman Davis asked what the change was? Human Resource Director Donna Fisher said if the employee leaves the City within six months of getting their CDL they must repay 100% of the training expenses that were paid out on their behalf and if they leave between six and twelve months, it is a prorated amount that they would repay, at the training expenses that the City pays on their behalf. Councilman Davis said he had checked and for the County it is two years.

Councilman Rossow asked if the employee was aware of this? Human Resource Director Donna Fisher said this policy will go out and when they sign up when they apply to take the class, the form they fill out says that they will be required to repay the expenses if they leave in that time frame.

Councilman Davis asked if Human Resource Director Donna Fisher could repeat about the twelve months again? Ms. Fisher said if it is between six months and twelve months, it would be a prorated amount that they would repay if they left after, and if they left after nine months, they would repay three months worth of or 25% of the training expenses.

Councilman Pena asked if this is able to be modified so it aligned with the County and is there any reason why we would not want to be in line with the County? Mayor Cain said we could do it however we wanted. Councilman Pena said he does not know if the motion would need to be modified but if they could make that edit to have that particular component. He said he thinks that was the one that was the biggest sticking point in the last meeting.

Human Resource Director Donna Fisher asked Councilman Davis if he could send her a copy of the County's policy? Councilman Davis said yes, and he was not trying to make it difficult for Ms. Fisher, but he knows how hard it is to get the CDL and if the City is going to pay for it, then people are going to benefit off and they are going to burn off and leave. Councilman Davis said a lot of money can be made with a CDL elsewhere and if they get tired of it then they can just get out of the City and just pay a prorated fee. Ms. Fisher asked if Councilman Davis was looking for 100% within two years? Councilman Davis said yes.

Mayor Cain said he personally thinks it should be at least a year, but that is his personal opinion. He said he thinks six months is a little light.

Councilman Matamoros asked Interim City Attorney David Olson if he was to change his motion for 24 consecutive months of active employment to if they were to leave before 24 months they would have to pay the full amount can that be done and move forward with just a change? Interim City Attorney David Olson said Councilman Matamoros can just amend his motion and whoever seconded that motion and if they agree with that amendment, then they can move forward.

Councilman Matamoros asked Councilman Davis if he would be comfortable with 24 months, like with the County, instead of the 12 months making it to 24 months and if they leave for 24 months, they have to pay

100% back? Councilman Davis said yes.

A motion was made by Councilman Matamoros to amend his motion to 24 consecutive months if they resign or leave before that, they have to pay 100%, seconded by Councilman Davis with discussion that followed.

Mayor Cain asked Councilman Rossow if the Council got a clarification that he was willing to withdraw his second on the original motion? Councilman Rossow said yes.

Mayor Cain said there was now a motion by Councilman Matamoros and seconded by Councilman Davis to approve this with the amendment that the employee has to remain 24 consecutive months and if he or she decides to leave within that time they will repay 100%.

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. 2024-2897 authorizing the Mayor to execute settlement release documents with retail pharmacy Kroger.

City Manager Lance Petty said this is part of a class action and City Council has to take formal action to participate in this.

Interim City Attorney David Olson said they have done this a couple of times with other defendants that are part of this and so the Kroger's group settled and have to actively participate in that claim if the City wants to. Mr. Olson said it is a giant opioid case class action settlement against all retail providers of painkillers and a lot of them settled, and the lawyers made a lot of money.

Councilman Davis asked if the motion was just to put the City's name in the hat? Interim City Attorney David Olson said it is just a motion to approve the resolution that the City participates in the settlement.

Councilman Pena asked if a copy of that settlement at this juncture be provided to the public as well? Interim City Attorney David Olson said yes it could be and it is a public record. Councilman Pena asked if any of these active lawsuits could be on the City's website? Mr. Olson said yes. Councilman Pena asked what had to be done to make that happen? Mr. Olson said he would work with the City Secretary to make sure that happens.

A motion was made by Councilman Pena to approve Resolution No. 2024-2897 authorizing the Mayor to execute settlement release documents with retail pharmacy Kroger, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action of multi-year engagement letter to conduct City's annual audit for FY Ending 2024-2027.

Interim Finance Director Ashlee Ferguson said staff recommended the authorization for the City Manager and Mayor to accept and sign the multi-year engagement letter with BrooksWatson & Company. She said the City hired BrooksWatson to audit fiscal year ending 2023 through fiscal year ending 2027. She said an engagement letter was signed last year, but it was only for the fiscal year ending 2023. She said a multi-year engagement letter should have been signed last year but was overlooked. She said the attached is the engagement letter that will need to be signed. She said the timing for the audit would be scheduled for completion as followed: document internal control and preliminary tests- September 30th, Mail confirmations- October 1st, Perform year-end audit procedures- January/February, and Issue audit report- March. Ms. Ferguson said the City went out for Request for Qualifications for auditing services on April 24, 2023, and May 1, 2023. She said the City Manager, Finance Director, and the Mayor interviewed three audit firms on June 12, 2023. She said the City chose to go with Brooks Watson for the period of performance of

fiscal year ending 2023 through fiscal year ending 2027. She said the fee is included in the adopted 2024-2025 budget and the fee schedule is as followed: FY 2024- \$64,375, FY 2025- \$66,300, FY 2026- \$68,300, and FY 2027-\$70,350.

A motion was made by Councilman Matamoros to authorize the City Manager and Mayor to accept and sign the multi-year engagement letter with BrooksWatson, seconded by Councilman Rossow with discussion that followed.

Councilman Davis asked if this was the auditor that the City had last year? Councilman Davis asked if they audit the books or finances? Interim Finance Director Ashlee Ferguson said governments are required to have an external auditor firm perform an audit on their financial records every year, especially because the City goes over \$750,000 in federal funds, so there must be an audit. Ms. Ferguson said they audit financial records, making sure that the finances are being reported with the correct accounting procedures, policies, and everything else. She said they make sure that everything that is being reported in the financial reports is accurate, and they do that by making random selections of what they are going to test, digging into all of the information, making sure that they can test and come up with the same ending, beginning numbers, and everything. Councilman Davis said he was just wondering about all the mistakes that were made and asked how they do not catch none of this stuff? Ms. Ferguson said unfortunately, they submitted questionnaires that Ms. Cathy would have had to answer and answer for the fact that those things were reported and filed on a timely basis for when they were due and those were the answers that were given to the auditors. Councilman Davis said they were lies.

Mayor Cain said it is his understanding that this multi-year agreement the Council voted on back in 2023 and that is what it is being voted on tonight is just to sign paperwork that was not signed when the original agreement was adopted.

Interim Finance Director Ashlee Ferguson said she was looking for the contract, and she even reached out to the auditors and that is when the auditor managing partner discovered that the multi year was not signed.

Councilman Pena thanked Interim Finance Director Ashlee Ferguson for following through on this. He said he presumed that the reason this contract was being looked at was because of all the recent failures that have been discovered under the current audit. Councilman Pena asked to be clear if this is the firm that was doing the audit formerly for the City of Freeport in the last 2022-2023 and 2023-2024? Ms. Ferguson said yes they have not started 2023-2024 just yet. Councilman Pena asked if they did anything else prior to that? Ms. Ferguson said no, they used a different auditor before that time. Councilman Pena asked Ms. Ferguson if she knew the name of the auditors? Ms. Ferguson said Whitley Penn was the company. Councilman Pena said the reason he asked is that he just wants to make sure that it is on the record from City staff who actually has been responsible for the audits and in terms of approving them. He said he is really trying to learn as much as possible because he does get a lot of questions, and he is glad they are there to speak about this there now, because he is curious about what that process was. He said Ms. Ferguson mentioned that the auditors actually submit a questionnaire to the City and asked if that is to anybody in particular and who is that presented to? Ms. Ferguson said this is not just Freeport but typically the Finance Director is the main contact for an audit, so they receive all the questionnaires and then generally distribute them to the correct department heads. She said there are questionnaires for municipal courts, utility billing, and everything they do. She said the auditors' main goal is to figure out how exactly the business runs down to every policy you have, and then they are going to test information to make sure that you are following those procedures. Councilman Pena asked if they are currently working on the 2023-2024? Ms. Ferguson said yes, they would begin. Councilman Pena said obviously there have been some pretty serious failures that have been discovered, and he had documented in his own personal list of about 1.3 million that is dating from November of last year and so that would, had included the 2022-2023 audit and what is in the 2023-2024 audit. He said he is just trying to understand that earlier this year there was a presentation by City Hall staff

about passing the audit and asked if that was for the 2022-2023 or was that for the 2023-2024? Ms. Ferguson said that would have been for the 2023. Councilman Pena said he remembers in that particular audit update to the Council that it was presented, and the City had passed with flying colors and everybody was singing Kumbaya and came to find out that it was anything but, and there were a lot of failures in there. Councilman Pena said he is not glad to hear that yet another contract fell through the cracks and that is a whole another issue and is curious who is responsible for that contract being consummated. Ms. Ferguson said she is assuming Ms. Cathy brought this to the Council last year, and she felt like it would have been her responsibility to make sure it got done. Councilman Pena said it did not and, fortunately, it did not get executed so that they would not be bound by that contract and, do not know what the legal issues are on that, but will differ to Olson and Olson on that but if the City is not under contract he can say that considering all the losses and all the failed tax reporting that was part of 2022 and 2023 that they have come to discover as it relates to the payroll taxes and got fined for not paying in a timely manner. He said he is just wondering how that did not get caught and or reported, but then there are all the other failures that they have come to learn there in the last ten months, and so he is not inclined to renew them for anything, but he is also curious if this contract as it stands now completely unexecuted he is hoping and assuming if there is language in there if to see if they are in fact liable for any of these losses and that is what he is really curious about but by no means he can not in any good conscience support continuing this relationship with this particular firm who had been on the watch and has led all of these losses, and it was not just one loss of 1.3 million, and he has this document that is like six or seven different items, and he is thinking why in the heck did this happen, how did it happen, and what else do we not know? He said those questions gave him the pause to accept these guys. Councilman Pena said he did not know if any other Councilman wanted to explain to the residents or ask about this even before and was not sure, and he was hoping that the auditor was a new firm altogether and it was not. He said that they were lucky that they did not know what they knew now and were lucky that they got a free year or a year and a half or two years now that they were not under contract to learn really what they do and do not do for the City. Councilman Pena said obviously they had fallen short, and he would have loved them to say "hey guys turns out your books are messed up, we know where the problem is, we know who the problem is, but let's not point fingers, and let's just solve the problem". Councilman Pena said that would have been the professional response, but the fact that it was not even caught at any level makes him really concerned about what the City Hall is communicating to the auditing companies. Councilman Pena asked if there was a copy of their findings from 2022-2023? He said he is very curious to see what that questionnaire that they gave the City in 2022-2023 and 2023-2024 was completed or how it was completed, and he would like to see copies of that for the Council to review to see whether honest responses were given. Ms. Ferguson said 2024 falls on her, and she had not started that yet and she is still reviewing expenses from 2024 and can not even transition to audit thinking just yet. She said for 2023 she can look and see and as far as the audit findings they are on the website. Councilman Pena asked so the audit findings are on the City's website right now? Ms. Ferguson said yes, it was in their report. Councilman Pena asked Ms. Ferguson for her to send a copy of the questionnaire and findings to the Council. Councilman Pena asked if the questionnaire is up there as well? Ms. Ferguson said she does not believe so, but she can double-check. Councilman Pena asked if that was public record. Interim City Attorney David Olson said yes. Councilman Pena said he would definitely like to make sure that it is up there. He said he is not interested in badmouthing the firm and does not want to get into anything that is disparaging and would just say there are a lot of questions surrounding the audit process and the firm that they are considering now and would ask that Council table and knows there is a motion on the floor.

Councilman Davis asked if this had to be signed? Interim City Attorney David Olson said it sounds like this contract was approved last June and authority had already been granted to the Mayor and the City Manager to execute the agreement arguably already exists.

Councilman Pena asked if the City has any legal standing to not move forward with it considering the findings and the last two audits? Interim City Attorney David Olson said probably not, but he is not going to get into that in open session. Councilman Pena asked if the City is stuck with this contract and is that what

Mr. Olson is saying in open session? Mr. Olson asked if the Council approved the contract last year? Interim Finance Director Ashlee Ferguson said yes. Councilman Pena said it is his understanding however, in terms of the legal procedures that the City can be afforded, is that if they are in a contract even if they are in a contract which he is not sure that they technically are, but maybe they are, because they have been acting, and he will not get into the legalese about that, but there is a legal procedure, and it is his understanding that the Citizens can file an injunction or the City itself can file an injunction to put a pause on the contract and to put a pause on the payment process and maybe that is something, and he is just trying to say that if they are just falling and falling down some cliff they need something to grab a hold of. Mr. Olson said they are not actively incurring any expenses right now because nothing started and asked if this was correct? Ms. Ferguson said that is correct. Councilman Pena said that was incorrect and said Mr. Olson is absolutely incorrect, and the City is incurring expenses but to the tune of \$1.3 million, the loss talked about. Mayor Cain said they are talking about an audit. Councilman Pena said when you hire a plumber to fix a house, and they break the windows walking in with the piping that is all added up so the Council hired these guys to catch this stuff and is not the \$60,000 he is looking at what they did not catch sooner so they could of had addressed it sooner. Councilman Pena said the question he had about what they have is whether options are available to the City and asked if they want to try to act on those or have the discussion in executive session to see what their options truly are before they vote on this? He said he thinks this would be prudent.

Councilman Davis asked when the interviews were of the other three firms? City Manager Lance Petty said the previous management and Mayor. Councilman Davis said he was not there, City Manager Lance Petty, and Mayor Cain was not there. Mayor Cain said he was sitting in Councilman Davis's seat. Councilman Davis asked if Mayor Cain was the Mayor. Mayor Cain said no. Councilman Davis said this was already done before. Councilman Davis said the City needs to get out of it.

Mayor Cain said it is also his understanding that it is not uncommon that cities change auditors every four or five years. Interim City Finance Director Ashlee Ferguson said that is correct.

Councilman Pena said that is true, and he understands that there are senators every six years for reelection and presidents are four years and auditors are every four to five and six years and that is assuming that there is no cause for action. He said, unfortunately, they have come to discover, fortunately and have found that there are problems that they need to address before they get worse and that would be the cause as to why they would not want to continue the relationship or for that matter, extend the full tenure of it all. He said again he would say a minimum, and he would request that the Council put in executive session either today or the next meeting so they can truly know what the legal options are. He said nobody wanted to rock the boat. He said he gets that they want to just kind of keep moving and everything else, but there are some very serious questions to just keep saying let's keep moving forward.

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

Consideration and possible action to accept the FEMA HMGP Generator Grant for the Service Center.

Interim Finance Director Ashlee Ferguson said staff recommended accepting the Federal Emergency Management Agency (FEMA) City of Freeport Service Center Generator grant for the amount of \$200,000.00. She said the City applied for this generator grant project in November 2021, to provide reimbursement for the purchase and installation of one permanent natural gas 150 kilowatt generator at the Service Center. She said on November 15, 2024, the City was notified by email that it had been awarded the grant for the amount of \$200,000.00. She said the generator will mitigate the City Service Center from power loss due to natural hazards. She said a natural gas generator will be installed with an automatic transfer switch on a concrete pad. Ms. Ferguson said the project should be completed on or before August 18, 2025. She said the Hazard Mitigation Grant Program allows for projects to reduce the loss of life and property within the area and lessen the negative impacts of natural disasters. She said this project was submitted to FEMA for approval in 2021. She said this grant has a 90% federal match and a 10% local cost

share. She said the federal amount eligible for reimbursement is \$180,000.00 and the local share amount is \$20,000.00. She said this local share amount was not included in the Adopted 2024-2025 budget, but can be funded from the fund balance of Fund 22-Vehicle and Equipment.

Mayor Cain said he is always optimistic when they talk about grants.

A motion was made by Councilman Matamoros to accept the FEMA HMGP Generator Grant for the Service Center, seconded by Councilman Rossow with discussion that followed.

Councilman Pena asked when they were looking to have this particular component installed? Interim Finance Director Ashlee Ferguson said it would start with the bidding process and from there to get pricing and then go from there. Councilman Pena asked if it has not been priced out and just have this grant dollar amount? Ms. Ferguson said she thinks they were rough estimating pricing when the grant was written and applied for. Councilman Pena asked if Ms. Ferguson might know what that rough price might have been? Ms. Ferguson said no. Councilman Pena asked who wrote and drafted the grant? Ms. Ferguson said this was previous management, Ms. Cathy and Mr. Kelty.

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

Councilman Matamoros asked to move item 3H next, since it is another item just like that. Mayor Cain said 3H is not going to be needed.

Consideration and possible action awarding bid and approve the City Manager signing a contract to M&R's Elite Janitorial Solutions for janitorial services for the City of Freeport offices.

Interim Finance Director Ashlee Ferguson said staff recommended awarding the BID for janitorial services to M&R's Elite Janitorial Solutions and approving the City Manager to sign the contract. She said the request for proposal number 2024-17 for Annual Janitorial Services was released on Friday, November 1, 2024. She said the proposals were received on Thursday, November 14, 2024. She said the City received five proposals. She said the staff recommended going with M&R's Elite Janitorial Services. She said the City currently uses M&R's Elite Janitorial Services. She said the price they bid is a little lower than what they are currently being paid, which will save the City roughly \$2,099.76 annually. She said this is included in the budget already.

A motion was made by Councilman Matamoros to award the contract and have the City Manager sign it to M&R's Elite Janitorial Solutions, seconded by Councilman Davis with discussion that followed.

Councilman Pena said Interim Finance Director Ashlee Ferguson said she mentioned that they came in lower than what they were currently at. Ms. Ferguson said yes. Councilman Pena asked if they were the lowest bidders? Ms. Ferguson said no. Councilman Pena asked if the City was required to accept the lowest bidder? Ms. Ferguson said she apologized, but they were the lowest bidders. Interim City Attorney David Olson said for a service contract like this, the City can take the best performance, best BID, and take other things into consideration besides price that is only limited to public the work projects for the lowest bidder. Councilman Pena asked only for public work projects? Mr. Olson said correct. Councilman Pena asked not this one because it is considered a what project? Mr. Olson said it is a service providing janitorial services. Mr. Olson said these BIDs are put out in such a fashion to where the City can give the best value, not necessarily the lowest price if that is the circumstance. Councilman Pena asked if there was a contract with this firm now? Ms. Ferguson said yes. Councilman Pena asked when that contract ends? Ms. Ferguson said December 18 was the best that the vendor could tell her because when Ms. Cathy did this last year a contract was not done. Councilman Pena asked so this has been going from month to month? Mr. Olson said yes when it came to his attention that is how they had been treating it like a month to month. Councilman Pena said he is glad the City received five BIDs because that is a departure from the low count of bidding or for

that matter, no other bidders participating in the process. Councilman Pena said what he is still not really happy about is how the City only has this going out to the public, and it seems like it was accelerated. He said it was put out on November 1st but it came back November 14th and so it was only out there for two weeks. Councilman Pena said he would like to see putting out the City BIDs for at least 30 days, especially for days that are probably, and that is a lot of money, and asked what the total budget on this thing was that was being passed? Ms. Ferguson said it was \$66,900.08. Councilman Pena said he just wants to make mention that he is really concerned about how the City goes out for BIDs, RFP, and how quickly they are being turned around and making sure there are enough BIDs. Councilman Pena said he was glad again that, despite that it was a two week period, there was five and was wondering how many others might have been received had it been for at least 30 days. Councilman Pena asked, in terms of any other contracts that we have in place so that we are not butted up against this sense of false sense, of irresponsible sense of urgency, of oh the contract is about to end and then, who is going to clean our toilets or, the contract is about to end who is going to do our whatever in the City services. Councilman Pena said to have a process in place that maybe this is being done at least six months ahead of time. He said he can already see three months, no matter what part of the year there is a holiday in every month. Ms. Ferguson said she had created a master of all the RFP's that have been done for the past two years and that is how she discovered that this needed to go out for BID again and so going forward that will be pristine and everything will be stayed on top of. Councilman Pena asked if that was a working list? Ms. Ferguson said yes and there is also a plug in on the City website, but for RFP's there are on there and vendors are able to subscribe and get instantly notified for any RFP that the City posts. Councilman Pena asked if there had been any other RFP's posted other than the janitorial one from November 1st onward? Ms. Ferguson said the fuel contract was re-bid. Councilman Pena said he knew at the last meeting it was asked. Mayor Cain said they are talking about this contract and are getting way off track. Councilman Pena said there is no executive session so they will be out of there in five. Mayor Cain said he is not worried about when they will be getting out of there and is worried about sticking to the agenda. Councilman Pena asked if this was germane? Mr. Olson said he agrees that they are starting to talk about the policy itself and if Councilman Pena would like to actually put that on there to talk about how BIDs are done, timing of it, and because the City has established a policy it is his understanding, and they would be happy to go over it. Councilman Pena said he would just like to say he would like to know where the link is on the homepage and, for that matter, if the Council could receive a copy of the working list. Ms. Ferguson said it is actually not a list, it is a plug-in and if you go to the City page on the purchasing it is just right there and if you would wish to subscribe, the button will take you to the website, and it is very user friendly. She said all you have to do is fill out three things, and then you would be subscribed. Councilman Pena said when the Council decides that they are going to need an RFP done, how soon after this, Council votes on and asked when does it get on the website? Mayor Cain said they are talking about the janitorial contract and are not talking about how to get on the RFP or get on the website and how all that is done but tonight they are talking about approving the janitorial contract. Councilman Pena said he gets that and is just trying to understand if this was fast tracked or not based on what the procedures are and if he understands what the procedures are, then he knows this fell into the procedure process but if he sees that in fact there is a really good elongated process and, this was fast tracked this is what he is trying to understand. Councilman Pena said he wanted to know if this was fast tracked and that is why he was asking once the Council decides on something and asked how soon after is that RFP on the website? Ms. Ferguson said the next day.

Councilman Matamoros said when he made the motion and looking over the packet on page 153 and number 18, it said signatories this agreement shall be signed by Jerry Cain Mayor it should actually read by Lance Petty, City Manager.

Councilman Matamoros amended his motion to have this change in the contract, seconded by Councilman Davis with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Consideration and possible action to accept the FEMA HMGP Generator Grant for the Recreation Center.

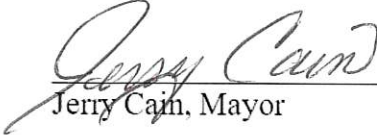
City Manager Lance Petty said, although the City received this grant here recently, CenterPoint has donated a generator for that facility. He said free of cost to the City. He said they would be doing all the electrical, gas work, and everything else. Mr. Petty said the grant will not be needed at that location.

Mayor Cain said that ended up being better than a grant.

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Mayor Cain with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 7:07P.M.



Jerry Cain, Mayor



Clarisa Fernandez, City Secretary