



**AGENDA
REGULAR MEETING
FREEPORT CITY COUNCIL
MONDAY, SEPTEMBER 18, 2023 AT 6:00 PM**

Mayor:

Brooks Bass

Council Members:

Jeff Pena

Jerry Cain

George Matamoros

Winston Rossow

City Manager:

Timothy Kelty

THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, WILL MEET ON MONDAY, SEPTEMBER 18, 2023 AT 6:00 PM, AT THE FREEPORT, POLICE DEPARTMENT, MUNICIPAL COURT ROOM, 430 NORTH BRAZOSPORT BOULEVARD FREEPORT TEXAS

This meeting will be live streamed via Facebook Live and may be accessed on the City of Freeport Facebook page: <https://www.facebook.com/freeporttexas>

THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:

CALL TO ORDER: The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.

INVOCATION AND PLEDGE OF ALLEGIANCE: (Council Member)

CITIZENS' COMMENTS:

Members of the public are allowed to address the City Council at this time, and must include name and address. Note, specific factual information or a recitation of existing policy may be furnished in response to an inquiry made, but any deliberation, discussion, or decision with respect to any subject about which the inquiry was made shall be limited to a proposal to place such subject on the agenda for a subsequent meeting for which notice is provided in compliance with the Texas Open meetings Act unless said notice appears herein. The public is reminded that there is a (4) minute time limit as approved by City Council on June 21, 2010.

PRESENTATIONS/ANNOUNCEMENTS: Announcements by Mayor, City Council and/or Staff.

1. Presentation of Employee of the Month, for the Month of August. **(Tim Kelty)**
2. EDC Annual Presentation **(Robert Johnson)**

CONSENT AGENDA:

Consent Agenda items are considered to be routine in nature and may be acted upon in one motion. Any item requiring additional discussion may be withdrawn from the Consent Agenda by the Mayor, Councilmember or City Manager, and acted upon separately.

3. Consideration and possible action on the approval of City Council Meeting Minutes, from September 5, and September 11, 2023. **(Clarisa Molina)**
4. Consideration and possible action of approving road closure for Homecoming Parade. **(Jennifer Howell)**
5. Consideration and possible action on the approval of road closures for Fall Market Days on October 28, 2023. **(Ana Silbas)**
6. Consideration and possible action on the approval of road closures for Dia De Los Muertos Procession on November 2, 2023. **(Ana Silbas)**

COUNCIL BUSINESS – REGULAR SESSION:

7. Consideration and possible action of approving Ordinance No. 2023-2708, vacating and selling the 20' alley right of way in Velasco Townsite, Block 712 between lots 1-4 and 21-24 and approving the City Manager to sign and the City Secretary to attest to a deed transferring real property. **(Kacey Roman)**
8. **Public Hearing;** Public Hearing, consideration and possible action approving replat of Block 712 Subdivision, a One Lot Subdivision Composed of Lots 1-4 And 21-24 and a Portion of a 20' Wide Alley in Block 712 of the Velasco Townsite as recorded in Volume 32, Page 14 of The Brazoria County Plat Records in The Christian Henniger Survey Abstract 211 and The Samuel Angier Survey Abstract 8 Brazoria County, Texas. **(Kacey Roman)**
9. Consideration and possible action approving the sale of City owned levee property located at, and adjacent to, 104 Mystery Harbor Lane, to Chris Duncan **(Tim Kelty)**
10. Consideration and possible action regarding Ordinance 2023-2709 amending regulations for amplified sound. **(Tim Kelty)**
11. Consideration of awarding a competitive sealed bid 2023-03 annual fuel and alternative fuel contract to MidTex Oil LP. **(Cathy Ezell)**
12. Consideration and possible action of approving Resolution No. 2023-2816 amending the annual investment policy. **(Cathy Ezell)**

WORK SESSION:

13. **The City Council may deliberate and make inquiry into any item specifically listed as a Subsection under the itemized Sections A-H below, an item appearing on the City Council agenda for this meeting, on matters related to community events, or on matters that are not within the jurisdiction of the City for consideration by City Council. The City Council may not deliberate on any City matters not specifically disclosed under this Work Session or on this posted City Council Meeting agenda. City Council members and the Mayor always reserve the right to request that a matter be placed on a future agenda for consideration**

- A. Mayor Brooks Bass announcements and comments.
- B. Councilman Pena Ward A announcements and comments.
- C. Councilman Cain Ward B announcements and comments.
- D. Councilman Matamoros Ward C announcements and comments.
- E. Councilman Rossow Ward D announcements and comments.
- F. City Manager Tim Kelty announcements and comments.
 - La Caza Azul
 - Outriggers Sign
 - O.A. Flemming property
- G. Updates on current infrastructure.
- H. Update on reports / concerns from Department heads.

CLOSED SESSION:

14. Executive Session regarding a.) (Personnel Matters) City Managers Annual Review

COUNCIL BUSINESS – REGULAR SESSION:

15. Take any action resulting from Executive Session.

ADJOURNMENT:

16. Adjourn

Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

ACCESSIBILITY STATEMENT This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 233-3526.

CERTIFICATE I certify the foregoing notice was posted in the official glass case at the rear door of the City Hall, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, before 6:00 p.m. in accordance with Open Meetings Act.

Clarisa Molina

Clarisa Molina, Assistant City Secretary





City Council Agenda Item #2.

Title: EDC Annual Presentation

Date: September 18, 2023

From: Robert Johnson, Economic Development Director

Staff Recommendation:

Item Summary:

Background Information:

Special Considerations:

Financial Impact:

Board or 3rd Party Recommendation:

Supporting Documentation:

None

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Tuesday, September 5, 2023 at 6:00 PM at the Freeport, Police Department, Municipal Court Room, 430 North Brazosport Boulevard Freeport Texas for the purpose of considering the following agenda items:

City Council:

- Mayor Brooks Bass
- Councilman Jeff Pena
- Councilman Jerry Cain
- Councilman George Matamoros
- Councilman Winston Rossow

Staff:

- Tim Kelty, City Manager
- Lance Petty, Assistant City Manager/PWD
- David Olson, Interim City Attorney
- Clarisa Molina, Assistant City Secretary/Administrative Assistant
- Cathy Ezell, Finance Director
- Toby Cohen, IT Manager
- Donna Fisher, Human Resource Director
- Laura Cramer, GIS
- Wade Dillon, Museum Manager
- Robert Johnson, EDC Director

Visitors:

David McGinty	Karla Clark
Sam Reyna	Nicole Mireles
Melanie Oldham	Kenneth Hayes
Con McCleester	Diane McCleester
Ruben Renobato	Pamela Dancy
Manning Rollerson	Mark Parker
Tommy Pearson	

THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:

CALL TO ORDER:

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

INVOCATION AND PLEDGE OF ALLEGIANCE:

Invocation and Pledge was led by City Manager Tim Kelty.

CITIZENS' COMMENTS:

Sam Reyna spoke on an issue he said is important to the City and residents. He said the issue pertains to a Councilmember and his Short Term Rental business. He said he was told Councilmember Jeff Pena has not paid hotel occupancy taxes that has been collected for years and has not paid the City. He said he equates this to theft for the City and the State of Texas since they collect a large amount of this money. He said to investigate this situation and prosecute to the fullest extent the law allows. He said Councilman Pena is taking money that can be used to help promote quality of life, projects for residents and visitors of Freeport. He said Councilman Pena should immediately resign from Council for theft of public tax dollars. He said he sees no difference in what he is doing to what Jeff Pynes did.

PRESENTATIONS/ANNOUNCEMENTS:

Proclamation for National Hispanic Heritage Month.

Mayor Bass read the Proclamation declaring National Hispanic Heritage Month in Freeport for September 15 through October 15, 2023.

CONSENT AGENDA:

Consideration and possible action on the approval of City Council Meeting Minutes, from August 21, 2023.

Consideration and possible action to authorize the City Manager to sign a one-year contract extension for depository services with Texas Gulf Bank.

A motion was made by Councilman Cain to approve the Consent Agenda, seconded by Councilman Matamoros, with all present voting "Aye" 4-0 the motion passed. Councilman Pena was absent for this motion.

COUNCIL BUSINESS – REGULAR SESSION:

Public Hearing: Public Hearing Regarding FY 2023-2024 Proposed Budget.

Mayor Bass opened the public hearing at 6:07PM.

Melanie Oldham said she saw the City budget being tight, but appreciates the effort to tighten things up. She said Gladieux is expanding and said the City could negotiate an industrial tax agreement with them.

Manning Rollerson spoke about water boil notices as they relate to infrastructure. He said this issue has been going on for decades and a lot of money was invested into the infrastructure. He said the city is still having busted water lines. He said he would like to know what there is in remembrance of the people in the East End. He said the money is going into the same street repairs, plumbing and problems the City has been having for four decades. He said he is disappointed, but progress must go on and he is not a person that does not believe in business. He said but he does have a problem with mismanagement of government when it affects the people. He said we are all created as equal and we all deserve the same representation.

Sam Reyna said he saw in the previous meeting the Finance Director ask council for \$24,000 to buy software to do her job, since she is doing everything manually right now. He said we are in the 20th century and let's give her the tools she needs to do a good job.

City Manager Tim Kelty said the budget was distributed several weeks ago, and council was given the opportunity to review it, and had requested a few changes. He said the changes were talked about at the last meeting and, since then, he has met with every council member to review the changes discussed and understand the consensus about the direction of the changes. Mr. Kelty said in the general fund, under the proposed budget,

with those changes included, the ending fund balance is a little over a million dollars. He said, as mentioned at the last meeting, the property tax revenue was increased by \$360,000 based on revenues expected to be received from the worksheets the County provided based upon a tax rate of \$0.533. He said lease income was also reduced by \$5,700 due to the fact Amistad has moved out of City Hall. Mr. Kelty said revenue from the sale of property was also increased by \$20,000. He said, based on the input he received, some of the cuts previously discussed have been included. Budgeting software of \$30,000 has been cut. He said the part-time administrative assistant was also eliminated. Mr. Kelty said the \$30,000 removal of the cell tower at the police station was also removed, and that we will be looking at other options. He said \$28,500 was removed from the museum budget, which includes the interpretive panels, traveling exhibits and advertising brochures. Mr. Kelty said the display cases were kept, as Mr. Dillon said they were his top priority for the museum. He said for the recreation center there was an adjustment of \$82,500 as an error was found in the telephone cost, the removal of the free weight replacements and a \$20,000 decrease in special events that will be picked up by the Hotel Occupancy Tax Fund. He said for the transfers to CIP, there was the elimination of the FMP kitchen renovation and library restroom upgrade. He said additions were also made to the budget that have not been talked about but. He is requesting to add additional funding to the salaries for three positions that are underpaid based on the market. Mr. Kelty said \$80,000 was added for Engineering for the development of a Storm Water Utility that will provide a dedicated source of revenue for storm water management for both new projects and managing existing infrastructure. He said an additional \$10,000 was included for senior citizens' programming that will allow them to do a few more field trips and additional money for their Bingo program. Mr. Kelty said he also added in transfers an additional \$13,000, of which \$3,000 was for the additional police vehicle funding and \$10,000 for the parks equipment. He said the new parks board has met, and will have their next meeting scheduled. He said there has been a discussion by council members about adding grills and he would like to see that be done, but allow the Parks board to give the recommendation of how many grills would be installed, or other facilities such as picnic tables, repairs to the beach volleyball court, or other repairs that are outside the funding from a grant through the efforts of Councilman Matamoros and the EDC to the playgrounds at the parks. He said there have also been administrative changes that do not affect the budget. He said the General Fund telephone services have been moved to the IT Department. Court Security Fund expenditures increased by \$36,960 to cover the equipment for the warrant officer's vehicle. Corrections have been made to debt service that added \$9,729 to the general fund debt service, and \$2,800 for the water/sewer debt service. Mr. Kelty said the message boards that would be installed along Brazosport Blvd are budgeted to come out of the EDC/City combination fund. He said proposed cuts that were NOT cut, but included in the budget included changing Officers-in-Charge to Corporals, 3.5% cost of living adjustment for the police department, fire department merit increases, double pedestal desk library, resurfacing greens for the golf course, new evidence lockers for the police department, display cases for the museum, nesting tables for the library, fire reserves PPEs, and all requested vehicles for the street and police departments. Mr. Kelty said items that were not included in the budget but were proposed were the sidewalk and drainage project on Skinner St, plans to sunset the museum, Rec Center, and golf course, with 25% cuts to their budgets, a feasibility study on construction of a new recreation center, the elimination of one Public Works staff, and the extension of the road to the dunes. Mr. Kelty said Councilman Pena had also discussed a beach plan that included, among other things, constructing a booth for charging users of the beach, which was not included in the budget, as well as the installation of several dozen speed bumps for specific streets he had listed, which would have cost a total cost of \$203,040, nor the reflectors on many streets that had an estimated cost of \$63,100. Mr. Kelty said the budget has been available for the public to view online with the proposed changes, and there will be another public hearing to take action on the budget on September 11, 2023.

Mayor Bass asked if the \$1,001,820 was included in the available general fund balance after the budget is approved with the inclusions? City Manager Tim Kelty said that is correct, that would be the fund balance with the changes.

City Manager Tim Kelty said one other change was added, which had just been identified. He said he had a conversation with several members from the Mainstreet board, Robert Johnson EDC Director, and Mainstreet

Coordinator Ana Silbas, and they are required to develop design standards for the Downtown Mainstreet Program which meet the Historic guideline requirements for maintaining and staying in the Mainstreet program. Mr. Kelty said they had met with a number of different consultants to get a good number and contract. He said the best deal they have identified is a good program through the University of Houston, San Antonio. They would facilitate the process for the Mainstreet board and develop the plan and design guidelines. He said the total cost is \$70,000. It is proposed for it to come out of the Hotel Occupancy Tax fund, which will still carry a large reserve even with the changes. He said he would be addressing the EDC board next Tuesday, which still has a significant amount of funds to pay for part of that effort. He said Robert Johnson, EDC Director, is very supportive of the EDC funding a portion of this effort. Mr. Kelty said this will not impact the General Fund budget that is currently proposed, and does not change the \$1,001,820 year end fund balance.

Manning Rollerson said he had discussed the OA Fleming deal with City Manager Tim Kelty and he said Mr. Kelty had told him there would be around \$600,000 that would be invested in Lincoln Park. He asked if this was still in the budget? Mayor Bass said yes, as well as putting in an estimated amount to do infrastructure for housing, as well as replacing the park, and keep memories of those that have gone on before us in the East End alive.

Melanie Oldham asked when would the \$8.9 million dollars be received for selling Lincoln Park, streets, and rights-of-way, and what would that money go towards? City Manager Tim Kelty said of the \$8.9 million dollars that was agreed upon in the settlement, \$7.1 million dollars had been received and deposited into a separate account. He said the remainder will be received when the relocation of the lift station is completed, and there is \$1.2 million dollars available for reimbursement. Mr. Kelty said once the park is completed there is an additional amount of money that will be received. He said page 89 and 90 of the proposed budget shows the proposed uses for projects funded by revenues received from the Port of Freeport. He said the rest of the \$8.9 million dollars has not been appropriated and is available to be identified for future projects by the Council. Mr. Kelty said, in addition, when infrastructure is completed and lots are sold in the residential area, that revenue is intended to go back into that fund. That fund is being kept separately, so Council can track how the money is being spent and where the money is.

Karla Clark spoke about the 5% cost of living for employees. She wondered if there had been any discussion about looking at employees that are paid over \$100,000 to not receive that large cost of living raise and be redistributed into other areas that might be needed in different departments. She said this is a time to look at the Volkswagen plant and for \$114 million that were abated for ten years. How could this money be used now? She said the money could be used for a lot and ten years has not started yet because it is just now being built. She said she believes the City should start looking forward and stop giving away properties that they hope are going to make income by having employees at them. She said the City does not have to give them 100% abatements and instead work better with these companies. She said big companies keep coming in to Freeport and before long there will be no Freeport.

Manning Rollerson spoke of his concerns about sidewalks and said it is the responsibility of Council to have sidewalks and for children to not be ran over.

Pamela Dancy thanked Council for sending out the boil water notice to residents at the last Council meeting.

Councilman Pena said he can appreciate how the budget is done as if a party is being thrown to celebrate one single event for one single day, but the budget does not speak of anything visionary. He said it does not speak of anything responsible that is going to help the city grow, maintain its revenues, and help the residents and businesses. He said dramatic changes must be made as long as a dramatic vision and policy is in place that does not tie hands politically and allow us to emphasize other things other than infrastructure. Councilman Pena said he wants to make sure to think about how services and projects are being held, those that are in charge and those that are doing the work. He said he mentioned to Mr. Kelty, that he witnessed five parks department

employees mowing a corner lot of City Hall and said he thinks there is a lack of efficiency there. Councilman Pena said he thinks about all the water boils and how Council received a call for a water boil notice during the meeting that water boils were being talked about being a problem. He said surrounding cities have similar soil and access to the water and they are not having leaks. Their pipes are not bursting and they have the same soil conditions. He said he would like to see changes on that. He said he would like to see bigger changes where bigger cuts are made to staff. Councilman Pena said the last thing he wants to do is give raises to department heads that are in charge of those issues that keep repeating. He said they need to be replaced or removed. He said if money is going to the wrong places, he is not interested in giving raises. He is interested in making cuts and reallocating resources. He spoke about the IT manager and he offered the 60% increase that would help the communication between department heads and all of staff, residents and businesses of the City. He said he is just curious why this was brought up just now and not before, and is also all the other IT staffing that was requested will also be included? He said the same goes with the HR Director and Police Chief and is just wondering if all the raises are being taken into account. He said he can appreciate trying to get to market value, but at the same time, he wants to make sure prudence and guidance is used. Councilman Pena asked Mr. Kelty if the \$80,000 engineering storm water utility is supposed to be an assessment on the water bill?

City Manager Tim Kelty said the way the storm water utility works is, an engineer is hired to identify a list of projects and storm water management activities, then determine an annual amount of funding that may be necessary to be generated through the utility. He said the assessment is normally around \$4-\$6 that is added to residential water bills, and an additional assessment of all non-residential properties throughout the city is also established based upon the amount of impervious surface of non-residential properties that includes all city properties, school properties, Port properties as well as all industrial and commercial properties throughout the city. Mr. Kelty said the storm water utility was a priority identified by Council at the strategic planning meeting.

Councilman Jeff Pena asked what cuts can be made to pay the \$80,000 for the storm water utility? He said he just wants to make sure money is not spent in cases that can be saved if there were cuts. Councilman Pena asked Mr. Kelty what the \$10,000 for the parks board for? City Manager Tim Kelty replied and said Councilman Pena had brought up the idea of grills at the parks and other council members agreed that grills were a good idea, but it was also suggested the number and placement of grills as well as other park improvements be determined by the Parks and Beautifications board. Councilman Jeff Pena said sunsetting the Museum and Recreation Center to finance and get a new one. He said he hopes by the next meeting he can provide financial figures to demonstrate how feasible it is. He said he wants the Golf Course sunsetting prioritized in the budget so as to not be a money pit. He said the speed bumps were requested by mothers and grandmothers on ninth, tenth, eleventh and twelfth streets in Ward A and Ward B. Councilman Pena said the reflectors were a nice, inexpensive, affordable way to help the visibility of driving in the dark streets. He said the \$70,000 for the Mainstreet Board to use for Downtown is an effort of a square peg into a round hole. He said if it is trying to be recreated for what it was fifty years ago, the economic business model will not be replicated. He said Council has yet to have a meeting to discuss how the \$8.9 million from the Port should effectively be utilized, not only with OA Fleming but how it is being used for other parks or residential development.

Kenneth Hayes said he does not know if Councilman Pena pays attention or not, but every city in the state is having problems with water lines breaking and instead of praising those people working hard all day and night to fix the water issues, he wants to condemn them.

Manning Rollerson asked if any reports have been put out about the testing of the water since there had been three boil notices in 30 days? Mayor Bass said he would give him copies of the reports and post them on the website.

Mayor Bass closed the public hearing at 7:09PM.

Consideration and possible action of approving Ordinance No. 2023-2705 Adopting the FY2023-2024 Budget.

A motion was made by Councilman Cain to table this item, seconded by Councilman Matamoros.

Public Hearing: Public Hearing Regarding FY 2023-2024 Tax Rate.

Mayor Bass opened the public hearing at 7:10PM.

Finance Director Cathy Ezell said the proposed tax rate is \$0.533 on a \$100 valuation. She said this is down from the current tax rate of .60 cents and it does generate additional maintenance and operation revenue for the City and it considered a tax increase even if the rate is going down.

City Manager Tim Kelty said this is the second year in a row the tax rate has been lowered.

Mayor Bass said the tax rate has been reduced from last year. He said it is a significant drop.

Councilman Pena asked what is the total revenue that will be generated from this bait and switch tax hike? Finance Director Cathy Ezell replied and said it is \$3,640,281 is estimated to be generated from Ad Velorum taxes. Councilman Pena asked if any of that money would be used in the budget. Ms. Ezell said yes, it is included in the proposed budget. She said it was increased by \$360,000 based on the tax rate.

Mayor Bass closed the public hearing at 7:15PM.

Consideration and possible action of approving Ordinance No. 2023-2706 Establishing a Tax Rate for the 2023 Tax Year.

A motion was made by Mayor Bass to table this item, seconded by Councilman Matamoros.

Ratification of Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget.

A motion was made by Councilman Cain to table this item, seconded by Councilman Matamoros.

Consideration and possible action of approving Resolution No. 2023-2816 amending the annual investment policy.

Finance Director Cathy Ezell said with interest rates being what they are currently, the only account being used is the checking account and two pools for investments. She said the City has not gone out to buy agencies, treasuries and commercial paper and different investment tools for a while. She said it is in the policy but with the exception that she would like to add commercial paper to the investment policy. She said what interest rates are doing is if she goes out for a year and purchases a treasury note or an agency note for a year, she gets an interest rate that is better than keeping it in the savings account or the pool account. Ms. Ezell said she had talked with Mr. Kelty about having almost \$30 million in pools and the checking account. She said she is talking about maybe investing a couple hundred thousand dollars to get the interest rates in order, which requires a list of broker dealers that the policy does not currently have but it will. She said she went out to solicit broker dealers and had them fill out the certification page. She is working with the bank to have them create a safe-kept account for the investments. Ms. Ezell said these are normal investments that she utilized in the past when interest rates were what they are currently. She said the policy requires to get three different BIDs from three different broker dealers, it is a competitive BID, and has to be signed off on by herself and Mr. Kelty before an investment.

Mayor Bass asked about the certification of the broker dealers and financial institutions? Finance Director Cathy Ezell replied she has worked with the companies that are included in the packet and they all have a good reputation. She said the more broker dealers there is the better pricing that can be received.

Mayor Bass said he would like to have more information on each of the certificates for each broker.

A motion was made by Mayor Bass to table this item, seconded by Councilman Matamoros.

Consideration and possible action of approving Ordinance No. 2023-2707, vacating and selling a portion of the 20' alley right of way in Velasco Townsite, Block 19 adjacent to lots 11 and 12 and approving the City Manager to sign and the City Secretary to attest to a deed transferring real property.

GIS Director Laura Cramer said the City was contacted by property owner of lots 11 and 12 Block 19 in Velasco Townsite. She said the owner has a building located on his property that extends about 10 feet into the alley right away and he would like to buy that portion of the property.

City Manager Tim Kelty this property was developed and constructed in 1945 into the right of way. He said it is an undeveloped alley that runs East and West from Velasco Boulevard, North of Avenue A. Mr. Kelty said utilities run through there, including one that may run under the building.

GIS Director Laura Cramer said a sewer line runs underneath or close to the edge of the building.

City Manager Tim Kelty said the City will retain the sewer utility easement. He said a broker's opinion of value, valued the property at \$2,575 for 572 square feet.

Karla Clark said if the City would want to give the option to the surrounding owners around the lot. She said normally it is half way to the middle and both sides are given that, to make it public so they are aware and does not cause a problem in the future if the area has to be used.

City Manager Tim Kelty said he is not proposing to sell the North half of the alley because if the sewer line has to be relocated, the owner would have to bear the cost, but it does open the opportunity to reroute the sewer from underneath his building. He said section five of the proposed agreement states that all existing utility easements, in, upon, or across said property, whether or not said utility easements are recorded, shall be retained. Mr. Kelty said the easement will be retained for the utility. If something happens that requires work on the sewer line, the property owner can be required to pay for the improvements.

Mayor Bass asked City Attorney David Olson if this is correct? City Attorney David Olson said the owner has a structure that encroaches upon a utility easement, so ultimately, the interest of the easement would be the superior interest, and the owner would have to relocate the structure or participate in the relocation of the utility. Mr. Olson said under section five it may say the owner would be responsible for any relocation cost.

Councilman Jeff Pena said this might be a legal problem, adjacent property owner problem and an overall development problem for future development. He said he would like to see them do the same as the truck stop situation. Mr. Pena said overall it does not make sense to him to give this property away.

City Attorney David Olson said he has not seen the location of the easement but there are two different issues of an alleyway easement and a sewer easement. He said the lease of one does not preclude the interest in the other.

GIS Director Laura Cramer said she does not think the owner was originally aware the sewer line existed, but said he is aware of it now.

City Attorney David Olson said he thinks the property owner would recognize if the City needed to work on the sewer line the owner would be responsible for removing the structure.

GIS Director Laura Cramer said the property owner's main interest is getting the land under that portion of his building onto his name.

City Manager Tim Kelty said the solution is to reroute the sewer around the building in the remaining right of way that is there but he is not sure of the cost. He said the cost can be discussed with the property owner, and then he would own the property with the utility would be changed.

Manning Rollerson said when the City makes a mistake, the City wants to put it on the owner. He said it is not the owner's fault. The issues concerning easements have been going on for generations.

Karla Clark asked if this had to go before Planning and Zoning? City Manager Tim Kelty said this is not a Planning and Zoning issue.

Mayor Bass said he likes the encroachment idea but it would take off the agenda to get it done.

City Attorney David Olson said it might give the opportunity to revisit with the property owner, and see what he is trying to accomplish. He said if any kind of consent encroachment is made or we go back to this and the owner wants it in fee, it can include language about relocation of the sewer line and get costs associated.

A motion was made by Mayor Bass to table this item, seconded by Councilman Cain.

Consideration and possible action approving the sale of City owned levee property located at, and adjacent to, 104 Mystery Harbor Lane, to Chris Duncan

City Manager Tim Kelty said staff recommends Council only consider the request by Chris Duncan to purchase property from the City along the levy between the property at 104 Mystery Harbor Lane and the water's edge. He said it is also recommended the sale be for the amount provided for in the appraisal secured by the City, and be contingent upon Chris Duncan demolishing the existing structure and building a new house on the property for total value of at least \$350,000 within three years. Mr. Kelty said Mr. Duncan provided a survey of the property, as well as an appraisal report, which proposed a significantly lower value to what had been considered nearby.

Mayor Bass said the appraisal is for \$30,000 and would like to know how was \$350,000 determined for the value of the home to be built. City Manager Tim Kelty said, based on the value of the property, after the properties are joined together, he said it was what he believed to be a fair requirement.. He said that the amount is relatively arbitrary and that it is up to Council to decide the amount.

Pamela Dancy said the property owner is going to finance the levy through his bank and that bank had their own appraisal but then the City had their person go appraise the levy. She said it is weird to her that the property owner cannot get their own appraisal and have to go by the City says to do.

City Manager Tim Kelty said the appraisal Mr. Duncan provided was around \$0.50 per square foot. He said the appraisals that were done around a year ago on a similar property nearby by Mr. Coleman was at about \$5.00 per square foot. Mr. Coleman was unavailable, so the appraisal done by a different appraiser showed a similar cost per square foot.

Councilman Pena asked if Mr. Duncan was notified about this item being on the agenda? City Manager Tim Kelty said he talked to Mr. Duncan around a month ago and told him this item would be on an agenda coming up. Mr. Pena said he would like Mr. Duncan to be at the meeting for him to discuss what his plans are with the property and help Council determine what the minimum value should be.

A motion was made by Mayor Bass to table this item, seconded by Councilman Pena.

Consideration and possible action of approving Resolution for the EDC Project 2023-2024 Local Business Improvement Grant Program, after second reading of the Resolution.

EDC Director Robert Johnson said the Economic Development Board approved the Local Business Improvement Grant Program unanimously. He said the only substantive change to the grant is under the sign improvement category it brought to parity existing businesses and new businesses to be eligible for \$3,500 for new signs.

City Manager Tim Kelty read resolution for the EDC Project 2023-2024 Local Business Improvement Grant Program.

Councilman Jeff Pena said he wants to make sure grants are available for mom and pops businesses.

EDC Director Robert Johnson said so far only mom and pops businesses have applied for the grants.

A motion was made by Councilman Cain to approve Resolution for the EDC Project 2023-2024 Local Business Improvement Grant Program, seconded by Councilman Matamoros, with all present voting "Aye" 5-0 council unanimously approved Resolution for the EDC.

Consideration and possible action approving emergency road repair at Quintana and Ave D intersection not to exceed \$30,000.00.

Assistant City Manager Lance Petty said Freeport Police Department responded to an incident at the Quintana and Avenue D intersection. He said a Volkswagen crossed over the intersection and the oil pan caught the manhole that caused damaged to the car. Mr. Petty said there has been settling in the asphalt and in a subgrade base that needs repairs to correct the issue. He said he is not wanting to exceed \$30,000 for the repairs of this intersection. Mr. Petty said he has received a quote for \$30,000 but has two more companies from Houston for more quotes. He said this is in the current fiscal year budget and has already been funded in the streets and drainage funds.

Manning Rollerson talked about a manhole on Cedar on the West side in Ward A.

Assistant City Manager Lance Petty said the manhole on Cedar is on phase two and will be replaced the portion of the concrete road as well from 9th through 12th street.

Councilman Matamoros asked how far around the manhole will be repaired? Assistant City Manager Lance Petty replied and said it is the entire intersection from stop sign to stop sign all four ways.

A motion was made by Councilman Cain to approve emergency road repair at Quintana and Ave D intersection not to exceed \$30,000, seconded by Councilman Matamoros with all present voting 4-1 motion passed. Councilman Pena voted "Nay".

WORK SESSION:

The City Council may deliberate and make inquiry into any item specifically listed as a Subsection under the itemized Sections A-H below, an item appearing on the City Council agenda for this meeting, on matters related to community events, or on matters that are not within the jurisdiction of the City for consideration by City Council. The City Council may not deliberate on any City matters not specifically disclosed under this Work Session or on this posted City Council Meeting agenda. City Council members and the Mayor always reserve the right to request that a matter be placed on a future agenda for consideration

Mayor Brooks Bass announcements and comments.

Mayor Bass said the performance evaluation forms for Mr. Kelty has been distributed to Council, and needs to be completed and turned back in to him by Monday, September 11.

Councilman Pena Ward A announcements and comments.

Councilman Pena asked City Attorney David Olson if he is going to prepare something to say does it have to go through Mr. Olson to proofread? City Attorney David Olson said he has talked about this before and Councilmembers can not take off their hats as Councilmen. Councilman Pena said he is trying to make comments that are important and relevant. He said as far as the items that are relevant to the workshop and are relevant to the citizens, he can not believe Council is getting legal representation, saying that will be silenced. Councilman Pena said he feels like he is Tiger Woods that keeps moving the goalpost and driving range on him. Mr. Pena said he wants Council to help be the voice of the public and what happens is the rules keep changing so he can not be the voice of the public.

City Attorney David Olson said to Councilman Pena to remember the way the law looks at this, it allows the citizens to voice their opinion on anything because there is no way for the city to anticipate what they will say, but Mr. Pena and the rest of the Council and Mayor have the ability to put items on the agendas which there is a process for. Mr. Olson said the law does not recognize the same type of flexibility and notice has to be given of things being talked about that require action.

Councilman Pena said he is going to bring up issues about gas leaks and water leaks. He asked if he is not able to editorialize or give his public opinion by his first amendment right to speak of how poorly they are being attended to?

City Attorney David Olson said if Councilman Pena wants to talk about gas leaks and waterline leaks, all he has to do is request from Mr. Kelty that he has a subitem under his work session.

Councilman Pena said to the public, this has never been done before.

Councilman Pena left the meeting immediately upon concluding his statements.

Councilman Cain Ward B announcements and comments.

City Attorney David Olson said having open council comments was never intended for Council to have discussion about relevant issues before the city, because it is not giving proper notice to the citizens as required by state law. He said it is an opportunity for Council to talk about social events.

Mayor Bass said if a councilmember wants to talk about gas leaks or water leaks it has to be put on the agenda.

Councilman Cain said Ward B is doing pretty good.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros said he has done a lot of training from TML so he knows what can be discussed. He said he wants to thank all the residents who attended in person and online. He thanked all the residents that spoke during citizens comments and agenda items. Councilman Matamoros thanked Taco Bell for having their grand opening, he said to go out and support this business along with mom and pops business. Councilman Matamoros said he will be having a Townhall for all Ward C residents at the Freeport Municipal Park on September 23rd from 9:00AM to 10:30AM.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow thanked the City Manager for moving quickly on an item that was brought up at the last

meeting. Mr. Rossow also thanked Assistant City Manager Lance Petty, he said in two occasions he did mowing and fixed water leaks. Mr. Rossow said the response time from the guys that fixed the water leaks was amazing. He said he got a comment from a resident saying the City is getting cleaner.

City Manager Tim Kelty announcements and comments.

City Manager Tim Kelty said the Mexican Consulate is in town at the Freeport Library and will be there for several days and are available for residents that need Consulate assistance. Mr. Kelty mentioned the Community Cleanup on October 7 at OA Fleming and future events that are planned for downtown.

Updates on current infrastructure.

Update on reports / concerns from Department heads.

ADJOURNMENT:

Adjourn

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Councilman Cain. Mayor Bass adjourned the meeting at 7:59PM.

Brooks Bass, Mayor

Clarisa Molina, Assistant City Secretary

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, September 11, 2023 at 6:00 PM at the Freeport, Police Department, Municipal Court Room, 430 North Brazosport Boulevard Freeport Texas for the purpose of considering the following agenda items:

City Council:	Mayor Brooks Bass	
	Councilman Jeff Pena	
	Councilman Jerry Cain	
	Councilman George Matamoros	
	Councilman Winston Rossow	
Staff:	Tim Kelty, City Manager	
	Lance Petty, Assistant City Manager/PWD	
	John Hightower, Interim City Attorney	
	Clarisa Molina, Assistant City Secretary/Administrative Assistant	
	Cathy Ezell, Finance Director	
	Toby Cohen, IT Manager	
	Chris Motley, Fire Chief	
	Brian Dybala, Golf Course Director	
	Jennifer Howell, Police Chief	
	Robert Johnson, EDC Director	
Visitors:	Yesenia Gonzales	Hector Montoya
	Ana R.	Braudenese Wilson
	Gina Adams	Leo Salazar
	Kenneth Hayes	Caselda Aquines
	Jason Hayes	Michelle Backman
	Carlos Arana	Thaddeus Backman
	Sarah Damian	

THE MEETING IS BEING HELD FOR THE FOLLOWING PURPOSES:

CALL TO ORDER:

Mayor Bass, called the meeting to order at 6:00PM.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Invocation and Pledge was led by City Manager Tim Kelty.

CITIZENS' COMMENTS:

Gina Adams spoke on behalf of local businesses. She said she has been receiving many complaints from

businesses saying the city has not been welcoming to those businesses. She said the business expo is coming up and would like to work with the city to have a session for the businesses.

Caselda Aquines is the owner of la Caza Azul at 307 South Gulf Blvd. She said they thrive on music and understand that loud music has to have a limit, and if a neighbor goes to their business and ask them to lower the music they will. She said her intention is not to harm the city in any way. She said a CO was verbally given to her but she has not received it. She said no one could prove to her why she had to replat her property. She said she is a small business and does not have the capital. She said everyone should be given the same rules. She spoke of her issue with cops harassing and driving around the business within ten minutes.

Sarah Damian spoke of the impact businesses have had on the city. She said she was at Caza Azul this weekend and noticed at least three police vehicles drove by within the forty-five minutes. . She spoke to the food truck that was at the business and was told it was a lengthy process to get their permit to be able to come to Freeport. She said it is embarrassing to see businesses come and go from Freeport. She said she loves her city and great people that come to frequent the city. She said does not believe people will keep coming to the city. She said she encourages the city to have an open discussion regarding small businesses.

Jason Hayes, owner of Outriggers, expressed his concerns about the sign ordinance and said he would like this ordinance to be back on the agenda for possible revisions. He expressed his concerns about the noise ordinance and would like this to be placed on the agenda also. He said something has to be done that will work best for the businesses but also for the city and residents.

Michelle Backman said she was there to represent the City of Freeport but also the small businesses. She said she remembers everyone wanted to come to Freeport and now everyone wants to stay away. She said something must be done with Building Official Kacey Roman. She said the businesses are trying to do positive things for the community. She said council is in position to make changes. She said she loves her city but does not like the way it is being treated. She asked the council to stop harassing small businesses.

Carlos Arana said he is the manager at La Caza Azul and spoke of his concerns of food trucks not wanting to come to Freeport. He said they are trying to bring businesses to Freeport but it is not being allowed. He said all he is asking for is support.

Leo Salazar owner of La Caza Azul said he thought once opening the business it would be the best ever, until they started receiving complaints of loud music. He spoke of his concerns about police officers scaring customers away from his business by driving around the property. He said they had talked to food trucks who were not being able to get inspections or an inspection taking too long to receive. He said food trucks have no issues in coming to other cities like Clute and Lake Jackson, just in Freeport. He said he drove around Freeport and businesses do not have enclosed dumpsters like they were asked to have. He said the hardest thing to do was opening his business.

COUNCIL BUSINESS – REGULAR SESSION:

Public Hearing: Public Hearing Regarding FY 2023-2024 Proposed Budget.

Mayor Bass opened the public hearing at 6:26PM.

Finance Director Cathy Ezell said all changes have been made that were presented at the last meeting. She said the originally proposed budget changes included, increasing revenues by \$374,300, discussed expenditures were cut by \$267,519 and other discussed expenditures were increased by \$128,850, with a net decrease in expenditures to the General Fund of \$138,668. She said the Hotel Occupancy Tax fund increased by \$70,000, Court Security increased by \$36,960, Debt service increased by \$9,729. The Water/Sewer fund increased by

\$2,800, Project Fund increased by \$300,000 and City-EDC Project fund expenditures increased by \$85,000. Ms. Ezell said the Freeport Economic Development budget is included and will also be approved when council approves the budget. She said a Utilities Operation Manager was also added to the Water/Sewer fund. She said this is a position that will monitor the Veolia contract and shadow Veolia. She said Veolia was issued a letter that their contract would not be renewed. Ms. Ezell said the changes discussed help meet the reserve and still allow a little over a million dollars to be available over and above the ninety-day reserve required in the general fund.

City Manager Tim Kelty said the budget is based on the .533 tax rate.

Mayor Bass asked Finance Director Cathy Ezell what amount has to be carried per ordinance? Ms. Ezell replied and said \$4,444,839 . Mayor Bass asked what amount will be in reserve over and above that required amount? Ms. Ezell said \$.1,001,820

City Manager Tim Kelty read an email sent to him from Cathy Cox expressing her concerns about the kitchen behind the pavilion and down the stairs from Riverplace. Mr. Kelty said she is in favor of getting the kitchen renovated.

Councilman Cain said the kitchen renovation can possibly be discussed in the future with an amendment if necessary.

Mayor Bass closed the public hearing at 6:33PM.

Consideration and possible action of approving Ordinance No. 2023-2705 Adopting the FY2023-2024 Budget.

Finance Director Cathy Ezell said this ordinance if adopted will establish the budget and staff recommends approving this ordinance.

A motion was made by Mayor Bass to approve Ordinance No. 2023-2705 Adopting the FY 2023-2024 Budget, seconded by Councilman Matamoros with discussion that followed.

Councilman Pena said sales tax will not be generated if nothing is done about Code Enforcement and allowing the community to be pro business. Mr. Pena said not only dialing in on the ordinances but how money is being spent. He said when he looks at the expenditures, 25% of them are salaries, 20% are benefits and 33% that takes up the budget. He asked are we getting what we are paying for? Councilman Pena said this is why he keeps asking for cuts. He said he will make a deal with council if safer roads , money goes to the beaches and on the waterwaste, cut and sunset the museum in two years, sunset the recreation center in two years and sunset the golf course in four years. He said if the budget is cut by 25% starting with staffing and no bonuses for anybody making over \$100,000 he said if these changes are made to the budget he will resign from his council seat.

Mayor Bass called the motion to a vote, with all present voting 4-1, the motion passed. Councilman Pena voted "Nay".

Consideration and possible action of approving Ordinance No. 2023-2706 Establishing a Tax Rate for the 2023 Tax Year.

Finance Director Cathy Ezell presented to council Ordinance 2023-2706 Establishing a Tax Rate for the 2023 Tax Year. She said the proposed tax rate was \$0.533. She said this is a decrease from the tax rate of \$0.60 from the previous year. Because market values went up, it must stated that it is an increase in taxes. She said this rate will cover the budget that has been approved.

Mayor Bass made a Motion to adopt the Maintenance and Operations tax rate of \$0.468339 per \$100 valuation, which will raise more taxes for maintenance and operations than last year, Seconded by Councilman Matamoros with discussion that followed.

Councilman Pena said this tax rate is a bait and switch. He said he thinks good tax rates make for good communities. He said if taxes are being raised he hopes the City is kind to the businesses and residents that are trying to help build Freeport. He said he is not interested in raising the taxes and hopes there is a change on the motion.

Mayor Bass said the tax rate of \$0.468339 is down from last year, which had a total tax rate of \$0.60. He said this is a decrease from the tax rate.

City Manager Tim Kelty said the Governor and State Legislature have limited Cities' ability to raise property tax rates to 3%, and if in fact in the future we loose the ability to collect the Industrial District Revenue, we would be short-sited in cutting the rate further.

Councilman Pena said he stands against the tax increase.

Sarah Damian spoke on the TV screens not being on. She asked council to utilize the two screens if the budget was being discussed. She said to have materials accessible to the public so they can be a part of the budget conversation.

Mayor Bass called for a voice vote on the motion. Councilman Pena, "Nay", Councilman Cain, "Aye", Councilman Matamoros "Aye", Councilman Rossow, "Aye", Mayor Bass "Aye". Motion passed with a 4-1 vote.

Mayor Bass made a motion to adopt the Debt Service tax rate of \$0.064661 per \$100 valuation. Seconded by Councilman Cain with discussion that followed.

Mayor Bass Called for voice vote on the motion. Councilman Pena, "Nay", Councilman Cain, "Aye", Councilman Matamoros "Aye", Councilman Rossow, "Aye", Mayor Bass "Aye". Motion passed with a 4-1 vote.

Ratification of Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget.

Finance Director Cathy Ezell presented to the council for ratification of Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget.

A motion made by Mayor Bass to ratify the Increased Property Tax Revenues Reflected in the Fiscal Year 2023-2024 Adopted Budget. Seconded by Councilman Matamoros, with discussion that followed.

Councilman Pena said cuts can be made so the budget is not exceeding or require tax increases.

Mayor Bass called for a voice vote on the motion. Councilman Pena, "Nay", Councilman Cain, "Aye", Councilman Matamoros "Aye", Councilman Rossow, "Aye", Mayor Bass "Aye". Motion passed with a 4-1 vote.

ADJOURNMENT:

Adjourn

A motion was made by Councilman Cain to adjourn the meeting, seconded by Councilman Matamoros with all present voting "Aye" 5-0, Mayor Bass adjourned the meeting at 6:50PM.

Brooks Bass, Mayor

Clarisa Molina, Assistant City Secretary



City Council Agenda Item #4.

Title: Consideration and possible action of approving road closure for Homecoming Parade.

Date: September 18, 2023

From: Jennifer Howell, Police Chief

Staff Recommendation:

Staff recommends City Council approve temporary street closures for Brazosport Independent School District (BISD) for annual homecoming parade..

Item Summary: BISD would like to host their annual homecoming parade on Thursday, September 28, 2023.

Background Information: Each year BISD host a homecoming parade for the students and community to show school support. The parade would start at approximately 5:30pm. It will start on 2nd St by On the River and end in front of the Brazosport High School.

Special Considerations: Possible traffic delays.

Financial Impact: Additional officers to assist with street closures and still maintain service level for the citizens. _

Board or 3rd Party Recommendation: None.

Supporting Documentation:

1. Request for Road Closure from ISD

Brazosport Independent School District

Brazosport High School

1800 West 2nd Street ★ Freeport, TX 77541 ★ 979-730-7260



Date: August 25, 2023

To: City of Freeport

From: Quinton Virgil, Principal

CC: Randi Hunter, Senior Class Assistant Principal

Re: Homecoming Parade

City of Freeport,

At this time I would like to ask the City of Freeport to allow and assist us with the student homecoming parade of the Brazosport High School. On Thursday, September 28, 2023. I along with several faculty, staff, parents, students, and community members will be in attendance. We would like the parade to start at approximately 5:30 p.m. The parade will start on 2nd Street, by On the River and end at the front of Brazosport High School at the flagpole near the school's entrance.

On behalf of myself and Brazosport High School I thank you for your continued assistance with this yearly tradition. The students and the entire Exporter family greatly appreciate you and the City of Freeport.

If you have any questions or concerns I can be reached at 979-730-7260.

Sincerely,

Quinton Virgil
Principal
Brazosport High School



City Council Agenda Item #5.

Title: Consideration and possible action on the approval of road closures for Fall Market Days on October 28, 2023.

Date: September 18, 2023

From: Ana Silbas, Mainstreet Coordinator

Staff Recommendation: Main Street Staff recommends the approval of road closures for the 2023 Fall Market in Historic Downtown Freeport. This community event focuses on highlighting our designated Main Street District in accordance to the Main Street Approach.

Item Summary: The Freeport Main Street Program will host a Fall Market on Saturday, October 28, 2023, from 11am-4pm in Historic Downtown Freeport. The planned components include craft and food vendors, music and special activities. The road closure times allow for ample set up and clean up for this event.

The requested road closures on Saturday, October 28, 2023 include the following:

8:30 AM- 6:00 PM E. Park from 2nd Street to 4th Street
Road Barrels at Broad and E. Park alley
Road Barrels at Broad East Side of W. Park

Background Information: Freeport Main Street Program hosts seasonal market days to attract residents, visitors and vendors to Historic Downtown Freeport.

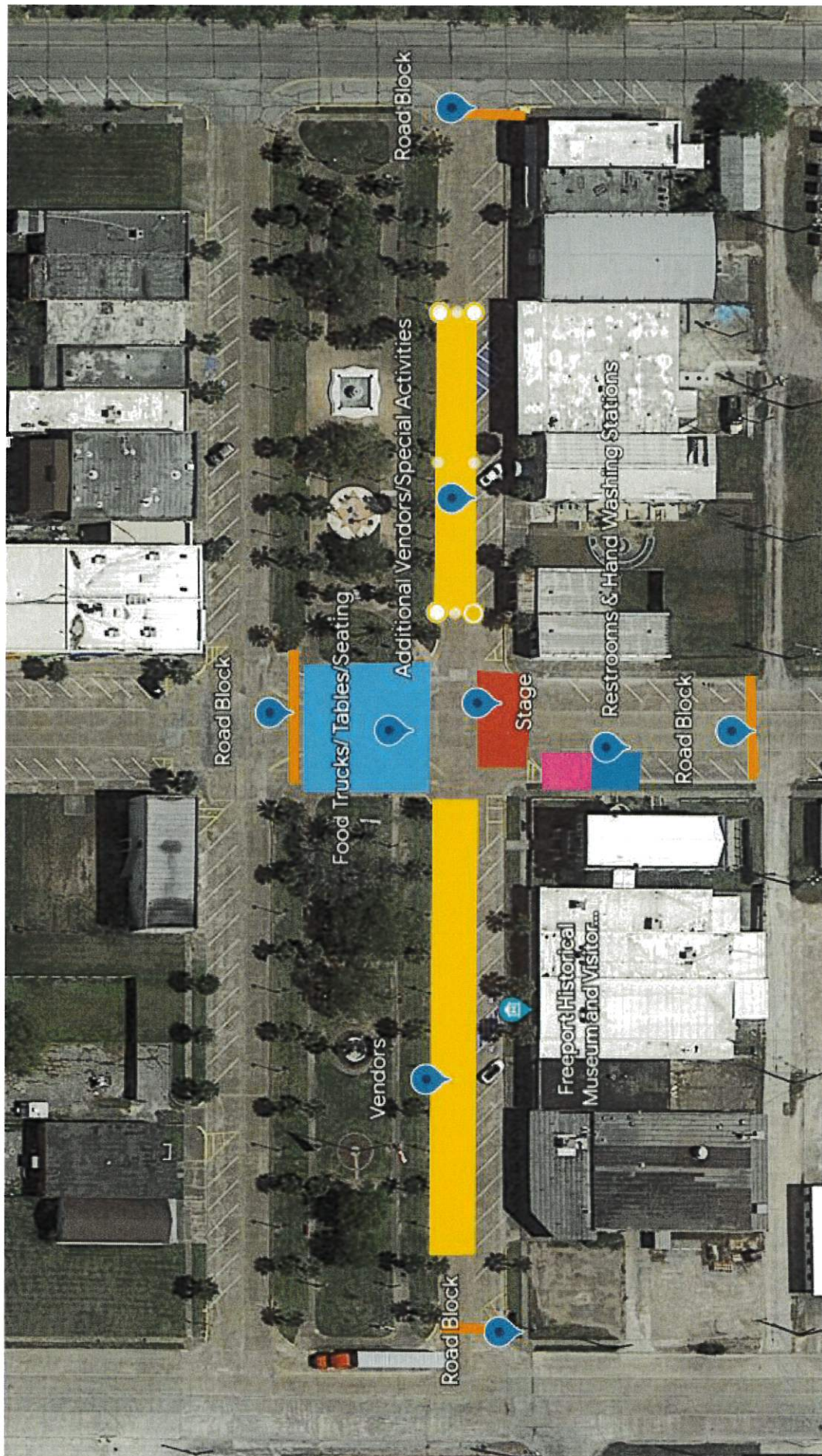
Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: The Freeport Historical Commission & Main Street Advisory Board supports the Fall Market as one of its annual community events.

Supporting Documentation:

1. 2023 Fall Market Road Closure Map
2. 2023 Fall Market Event Flyer





JOIN US FOR

FREEPORT MAIN STREET'S FALL MARKET

Historic Downtown-Memorial Park

10-28-2023

FOR MORE INFO CONTACT:
ANA SILBAS, MAIN STREET COORDINATOR
PHONE: 979-871-0114
EMAIL: ASILBAS@FREEPORT.TX.US

CRAFTS | SPECIAL ACTIVITIES | MUSIC | FOOD | FAMILY FUN
11am-4pm





City Council Agenda Item #6.

Title: Consideration and possible action on the approval of road closures for Dia De Los Muertos Procession on November 2, 2023.

Date: September 18, 2023

From: Ana Silbas, Mainstreet Coordinator

Staff Recommendation: Main Street Staff recommends the approval of road closures for the 2023 Dia de Los Muertos Procession in Historic Downtown Freeport. This community event focuses on highlighting our designated Main Street District in accordance to the Main Street Approach.

Item Summary: The Freeport Main Street Program has joined together with six additional community organizations to form the Dia de Los Muertos Committee. The community organizations include: Freeport Historical Museum, Brazoria County Hispanic Chamber of Commerce, The Center for the Arts and Sciences, Brazoria County Historical Museum, Lake Jackson Historical Association & Museum and the Brazoria County Library System. The Committee will host Dia de Los Muertos: A Month of Remembrance from October 3rd-November 3rd, 2023 with events across Brazoria County. Freeport Main Street will create a traditional Dia de Los Muertos Procession, which will include a community procession, live mariachi performance, food & cultural item vendors and fellowship. The road closure times allow for ample set up and clean up for this event.

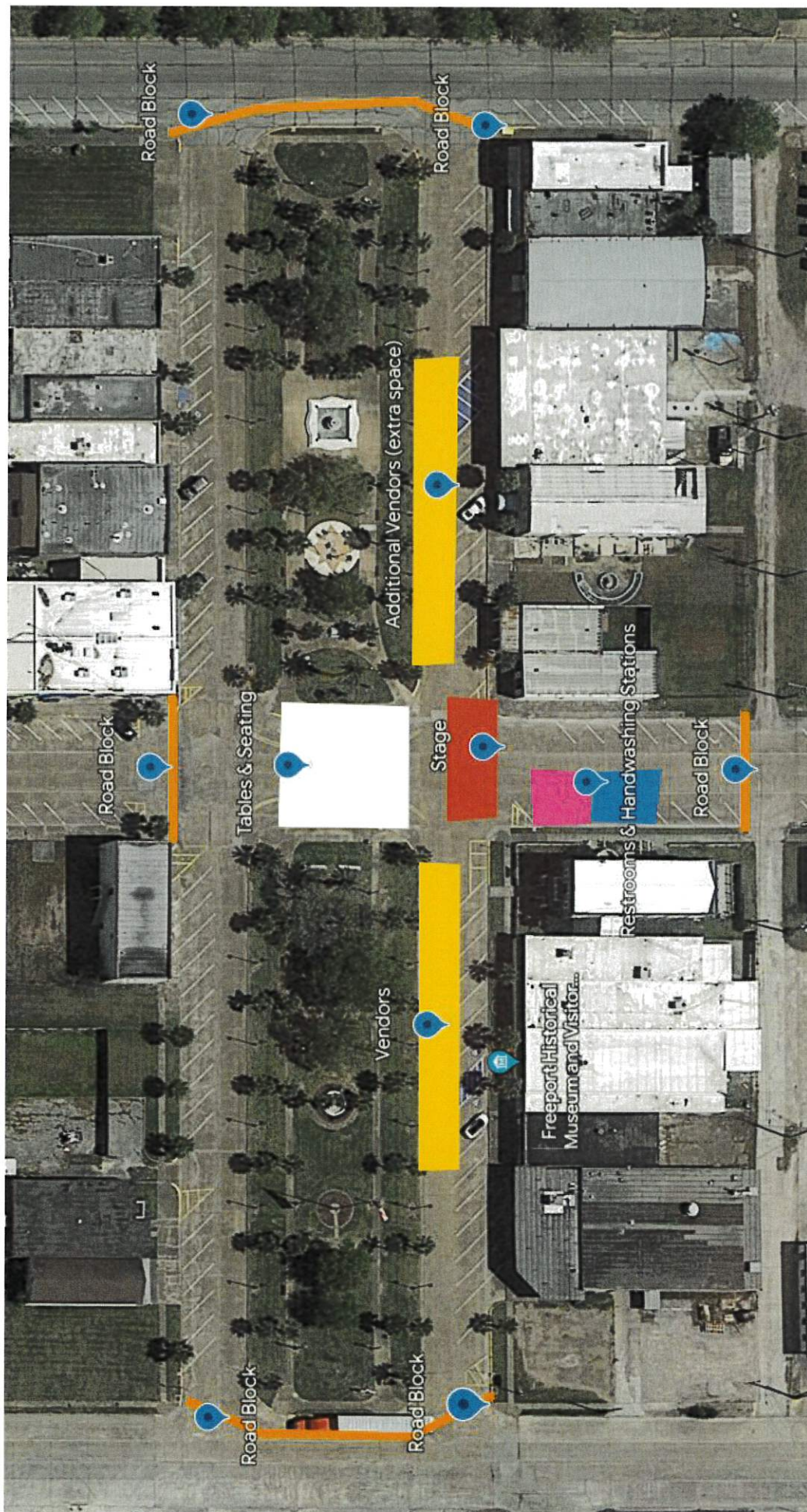
The requested road closures on Thursday, November 2, 2023 include the following:

3:00 PM- 10:00 PM| E. Park and W. Park from 2nd Street to 4th Street (including roundabouts)
Road Barrels at Broad and E. Park alley
Road Barrels at Broad and West Side of W. Park

Background Information: It is the aim of the Dia de Los Muertos Committee to educate and make accessible throughout the county the cultural significance of this holiday, especially with community events during National Hispanic Heritage Month.

Special Considerations: N/A

Financial Impact: N/A





FREEPORT MAIN STREET

Presents



**Día De Los Muertos
Procession**

**Historic Downtown-Memorial Park
311 East Park Avenue Freeport, TX**

November 2, 2023

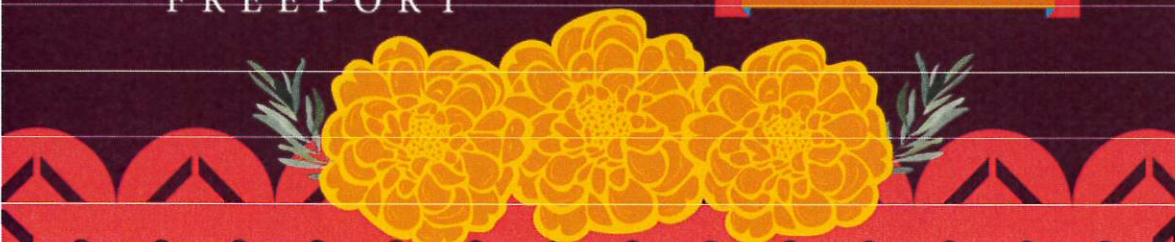
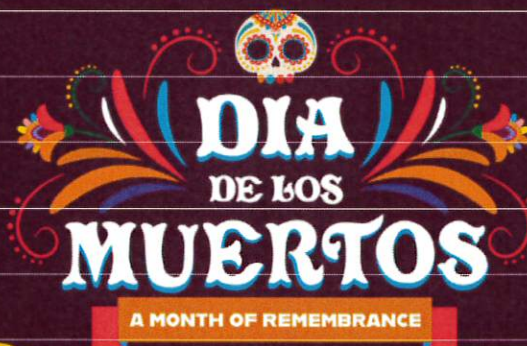


6:00 PM



Procession | Live Music | Food

**MAY WE ALWAYS CHERISH THEIR MEMORIES
AND KEEP THEM ALIVE IN OUR HEARTS**





DIA DE LOS MUERTOS

A MONTH OF REMEMBRANCE

Sugar Skull Decoration Contest

Location/Organizer: Brazoria County Library System
Date: August 15th - September 15th

Los Vivos y Los Muertos: A Celebration of Hispanic & Latino Culture Juried Exhibition Opening Reception & VIP Event

Location/Organizer: The Center for the Arts & Sciences
400 College Blvd, Clute, TX 77531
Date: Friday, October 6th (7 PM)

Dia de los Muertos: A Month of Remembrance

Location/Organizer: Lake Jackson Historical Museum
249 Circle Way, Lake Jackson, TX 77566
Date: October 3rd - November 11th (Tues - Sat 10 AM - 4 PM)

Family Fun Day (Fiesta de las Familias)

Location/Organizer: Lake Jackson Historical Museum
249 Circle Way, Lake Jackson, TX 77566
Date: Saturday, October 21, 2023 (10 AM to 4 PM)

Los Vivos y Los Muertos: A Celebration of Hispanic & Latino Culture Juried Exhibition

Location/Organizer: The Center for the Arts & Sciences
400 College Blvd, Clute, TX 77531
Date: On view October 6 - November 3

Community Altar Display

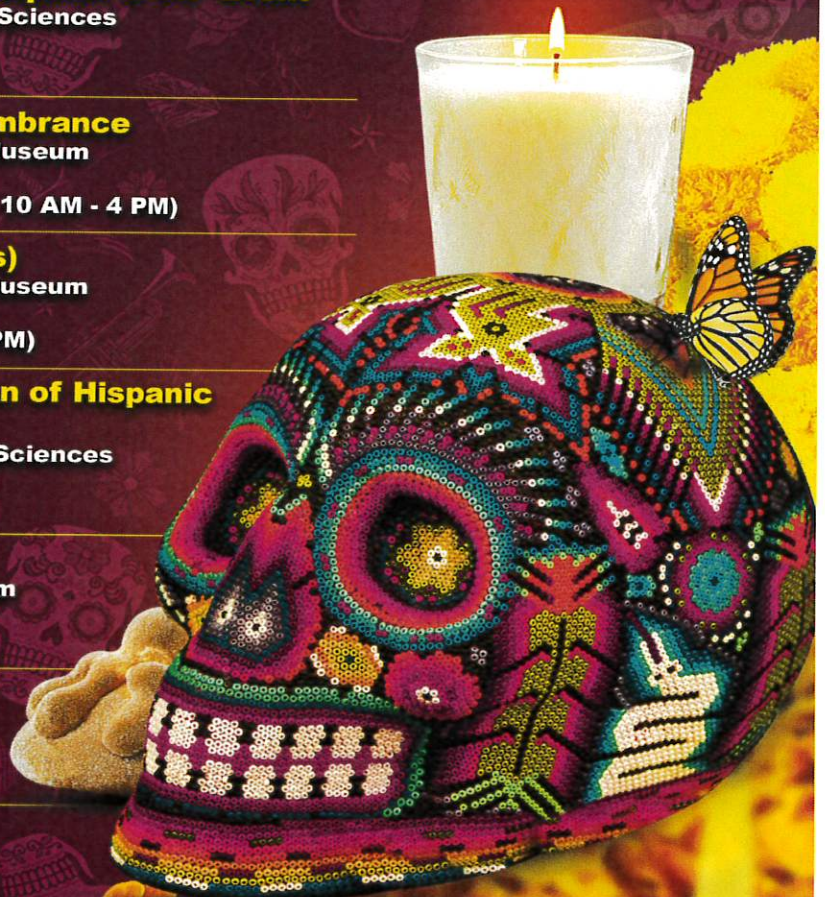
Location/Organizer: Freeport Historical Museum
311 East Park Avenue - Freeport, TX 77541
On view October 2 - November 11

Dia de los Muertos Procession

Organizer: Freeport Main Street
311 East Park Avenue - Freeport, TX 77541
Date: November 2, 2023 (6 PM)

Dia de los Muertos School Showcase

Organizer: Brazoria County Historical Museum
100 East Cedar, Angleton TX 77515
Date: October 23 - November 6, 2023



DIADELOSMUERTOSRC.COM



City Council Agenda Item #7.

Title: Consideration and possible action of approving Ordinance No. 2023-2708, vacating and selling the 20' alley right of way in Velasco Townsite, Block 712 between lots 1-4 and 21-24 and approving the City Manager to sign and the City Secretary to attest to a deed transferring real property.

Date: September 18, 2023

From: Kacey Roman, Building and Code Director

Staff Recommendation: Staff recommends approval of the Ordinance to vacate the alley and authorize the City Manager to sign the deed of sale based on the sale price of \$1,850.

Item Summary: This request is being made by the owner of lots 1-4 and 21-24 in block 712, on both the north and south side off the alley in question, which is located South of Avenue J in Freeport. He is currently proposing a replat of the entire property into a single parcel for further commercial development of the property. We have received a broker's opinion of value for the sale of the alley in the amount of \$1,850.

Background Information: The property facing Avenue F has in the past been partially developed for commercial use. The property on the other side of the alley is currently undeveloped. While the alley under consideration is a platted alley, it is currently undeveloped and is partially blocked on the east end by a large radio antenna, and on the west end by a large open drainage ditch.

Special Considerations: The alley as vacated and transferred would retain a utility easement. While nothing will be allowed to be constructed on top of any utility other than parking, the sale and replatting of the property will effect any set back requirements in his favor.

Financial Impact: NA

Board or 3rd Party Recommendation: The plan commission voted in favor of granting the replat, contingent upon council taking action to vacate and transfer the alley.

Supporting Documentation:

1. Ordinance 2023-2708 Alley vacation near Ave J
2. Brokers opinion of Value alley between Avenue J and I

ORDINANCE NO. 2023-2708

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ABANDONING AN ALLEY THAT RUNS BETWEEN AVENUE I AND AVENUE J, BETWEEN LOTS 1-4 AND 21-24, BLOCK 712, VELASCO TOWNSITE; FINDING NO DUTY TO MAINTAIN; RETAINING ALL EXISTING UTILITY EASEMENTS IN THE ABANDONED ALLEY; AND AUTHORIZING RECORDATION IN THE DEED RECORDS OF BRAZORIA COUNTY.

WHEREAS, the City of Freeport has been asked to abandon an alley that runs between Avenue I and Avenue J that was dedicated to the public for use as a public alley; and

WHEREAS, the Freeport City Council has determined that the alley requested to be abandoned is not needed as a public alley and should be vacated, abandoned, and closed because it is no longer needed as a public alley by the City; now therefore;

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct and are incorporated herein for all purposes.

Section 2. The City Council of the City of Freeport, Texas, hereby finds and determines that public convenience and necessity no longer require the continued existence as a public alley.

Section 3. The City hereby abandons, vacates, and closes a 20-foot alley that runs between Avenue I and Avenue J, being more particularly described in Exhibit A attached hereto and incorporated herein for all purposes.

Section 4. That the City of Freeport shall not have the duty to maintain said alley described above after abandonment. The Freeport City Council further finds that the abandonment of said alley shall not constitute any liability or responsibility on the part of the City of Freeport in connection with access thereto.

Section 5. That all existing utility easements, in upon, or across said property, whether or not said utility easements are recorded, shall be retained.

Section 6. That it is the intent of the City of Freeport to abandon only the alley that is described in Section 3 above and this Ordinance does not abandon any other utility easements in, upon, or across said property, whether or not said utility easements are recorded in the deed records of Brazoria County.

Section 7. That an original of this Ordinance shall be filed and recorded with the appropriate office where deeds are recorded in Brazoria County.

PASSED AND ADOPTED this _____ day of September 2023.

Brooks Bass, Mayor

ATTEST:

Betty Wells, City Secretary

APPROVED AS TO FORM AND CONTENT:

David W. Olson, Interim City Attorney

STATE OF TEXAS §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on this _____ day of _____, 2023, by Brooks Bass as Mayor of the CITY OF FREEPORT, a Texas municipality.

Notary Public in and for the State of Texas

EXHIBIT A

September 1, 2023

Mr. Tim Kelty
City Manager
City of Freeport
200 West 2nd Street
Freeport, TX 77541

RE: A 20' X 102' portion of the 20' alley right-of-way ("ROW") between Lots 1-4 and 21-24, of Block 712,
Velasco Townsite, City of Freeport.

Dear Mr. Kelty,

Complying with a request from Mr. Edward Gonzales, a visual observation was made of the subject property on September 1, 2023, to assist in determining a current fair market value, via a Broker's Price Opinion, once the alley way "ROW" is converted to a utility easement.

The subject property consists of a rectangular lot that extends from the Stratton Street "ROW" (undeveloped) containing 2,040 SF of area. The alley has never been developed or used by the public, except a small portion, used for parking, that fronts Skinner Street.

The change from Alley "ROW" to Utility "ROW" will not allow permanent improvements on the subject property due to the need for the City of Freeport, CenterPoint Energy and ATT to access the easement.

My opinion of the fair market value of the entire subject property as an "Utility" easement is:

\$1,850.00
(Eighteen Hundred, Fifty Dollars)

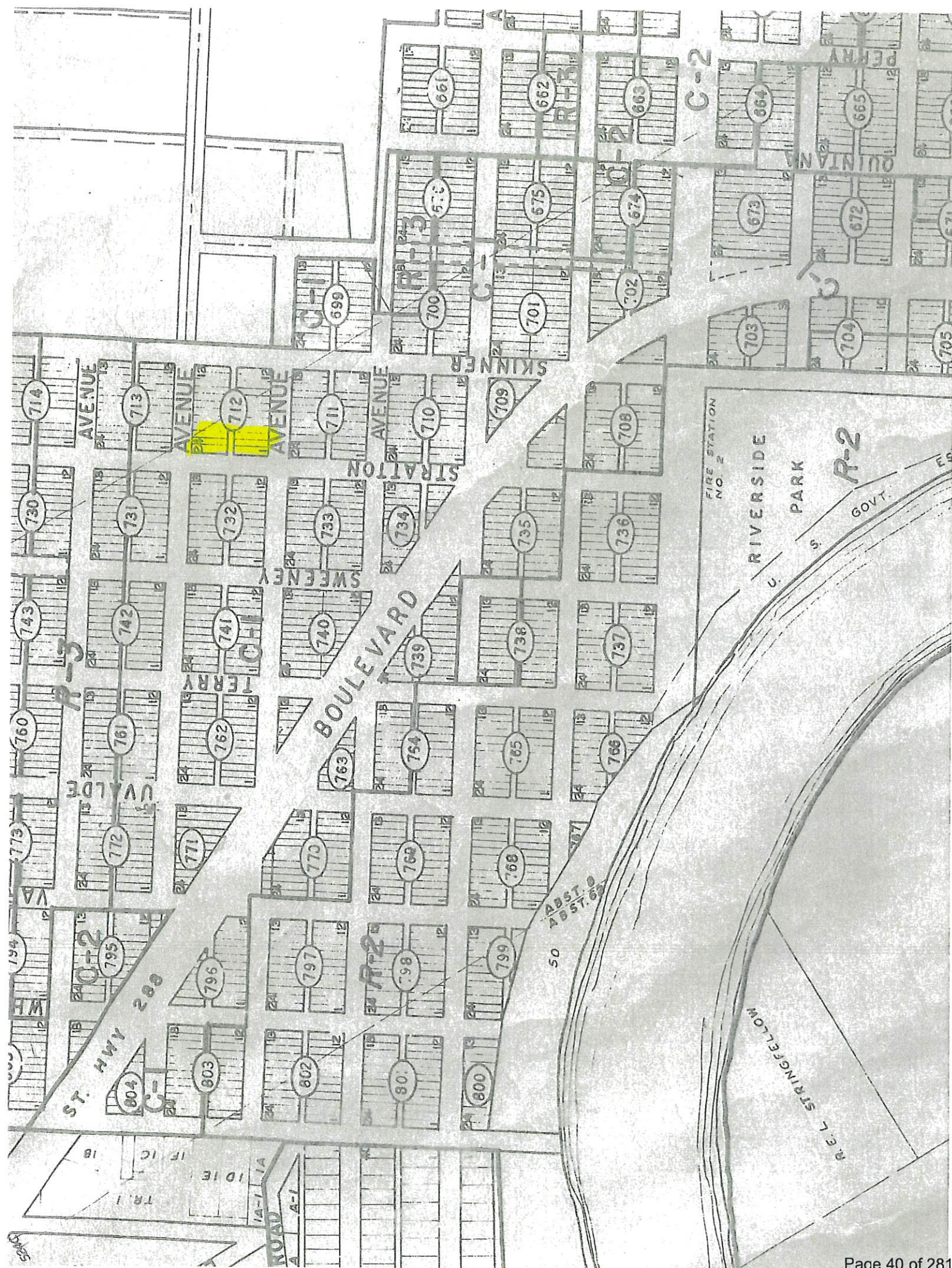
Residential ★ Commercial ★ Sales & Leasing ★ Property Management

1101 N. Brazosport Blvd., Freeport, Texas 77541 Phone (979) 233-7828 Fax (979) 239-1816

MARKET VALUE DEFINED

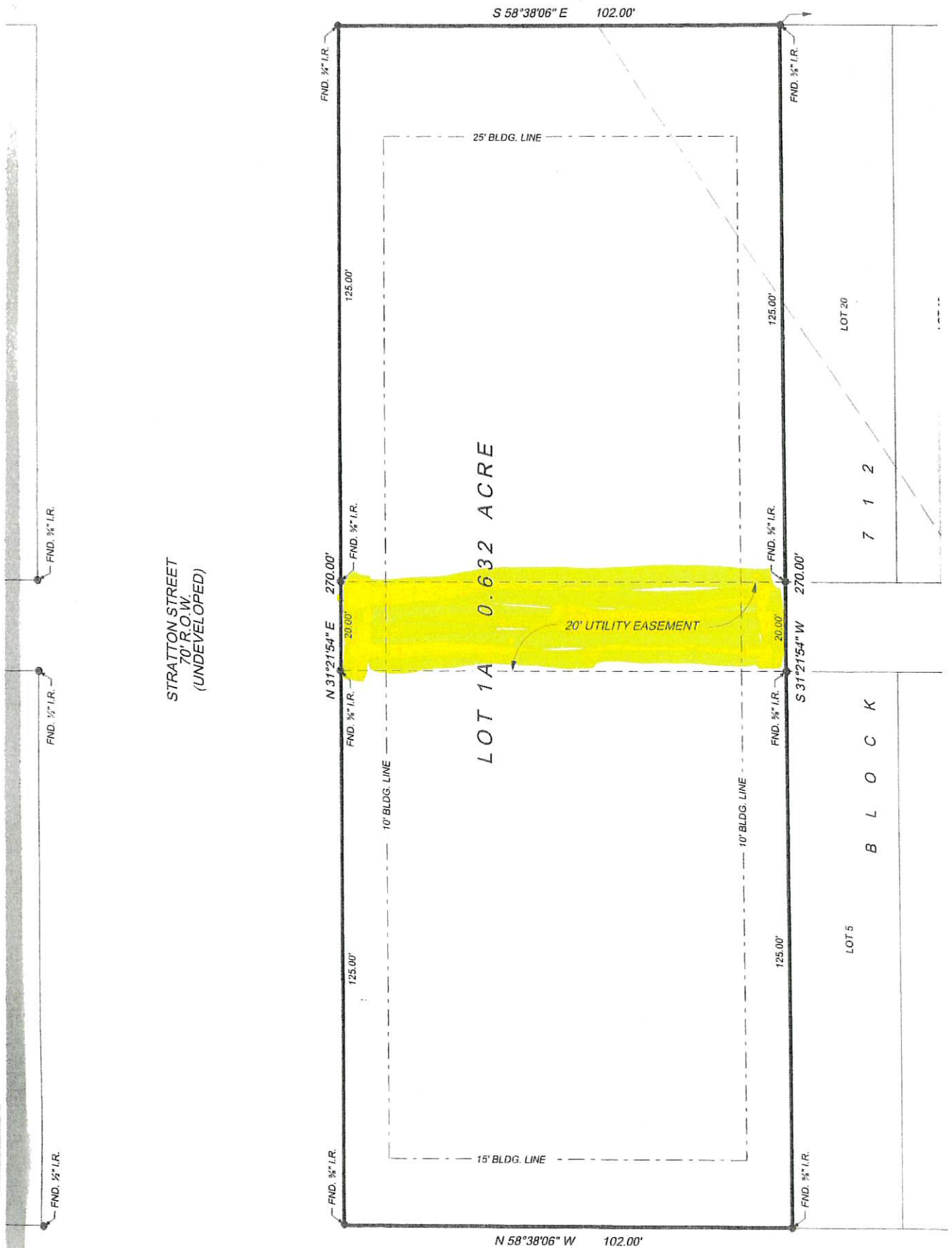
"Market Value" is the most probable price in terms of money which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

- a. buyer and seller are typically motivated.
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest.
- c. a reasonable time is allowed for exposure in the open market.
- d. payment is made in cash or its equivalent.
- e. financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
- f. the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.



30' WIDE CONC. ROAD

NORTH AVENUE 'J' (70' R.O.W.)





City Council Agenda Item #8.

Title: **Public Hearing;** Public Hearing, consideration and possible action approving replat of Block 712 Subdivision, a One Lot Subdivision Composed of Lots 1-4 And 21-24 and a Portion of a 20' Wide Alley in Block 712 of the Velasco Townsite as recorded in Volume 32, Page 14 of The Brazoria County Plat Records in The Christian Henniger Survey Abstract 211 and The Samuel Angier Survey Abstract 8 Brazoria County, Texas.

Date: September 18, 2023

From: Kacey Roman, Building and Code Director

Staff Recommendation: Staff recommends that Council approve the replat following the public hearing..

Item Summary: This property is located at 1423 N. Ave J between Sweeny and Skinner Street inside of the Freeport City Limits. The owner is replating the current existing 8 lots and Alley into 1 lot for commercial use. The property is currently zoned Commercial C-2. .

Background Information: The owner on record at the Brazoria County Appraisal District is Patsy Gonzales of Freeport, Texas.

Special Considerations: There is a City Alley that bissects the middle of the property, and the owners are requesting that the alley be changed to a Utility Easement instead of an Alley.

Financial Impact:

Board or 3rd Party Recommendation: On August 22, 2023, The Planning and Zoning Board had recommended to approve the replat contingent upon the vacation of the Alley right-of-Way, with the provision that the owner purchase the alley and provide a Broker's Opinion.

Supporting Documentation:

1. VelascoTownSite Blk712 Lots 1-4+ACY-21-24+AF8-Replat



City Council Agenda Item #9.

Title: Consideration and possible action approving the sale of City owned levee property located at, and adjacent to, 104 Mystery Harbor Lane, to Chris Duncan

Date: September 18, 2023

From: Tim Kelty, City Manager

Staff Recommendation: Staff recommends Council only consider the request by Chris Duncan to purchase property from the City along the levy between his property at 104 Mystery Harbor Lane and the water's edge. It is recommended that the sale be for the amount provided for in the appraisal secured by the City of \$30,000, and that it is contingent upon him demolishing the existing structure and building a new house on that property with a total value of at least \$350,000 within 3 years.

Item Summary: Mr. Duncan provided a survey of this property and an appraisal report. While the appraisal report is for the property he owns, it includes a paragraph additionally placing values on the requested properties. He has requested that the city consider selling him the Levee property both between his property 104 Mystery Harbor Lane and the river, and between his neighbor's property, to the west, and the river. While he has not made a formal offer to purchase either area, the documentation he provided suggests the value of the property is \$5,900 for the property immediately between his property, and \$24,000 for the entire parcel. Both values were based on approximately \$0.94/sf. This is significantly less per square foot than was identified in an appraisal the city completed last year, and authorized for the sale to Ms. Ware, one block west of Mr. Duncan's property.

This item was originally presented to City Council in July. Since that time, the city has secured its own appraisal of the property. The appraised value determined by that appraisal is \$30,000 for the property, between the property he owns and the water.

Background Information: In the past, the city has considered and approved the sale of levee property to property owners along the river for the fair market value, in exchange for the property owner's commitment to invest in development or redevelopment of the property within a certain time period. In this case, Mr. Duncan has indicated his intention to demolish the old brick house located on his property and redevelop the property.

However, since he does not own the neighboring property, he would not be able to make the commitment to develop that side of the requested levee.

Special Considerations: Last year the city council approved the sale of nearby levee property to Lucy Ware. That approval was based upon an appraisal for that property of \$23,300 for 4,661 square feet, or about \$5/sf. According to the paperwork submitted by Mr. Duncan, the entire requested area is 25,178 sf and the area immediately between his property and the river is 6,229 sf. Using the sf cost from the prior approved deal, the values for Mr. Duncan's requests are \$125,890 and \$31,145 respectively.

Financial Impact: The sale of this property would generate unbudgeted revenue

Board or 3rd Party Recommendation: None

Supporting Documentation:

1. Appraisal - Lot south of Mystery Harbor Lane, Freeport

**APPRAISAL
OF A**

Tract of Vacant Land, south of the southwest line
of Mystery Harbor Lane (Front Street), southwest
of Groce Street,
Freeport, Brazoria County, Texas 77541

PREPARED FOR:

Timothy Kelty
City of Freeport
200 W 2nd Street
Freeport, Texas 77541

Date of Value "As Is":	August 7, 2023
Date of Report:	August 30, 2023

BY

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008
(File No. 23167)

MBLANE & ASSOCIATES

8990 Hempstead Highway, Suite 102 • Houston, TX 77008 • Office: 713.863.1414 • Website: mblane.com

August 30, 2023

Timothy Kelty
City of Freeport
200 W 2nd Street
Freeport, Texas 77541

Reference: Appraisal of a Tract of Vacant Land, south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street, Freeport, Brazoria County, Texas 77541.

Dear Mr. Kelty:

In compliance with your request, we visited the above-referenced property on August 7, 2023 and appraised it as of the same date. The purpose of this report is to provide an opinion of the "As Is" Market Value of the Fee Simple Estate of the above referenced property.

The property right appraised in this report is the Fee Simple Estate. The persons involved in preparing this appraisal report are Michael B. Lane, MAI and Lee Doehring. They are providing a value opinion based upon a one year exposure period. Please review our "Contingent and Limiting Conditions", as our value is subject to these provisions.

The site is a vacant tract of land which contains approximately 0.1430 acres (6,229 square feet) of gross area. In our analysis, we have considered the Market Approach to Value - Land.

Based on the location of the subject "As Is," as well as the current market conditions, it is the appraiser's opinion that the value of the subject property is based on a 12 month exposure period. Therefore our opinion of the "As Is" market value as of August 7, 2023 of the subject property is as follows:

\$30,000

There are no hypothetical conditions or extraordinary assumptions for this appraisal.

Market Value, as further defined in this report, is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus.

Prior to accepting this assignment, the appraisers concluded that they have the necessary experience and/or knowledge to competently complete the appraisal, and during the preparation of the appraisal, the appraisers have not discovered any areas in the assignment requiring appraisal expertise in which we were lacking.

The above statements of appraiser competency applies to knowledge and/or experience for the real estate appraisal discipline and not other areas of trades, professions or disciplines such as engineering, surveyors, attorneys, etc.

Our site visit did not reveal, nor did we observe, or are we aware of any natural, cultural, recreational, environmental, or scientific value influences affecting the subject property. Additionally, we have not made a specific Americans with Disabilities Act (ADA) compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. The value estimate is predicated on the assumption that no such influences are present that would affect our value conclusions. We have no expertise in these fields and no responsibility is assumed for any such conditions or for any expertise, engineering or other special knowledge required to discover them. Such studies are required before these values can be relied on by readers of this report.

To the best of our understanding this report conforms to the appraisal guidelines of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

Your attention is now directed to the following report which contains the data and analysis used in our final value opinion. If after reviewing this report, you have any questions, please do not hesitate to contact this office.

Yours truly,



Michael B. Lane, MAI
TX-1322609-G, Expires 9/30/2025
Phone: (713) 863- 1414, ext. 1
Email: michael@mblane.com



Lee Doehring, Trainee
TX - 1342044-T, Expires 8/31/2025
Phone: (713) 863 - 1414, ext. 3
Email: lee@mblane.com

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CERTIFICATION

We certify that, to the best of our knowledge and belief:

- (1) The statements of facts contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (6) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (7) Our analyses, opinions, or conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of the Professional Ethics of the Appraisal Institute.
- (8) This report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (9) Lee Doehring has made a personal site visit to the property that is the subject of this report. Michael B. Lane has not made a personal site visit to the property that is the subject of this report.
- (10) No one provided significant real property appraisal assistance to the persons signing this report in the form of data research.
- (11) As of the date of this report, Michael B. Lane, MAI, has completed the requirements of the continuing education program of the Appraisal Institute for designed members.
- (12) As of the date of this report, Michael B. Lane, MAI is Texas State Certified General Real Estate Appraiser and Lee Doehring is Texas State Certified Appraiser Trainee.

CERTIFICATION - CONTINUED

- (13) Michael B. Lane and Lee Doehring have performed no services, as an appraiser or in any other capacity relating to the subject property within the three-year period immediately preceding acceptance of this assignment.
- (14) This appraisal assignment was **NOT** based on a requested minimum value, a specified valuation, or the approval of a loan.
- (15) The "As Is" Market Value of the Fee Simple Estate of the subject property as of August 7, 2023, is as follows:

\$30,000

There are no hypothetical conditions or extraordinary assumptions for this appraisal.



Michael B. Lane, MAI
TX-1322609-G, Expires 9/30/2025
Phone: (713) 863- 1414, ext. 1
Email: michael@mblane.com

Lee Doehring, Trainee
TX - 1342044-T, Expires 8/31/2025
Phone: (713) 863 - 1414, ext. 3
Email: lee@mblane.com

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Identification	A Tract of vacant Land.
Location	The subject property is south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street, Brazoria County, Texas 77541.
Purpose of the Appraisal	The purpose of this appraisal is to provide an opinion of the "As Is" market value of the herein legally described property.
Property Right Appraised	Fee Simple Estate.
Subject Size:	0.1430 acres (6,229 square feet)
Highest and Best Use:	Assemblage for Residential Development.
Zoning	Single Family Residential (City of Freeport).
Flood Plain Status	The subject property appears to be within shaded Zone A which is inside the 100 year flood hazard area, with base flood elevation determined per FIRM Panel no. 48039C0785K, dated December 30, 2020. The determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report.

OPINIONS OF VALUE:

Market Approach, As if Vacant:	\$30,000
Final Opinion of Market Value "As Is":	\$30,000
Exposure Time:	12 Months
Effective Date of Market Value "As Is":	August 7, 2023
Date of Report:	August 30, 2023

There are no hypothetical conditions or extraordinary assumptions for this appraisal.

CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions.

The legal description furnished to us is assumed to be correct. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title, which is assumed to be good. Any existing liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management, unless otherwise indicated.

We have made no survey and assume no responsibility in connection with such matters. We believe the information in this report furnished by others to be reliable, but we assume no responsibility for its accuracy. This includes, but is not limited to, information obtained in regard to flood plains, wetlands, geological fault lines, sufficiency of public utilities, and land or surface subsidence. The construction and condition of the improvements mentioned in the body of this report is based on observation and no engineering study has been made, unless previously noted, which would discover latent defects. No certification as to construction or any of the physical aspects could be given unless a proper engineering study were made.

No fault line, flood plain, or subsidence study has been made by the appraisal firm and could be under taken only by a qualified engineering firm.

The distribution of the total valuation between land and improvements in this report applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal, and are invalid if so used.

We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been made previously.

Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser.

Neither all, nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the consent and approval of the author, particularly as to valuation conclusions, and identity of the appraiser or firm with which he/she is connected, or any reference to the Appraisal Institute, or the MAI designation.

This report is written in conformity with the professional standards of practice and code of ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice and the rules of the Texas Real Estate Commission.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous

CONTINGENT AND LIMITING CONDITIONS - CONTINUED

substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

The appraiser represents that he/she is not an expert to appraise insulation or other products banned by the Consumer Products Safety Commission which might render the property more or less valuable. In connection with this appraisal, the appraiser has not inspected or tested for, nor taken into consideration in any respect the presence or absence of insulation or other said products increase or decrease in the value of the property from the value placed thereon by the opinion of the appraiser.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

It is understood that this assignment and the payment of our fee is not dependent or contingent upon any loan commitment, sale, trial outcome, receipts of funds by you, or any other condition or contingency.

The liability of MB Lane and Associates, Inc., its owner and staff, is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any party), Client will hold Appraiser(s) completely harmless from and against any liability, loss, cost or expense incurred or suffered by Appraiser(s) in any such action, regardless of its outcome.

“These reports may be relied upon by the CLIENT, in determining whether to make a loan evidenced by a note (“the Property Note”) which is further secured by the Property. These reports may be relied upon by the purchaser or assignee of the Property Note in determining whether to acquire the Property Note or Interest therein. In addition, these reports may be relied upon by any rating agency involved in rating the securities secured by, or representing an Interest in, the Property Note. These reports may be used in connection with materials offering for sale the Property Note, or an interest in the Property Note, and in presentations to any rating agency. With respect to the foregoing, these reports speak only as of the Origination date of these reports unless specifically updated through a supplemental report.”

INTRODUCTION

SCOPE OF WORK

Extent To Which The Property Was Identified We were provided with a survey of the subject site. Therefore we have relied upon the survey and the Brazoria County Appraisal District records and facet maps for the identification of the subject site. We did not perform a title search or survey of the subject property.

Extent To Which Tangible Property Was Visited In preparing this appraisal, we visited the subject property and viewed the site. We drove the immediate and general market area.

We visited the subject property in order to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. We are not engineers and are not qualified to the presence of wetlands and the like.

We are not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. We have no reason to suspect the presence of hazardous substances, and we valued the subject **assuming that none are present**. No responsibility is assumed for any such conditions or for any expertise or engineering services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While we refer to FEMA flood maps, we are not surveyors and not qualified to make flood plain determinations, and we recommend that a qualified party be consulted before any investment decision is made.

The Type And Extent Of Data Researched We conducted a search for sales of similar land tracts in the immediate and general market area. Our data sources were the local Realtors, county deed records and appraisal district records, LoopNet, MLS and Costar data services. Our search for data concentrated on the immediate market area. Due to the limited number of comparable Sales our search for data extended back to July 2018. We supplemented these sources with information from knowledgeable brokers, particularly those with listings in the immediate area.

Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recording of the deed itself. In Texas, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which we are unaware. Our data sources provide all the data typically available to appraisers in the normal course of business.

The Type And Extent Of Analysis Applied The value set forth herein this Appraisal Report was determined after application and analysis by the Sales Comparison Approach - Land. The subject is a vacant former drainage easement and therefore, the sales comparison approach is considered the most applicable approach to value to this assignment.

Significant Real Property Appraisal Assistance Provided No one provided significant real property appraisal assistance to the persons signing this report.

SCOPE OF WORK - CONTINUED

General This **Appraisal Report** has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The level of reporting in this appraisal report is considered to be between the minimum and the maximum, wherein some of the reporting is in summary tables. Thus, some information may be maintained in the appraisal workfile. It has been our intention to prepare this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. Engineering studies, ADA determinations, surveys, title reports, flood plain determinations, and environmental audits are *beyond* the scope of work of this appraisal.

Purpose, Intended Use and Users of the Appraisal The purpose of this appraisal is to provide an opinion as to market value of the herein legally described subject property. The intended use is for the evaluation associated with the purchase of the subject property. The client also represents that the report will be used only by representatives of City of Freeport for the intended use set forth above.

Fee Simple Estate Fee simple estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Page 73, copyright 2022, by the Appraisal Institute as being:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.”

Leased Fee Interest Leased Fee Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Page 105, copyright 2022, by the Appraisal Institute as being:

“The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary when the lease expires.”

Property Rights Appraised The property rights being appraised in this report consist of the Fee Simple Estate of the subject property.

Date of the Appraisal Report The preparation of this appraisal report was completed on August 30, 2023.

Effective Date of the Appraisal The descriptions, analyses, and conclusions of this report for the subject property are applicable as of the effective date of August 7, 2023.

Type and Definition of Value The type of value necessary to produce a credible result in this assignment is market value, whereby the value is to be the most probable price in terms of cash.

Market Value is defined by the Office of the Comptroller of the Currency (12 CFR Part 34) as follows:

SCOPE OF WORK - CONTINUED

"Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Market Rent Market Rent is defined by The Dictionary of Real Estate Appraisal, Fifth Edition, copyright 2010, page 121 as:

"The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. The rent payment is made in terms of cash in U.S. Dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction."

Estimate of Exposure Time Exposure time may be defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Our value opinion is based upon a one year exposure period which is supported by the sale items included herein as well as discussions with a number of professionals involved in marketing and selling similar properties.

Economic Unit vs. Non-economic Unit:

Economic Unit is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 72, by the Appraisal Institute as:

SCOPE OF WORK - CONTINUED

A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements, and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.

When a parcel is determined to be a non-economic unit (i.e., incapable of being self-sufficient), a common process of estimating its value is by utilizing the Across the Fence Method (hereinafter referred to as the ATF Method).

Across the Fence Method is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 3, by the Appraisal Institute as:

A land valuation method often used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land.

Corridor is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 53, as:

A strip of land used for transportation or transmission purposes (e.g., rail, highway, power, information, slurries, liquids).

The ATF Method is effectively based upon the premise that the corridor land (e.g., street right-of-way, alley, utility easement) should be worth at least as much as the land through which it passes or is contiguous to (i.e., the parent tract). When applying this method, the comparable sales confirmed by the appraiser are compared to the parent tract, all of the measurable differences are considered with adjustments applied, and a fee simple unit value for the parent tract is determined. The unit value of the parent tract is then ascribed to the subject parcel's (non-economic unit) land area to arrive at an indication of market value for said parcel.

Easement is defined in The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 71, by the Appraisal Institute as: "The right to use another's land for a stated purpose."

If the subject parcel is a partial interest (e.g., utility easement, sanitary sewer easement), the total fee simple unit value of the larger parcel is determined, a partial interest discount is calculated based upon remaining utility, and the appropriate percentage of fee simple unit value is applied to the partial interest to determine an opinion of value of the partial interest being appraised. To this value, the depreciated cost of any improvements upon the subject parcel is added.

Partial Interest is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 168, by the Appraisal Institute as:

SCOPE OF WORK - CONTINUED

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest.

Partial Interest Discount is defined by The Dictionary of Real Estate Appraisal, 6th edition, © 2015, page 168, by the Appraisal Institute as:

A discount to the value of a full ownership interest in property often applicable to ownership of a partial interest resulting from the diminished marketability of a less than full interest, lack of control, or both. Often applicable in estate tax situations, in the dissolution of a limited partnership, and in the valuation of companies and businesses.

FACTUAL DESCRIPTIONS OF THE PROPERTY

IDENTIFICATION OF THE PROPERTY

The subject property can legally be described as 0.1430 acres, Tract 2 & Levee Portion of Groce Street ROW, Brazoria County, Texas. The subject property is located south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. However it should be noted that the subject does not have roadway frontage along Mystery Harbor Lane (Front Street).

PROPERTY HISTORY

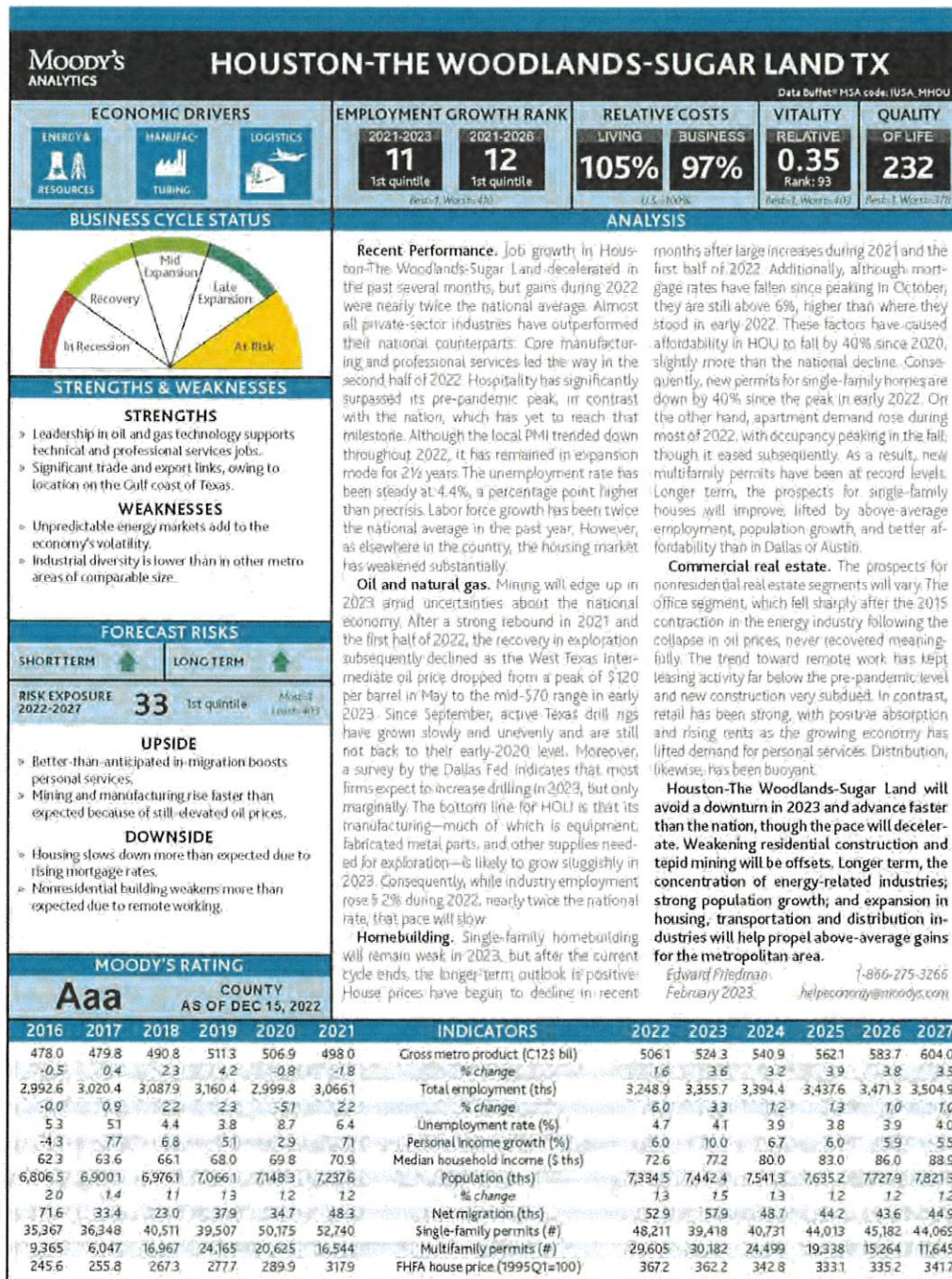
According to the information provided, the subject tract is presently listed under the ownership of Velasco Drainage District (City of Freeport) who has owned the property in excess of three years. The ownership is currently in discussion with ZBA Freeport LLC, to purchase the subject 0.143 acres or 6,229 square feet. ZBA Freeport LLC, owns the adjacent parcel to the northeast and is looking to purchase the subject to gain river frontage. A price has not been determined as they are still in the negotiation process. We are not aware of any offers or listings involving the subject. Further, we are not aware of any other sales over the past three years.

STATEMENT OF OWNERSHIP

According to information provided to us, as of the date of this appraisal, the subject property is owned by Velasco Drainage District (City of Freeport).

AREA/NEIGHBORHOOD ANALYSIS

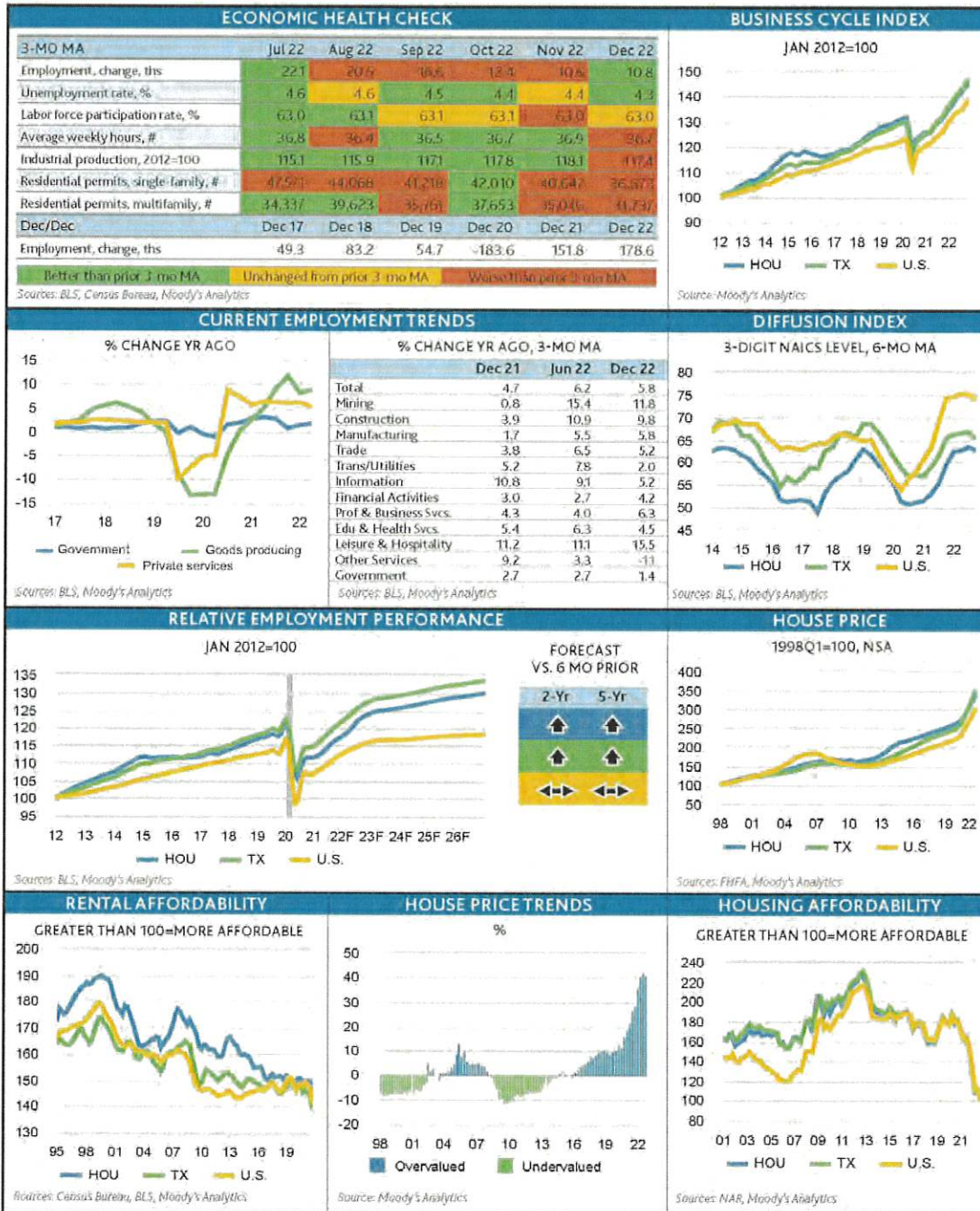
Location. The subject property is located approximately 57 miles southwest of the Central Business District of the City of Houston, Texas. On the following pages is the Moody's Analytics Houston-The Woodlands-Sugar Land February 2023 market report.



MOODY'S ANALYTICS / Prospec U.S. Metro / February 2023

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

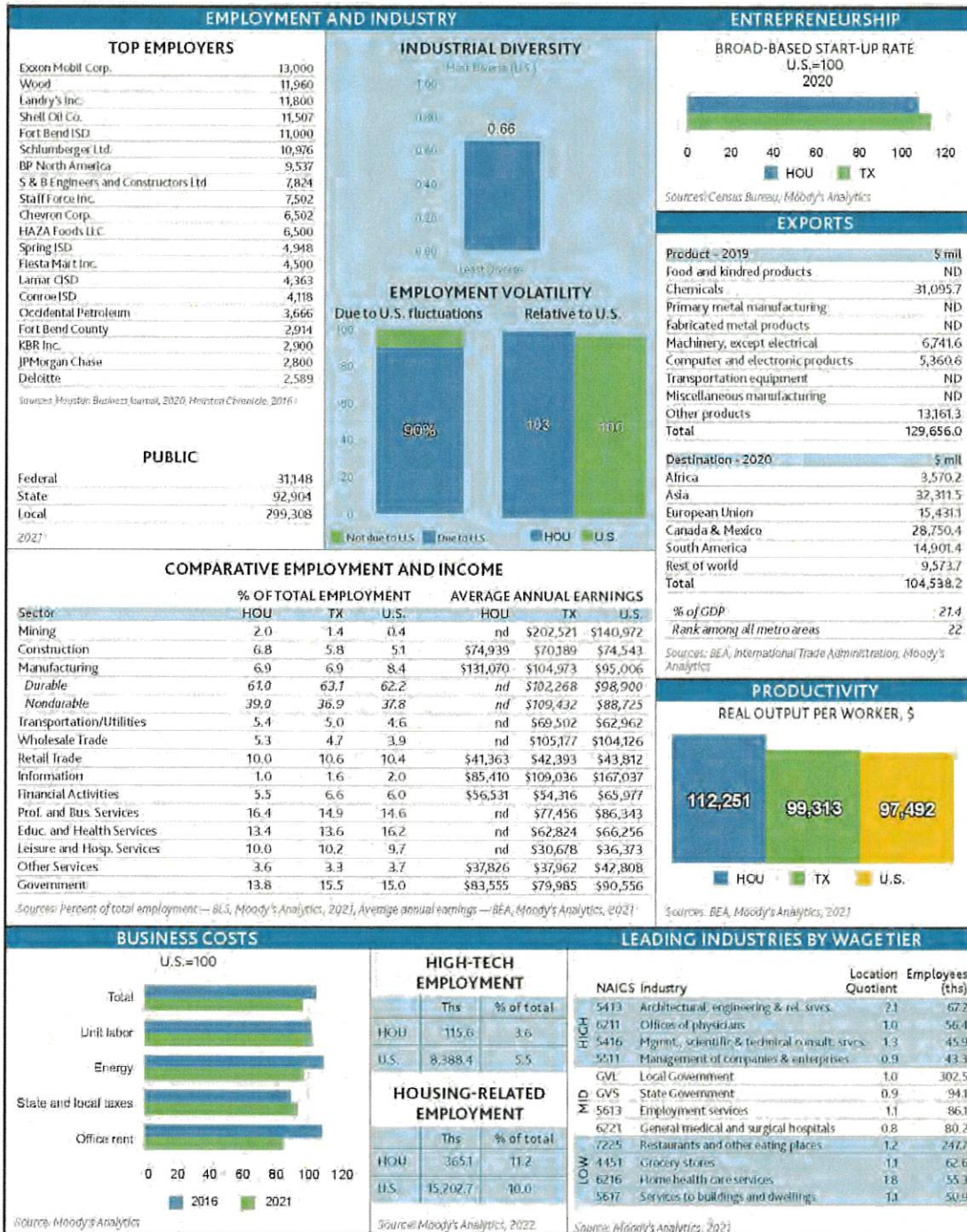
PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX



MOODY'S ANALYTICS / Précis® U.S. Metro / February 2023

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

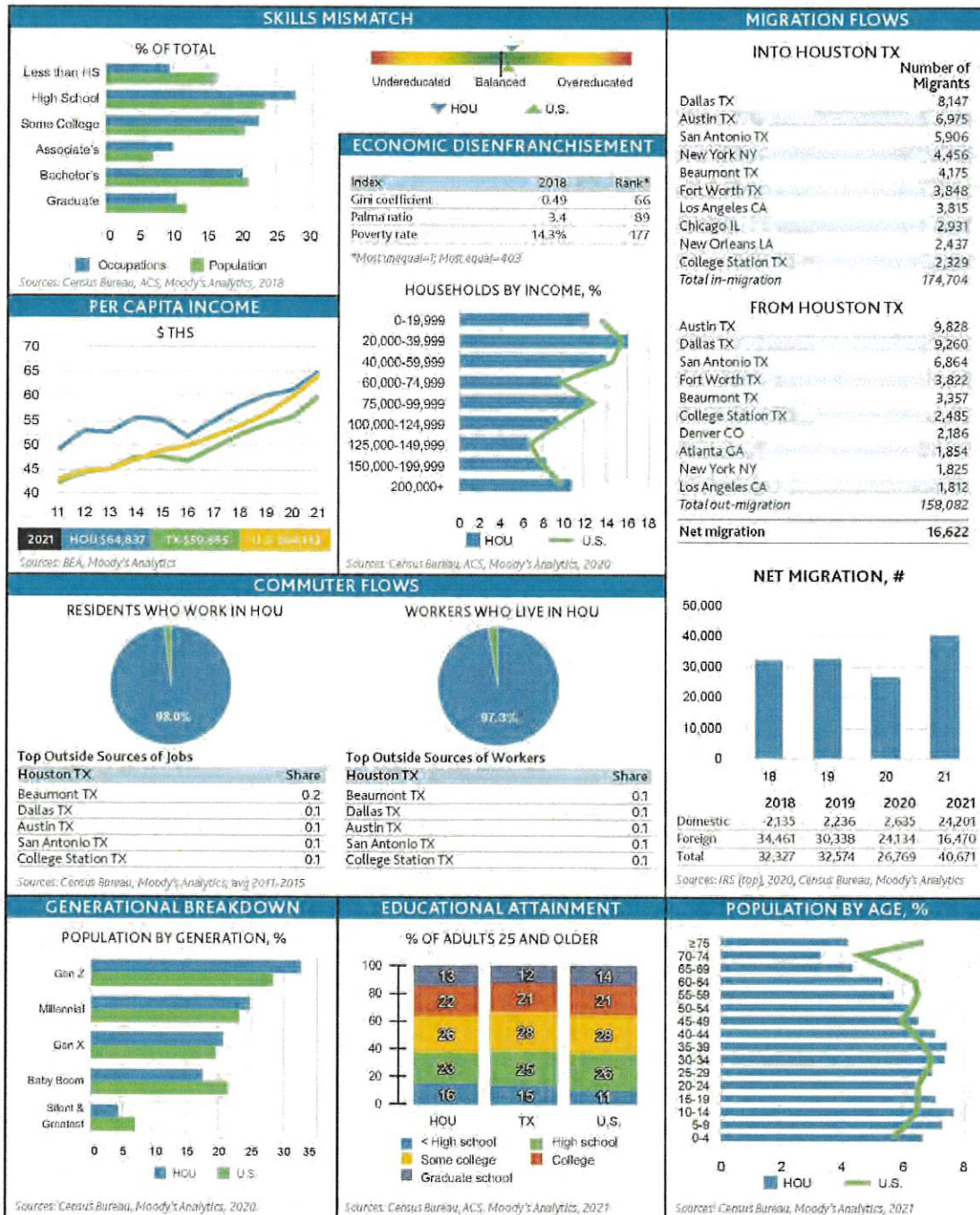
PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX



MOODY'S ANALYTICS / Précis® U.S. Metro / February 2023

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

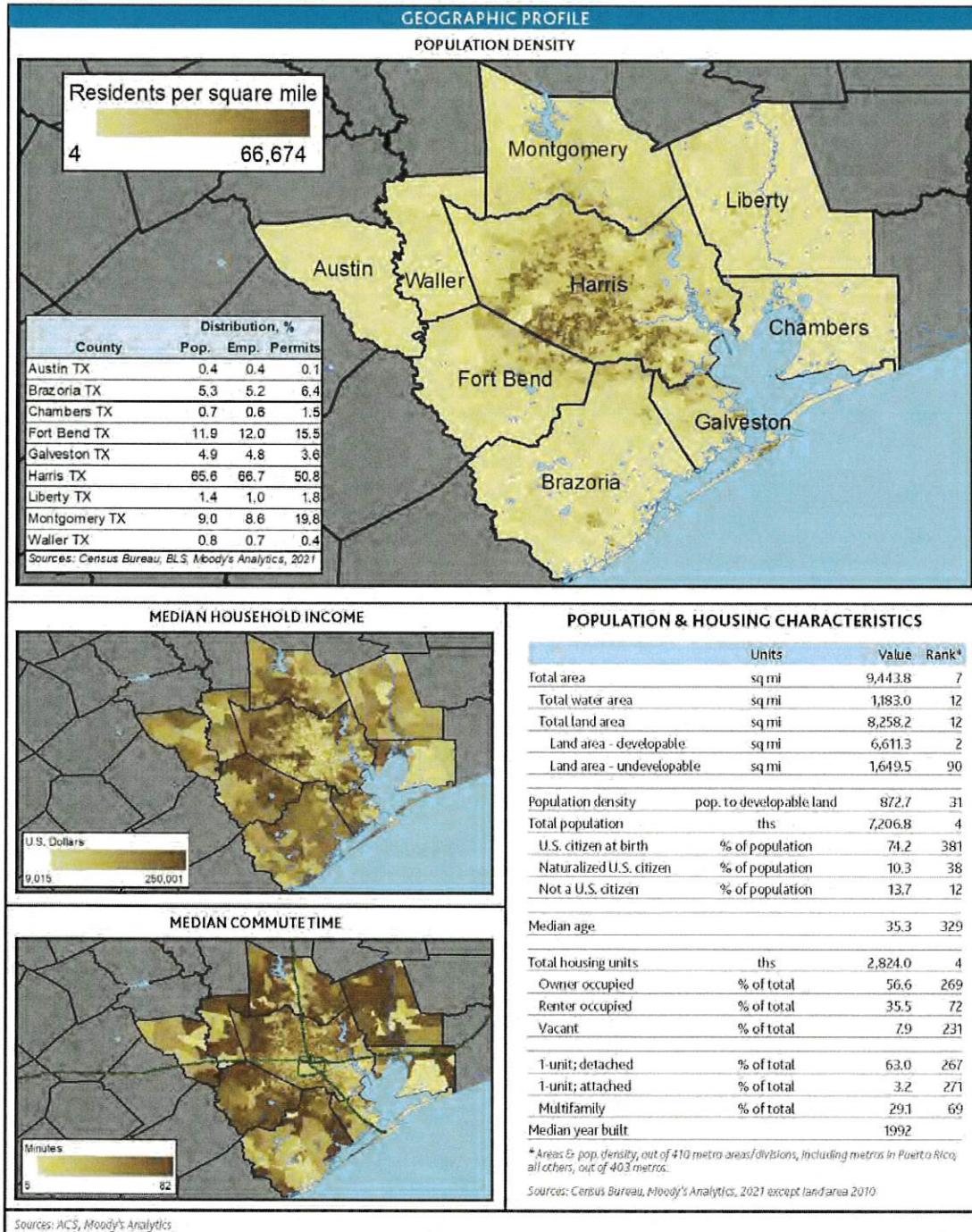
PRÉCIS® U.S. METRO • Houston-The Woodlands-Sugar Land TX



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AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

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MOODY'S ANALYTICS / Précis® U.S. Metro / February 2023

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

Area Summary. A contributing factor to the strengthening of the real estate market has been diversification of the economic base. One of Houston's strengths is that the city has historically encouraged entrepreneurial activity and risk taking.

Though Houston faces some challenges in the near term, the long-term outlook is bright. From 2005 to 2035, The Perryman Group sees Houston leading the state in population growth, adding 3.53 million residents and 1.325 million jobs and accounting for almost one-fourth of Texas job growth. The long-term outlook for the Houston metro area is positive, and a slower, but steady growth is expected in the near future. On the following pages is the Moody's Analytics Houston-The Woodlands-Sugar Land February 2021 market report. The Houston MSA is located on the flat coastal plains of southeast Texas (the upper Gulf Coast prairie), approximately 50 miles northwest of the Gulf of Mexico.

Neighborhood Delineation. The subject's neighborhood is located in the southwestern portion of the Brazoria County area, approximately 55 miles south of the Houston Central Business District (CBD). For the purpose of this analysis, the subject's neighborhood is generally defined as being the city limits of the City of Freeport. These boundaries have been defined because the properties within them tend to exhibit similar characteristics, physical features, price desirability, and they are affected by similar physical, economic, governmental and social forces.

Thoroughfares/Streets

East/West Arteries: State Highway 36 and State Highway 332.

North/South Arteries: FM 523, State Highway 288, and State Highway 288B.

Accessibility. The subject's neighborhood is accessible from downtown Houston by heading south on State Highway 288 approximately 55 miles.

Characteristics. The subject neighborhood is located in the city of Freeport, and is basically suburban in nature. Single-family residences are located on secondary streets throughout the subject neighborhood. Commercial land uses, such as retail, office, and commercial services, are located along the above-mentioned thoroughfares. The neighborhood is a viable, heterogeneous area in the southwestern portion of Brazoria County, Texas.

Utilities and Services. Police and fire protection and other services are provided by the City of Freeport. Electricity and natural gas is provided by CenterPoint, and telephone service by AT&T. The area is served by the Brazosport Independent School District with schools of all level located throughout the area.

Trends. The neighborhood is heterogeneous area in the south central portion of Brazoria County. Commercial developments are found primarily along the major thoroughfares, such as the streets cited in the preceding paragraph. The neighborhood is generally known as a commercial area with a large amount of industrial and light industrial development servicing the petroleum industry of the

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

area. DOW Chemical is one of the primary employment forces in the area, with an reported current employment of more than 4,200. According to various reports, DOW is currently expanding one of its refineries, with an estimated 600 permanent jobs to be created by the 5 year project. During the construction, it is estimated that as many as 4,800 construction workers will be employed. Further, DOW has consolidated it's research division to Lake Jackson, with an ongoing office construction project planned to house the 5,000 employees. These employees will be relocating from across the world at the new campus which will be located near the intersection of Abner Jackson Parkway and SH 288. Several of the office buildings have been completed, with additional ones to come. In addition to DOW, there are several other petrochemical plants in the area building or expanding, as well as several pipelines that are under construction. All of these entities plan on bringing significant job creation to the market for the foreseeable future.

Freeport LNG Development and Talos Energy Inc. have announced that the companies have executed a letter of intent to develop a carbon capture and sequestration ("CCS") project, the Freeport LNG CCS project ("FLNG CCS"), immediately adjacent to Freeport LNG's natural gas pretreatment facilities located near Freeport, Texas, on the Gulf Coast, approximately 60 miles southwest of Houston, Texas. The companies anticipate first injection could occur by year-end 2024. Talos will be the project manager and operator and will be joined by its partner, Storegga Geotechnologies Limited ("Storegga"), the lead developer of the Acorn CCS project in the United Kingdom.

The FLNG CCS project will utilize a Freeport LNG-owned geological sequestration site located less than half a mile from point of capture with up to a 30-year injection term and will permanently sequester CO₂. The FLNG CCS project benefits from a dedicated source of CO₂ and a secured injection site in close physical proximity and, therefore, has limited commercial barriers and a rapid execution time line assuming efficient regulatory approval processes. Additionally, the site is located within 25 miles of up to an additional 15 million metric tonnes per annum ("MTPA") of incremental CO₂ emissions from major industrial sources, which offers the potential for expansion in the future. The FLNG CCS project is still subject to execution of definitive agreements.

As one of the first liquified natural gas ("LNG") exporters in the United States, Freeport LNG operates one of the largest LNG liquefaction and export facilities in the world, representing one of the largest single natural gas demand points in the state of Texas. Freeport LNG is in the process of adding a fourth train to the facility that will expand their gas liquefaction capacity to over 20 MTPA.

Port Freeport (formally Brazos Harbor Navigation District of Brazoria County) is the smallest (geographically) deep-water seaport along the U.S Gulf Coast. Located in Freeport, Texas (United States). It has rail access, represents both private and public facilities. It is ranked 10th in the nation for chemicals, 19th in the nation for total tonnage, 26th in the nation for container traffic, handles over 100,000 vehicles per year and has more than 1,000 ships per year.[2] Forbes magazine (2017) ranked Port Freeport as one of the top 10 fastest growing seaports for exports in the U.S.

Given the characteristics of the subject's neighborhood (including its development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes),

AREA/NEIGHBORHOOD ANALYSIS (CONTINUED)

the outlook for the area is growth.

Summary. In conclusion, the neighborhood is well located with good accessibility to other communities in Brazoria County, major thoroughfares, and surrounding communities. The area is approximately 80% built-up, allowing ample opportunity for future growth. Commercial properties should remain stable as the area continues to develop. Additionally, well-maintained and well-managed properties are expected to have stabilized occupancy rates. The subject's neighborhood is considered to have a stable influence on the subject property being appraised. It appears that demand for commercial and industrial properties, including single and multi-tenant facilities has stabilized. Commercial properties should maintain stability, with some areas showing increases due continuing economic recovery.



ASSESSMENT AND TAXES

The Brazoria County Appraisal District maintains the following account number for the subject property: 164238. The 2023 assessed value and 2022 applicable tax rates for the taxing jurisdictions, and the estimated tax liability are shown below.

2023 Assessed Property Value		
Land		\$132,180
Improvements		\$0
Total		\$132,180
Taxing Jurisdiction	Tax Rate/\$100	Tax Liability
City of Freeport	\$0.600000	\$793
Velasco Drainage District	\$0.074490	\$98
Brazoria County	\$0.291106	\$385
Brazosport College	\$0.285895	\$378
Port of Freeport	\$0.035000	\$46
Road and Bridge Fund	\$0.050000	\$66
Brazosport Independent School District	\$1.133000	\$1,498
Total	\$2.469491	\$3,264

Based upon the above assessed value and tax rates, the ad valorem tax liability for the subject property is estimated to be approximately \$3,264. The tract is fully exempt as its ownership is the City of Freeport.

SITE DATA

An analysis of a site is particularly important in determining its highest and best use. We were provided with a survey and legal description of the subject site. We have relied upon the survey and the Brazoria County Appraisal District records and facet maps for the identification of the subject site. The following is a discussion of the most important factors of the subject site.

Legal Descriptions. The subject property can legally be described as 0.1430 acres, Tract 2 & Levee Portion of Groce Street ROW, Brazoria County, Texas.

Location/Access. The subject is located south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. The subject property is currently land locked with only water frontage no street frontage. It should be noted that the subject is a former drainage easement that is currently under negotiations to be purchased by the adjacent land owner to combine with the current lot and gain frontage water frontage and for the subject to gain roadway frontage.

Physical Characteristics. The subject is a 0.143 acres or 6,229 square foot site formally encumbered by a drainage easement that is mostly rectangular in shape. However, the easement has been abandoned and is planned to be sold by the city.

Site Improvements. The subject property is currently a vacant tract of land.

Off-Site Improvements. At the subject site, Mystery Harbor Lane is a -lane, two-way, asphalt paved roadway, with open ditch drainage.

Adjacent Land Use. The subject tract is surrounded by vacant land to the south and the upper turn around basin for the Port of Freeport. To the north and west are single family homes.

Restrictions. The subject tract site is located within the City of Freeport which does utilize zoning to regulate development. The subject site appears to be zoned Residential (R1), which appears to limit development to residential development. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Easements. According to the information provided and our visual observation, there are typical utility easements located along the property's boundary lines. We are unaware of any adverse easements which would negatively affect the development of the site.

Utilities. The property has water and sanitary sewer available from the City of Freeport. Electricity is provided by NRG Energy and gas is provided by CenterPoint Energy. Telephone service is provided by AT&T.

SITE DATA (CONTINUED)

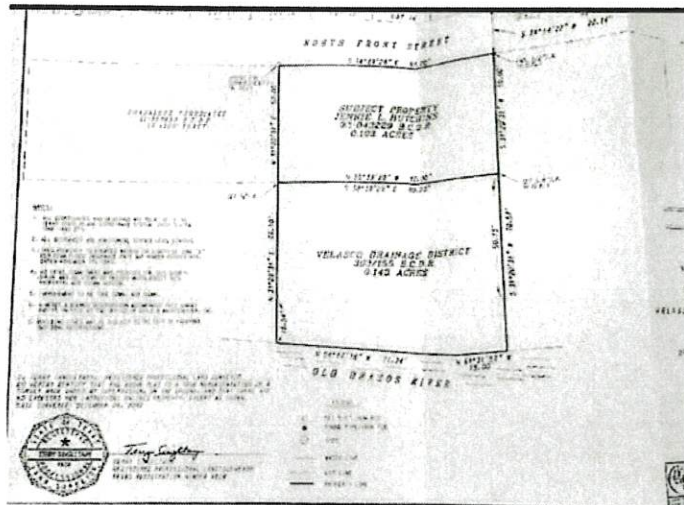
Topography/Flood Plain. At the time of our site visit, the subject site slightly slope towards the water but is well-drained. There are no soil or subsoil conditions noted that would adversely affect construction as evidenced by the nearby improvements. The subject property appears to be within shaded Zone A which is inside the 100 year flood hazard area, with base flood elevation determined per FIRM Panel 48039C0785K, dated December 30, 2020. The determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report..

Environmental. We were not furnished with an Environmental Assessment of the property. We did not observe any hazardous contaminants that would be of concern during our site visit to the property. It should be noted that we are not experts in recognition and identification of hazardous waste.

Political Jurisdiction. The site is served by the Brazosport Independent School District and Brazoria County, the City of Freeport and its related entities. Fire and police protection are supplied by City of Freeport and Brazoria County.

Conclusions/Analysis. The subject property contains a total of 0.1430 acre (6,229 square feet) of land. It has does have access to utilities but does not have roadway frontage and is located inside the 100 year flood hazard area. The subject tract although being landlocked has what is considered to be a usable configuration, with a level topography and flood plains location is typical of properties in this area and should not impact potential development along the property. On an overall basis, the economic unit is considered to be well suited for development is assemble with another site.

For further details as to the site configuration, please reference the following survey and aerial map subject photographs and flood plain map located in the addenda.



SITE DATA (CONTINUED)



ZONING

The subject site is located within the City of Freeport which does utilize zoning to regulate development. The subject site appears to be zoned Residential (R1), which appears to limit development to residential development. Uses in this district include manufacturing, wholesale warehousing, transportation of goods and port, harbor and other marine related uses. We were not provided with a copy of any applicable deed restrictions for the subject property. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

HIGHEST AND BEST USE

The subject economic unit includes a total of 0.1430 acres, and is south of the southwest line of Mystery Harbor Lane (Front Street), southwest of Groce Street. It does have access to utilities and has what is considered to be a usable configuration with a generally level topography but does not have roadway frontage and is located inside the 100 year flood plain with base elevations determined. Additionally, as indicated in the Site Data section, the subject site is located within the city of Freeport which does enforce zoning. The subject is zoned Residential (R1). We were not provided with a copy of any applicable deed restrictions for the subject property. Our value conclusions are subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Based on the surrounding development, we feel that of the possible uses, residential use is the most probable. At the present time, residential development appears to be physically possible, legally permissible, and is currently considered financially feasible. Accordingly, the maximally productive use of the subject site is likely residential assemblage with another site to allow street frontage. Therefore, we feel the highest and best use of the subject site would be assemblage for residential development.

MARKET APPROACH TO VALUE - LAND ONLY

In reaching the land value opinion of the subject property by the market data approach, we searched the Brazoria County Deed Records for recent sales of comparable properties within this area. We also consulted real estate brokers and appraisers active in the area as to their knowledge of properties currently offered on the market for sale which would be in competition with the subject property.

We then investigated, analyzed and compared the available market data to the subject property, taking into prime consideration the various similar and dissimilar characteristics, including terms of sale, and made adjustments accordingly in reaching the value opinion of the subject property by the market approach.

LAND SALES ANALYSIS - CONTINUED

The following summary table contains information of the land sales considered in our analysis of the subject property:

<i>SALE</i>	<i>DATE</i>	<i>SIZE (SF)</i>	<i>PRICE (\$/SF)</i>	<i>LOCATION</i>
1	7/2/18	8,718	\$5.25	South of the south line of S Front Street, west of N Velasco Boulevard
2	6/12/19	12,676	\$0.79	South of the south line of S Front Street, west of N Velasco Boulevard
3	4/30/21	5,001	\$10.80	S/L of Shark Lane, east of King Lane
4	10/26/21	12,037	\$4.98	North of the north line of 2 nd Street, west of Cedar Street
5	12/16/22	9,078	\$12.67	S/L of S Front Street, west of N Velasco Boulevard

When comparing these sales to the subject parcel, the factors considered to be the most critical were conditions of sale, financing terms, date of sale, size, location and access, physical characteristics, and utility availability. Each of the sales were compared to the subject property and adjusted on that basis. Given the difference in location we have considered a qualitative analysis versus a qualitative analysis. Please see the attached sales map in the addenda section of this report. The following is a discussion of the comparisons used in our analysis when compared to the economic unit.

Conditions of Sale. Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. Buyers or sellers acting under duress may cause a sale to be less representative of the market. A financial, business, or family relationship between the parties may affect the price of a property. When non-market conditions of sale are detected in a transaction, the sale can be used as a comparable only with great care. The circumstances of the sale must be thoroughly researched before an adjustment is made. Although conditions of sale are often perceived as applying only to sales that are not arm's-length transactions, some arm's-length sales may reflect atypical motivations or sale conditions due to unusual tax considerations, sale at legal auction, lack of exposure on the open market, or eminent domain proceedings. If the sales used in the market approach reflect such situations, an appropriate adjustment must be made for motivation or conditions of sale. None of the sales included in this report required an adjustment for this factor.

Financing Terms. The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, a buyer may pay a higher price in a transaction which involves below market or favorable financing. Favorable financing can be in terms of a below market interest rate, a small down payment, an interest only loan, a non-recourse or limited liability loan, or a loan based upon the cash flow of the project. All of the sales in this report were cash to the seller, therefore no adjustments are deemed necessary.

Date of Sale. Changes in market conditions may be the result of inflation, deflation, fluctuations in supply and demand, changes in highest and best use, or other factors. Although this adjustment is often referred to as a "time" adjustment, time is not the cause of the adjustment, but a reflection of

LAND SALES ANALYSIS - CONTINUED

shifts, or changes in market conditions. Therefore, if market conditions have not changed, no adjustment is deemed necessary, no matter how much time has elapsed.

The sales included in this report ranged in date of sale from July 2, 2018 to December 16, 2022. Generally, land value rise over time due to inflation and the decreasing supply of land. All of the Sales are judged equal given the somewhat recent nature.

Location. The location adjustments occur when the comparable sale is located in an area that is either more or less desirable than the subject, in relationship to absorption and new construction starts. Also, surrounding development and property use trends are given consideration. It should be noted that the subject does not have frontage along a primary roadway similar to most of the Sales. Sales 3 and 4 are felt to be in locations with superior surrounding development compared to the subject. All other Sales felt to be in a location with similar surrounding development as the subject and are not adjusted for this factor.

Size. The subject site contains 0.1430 acres or 6,229 square feet, whereas the comparable sales range from 5,001 to 12,676 square feet. In most areas of the Houston CMSA, smaller tracts of land sell for a higher price per unit than larger properties. This is due to the fact that purchases of large acreage tracts entail a much greater capital outlay. Pairing sales to determine a size adjustment was analyzed, however no correlation could be determined. In other areas of the Houston MSA, a size adjustment of 5% for each doubling/halving of size is fairly common. Sales 2 and 4 are inferior and the other Sales are felt to be similar.

Corner/Frontage Influence. Properties which enjoy a corner location or have frontage along more than one roadway typically sell at a higher per unit value due to increased exposure and accessibility. The subject property is a interior tract with no frontage along a public roadways. Sales 3 and 5 do have roadway frontage and are felt to be superior when compared to the subject. All of the other sales are interior tracts that did not have roadway frontage either and are felt to be similar to the subject.

Site Characteristics. Properties which have very irregular shapes, are located in flood hazard areas with undevelopable portions or have undesirable topography tend to have lower values. The subject property is located inside the flood hazard area and is rectangular in shape. All of the Sales are felt to be similar to the subject in regards to this factor.

Utility Availability. The availability of utilities is a major factor in the development of any property. If a site has no access to utility service and cannot acquire access, it is virtually impossible to develop. Therefore, the price paid for such a site would be affected due to its lack of utilities. In this case, an owner must make up the expense for acquiring the services and enhancing the site's value. The subject property does have utilities. All of the Sales had utilities at the time and are felt to be equal to the subject.

LAND SALES ANALYSIS - CONTINUED

The land sales adjustment grid below shows our adjustments as they pertain to the subject property:

LAND SALES ADJUSTMENT GRID

SALE	1	2	3	4	5
Price/SF	\$5.25	\$0.79	\$10.80	\$4.98	\$12.67
DATE	7/2/18	6/12/19	4/30/21	10/26/21	12/16/22
CONDITIONS OF SALE	E	E	E	E	E
TIME ADJUSTMENT	E	E	E	E	E
TOTAL ADJUSTMENT	E	E	E	E	E
ADJUSTED \$/SF	\$5.25	\$0.79	\$10.80	\$4.98	\$12.67
SIZE (SF)	8,718	12,676	5,001	12,037	9,078
LOCATION	E	E	S	S	E
SIZE	E	S	E	S	E
CORNER INFLUENCE/ FRONTAGE	E	E	S	E	S
SITE CHARACTERISTICS	E	E	E	E	E
UTILITIES	E	E	E	E	E
TOTAL PHYSICAL ADJ.	S	S	S	S	S
FINAL ADJ. \$/SF	\$5.25	\$0.79	\$10.80	\$4.98	\$12.67

The sales within the Adjustment Grid have an adjusted sales price ranging from \$0.79 per square foot to \$12.67 per square foot with an average adjusted price per square foot of \$6.90. Sales 1, 2 and 4 are of other river frontage tracts similar to the subject that did not include roadway frontage. These Sales range from \$0.79 per square foot to \$5.25 per square foot with an average of 3.67 per square foot. We have placed primary emphasis on sale 4 given its more recent nature and similarity to the subject being landlocked as well. Therefore, based on the above land sales analysis, and considering the subject's highest and best use and location, it is our opinion that the market value of the subject economic unit is as follows:

$$\begin{array}{rclclcl}
 6,229 & \text{Square Feet} & @ & \$5.00 & \text{Per Square Foot} & = & \$31,145 \\
 & \text{Rounded} & & & \$30,000 & &
 \end{array}$$

RECONCILIATION AND FINAL VALUE OPINION

The Market Approach was used in this appraisal to provide an opinion of the value of the subject parent site or easement tract. The strength of the sales comparison approach in any appraisal is that if comparable market data is available, it should accurately reflect the attitudes of typical buyers and sellers in the market place. In other words, sales of comparable properties can be analyzed and compared to the subject with adjustments being made for various different characteristics.

Final Value Opinion. The Market Approach to Value was utilized. The final opinion of value must be based upon that confirmation of the available market data and analysis which is most appropriate. In our opinion, the Market Approach is well documented and supported by good market data. Thus, we have placed emphasis on this approach. It is our opinion the subject property, if properly marketed, could be sold within a 12-month exposure period. The effective date of our "As Is" value opinion is August 7, 2023. Our opinion of the market value of the subject property is as follows:

\$30,000

There are no hypothetical conditions or extraordinary assumptions for this appraisal.

ADDENDA

QUALIFICATIONS

QUALIFICATIONS OF: MICHAEL B. LANE, MAI

Business

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008

Telephone: (713) 863-1414
Fax: (713) 863-8822
Email: michael@mblane.com

Employment History

1999 to Present	MBLane & Associates, Inc	President	Houston, TX
1997 to 1999	First Union Capital Markets Group	Vice President	Houston, TX
1994 to 1997	Banc One Capital Markets Group	Underwriter	Houston, TX
1986 to 1994	Edward B. Schutlz & Company	Senior Appraiser	Houston, TX

Education

University of Arkansas	Bachelor of Business Administration	Major: Finance & Real Estate	1985
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Certifications

General Real Estate Appraiser in the State of Texas
Licensed Real Estate Broker in the State of Texas
Member - Appraisal Institute (MAI)

Certification Number: TX-1322609-G
Licence Number: 0373554
Current - 9/30/25

Training (1989 to Present)

Appraisal Reporting
Basic Valuation Procedures
Capitalization Theory & Techniques, Part A
Capitalization Theory & Techniques, Part B
Case Studies in Real Estate Valuation
Defensible Appraisal
Demonstration Report Writing
Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets
General Market Analysis and Highest & Best Use
Interagency Rules of Banks & Credit Unions
National USPAP Update
Property Tax
Real Estate Appraisal Principles
Report Writing and Valuation Analysis
Sales Comparison-Adjustment Process
Standards of Professional Practice, Part A
Standards of Professional Practice, Part B
Write It Up

QUALIFICATIONS OF: MICHAEL B. LANE, MAI - CONTINUED

Types of Real Estate Appraised & Consulting Assignments

Assisted Living Facilities
Automobile Dealership
Automotive Repair Facilities
Business Parks
Churches
Condemnation
Convenience Stores
Fast-Food Franchises
Garden Apartments
Greenhouse/Nurseries
Industrial & Manufacturing
Leasehold Valuation
Manual & Full Service Car Washes
Medical Office Buildings
Mini-Warehouses
Mobile Home Parks
Motels & Hotels
Nursing Homes
Office Buildings
Recreational Vehicle Park
Resort and Recreational Development
Restaurants/Bars
Service Stations
Shopping Centers
Single-Family Subdivisions
Special Purpose Properties
Time Share Project
Townhouse Developments
Vacant Land

Partial List of Representative Clients

Allegiance Bank	Lowery Bank
Alliance Bank	Members Choice Credit Union
Bancorp South	Moody National Bank
BB&T	Patriot Bank
BBVA Compass	Plains State Bank
Beal Bank	Post Oak Bank
CBB Bank	Prosperity Bank
Chase/JP Morgan	Q10 Kinghorn, Driver, Hough & Co.
Citizens State Bank	Regions Bank
City Bank Texas	Smart Financial Credit Union
Coamerica Bank	StanCorp Mortgage Investors
Community First Bank & Trust	Stearns Bank
East West Bank	Symetra Financial
Evolve Bank & Trust	Synergy Bank
Fidelity Bank	Texas Advantage Community Bank
GE Capital	Texas Gulf Bank
Guaranty Bank & Trust	Tradition Bank
Heritage Bank	Trustmark Bank
IBC Bank	US Bank
Independence Bank	ValueBank Texas
Independent Bank of Texas	Wells Fargo Bank
Iron Stone Bank	Wilshire State Bank

Various Types of Studies

Environmental Impact Studies
Feasibility Studies
Highest and Best Use Studies
Market Studies



QUALIFICATIONS OF LEE DOEHRING

Business Address

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008

Telephone (713) 863-1414
Fax (713) 863-8822
Email: lee@mblane.com

Appraisal Employment History

2018-Present	MBLane & Associates, Inc.	Appraiser Trainee	Houston, TX
2012-2015	Hogg Appraisal Company	Internship	Fort Worth, TX

Education

Texas Tech University	Bachelor of Science	Major: Agricultural and Applied Economics
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Certification

Trainee Certification - #TX1342044 expires August 31, 2025

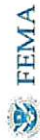
Types of Real Estate Appraisal Assignments

Retail Centers	Garden Apartments
Office Buildings	Warehouses
Single Family	Freestanding Retail Buildings
Vacant Land	Convenience Stores
Condo	Self-Storage Facilities
Medical Office Buildings	Automotive Sales & Repair Facilities

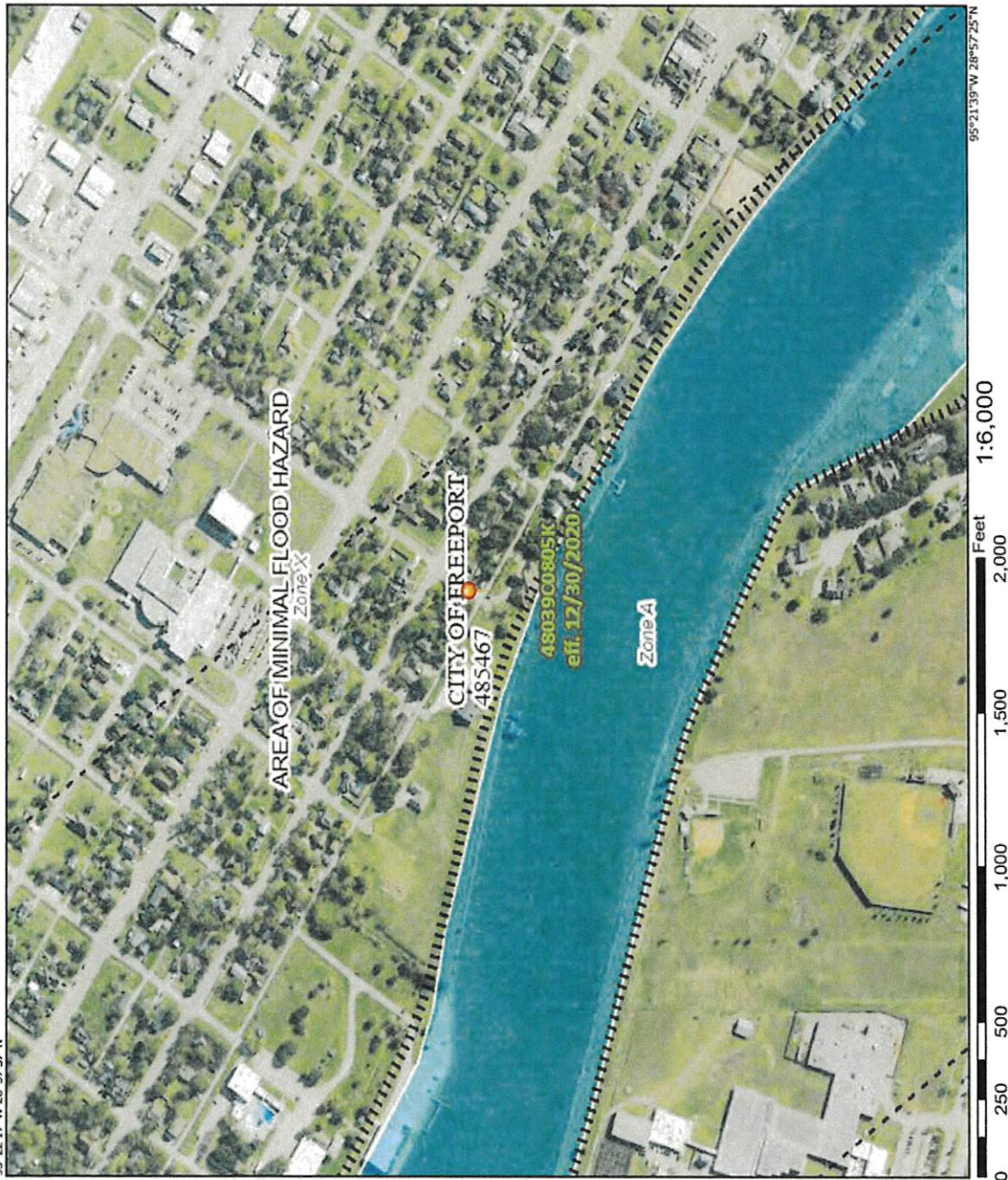


FLOOD MAP

National Flood Hazard Layer FIRMette



95°22'17"W 28°57'57"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with draining areas of less than one square mile Future Conditions 1% Annual Chance Flood Hazard Area with Reduced Flood Risk due to Levee. See Notes, Zone A Area with Flood Risk due to Levee Zone D
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Effective LOMRs
GENERAL STRUCTURES	Area of Undetermined Flood Hazard Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature
MAP PANELS	Digital Data Available No Digital Data Available Unmapped

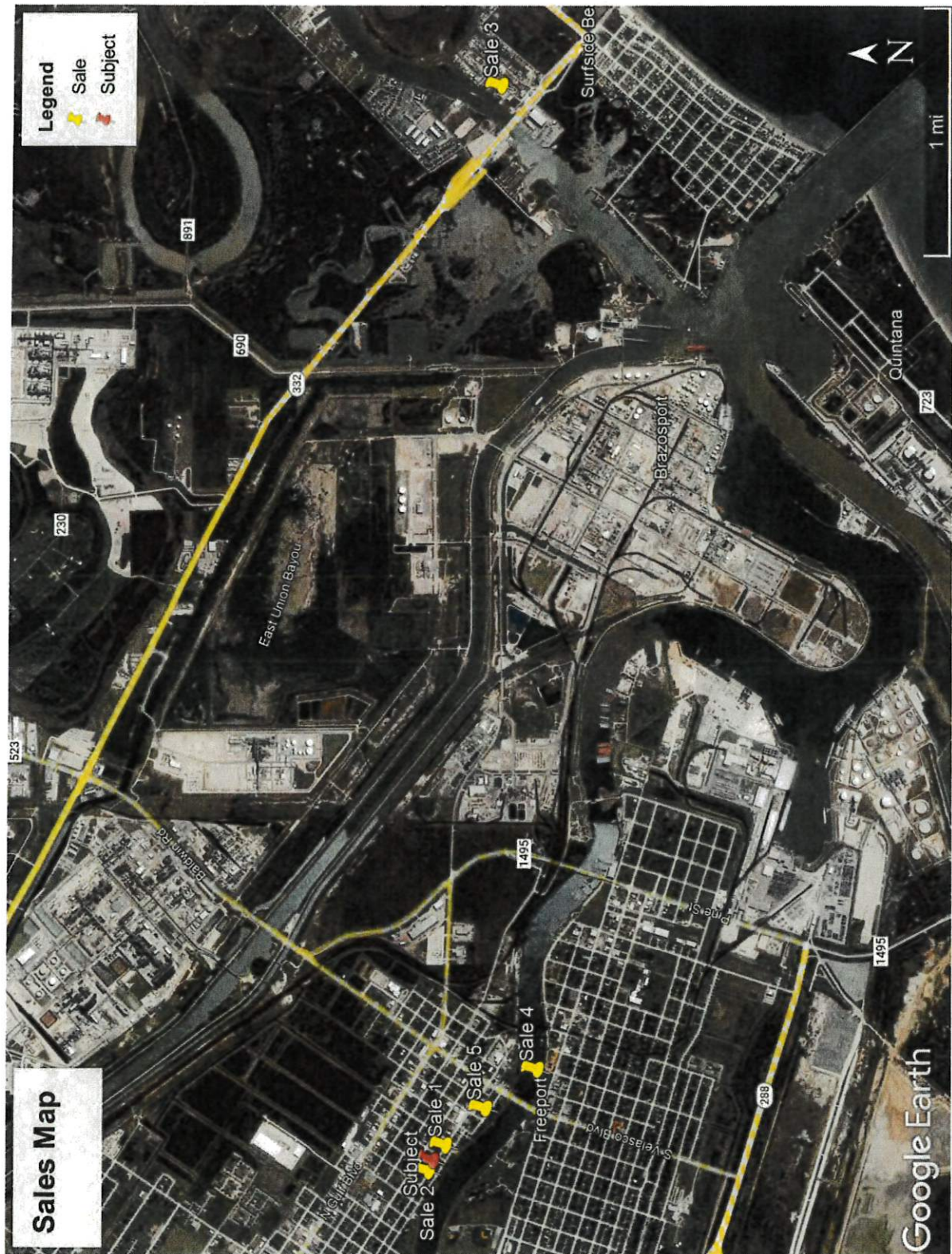
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/10/2023 at 4:54 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

LAND SALES MAP



SUBJECT PHOTOGRAPHS



Subject Property



Alternate View of Subject Property



Street View Looking North Down Mystery Harbor Lane



Street View Looking South Down Mystery Harbor Lane

ENGAGEMENT LETTER

Chrissy Sebesta

From: Michael Lane
Sent: Tuesday, July 25, 2023 2:41 PM
To: Chrissy Sebesta
Cc: Lee Doebling
Subject: FW: Proposal for Appraisal

Use this email for an engagement

Michael B. Lane, MAI
MBLane & Associates, Inc.
8990 Hempstead Hwy., Suite 102
Houston, Texas 77008
Phone - 713-863-1414
Fax - 713-863-8822
Cell - 713-306-4041
Email – Michael@Mblane.com
Website – Mblane.com

**MBLANE
& ASSOCIATES**

From: Tim Kelty <tkelty@freeport.tx.us>
Sent: Tuesday, July 25, 2023 8:09 AM
To: Michael Lane <michael@mblane.com>
Subject: Re: Proposal for Appraisal

****This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments****

Thank you Michael. Please proceed.

Tim

Sent from my iPhone

On Jul 24, 2023, at 2:29 PM, Michael Lane <michael@mblane.com> wrote:

Tim,

The fee would be \$800 and timing of 2 weeks.

Let me know if you would like to proceed.

Thanks,

Michael

Michael B. Lane, MAI
MBLane & Associates, Inc.
8990 Hempstead Hwy., Suite 102
Houston, Texas 77008
Phone - 713-863-1414
Fax - 713-863-8822
Cell - 713-306-4041
Email - Michael@Mblane.com
Website - Mblane.com

<image002.png>

From: Tim Kelty <tkelty@freeport.tx.us>
Sent: Friday, July 21, 2023 2:09 PM
To: Michael Lane <michael@mblane.com>
Subject: Proposal for Appraisal

**** This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments! ****

Good afternoon Michael,

Will you provide me a proposal for another appraisal?

I need an appraisal for a 0.143 acre tract along the Old Brazos River, through which the levy runs, between the water and 104 W. Mystery Harbor Lane (AKA Front Street). The property owner of 104 desires to purchase the property and redevelop in to a single lot with river frontage. I have included a copy of a survey he has provided. If you need a cleaner copy let me know.

Last year we had Barry Colman of Angleton Real Estate Appraisal do a similar appraisal on the next block west at 6 Front Street(attached) That appraisal was approved by the city council and the property owner for the sale of the property.

Thanks,

Tim

Timothy Kelty
City Manager
City of Freeport
972-217-6225

<image003.jpg>



City Council Agenda Item #10.

Title: Consideration and possible action regarding Ordinance 2023-2709 amending regulations for amplified sound.

Date: September 18, 2023

From: Tim Kelty, City Manager

Staff Recommendation: Staff Recommends that Council discuss the proposed ordinance make any additional changes it feels merited and adopt the ordinance.

Item Summary: This ordinance will amend existing regulations regarding the production of amplified sound, providing city staff responsible for enforcing regulations clearer guidelines.

Background Information: The existing regulations of the City regarding amplified sound are very antiquated. They provide limited and arbitrary guidance to Staff in regard to enforcement. It is the city attorney's recommendation that the regulations be updated to more current and tested standards.

Special Considerations: The ordinance attached is Mr. Olson's first draft of proposed changes with the structure he is recommending regarding tying decibel levels to enforcement. He is continuing to work on the ordinance and the final recommendation for changes will be presented on Monday.

Financial Impact: NA

Board or 3rd Party Recommendation: NA

Supporting Documentation:

1. Amplified Sound ordinance proposed
2. Existing regulations regarding amplified sound

ORDINANCE NO. 2023-2709

AN ORDINANCE AMENDING THE CITY OF FREEPORT'S CODE OF ORDINANCES BY AMENDING SECTION 28-20 - CERTAIN ACTS AND SOUNDS DECLARED AS SPECIFIC NOISES, BY ADDING A NEW SUBSECTION (14) TO SECTION 28-20 TO ESTABLISH MAXIMUM PERMISSIBLE SOUND LEVELS; CONTAINING A PREAMBLE AND FINDINGS OF FACT; FINDING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AND PROPERLY PUBLISHED AS REQUIRED BY LAW; CONTAINING A SEVERABILITY CLAUSE; CONTAINING A PENALTY CLAUSE UP TO \$500 PER OFFENSE AND THAT EACH AND EVERY OCCURRENCE SHALL CONSTITUTE A SEPARATE OFFENSE; CONTAINING A REPEALER CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS DESCRIPTIVE CAPTION HAS BEEN PUBLISHED TWICE IN THE BRAZOSPORT FACTS.

* * * * *

WHEREAS, the City of Freeport (the "City") recognizes that excessive noise can be harmful to persons and is considered a nuisance;

WHEREAS, the City Council of City wants to establish maximum permissible sound levels to ensure that certain unreasonable noises are prohibited in the City;

WHEREAS, the City Council has determined, based upon the findings stated above, that the regulations established by this Ordinance are necessary for the good government, peace and order the City; and

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

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

Section 1. The findings and recitations set out in the preamble to this Ordinance are

found to be true and correct and they are hereby adopted by the City Council and made part hereof for all purposes.

Section 2. Section 28-20 is hereby revised by adding a new Subsection (14) to read as follows:

“Section 28-20. – Certain acts and sounds declared as specific noises.

* * *

(14) In addition to the specific noises established by this section, it is unlawful for any person to make, assist in making, permit, continue, cause to be made or continued, or permit the continuance of any sound at any location beyond the property lines of the property on which the sound is being generated that when measured by a calibrated sound level meter exceeds the applicable dB(A) level listed below for the property on which the sound is received:

(a) Residential property:

1. 65 dB(A) during daytime hours.
2. 58 dB(A) during nighttime hours.

(b) Nonresidential property: 68 dB(A) at all times.

Any sound that exceeds the dB(A) levels set forth in this section is a violation of this chapter. Evidence that an activity or sound source produces a sound that exceeds the dB(A) levels specified in this section shall be prima facie evidence of a sound that unreasonably disturbs, injures, or endangers the comfort, repose, health, peace, or safety of others in violation of this chapter. Regardless of the measurable dB(A) level established in this chapter and measured in a manner provided in section 30-6, the creation of any sound causing persons occupying or

using any property other than the property upon which the sound is being generated to be aware of vibrations or resonance caused by the sound shall be prima facie evidence of a sound that unreasonably disturbs, injures, or endangers the comfort, repose, health, peace, or safety of others in violation of this chapter.”

Section 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgement or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

Section 4. Any person violating this section shall be guilty of a misdemeanor and upon conviction therefor, shall be fined not to exceed \$500 each day any such violation continues or occurs shall constituted a separate offense.

Section 5. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

Section 6. This Ordinance shall take effect and be in force from and after the descriptive caption of this ordinance has been published twice in the Brazosport Facts.

READ, PASSED AND ADOPTED this ____ day of _____, 2023.

Brooks Bass, Mayor

ATTEST:

Betty Wells, City Secretary

APPROVED AS TO FORM ONLY:

David W. Olson, Interim City Attorney

- **Sec. 28-19. - Unreasonable noise prohibited.**

(a) The creation at any place in the city of any noise specified in any subsection of [section 28-20](#) under the circumstances specified in such subsection, which is unreasonably loud, disturbing and unnecessary is hereby declared to be a public nuisance and prohibited.

(b) In any prosecution in the municipal court of the city or any other court of competent jurisdiction for a violation of subsection (a) of this section, proof of the creation of any noise specified in any subsection of [section 28-20](#) under the circumstances specified in such subsection shall be prima facie evidence that such noise is unreasonably loud, disturbing and unnecessary.

(Code 1968, § 20-1; Code 1996, § 93.01; Ord. No. 1816, 6-16-1997)

- **Sec. 28-20. - Certain acts and sounds declared as specific noises.**

The following noises are hereby declared to be unreasonably loud, disturbing, and unnecessary noises:

(1) The sounding of any horn or signal device on any automobile, motorcycle, bus, streetcar, or other vehicle while not in motion, except as a danger signal if another vehicle is approaching apparently out of control, or if in motion only as a danger signal after or as brakes are being applied and deceleration of the vehicle is intended; the creation by means of any such signal device of any unreasonably loud or harsh sound; and the sounding of such device for any unnecessary and unreasonable period of time.

(2) The use of a stationary loudspeaker or amplifier at any time between the hours of 11:00 p.m. on one day and 7:00 a.m. on the next succeeding day or on Sunday between the hours of 7:00 a.m. and 1:00 p.m.

(3) The use of any automobile, motorcycle, streetcar, or vehicle so out of repair, so loaded, or operated in such manner as to create loud or unnecessary noises such as spinning or squealing tires, grating, grinding, rattling or other noise.

(4) The blowing of any steam whistle attached to any stationary boiler except to give notice of the time to begin or stop work or as a warning of danger.

(5) The discharge into the open air of the exhaust of any steam engine, stationary internal combustion engine, motor vehicle, or boat engine, except through a muffler or other device which will effectively prevent loud or explosive noises therefrom.

(6) The use of any mechanical device operated by compressed air, except pneumatic drills, unless the noise thereby created is effectively muffled and reduced.

(7) The erection (including excavation), demolition, alteration, or repair of any building in a residential or business district other than between the hours of 7:00 a.m. and 6:00 p.m. on weekdays, except in case of urgent necessity in the interest of public safety, and then only with a permit from the city council, which permit may be renewed for a period of three days or less while the emergency continues.

(8) The creation of any excessive noise on any street adjacent to any school, institution of learning, or court while the same are in session, or adjacent to any hospital, which unreasonably

interferes with the working of such institution, provided conspicuous signs are displayed in such streets indicating that the same is a school, hospital, or court street.

(9) The creation of a loud and excessive noise in connection with the loading or unloading of any vehicle or the opening and destruction of bales, boxes, crates, and containers.

(10) The sounding of any bell or gong attached to any building or premises which is reasonably calculated to disturb a person of ordinary disposition if such person were in the vicinity thereof.

(11) The shouting and crying of peddlers, hawkers, and vendors which disturbs the quiet and peace of the neighborhood.

(12) The use of any drum, loudspeaker, or other instrument or device for the purpose of attracting attention by creator of noise to any performance, show, or sale of merchandise.

(13) The playing of any musical instrument, radio, phonograph, CD player, audio tape player or other electronic sound-generating device in any public place or on any private premises in such manner, or with such volume, as to create a noise which is disturbing to a person of ordinary sensibilities under the same or similar circumstances who is either located in a public place or at a private premises or habitation to which such noise has carried.

(Code 1968, § 20-2; Code 1996, § 93.02; Ord. No. 1816, 6-16-1997)

- **Secs. 28-21—28-43. - Reserved.**

- **DIVISION 2. - SOUND AMPLIFYING EQUIPMENT**

-

- **Sec. 28-44. - Prohibited use of loudspeakers and amplifier**

- (a) A person commits an offense if he operates or causes to be operated any mechanical loudspeaker or sound amplifier in a public place or upon any public sidewalk, street, alley or highway in the city if such operation:

(1) Occurs between sundown of one day and 8:00 a.m. of the succeeding day within 150 feet of the property line of any premises on which a single-family, duplex or multifamily dwelling is located;

(2) Causes loud and raucous noises to be emitted which interfere with the enjoyment of life or property or with the public peace and comfort;

(3) Causes traffic congestion or the congregation of crowds that obstruct any public sidewalk, street, alley or highway; or

(4) Occurs within 150 feet of any hospital, nursing home or licensed adult personal care facility or any school or children's day care that is in session.

(b) If conduct that would otherwise violate this section consists of speech or other communication, of gathering with others to hear or observe such speech or communication, or of gathering with others to picket or otherwise express in a nonviolent manner a position on social, economic, political or religious questions, the person must be ordered to move, disperse or otherwise remedy the violation prior to arrest or citation. Such order may be given by a peace officer, a firefighter, a person with authority to control the use of any affected premises or any person directly affected by

the violation.

(Code 1968, § 20-13; Code 1996, § 93.20; Ord. No. 1097, 1-6-1964; Ord. No. 1802, 8-5-1996)

- **Sec. 28-45. - Affirmative defenses.**

It is an affirmative defense to any violation of [section 28-44](#) if:

(1) The circumstances require that an order to move, disperse or otherwise remedy the violation be given and:

- a. No order was in fact given;
- b. The order given was manifestly unreasonable in scope;
- c. The order given was promptly obeyed; or

(2) The mechanical loudspeaker or sound amplifier was being operated:

- a. In a public place within an enclosed structure and was not audible beyond the property line of the premises on which it was operated;
- b. By a law enforcement officer or member of the fire department in the performance of official duties;
- c. For the purpose of alerting persons to the existence of an emergency or danger; or
- d. In the performance of emergency work necessary to restore public utilities, to restore property to a safe condition, or to protect persons or property from imminent danger following a fire, accident or natural disaster.

(Code 1968, § 20-14; Code 1996, § 93.21; Ord. No. 1097, 1-6-1964; Ord. No. 1802, 8-5-1996)

- **Sec. 28-46. - Permit required.**

It shall be unlawful for any person to use any sound amplifying equipment within the city without having first obtained therefor a permit.

(Code 1968, § 20-20; Code 1996, § 93.22)

- **Sec. 28-47. - Application; fee.**

(a) Any person desiring a permit required by the provisions of this division shall make application to the city secretary on a form prepared for such purpose. Such application shall show the date, place, time, and location where such equipment is to be used; together with the name of the applicant and type of equipment to be used.

(b) Every application for a permit required by the provisions of this division shall be filed with the city secretary at least 14 days prior to the date of the intended use of the sound amplifying equipment.

(c) Each application for a permit required by the provisions of this division shall be accompanied by an application fee of \$3.00. Such fee shall be deposited to the general fund of the city and shall not be refunded if the permit is denied to the applicant.

(Code 1968, §§ 20-21, 20-22, 20-23; Code 1996, § 93.23; Ord. No. 1097, 1-6-1964)

• **Sec. 28-48. - Consideration of application; issuance.**

The city secretary shall either grant or deny the sound amplifying equipment permit on or before ten days from the date the application therefor is received.

(Code 1968, § 20-24; Code 1996, § 93.24; Ord. No. 1097, 1-6-1964)

• **Sec. 28-49. - Vehicular electronic sound generating devices.**

(a) It shall be unlawful for any person, in either a public or private place within the city, to operate an electronic sound generating device from a vehicle in a manner so that the sound generated by such device causes vibrations in any object or person which are noticed by a person outside of the vehicle.

(b) In any prosecution under subsection (a) of this section, it is an affirmative defense if:

(1) The sound generated by the electronic sound generating device is human speech being broadcast from a vehicle by a loudspeaker as it is being uttered by a person using a microphone, and the person using the microphone to broadcast from a vehicle had not been warned earlier by a police officer or an employee of the city that such broadcasting from a vehicle within the city is a violation of this Code and that charges will be filed if the person continues to broadcast without obtaining a permit to use sound amplifying equipment within the city in accordance with the applicable provisions of [section 28-46](#);

(2) The electronic sound generating device contains sound amplifying equipment, and a permit for the use of such sound amplifying equipment has been obtained in accordance with [section 28-46](#), and is still in effect;

(3) The electronic sound generating device is a horn being used in the manner required by state traffic law;

(4) The vehicle is an authorized emergency vehicle as defined in the V.T.C.A., Transportation Code § 541.201;

(5) The vehicle is in a parade which is included under one of the categories for an affirmative defense listed in [section 42-7](#); or

(6) The vehicle is being used for advertising and has received a permit for such use under [section 42-5](#).

(c) A culpable mental state is not required for the commission of an offense under this section.

(Code 1996, § 93.25; Ord. No. 2006-2124, 6-5-2006)



City Council Agenda Item #11.

Title: Consideration of awarding a competitive sealed bid 2023-03 annual fuel and alternative fuel contract to MidTex Oil LP.

Date: September 18, 2023

From: Cathy Ezell, Finance Director

Staff Recommendation: Staff recommends awarding competitive sealed bid #2023-03 bid line items #1-15 to MidTex Oil LP, rejecting all bids for all other lined items, and authorizing the City Manager to execute a contract with MidTex Oil LP.

Item Summary: Staff advertised for Competitive Sealed Bids for all supervision, materials, labor and equipment necessary to furnish and deliver gasoline and diesel fuel, and other and alternative fuels for the city fueling station in the Facts newspaper July 25, 2023 and August 1, 2023. This was the second attempt to obtain bids for fuel. The first time we did not receive any bids. We only received one bid for gasoline and diesel and two bids for other and alternative fuels. The bids were opened on Thursday, August 10, 2023.

Background Information: The new fuel tanks will be installed by the end of September that were approved by Council in July. They will be located at the Service Center. Once the tanks are installed the City will begin receiving fuel under this contract. The Service Center utilizes approximately 74,000 gallons of unleaded fuel and 18,000 gallons of diesel fuel annually. Bids prices are based on a fixed differential in excess of the following formula: The daily pricing listed on the Oil Price Information Service (OPIS) Pad 3 Report for Houston, Texas Rack Prices posted for reformulated unleaded gasoline and Ultra Low Sulfur #2 Diesel.

Special Considerations: N/A

Financial Impact: The fuel costs are included in the budget.

Board or 3rd Party Recommendation:

Supporting Documentation:

1. Fuel Bid Analysis 2023
2. MidTex RFP

**City of Freeport
Fuel Bid Analysis**

Costs Based on Averages Gallons

	Average Gallons
Golf Diesel Average	202
Service Center Diesel Average	2,246
Service Center Gasoline Average	5,290

Sun Coast	Cost
Golf Diesel	123
Service Center Diesel Average	1,349
Service Center Gasoline Average	214

Petroleum Traders	Cost
Golf Diesel	49
Service Center Diesel Average	530
Service Center Gasoline Average	92

Mid-Tex	Cost
Golf Diesel	112
Service Center Diesel Average	1,242
Service Center Gasoline Average	211

**City of Freeport
Bid Tabulation
Fuel Bids**

Fuel	MidTex	Safety-Kleen	
<u>Orders Over 2,500 Gallons</u>			
Unleaded	0.25	No Bid	
Diesel	0.25	No Bid	
Load Feel	-	No Bid	
<u>Orders Under 2,500 Gallons</u>			
Unleaded	0.35	No Bid	
Diesel	0.35	No Bid	
Load Feel	-	No Bid	
Other Fuels			
Motor Oil 5W20 or Equivalent	11.85	10.85	Per Gallon
Motor Oil 5W30 or Equivalent	11.85	10.85	Per Gallon
Motor Oil 0W20 or Equivalent	11.85	10.95	Per Gallon
Fluid, Hydraulic - AW68	8.75	7.85	Per Gallon
Alternte Fuels			
Lube, Gear 75W90 - Full Synthetic	244.40	100.65	5 Gal Pail
Lube, Gear 80W140 - Full Synthetic	228.75	117.59	5 Gal Pail
Fluid, Hydraulic - AW46	52.99	45.15	5 Gal Pail
Fluid, Hydraulic - John Deer J20C	74.99	53.95	5 Gal Pail
Fluid, Tranmission - TES 295 Approved	211.13	106.85	5 Gal Pail
Fluid, Tranmission - Dexron III or Equivalent	112.58	36.55	5 Gal Pail
Fluid, Transmission - Shellzone Multi-			
Vehicle ELC or Equivalent	39.99	No Bid	6/1 gal Case

City of Freeport
Fuel Bid Analysis

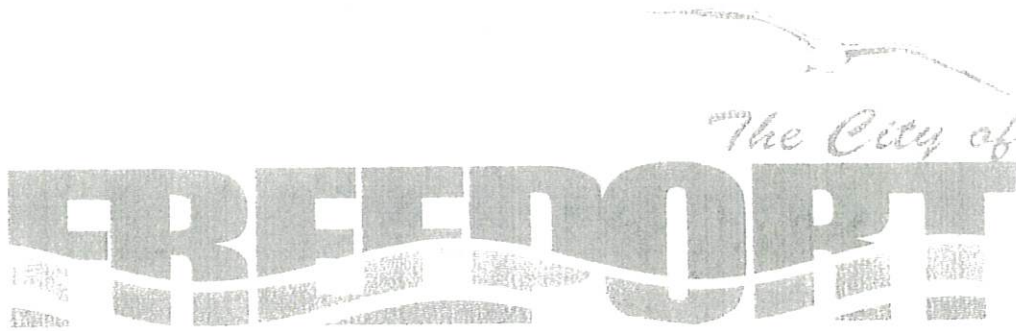
Current

Golf		Service		Service	
	Gallons		Gallons		Gallons
Diesel	210	Gas	5719	Diesel	3261
	100		4434		2483
	250		5974		1992
	200		5281		1503
	200		4705		1992
	250		5201	Average	2246.2
Average	201.67		5804		
			5201		
		Average	<u>5289.875</u>		

Suncoast

Golf
Deisel 122.70

mickey



**CITY OF FREEPORT, TEXAS
REQUEST FOR BIDS**

**ANNUAL FUEL CONTRACT
COMPETITIVE SEALED BID #2023-03**

**DEADLINE:
THURSDAY, AUGUST 10, 2023 BY 10:00 A.M.**

**CITY OF FREEPORT
PUBLIC NOTICE
COMPETITIVE SEALED BID #2023-03
ANNUAL FUEL CONTRACT**

The City of Freeport is accepting Competitive Sealed Bids for all supervision, materials, labor and equipment necessary to furnish and deliver Gasoline and Diesel fuels.

The deadline for submission of proposals is 10 A.M. Thursday, August 10, 2023. It is the responsibility of the submitting entity to ensure that the proposal is received in a timely manner. Bids received after the deadline will not be considered for award, regardless of whether or not the delay was outside the control of the submitting firm. The City of Freeport reserves the right to negotiate with any and all persons or firms submitting timely bids.

All bids submitted for City consideration must include the original and four (4) copies, be clearly marked on the outside of the sealed envelope with the words "City of Freeport, Attention: City Secretary, Bid#2023-03 – Annual Fuel Contract, and must contain the name of the company submitting the Bid.

Bids will be publicly opened and read at the Freeport City Hall located at 200 West Second Street, Freeport, Texas 77541 on Thursday, August 10, 2023, at 10:00 a.m.

Bid documents may be downloaded from the City of Freeport's website at freeport.tx.us/page/public_notices or obtained in person at Freeport City Hall, 200 West Second Street, Freeport, Texas.

Vendors may submit bids for any or all activities.

Multiple contracts may be awarded as a result of this solicitation. The City of Freeport will, in its sole discretion, determine the number of contracts awarded, and may decide not to award any contracts. Bids shall be valid for a period of sixty (60) days from the date they are opened.

The City of Freeport is an Affirmative Action/Equal Opportunity Employer. Section 3 Residents, Minority Business Enterprises, Small Business Enterprises, Women Business Enterprises, and labor surplus area firms are encouraged to submit bids.

1st Advertisement: The Facts, Tuesday July 25, 2023

2nd Advertisement: The Facts, Tuesday August 1, 2023

For inquiries regarding this RFP, please contact Cathy Ezell, Finance Director by phone, 979-871-0107, or email, cazel@freeport.tx.us. The deadline for inquiries is Friday, August 4, 2023 at 5:00 P.M.

**CITY OF FREEPORT
REQUEST FOR BIDS #2023-03
ANNUAL FUEL CONTRACT**

INSTRUCTIONS TO BIDDERS

READ THIS ENTIRE DOCUMENT CAREFULLY AND FOLLOW ALL INSTRUCTIONS. YOU ARE RESPONSIBLE FOR FULFILLING ALL REQUIREMENTS STATED HEREIN. THE INSTRUCTIONS AND CONDITIONS APPLY TO ALL BIDS/PROPOSALS AND BECOME A PART OF THE TERMS AND CONDITIONS OF ANY BID/PROPOSAL SUBMITTED AND ANY AGREEMENT ENTERED SUBSEQUENT THERETO, UNLESS EXCEPTION IS TAKEN IN WRITING BY BIDDER WHEN SUBMITTING BID.

1. BIDS, PREPARATION AND SUBMITTAL

Bidders must utilize the Bid Form and must submit the original and four (4) copies of the sealed bid/written quote/proposal to the City Secretary prior to the response due date and time as described in the Invitation to Bidders. Failure to submit the additional copy may result in the bid being declared unresponsive to specification and may not be further evaluated.

Bidders must include any delivery fees in the prices submitted on the Bid Form. Additionally, Bidders should also be aware that the Contract provides for the automatic renewal of any awarded contract for one (1) additional year unless terminated in accordance with the provisions of the contract.

All figures must be written in ink or typed. Figures written in pencil or erasures are not acceptable. However, mistakes may be crossed out, corrections inserted and initialed in ink by the person signing the Bid Form. No oral, telegraphic, telephonic, e-mailed or facsimile bids will be considered. All bids must be submitted in a sealed envelope. Bidders must provide all documentation required with the bid response. Failure to provide this information may result in rejection of bid. For additional instructions related to bid preparation, please see the General Conditions of Bidding contained herein.

2. INTENT OF BID DOCUMENTS

Bidders should fully inform themselves as to all conditions and matters which can in any way affect the costs thereof. Should a bidder find discrepancies in, or omission from, the bid documents or should there be any doubt as to their meaning and intent they should notify the City at once and obtain clarification prior to submitting a bid.

The submission of a bid by Bidder shall be conclusive evidence that the Bidder is fully acquainted and satisfied as to character, quality and quantity of equipment to be furnished.

3. DELIVERY OF BIDS

Bids received prior to the time of the opening will be kept securely unopened. Bids received after the time specified in the Invitation to Bid shall be considered late and shall be returned unopened. The person whose duty it is to open the bids will decide when the specified time has arrived for the opening of the bids. No responsibility will be attached to an officer of the City for the premature opening of a bid not properly addressed and identified. No oral, telegraphic, telephonic, e-mailed or facsimile bids will be considered

5. SIGNATURES

All bid responses are required to be signed by an authorized representative of the bidding entity. Bid responses received unsigned will result in the bid being declared unresponsive to specification and may not be further evaluated.

6. BID ALTERATION/WITHDRAWAL

Bids cannot be altered or amended after the submission deadline. The signer of the bid, guaranteeing authenticity, must initial any interlineations, alteration, or erasure made before bid opening time. Bids may be withdrawn by written request signed by the bidder prior to the time fixed for bid opening; however, such written request must be received by the City in the normal course of business and prior to the time fixed for bid opening. Negligence on the part of the bidder in preparing the bid represents no right for withdrawal after the bid is opened. No bids may be withdrawn for a period of sixty (60) calendar days after opening of the bids.

7. DISQUALIFICATIONS OF BIDDERS

The bidders may be disqualified and their bids and proposals not considered for the following reasons, including, but not limited to:

- Reason for believing collusion exists between bidders.
- The bidder being an interested party in any litigation against the City.
- Failure to use the Bid Form furnished by the City.
- Failure to comply with any of the requirements contained herein.
- Lack of signature by an authorized representative on the Bid Form.
- Failure to properly complete the Bid Form.
- Bidder is indebted to the City.
- Communicating with an elected official regarding this bid or its award.

8. BID OPENINGS

All bids submitted will be opened publicly at the City Hall, at the date and time shown in the Invitation to Bidders. However, the reading of a bid at bid opening should not be construed as a comment on the responsiveness of such bid or as any indication that the City accepts such bid as responsive.

The City will make a determination as to the responsiveness of bids submitted based upon compliance with all applicable laws, City of Freeport Purchasing Guidelines, and project documents, including, but not limited to, the project specifications and contract documents. The city will notify the successful bidder upon award of the contract, and, according to State law, all bids received will be available for inspection at that time, unless otherwise provided by law.

9. BASIS OF AWARD

It is the intent of the City to award the Contract to the bidder(s) submitting the most efficient and/or most economical for the City. It shall be based on all factors, which have a bearing on price and performance of the items in the user environment. All bids are subject to re-tabulation. Compliance with all bid requirements, delivery and needs of the using department are considerations in evaluating bids

The City of Freeport reserves the right to contact any offeror, or at any time, to clarify, verify or request information with regard to any bid. Unless stipulated in the attached bid specifications, the contract will be awarded to the lowest responsible bidder or to the bidder who provides goods and services specified herein at the best value for the City of Freeport in compliance with Section 252.043 of the Texas Local Government Code. The City reserves the right to waive any formality or irregularity, to make awards to more than one offeror, or to reject any or all bids.

The City anticipates awarding the contract by August 21, 2023. The earliest award date may be August 21, 2023. The recommended contractor will be notified prior to Council consideration of award.

The City anticipates awarding both locations and fuel types to one vendor, however; the City reserves the right to split the contract between multiple vendors should there be an opportunity to maximize quantities of scale between locations.

10. BID TABULATION

Bidders desiring a copy of the bid tabulation may request it by enclosing a self-addressed, stamped envelope with the bid. BID RESULTS WILL NOT BE GIVEN BY TELEPHONE. You may also download a copy on the City of Freeport's website from the Purchasing Page at www.ci.Freeport.tx.us.

11. PROTESTS

All protests regarding the bid solicitation process must be submitted in writing to the City within five (5) working days following the opening of the bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the Texas Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications.

This limitation does not include protests relating to staff recommendations as to award of this bid. Protests relating to staff recommendations may be directed to the City Administrator within five (5) days of the staff recommendation memo. Unless otherwise provided by law, all staff recommendations will be made available for public review prior to consideration by the City Council.

GENERAL CONDITIONS OF BIDDING

This Bid does not commit the City of Freeport to award a contract or to pay any costs incurred as a result of preparing such a response. The City reserves the right to accept or reject any and all responses received in response to this request, to negotiate with all qualified respondents or to cancel in part or in its entirety this Bid if it is in the best interest of the City.

A contract based on the awarded bid will be executed. This should be considered and reflected in the bid.

BIDDING

1. **PRICING:** Price(s) quoted must be held firm for a minimum of ninety (90) days from the date of bid closing. In the case of estimated requirement contract bid, the prices must remain firm for the period as specified in the bid. "Discount from list" bids are not acceptable unless specifically requested in the bid.
 - a. **OPIS:** Please submit pricing for all applicable products listed based on the daily pricing listed in the Oil Price Information Service (OPIS) Pad 3 Report for Houston, Texas Rack Prices using the benchmark for Prior Day OPIS Average – 10 a.m. for Houston, Texas. (The City is not a current OPIS subscriber)
 - b. **LOAD FEE:** The Load Fee included on the bid form is the delivery fee. Texas assesses a delivery fee on all petroleum products when they are withdrawn from a bulk facility (a terminal or a refinery) and delivered into a cargo tank or barge, or imported into the state in a cargo tank or barge for delivery to another location for distribution or sale. For information regarding this fee, please see the Comptroller's website: <https://comptroller.texas.gov/taxes/fuels/delivery-fee.php>
2. **QUANTITIES:** In the case of estimated requirements contract bid, quantities appearing are estimated as realistically as possible. However, the City reserves the right to increase, decrease or delete any item or items of material to be furnished while continuing to pay the price quoted on this bid regardless of quantity. The successful bidder shall have no claim against the City for anticipated profits for the quantities called for, diminished, or deleted.
 - a. **TANK SPECIFICATIONS AND TYPICAL ORDER INFORMATION:**
 - Service Center
 - Tank sizes are 3,000 gallons gasoline and 1,000 gallons diesel
 - The tanks are above ground
 - The City owns the tanks

- Typically, unleaded is ordered twice a month and diesel is ordered once with an unleaded gasoline order.
 - Deliveries may be made on the same truck
3. ERROR-QUANTITY: Bids must be submitted on units of quantity specified, extended, and show total. In the event of discrepancies in extension, the unit prices shall govern.
 4. F.O.B./DAMAGE: Quotations shall be bid freight on board (F.O.B.) delivered to the designated job site in Freeport, Texas and shall include all delivery and packaging costs. The City assumes no liability for goods delivered in damaged or unacceptable condition. The successful bidder shall handle all claims with carriers, and in case of damaged goods, shall ship replacement goods immediately upon notification by the City.
 5. DELIVERY: Deliveries will be acceptable only during normal working hours at the designated City Municipal Facility or Job Site. The place of delivery shall be set forth in the purchase order. The terms of this agreement are "no arrival, no sale".
 6. DESCRIPTIONS: Any reference to model and/or make/manufacturer used in bid/proposal specifications is descriptive, not restrictive. It is to be used to indicate the type and quality desired. Qualifications on items of like quality will be considered.
 7. EXCEPTIONS/SUBSTITUTIONS: All submittals meeting the intent of this bid/request for proposal will be considered for award. Bidders taking exception to the specifications, or offering substitutions, shall state these exceptions in the section provided or by attachment as part of the qualifications. The absence of such a list shall indicate that the Bidder has not taken exceptions and shall hold the Bidder responsible to perform in strict accordance with the specifications of the invitation. The City of Freeport reserves the right to accept any and all or none of the exception(s)/substitution(s) deemed to be in the best interest of the City.
 8. SPECIFICATION-SAMPLES: Any catalog, brand name, or manufacturer's reference used is considered to be descriptive, not restrictive, and is indicative of the type and quality the City desires to purchase. Bids on brands of like nature and quality may be considered unless specifically excluded. If bidding on other than reference, bid must certify article offered is equivalent to specifications and it is subject to approval by the using department and the Purchasing Division. Samples, if required, shall be furnished free of expense to the City. **SAMPLES SHOULD NOT BE ENCLOSED WITH BID UNLESS REQUESTED.**
 9. TESTING: An agent so designated by the City, without expense to the City, may perform testing at the request of the City or any participating entity.
 10. PROPRIETARY INFORMATION: If a bid/proposal contains proprietary information, the respondent must declare such information as proprietary if respondent does not want information to become public. Any proprietary information must be indicated in the index and clearly identified in the qualifications.
 11. CORRESPONDENCE: This bid number must appear on ALL correspondence, inquiries, bid submittal documents, etc. pertaining to this Invitation for Bid.
 12. ADDENDA: Any interpretations, corrections or changes to this Invitation for Bid and specifications will be made by addenda. Sole issuing authority of addenda shall be vested in the City of Freeport Director of Public Works. An attempt will be made to mail, fax, or e-mail any addenda to all who are known to have received a copy of this Invitation for Bid. Bidders shall acknowledge receipt of all addenda in the designated area on the bid document. It is the responsibility of the bidder to ensure receipt of all addenda and to include the changes in this bid document.
 13. CHANGE ORDERS: No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the City.
 14. TAXES: The City is exempt from Federal Manufacturer's Excise, and State sales taxes. **TAX MUST NOT BE INCLUDED IN BID PRICING.** Tax exemption certificates will be executed by the City and furnished upon request by the Director of Finance.

15. BID SECURITY/BOND REQUIREMENTS: If required, a bid security of 5% shall be submitted with all construction bids. Any bid submitted without bid bond, or cashiers/certified check, shall be considered non-responsive and will not be considered for award. Performance and/or payment bonds, when required, shall be submitted to the City, prior to commencement of any work pursuant to the agreement provisions. A bid bond is **not** required for this bid.
16. CONTRACT: The contract term will begin when the contract is finally executed. The automatic renewal is based on mutual agreement, the contract allows for termination by either party. The contract provided is a Sample Contract. The City may consider modifications to this contract form the awarded contractor to final execution.
17. INQUIRIES: Any inquiries concerning the bid documents shall be addressed to Cathy Ezell, Finance Director, by telephone (281) 337-8839 or e-mail cezell@freeport.tx.us. **Any attempt on the part of a bidder or his representative to contact an elected official regarding this bid or its award will disqualify the bidder.**

CITY OF FREEPORT CONTRACTOR INSURANCE REQUIREMENTS

Contractors providing good, materials and services for the City of Freeport shall, during the term of the contract with the City or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City, its officers, agents, representatives, and employees as additional insureds as to all applicable coverage with the exception of workers compensation insurance.
2. Provide for at least thirty (30) days prior written notice to the City for cancellation, non-renewal, or material change of the insurance.
3. Provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

Certificate of insurance: A certificate of insurance evidencing the required insurance shall be submitted with the contractor's bid or response to proposal. If the contract is renewed or extended by the City, a certificate of insurance shall also be provided to the City prior to the date the contract is renewed or extended.

<u>Type of Contract</u>	<u>Type and amount of Insurance</u>
Special Events	General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including coverage for advertising injury and products coverage Statutory Workers compensation insurance as required by state law (If the contractor serves alcoholic beverages) Liquor Liability with a minimum of \$1 Million Dollars per Occurrence and \$2 Million Aggregate. (If high risk or dangerous activities) Umbrella Coverage or Liability Excess Coverage of \$ 2 Million Dollars (If automobile or limousine service is involved even if volunteers)
Automobile Liability with a minimum of \$1 Million Dollars combined single limit.	
Public Works and Construction	General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including advertising injury, products coverage and (XCU) Explosion, collapse and underground (If high risk or dangerous activities) Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars Statutory Workers compensation insurance as required by state law
Professional Services	Professional Liability Insurance with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate. (If size or scope of project warrant) Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars

SCOPE OF WORK

Overview

The City seeks competitive bids for fuel products. The purpose of these specifications is to describe the requirements of the City for the annual fuel contract. This contract is intended for routine and continuous usage.

Items and Estimated Quantities

The following are the items needed and estimated annual* quantities:

Section 1 – Fuel Deliveries

Service Center	Unleaded Gasoline 87 Octane	74,000 gallons annually – Average 4,900 gallons monthly
510 S Avenue A	Ultra Low Sulfur Diesel	15,000 gallons annually – Average 2,500 gallons monthly
Freeport, TX 77541		

Section 2 – Other Fuels to be Delivered

Motor Oil - Pennzoil Plat 5W20 or equivalent	100 gallons bulk, twice annually
Motor Oil - Pennzoil Plat 5W30 or equivalent	100 gallons bulk, twice annually
Motor Oil - Pennzoil Plat 0W20 or equivalent	50 gallons bulk, four times annually
Fluid, Hydraulic – AW68	50 gallons bulk, four times annually

Section 3 – Alternate Fuels

The City may order any of the following products but does not have an annual average. Please provide costs based on the lowest quantities offered:

Motor Oil – Chevron Delo 400 CJ4 15W40 or equivalent
Lube, Gear 75W90 – Fuel Synthetic
Lube, Gear 80W140 – Fuel Synthetic
Fluid, Hydraulic – AW46
Fluid, Hydraulic – – John Deere J20C
Fluid, Transmission –TES 295 Approved
Fluid, Transmission – Dexron III or equivalent
Fluid, Antifreeze – Shellzone Multi-Vehicle ELC or equivalent

*The quantities listed are only estimates based on previous usage amounts. The City does not guarantee to purchase any given quantity and shall not be obligated to purchase any excess stock carried by the vendor at the end of the contract. Any catalog, brand name, or manufacturer's reference used is considered to be descriptive, not restrictive, and is indicative of the type and quality desired.

Vendor will supply and deliver the grades of oil and gasoline requested at the bid price of a fixed differential in excess of the following formula: The daily pricing listed in the Oil Price Information Service (OPIS) Pad 3 Report for Houston, Texas Rack Prices posted for reformulated unleaded gasoline and Ultra Low Sulphur #2 Diesel. The last report published prior to the day of delivery will provide the formula for the price of the product delivered to the City each delivery.

Random samples may be taken from any delivery by the City and tested for compliance. If results, comply with specifications, the City will stand the expense. If results do not comply, the vendor will be required to remove all materials within twenty-four (24) hours after notification. The vendor will replace a suitable product and bear the cost of all test analyses if the product tested does not comply with the City's specifications.

Deliveries

Motor fuels shall be delivered by the Contractor in appropriate vehicles and all transportation and delivery charges shall be borne by Contractor. Trucks making gasoline deliveries shall be equipped with the proper equipment such as ticket printers and meters to assure accurate measures. All vehicles will properly display State of Texas certification and safety placard. Each delivery will be accompanied with a MSDS sheet pertaining to the product delivered at that point.

All deliveries will be delivered to one of the two locations noted above.

If the Contractor is unable to comply with this requirement, the City reserves the right to purchase motor fuels on the open market and apply all costs in excess of prices established by this contract to the account of the Contractor.

Leakage from tanks shall be reported immediately. Contractor is responsible for site remediation from storage tank overfills and/or delivery spillage.

Office Hours:

- City Hall is open Monday-Friday 8 AM to 5 PM (excludgin Federal Holidays)
- Service Center will accept deliveries Monday – Friday between 8 AM and 5 PM

EMERGENCY OPERATIONS DELIVERIES

In order to provide the most effective response to an emergency The City will order fuel (unleaded gasoline and diesel) before the emergency i.e. Tropical storms or hurricanes.

1. Bid Form (2 Pages)
2. Bidder Information
3. Supplemental Information
4. References
5. System for Award Management (SAM) Verification
6. W-9
7. Conflict of Interest Questionnaire
8. Certification Regarding Lobbying
9. Disclosure of Lobbying Activities
10. Certificate of Interest Parties (Form 1295)

Bid Form

Bidder agrees to comply with all conditions below, attached specifications, and notes. Bidder has read and agrees to comply with all terms and conditions of invitation to bid. Purchases made for city use are exempt from the state sales tax and federal excise tax. Do not include taxes in your bid. Bidder guarantees product offered shall meet or exceed minimum specification identified in this invitation to bid.

Item#	Service	Unit Cost	Unit of Measure
Section 1 – Fuel Deliveries			
Orders Over 2,500 Gallons			
1	Unleaded Gasoline 87 Octane	\$ 2.7292 OPIS 8-03-23 + .2500 Mark Up \$ 2.9792 Total	per gallon
2	Ultra-Low Sulfur Diesel	\$ 3.0296 OPIS 08-03-23 + .2500 Mark Up \$ 3.2796 Total	per gallon
3	Load Fee	N/a	per delivery
Orders Under 2,500 Gallons			
4	Unleaded Gasoline 87 Octane	\$ 2.7292 OPIS 08-03-23 + .3500 Mark Up \$ 3.0792 Total	per gallon
5	Ultra-Low Sulfur Diesel	\$ 3.0296 OPIS 08-03-23 + .3500 Mark Up \$ 3.3796 Total	per gallon
6	Load Fee	N/a	per delivery
Section 2 – Other Fuels to be Delivered			
7	Motor Oil - Pennzoil Plat 5W20 or equivalent Motor oil - QS/ES 5W20 Full Synthetic	\$ 24.75 \$ 11.85	per gallon
8	Motor Oil - Pennzoil Plat 5W30 or equivalent Motor oil - QS/ES Full Synthetic 5W30	\$ 24.75 \$ 11.85	per gallon
9	Motor Oil - Pennzoil Plat 0W20 or equivalent Motor oil - QS/ES Full Synthetic 0W20	\$ 24.75 \$ 11.85	per gallon
10	Fluid, Hydraulic – AW68	\$ 8.75	per gallon
Section 3 – Alternate Fuels			
8	Lube, Gear 75W90 – Full Synthetic Spirax AXRME 75W90	\$ 244.44	5 gal pail
9	Lube, Gear 80W140 – Full Synthetic Spirax AXME 80W140	\$ 228.75	5 gal pail
11	Fluid, Hydraulic – AW46	\$ 52.99	5 gal pail
12	Fluid, Hydraulic – John Deere J20C Spirax S4TXM	\$ 74.99	5 gal pail
13	Fluid, Transmission – TES 295 Approved Spirax S6 ATF A668	\$ 211.13	5 gal pail
14	Fluid, Transmission – Dexron III or equivalent PZL ATF Dexron	\$ 112.58	5 gal pail
15	Fluid, Antifreeze – Shellzone Multi-Vehicle ELC or equivalent Shellzone MV ELC 50/50	\$ 39.99	6/1 ga Case

\$ 75 Delivery fee on any order below 110 gallons

Bid Form

Bidder agrees to comply with all conditions below, attached specifications, and notes. Bidder has read and agrees to comply with all terms and conditions of invitation to bid. Purchases made for city use are exempt from the state sales tax and federal excise tax. Do not include taxes in your bid. Bidder guarantees product offered shall meet or exceed minimum specification identified in this invitation to bid.

Item#	Service	Unit Cost	Unit of Measure
Section 1 – Fuel Deliveries			
<i>Orders Over 2,500 Gallons</i>			
1	Unleaded Gasoline 87 Octane	\$ 2.7292 OPIS 8-03-23 + .2500 Mark Up \$ 2.9792 Total	per gallon
2	Ultra-Low Sulfur Diesel	\$ 3.0296 OPIS 08-03-23 + .2500 Mark Up \$ 3.2796 Total	per gallon
3	Load Fee	N/a	per delivery
<i>Orders Under 2,500 Gallons</i>			
4	Unleaded Gasoline 87 Octane	\$ 2.7292 OPIS 08-03-23 + .3500 Mark Up \$ 3.0792 Total	per gallon
5	Ultra-Low Sulfur Diesel	\$ 3.0296 OPIS 08-03-23 + .3500 Mark Up \$ 3.3796 Total	per gallon
6	Load Fee	N/a	per delivery
Section 2 – Other Fuels to be Delivered			
7	Motor Oil - Pennzoil Plat 5W20 or equivalent	\$ 24.75	per gallon
8	Motor Oil - Pennzoil Plat 5W30 or equivalent	\$ 24.75	per gallon
9	Motor Oil - Pennzoil Plat 0W20 or equivalent	\$ 24.75	per gallon
10	Fluid, Hydraulic – AW68	\$ 11.95	per gallon
Section 3 – Alternate Fuels			
8	Lube, Gear 75W90 – Full Synthetic Spirax AXRME 75W90	\$ 279.64	5 gal pail
9	Lube, Gear 80W140 – Full Synthetic Spirax AXME 80W140	\$ 261.69	5 gal pail
11	Fluid, Hydraulic – AW46	\$ 69.99	5 gal pail
12	Fluid, Hydraulic – John Deere J20C Spirax S4TXM	\$ 95.20	5 gal pail
13	Fluid, Transmission – TES 295 Approved Spirax S6 ATF A668	\$ 241.53	5 gal pail
14	Fluid, Transmission – Dexron III or equivalent PZL ATF Dexron	\$ 123.84	5 gal pail
15	Fluid, Antifreeze – Shellzone Multi-Vehicle ELC or equivalent Shellzone MV ELC 50/50	\$ 45.13	6/1 ga Case

\$ 75 Delivery fee on any order below 110 gallons

HOUSTON, TX

2023-08-03 10:00:27 EDT

OPIS CONTRACT BENCHMARK FILE
 OPIS GROSS REG ETHANOL 10% PRICES

		Terms	Unl	Move	Mid	Move	Pre	Move	Date	Time
S.F. & W.	u	N-10	262.63	-11.15	292.63	-11.15	312.63	-11.15	08/02	18:00
Marathon	u	N-10	262.80	-11.15	292.13	-11.15	332.80	-11.15	08/02	18:00
Valero	u	N-10	263.85	-12.97	292.10	-12.97	323.33	-12.97	08/02	18:00
Petrobrum	u	Net	264.83	-11.46	288.94	-9.96	323.81	-7.70	08/02	18:00
KOM	u	Net	263.53	-10.37	308.78	-10.37	337.53	-10.37	08/02	19:00
PSX	u	N-10	271.23	-10.67	299.63	-10.67	333.93	-10.67	08/02	18:00
Motiva	u	N-10	271.38	-10.77	297.38	-10.77	342.38	-10.77	08/02	18:00
Valero	b	1-10	273.76	-11.08	317.58	-11.15	351.32	-10.75	08/02	18:00
Sunoco	b	125-3	275.93	-10.19	336.99	-10.19	352.35	-9.47	08/02	18:00
PSX	b	1-10	276.59	-9.50	306.88	-9.50	332.84	-9.50	08/02	18:00
Citgo	b	1-10	276.86	-10.02	300.09	-10.02	347.97	-10.02	08/02	18:00
76-Mot	b	125-3	277.22	-9.21	307.89	-9.22	352.15	-9.22	08/02	18:00
KOM	b	125-3	277.28	-9.89	319.70	-9.90	354.24	-9.89	08/02	19:00
Shell-Mot	b	125-3	277.52	-9.67	312.96	-9.67	355.49	-9.67	08/02	18:00
Chevron	b	1-450	278.00	-10.00	313.50	-10.00	354.90	-10.00	08/02	18:00
Texaco	b	1-450	278.00	-10.00	313.50	-10.00	354.90	-10.00	08/02	18:00
FWI-Gulf	b	N-10	285.08	-2.73	316.88	-2.81	367.88	-2.70	08/03	00:01
LOW BACK			262.63		292.13		312.63			
HIGH BACK			263.85		312.71		367.83			
BACK AVG			272.92		303.64		344.38			
OPIS GULF COAST DELIVERED SPOT (SRI)										

Over 2500 Gallons
 Unleaded
 2.7292 OPIS 8-03-23
 +.2500 Mark Up
 2.9792 Total

Under 2500 Gallons
 Unleaded
 2.7292 OPIS 8-03-23
 +.3500 Mark Up
 3.0792 Total

HOUSTON, TX

2023-08-03 10:00:27 EDT

OPIS CONTRACT BENCHMARK FILE
 OPIS GROSS ULTRA LOW SULFUR LED DISTILLATE PRICES

		Terms	No.2	Move	No.1	Move	Pre	Move	Date	Time
Marathon	u	N-10	298.55	-1.35	-- --	-- --	-- --	-- --	08/02	18:00
Petrobrum	u	Net	298.79	-2.36	-- --	-- --	-- --	-- --	08/02	18:00
Valero	u	N-10	298.92	-2.31	-- --	-- --	-- --	-- --	08/02	18:00
S.F. & W.	u	N-10	299.05	-2.36	-- --	-- --	-- --	-- --	08/02	18:00
Motiva	u	N-10	299.20	-2.10	-- --	-- --	-- --	-- --	08/02	18:00
Enterprise	u	N-10	299.57	-2.36	-- --	-- --	-- --	-- --	08/02	18:00
PSX	u	N-10	299.60	-2.25	-- --	-- --	-- --	-- --	08/02	18:00
KOM	u	Net	300.03	-2.06	-- --	-- --	-- --	-- --	08/02	19:00
Valero	b	1-10	304.95	-2.27	-- --	-- --	-- --	-- --	08/02	18:00
Sunoco	b	125-3	305.23	-2.20	-- --	-- --	-- --	-- --	08/02	18:00
FWI-Gulf	b	N-10	305.40	+3.36	-- --	-- --	-- --	-- --	08/03	00:01
Chevron	b	1-450	305.50	-2.40	-- --	-- --	-- --	-- --	08/02	18:00
Texaco	b	1-450	305.50	-2.40	-- --	-- --	-- --	-- --	08/02	18:00
PSX	b	1-10	305.71	-1.90	-- --	-- --	-- --	-- --	08/02	18:00
KOM	b	125-3	306.71	-2.70	-- --	-- --	-- --	-- --	08/02	19:00
Citgo	b	1-10	306.75	-2.15	-- --	-- --	-- --	-- --	08/02	18:00
Motiva	b	125-3	306.13	-2.22	-- --	-- --	-- --	-- --	08/02	18:00
76-Mot	b	125-3	306.23	-2.23	-- --	-- --	-- --	-- --	08/02	18:00
Shell-Mot	b	125-3	306.33	-2.23	-- --	-- --	-- --	-- --	08/02	18:00
LOW BACK			298.55		-- --	-- --	-- --			
HIGH BACK			306.33		-- --	-- --	-- --			
BACK AVG			302.96		-- --	-- --	-- --			
OPIS GULF COAST DELIVERED SPOT (SRI)										

Over 2500 Gallons
 ULSD
 3.0296 OPIS 8-03-23
 +.2500 Mark Up
 3.2796 Total

Under 2500 Gallons
 ULSD
 3.0296 OPIS 8-03-23
 +.3500 Mark Up
 3.3796 Total

EMERGENCY PREPAREDNESS PLAN

In the event of an emergency, Contractor shall agree to top off all City generators no less than twenty-four (24) to forty-eight (48) hours prior to an anticipated event, such as expected hurricane landfall, etc.

EMERGENCY OPERATIONS DELIVERIES

In order to provide the most effective response to an emergency The City will order fuel (unleaded gasoline and diesel) before the emergency i.e. Tropical storms or hurricanes.

In order to ensure economic recovery to the City community, the City will need emergency deliveries after the disaster. Mark the box below if your company would provide this service to the city.

☒ YES

☐ NO

EMERGENCY EQUIPMENT

In order to ensure economic recovery to the City, the City may have a need for portable fueling tanks with pumps. Can your company provide this service? Mark the box below.

☒ YES

☐ NO

If yes, what size tank and pump would be provided? 500 gallon single wall tank with containment pan w/ 12V Pump 15GPM

Item#	Service	Unit Cost	Unit of Measure
Emergency Recovery			
	Portable fueling tanks and pumps	No Charge	
Other Fees (List any other fees that apply)			
	Delivery fee of tank	\$ 450	
	Pick up tank fee	\$ 450	

Provide the electrical requirements for the use of the portable tanks with pumps:

A battery or source of power would need to be used by the City of Freeport in order to power the 12V pump to operate

BIDDER INFORMATION

In submitting this Bid, Bidder represents the following:

- a. Bidder has examined copies of these bidding and contract documents and of the following Addenda (receipt of which is hereby acknowledged):

Addenda: _____

Date: _____ Signature: _____

- b. Bidder has familiarized itself with the nature and extent of these documents, and all local conditions and Laws and Regulations that in any manner may affect cost of fulfilling the terms of contract.
- c. Bidder has given the owner written notice of all conflict, errors, or discrepancies that it has discovered in these documents and the written resolution thereof by the City is acceptable to Bidder.
- d. This Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or titles of any group, association, organization or corporation. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid. Bidder has not solicited or induced any person, firm, or corporation to refrain from bidding. Bidder has not sought by collusion to obtain for itself any advantage over any other bidder or over the City.
- e. Bidder hereby certifies that the bid prices contained in this bid have been carefully reviewed and are submitted as correct and final.
- f. This Bid will remain open and subject to acceptance for sixty (60) days after the day of Bid opening.

Bidder further certifies and agrees to furnish any and/or all product/service upon which prices are extended at the price offered and accepts all of the terms and conditions of the Invitation to Bid, Specifications, Instructions to Bidders, General Conditions for Bidding and any Special Conditions contained herein.

Bidder hereby certifies that, if this bid is accepted, the undersigned Bidder shall enter into a contract with the City of Freeport to furnish the services as specified or indicated in these Bid documents for the price indicated in this Bid and in accordance with the other terms and conditions of such contract documents.

BIDDER:

Company:	Midtex Oil LP		
Address:	1519 Interstate 45 S.		
City, State & Zip	Conroe, Texas 77301		
Telephone	936-441-4469	E-mail	Dinora@midtexoil.com
Printed Name:	Dinora Silva	Title:	Business Development Manager
Signature:	<i>Dinora Silva</i>	Date:	08/02/2023

SUPPLEMENTAL INFORMATION

Texas Government Code Section 2252.002 Non-resident bidders. A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

In order to make this determination, please answer the following questions:

1. Address and phone number of your principal place of business:
Midtex Oil LP Phone# 830-625-4214
3455 I.H. 35 South
New Braunfels, TX 78132
2. Name and address of principal place of business, and phone number of your company's majority owner:
Same as above
3. Name and address of principal place of business, and phone number of your company's ultimate parent company:
N/a

MINORITY/WOMAN-OWNED BUSINESS PARTICIPATION

It is the policy of the City of Freeport to involve small businesses and qualified minority/women-owned businesses to the greatest extent possible in the procurement of goods, equipment, services and construction projects. To assist us in our record keeping, please list below the names of the minority or woman-owned firms you would be utilizing in this bid, and note the monetary involvement:

NAME OF FIRM	TELEPHONE #	\$ INVOLVEMENT

REFERENCES

Please provide three references for similar services performed within the last three years:

1. Company: City of Lake Jackson
 Contact: Gaye Shockley
 Phone #: 979-415-2400
 Email: gshockley@lakejacksontx.gov

Description of services performed:

Fuel & Lubricants

2. Company: Velasco Drainage District
 Contact: Joe Williams
 Phone #: 979-265-4251
 Email: joe@velascodrainagedistrict.com

Description of services performed:

Fuel & Lubricants

3. Company: Beaumont ISD
 Contact: Robert McManus
 Phone #: 409-617-5631
 Email: RMCMANU@bmtisd.com

Description of services performed:

Fuel & Lubricants

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

Midtex Oil, L P

2 ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

N/A

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes

☒ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes

☒ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

N/A

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 Deana Clanton
Signature of vendor doing business with the governmental entity

02-21-2023

Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

Certification Regarding Lobbying

(To be submitted with each bid or offer exceeding \$100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The undersigned shall require that the language paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995).

The Contractor, Midtex Oil LP, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Dinora Silva

Signature of Contractor's Authorized Official

Dinora Silva

Printed Name and Title of Contractor's Authorized Official

08/02/2023

Date

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Bid (BID) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/bid control number assigned by the Federal agency). Included prefixes, e.g., "BID-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure)

Type of Federal Action: a. contract _____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	Status of Federal Action: a. bid/offer/application _____ b. initial award c. post-award	Report Type: a. initial filing _____ b. material change
Name and Address of Reporting Entity: _____ Prime _____ Subawardee Tier _____, if Known: Congressional District, if known:		If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known:
Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> N/a	b. Individuals Performing Services (including address if different from No. 10a) <i>(last name, first name, MI):</i> N/a	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only	Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)	

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2023-1055245

Date Filed:
08/03/2023

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Midtex Oil LP
Conroe, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Freeport

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

2023-03
Annual Fuel Contract

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Midtex Oil LP	Conroe, TX United States	X	
	Silva, Dinora	Houston, TX United States		X

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is Dinora Silva, and my date of birth is March 16, 1985.

My address is 12327 Amanda Pines Drive, Houston, TX, 77089, USA
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 3 day of August, 2023
(month) (year)

Dinora Silva

Signature of authorized agent of contracting business entity
(Declarant)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/24/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Holmes Murphy & Associates - WDM PO Box 9207 Des Moines, IA 50306-9207	1-800-247-7756	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: ZURICH AMER INS CO INSURER B: Und at Lloyds London - AIIN #: AA1122000 INSURER C: INSURER D: INSURER E: INSURER F:	FAX (A/C, No): NAIC # 16535 15792
INSURED Midtex Oil, LP 3455 I.H. 35 S New Braunfels, TX 78132			

COVERAGES

CERTIFICATE NUMBER: 66387132

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

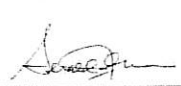
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☐ GEN'L AGGREGATE LIMIT APPLIES PER ☐ POLICY ☐ PROJECT ☒ LOC ☐ OTHER		GLO5501937-03	09/01/22	09/01/23	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 \$
A	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☒ CA9948 ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY ☒ MCS-90		BAP5501938-03	09/01/22	09/01/23	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$ 0		22UKPCB220002530050305	09/01/22	09/01/23	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
A	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR, PARTNER, EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A	WC5501936-03	09/01/22	09/01/23	☒ PER STATUTE ☐ OTH-ER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Freeport, its officers, agents, representatives, and employees are included as Additional Insureds in regards to General Liability & Auto Liability when required by written contract. Waiver of Subrogation applies in favor of City of Freeport in regards to General Liability, Auto Liability & Workers' Compensation when required by written contract. Advanced 30 days' notice of cancellation will be provided in the event of a cancellation as per the policy terms and conditions. The Excess Liability provides follow-form coverage over the endorsements of the scheduled underlying policies addressing Waiver of Subrogation, Primary and Non Contributory, and Fungi or Bacteria Exclusion. The General Liability, Auto Liability & Workers' Compensation are included on the schedules of controlling underlying on the Excess.

CERTIFICATE HOLDER

CANCELLATION

City of Freeport 200 West 2nd Street Freeport, TX 77541 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
--	--

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COUNTY OF BRAZORIA

STATE OF TEXAS

For and in consideration of the covenants and agreements contained herein, and of the mutual benefits to be obtained hereby, the parties agree as follows:

1.1. Contractor shall provide services in accordance with the terms and conditions of the Contractor's Bid in response thereto, (hereinafter "Contractor's Bid"), a copy of which is attached hereto and incorporated herein for all purposes as Exhibit "A". The Contract consists of the following:

- 1.2. In the event there exists a conflict between any of the terms, clauses, or phrases in the foregoing documents, priority of interpretation shall be in the following order: this Contract, Request for Bids, then Contractor's Bid. These documents shall be referred to collectively as "Contract Documents."

2.1. The Scope and duration are as laid out in Exhibit "A". The effective date of this Contract is the last date of execution by both parties.

3.1. Compensation for services provided hereunder shall be in an amount not to exceed Contractor's rates therefore as contained in BID, attached hereto as Exhibit "B."

4.1. MINIMUM STANDARDS FOR PERFORMANCE: The Contractor agrees to meet the following requirements:

- Page 140 of 281

E. Be otherwise qualified and eligible, as determined by the City, to receive an award.

The City may request representation and other information sufficient to determine Contractor's ability to meet these minimum standards listed above.

- 4.2. ASSIGNMENT: The Contractor shall not sell, assign, transfer or convey this contract in whole or in part, without the prior written consent of the City.
- 4.3. TITLE AND RISK OF LOSS: The title and risk of loss of goods shall not pass to the City until the City actually receives and takes possession of the goods at the point(s) of delivery.
- 4.4. PATENT RIGHTS: The Contractor agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.
- 4.5. ETHICS: The Contractor shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official or agent of the City of Freeport.

ARTICLE 5. PURCHASE ORDERS AND PAYMENT

- 5.1. PURCHASE ORDERS: A purchase order(s) shall be generated by the City to the successful Contractor. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
- 5.2. APPROPRIATION CLAUSE: The City of Freeport is a Texas home-rule municipal corporation operated and funded on an October 1 to September 30 basis. Accordingly, the City reserves the right to terminate, without liability to the City, any contract for which funding is not available.
- 5.3. TAXES: The City is exempt from Federal Manufacturer's Excise, and State sales taxes. Tax exemption certificates will be executed by the City and furnished upon request by the Director of Finance.
- 5.4. PAYMENT TERMS: Payment terms are Net 30 upon receipt and acceptance by the City for item(s) and/or service(s) ordered and delivered after receipt of a valid invoice, in accordance with the State of Texas Prompt Payment Act, Chapter 2251, Texas Government Code. Prompt payment discounts may be used by the City in determining the lowest responsible bidder. Successful Contractor shall pay a subcontractor the appropriate share of the payment not later than the 10th day after the date the Contractor receives the payment.
- 5.5. RETAINAGE: Retainage of five percent shall be held from progress payments on Public Works contracts to be paid to the prime contractor upon final completion of the contract.
- 5.6. INVOICES: Invoices must be submitted by the Contractor to the City of Freeport, Finance Department, 200 West 2nd Street, Freeport, Texas 77541.

ARTICLE 6. GENERAL PROVISIONS

- 6.1. WARRANTY: Contractor warrants to the City that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or

permit otherwise. The Contractor further warrants that the work will conform to the requirements of the Contract Documents and will be free from defects. Work, materials or equipment not conforming to these requirements be considered defective. If required the City, the Contract shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

- 6.2. INTERLOCAL AGREEMENT: Contractor agrees to extend prices to all entities that have entered into or will enter into joint purchasing Interlocal Cooperation Agreements with the City. The City has executed Interlocal Agreements, as permitted under Section 791.025 of the Texas Government Code with certain other governmental entities in Brazoria County authorizing participation in a cooperative purchasing program. The Contractor may be asked to provide products/services, based upon bid price, to any other participant in which the City has entered into an Interlocal Agreement for purchasing.
- 6.3. AUDIT: The City reserves the right to audit the records and performance of the Contractor during the term of the contract and for three (3) years thereafter.
- 6.4. SAVE HARMLESS: The Contractor shall defend, indemnify and save harmless the City and all its officers, agents and employees and all entities, their officers, agents and employees who are participating in this contract from all suits, actions or other claims of any character, name and description brought for or on account of any injuries, including death, or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the Contractor, or of any agent, officer, director, representative, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from bid award. Contractor shall pay any judgment with cost which may be obtained against the City and participating entities growing out of such injury or damages.
- 6.5. DEFAULT: The City reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the Contractor fails to: (1) meet scheduled performance or deadlines contained in Exhibit A; or (2) otherwise perform in accordance with these specifications.

In the event the successful Contractor shall fail to perform, keep or observe any of the terms and conditions to be performed, kept or observed, the City of Freeport shall give the successful Contractor written notice of such default; and in the event said default is not remedied to the satisfaction and approval of the City within seven (7) working days of receipt of such notice by the successful Contractor, default will be declared and all the successful Contractor's rights shall terminate. Contractor, in submitting this bid, agrees that the City of Freeport shall not be liable to prosecution for damages in the event that the City declares the Contractor in default.

Breach of contract or default authorizes the City to, among other things, award to another bidder, purchase elsewhere and charge the full increase in cost to the defaulting Contractor.

- 6.6. ACCEPTABILITY: All articles enumerated in the bid shall be subject to inspection by a City officer or employee designated for the purpose. If found inferior to the quality called for, or

not equal in value to the specifications, deficient in workmanship or otherwise, this fact shall be certified to the City Manager who shall have the right to reject the whole or any part of the same. Work determined to be contrary to specifications must be replaced by the Contractor and at its expense. All disputes concerning quality of supplies utilized in the performance of this bid will be determined at the sole discretion of the City Administrator or designated representative.

- 6.7. REMEDIES: The Contractor and the City agree that the City has all rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity. The Contractor and the City agree that the Contractors rights, duties and remedies are limited to those set forth by statute regarding liability of Texas Municipalities.
- 6.8. VENUE: This contract will be governed and construed according to the laws of the State of Texas. This contract is performable in Brazoria County, Texas and the parties agree that any claim, dispute or request for relief under this contract shall exclusively be brought the court or courts of Brazoria County, Texas.
- 6.9. SILENCE OF SPECIFICATION: The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
- 6.10. NO PROHIBITED INTEREST: The Contractor acknowledges and represents they are aware of the laws regarding conflicts of interest. In compliance with Local Government Code §176.006, as amended, all Contractors shall submit a completed conflict of interest questionnaire as provided herein with their bid submittal.
- 6.11. DECEPTIVE TRADE PRACTICES/UNFAIR BUSINESS PRACTICES: By submission of a bid response, the Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Tex. Bus. & Com. Code Chapter 17 or allegations of any unfair business practice in any administrative hearing or court suit that the Contractor has not been found to be liable for such practices in such proceedings.
- 6.12. FELONY CRIMINAL CONVICTIONS: The Contractor represents and warrants that neither the Contractor nor the Contractor's employees have been convicted, or have a pending felony criminal offense, or that, if such a conviction has occurred, the Contractor has fully advised the City of Freeport as to the facts and circumstances surrounding the conviction.
- 6.13. SEVERABILITY: If any section, subsection, paragraph, sentence, clause, phrase or word of these requirements or specifications shall be held invalid, such holding shall not affect the remaining portions of these requirements and the specifications and it is hereby declared that such remaining portions would have been included in these requirements and the specifications as though the invalid portion had been omitted.
- 6.14. FORCE MAJEURE: If, by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this contract, then such party shall give notice and full particulars of such Force Majeure in writing to the other party within a

reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term Force Majeure as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, act of public enemy, orders of any kind of government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, or other causes not reasonable within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty.

- 6.15. TEXAS GOVERNMENT CODE CHAPTER 2270: Contractor verifies that it: (a) does not "boycott Israel"; and (b) will not "boycott Israel" during the term of this contract. For the purposes of this Section only, the terms "company" and "boycott Israel" have the meaning assigned by Texas Government Code Section 2270.001. Contractor's obligations under this Section, if any exist, will automatically cease or be reduced to the extent that the requirements of Texas Government Code Chapter 2270 are subsequently repealed, reduced, or declared unenforceable or invalid in whole or in part by any court or tribunal of competent jurisdiction or by the Texas Attorney General, without any further impact on the validity or continuity of this contract.
- 6.16. TEXAS GOVERNMENT CODE CHAPTER 2252: the Contractor represents and certifies that, at the time of execution of this Agreement neither the Contractor, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.
- 6.17. DISPUTE RESOLUTION: The parties agree that they shall first attempt to resolve disputes hereunder by the use of non-binding mediation.
- 6.18. SAFETY: The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall promptly remedy damages and loss to property caused in whole or in part by the Contractor, its employees, agents, subcontractors, or by any other third party for whose acts the Contractor may be liable.

- 6.19. ENTIRE AGREEMENT: This Contract and its attachments embody the entire agreement between the parties and may only be modified in writing if executed by both parties.
- 6.20. CONTRACT INTERPRETATION: Although this Contract is drafted by City, should any part be in dispute, the parties agree that the Contract shall not be construed more favorably for either party.
- 6.21. SUCCESSORS AND ASSIGNS: This Contract shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns.
- 6.22. HEADINGS: The headings of this Contract are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

IN WITNESS WHEREOF, the parties have executed this Contract by signing below. The effective date of this Contract shall be the date of final execution.

CITY OF FREEPORT, TEXAS

By: _____

Printed Name: _____

Title: _____

Date: _____

ATTEST:

Betty Wells, City Secretary
City of Freeport, Texas

CONTRACTOR

By: _____

Printed Name: _____

Title: _____

Date: _____

ATTEST:

Printed Name: _____

Title: _____



City Council Agenda Item #12.

Title: Consideration and possible action of approving Resolution No. 2023-2816 amending the annual investment policy.

Date: September 18, 2023

From: Cathy Ezell, Finance Director

Staff Recommendation: Staff recommends approval of the Resolution.

Item Summary: Staff proposes amending Section VII. Suitable and Authorized Investments of the City's Investment Policy, changing Certificates of Deposit to be issued by a depository institution, and adding Commercial Paper. Also, amending Exhibit "C" of the City's Investment Policy to add brokers and adding Texas Class to the authorized Investment Pools.

Background Information: The purpose of City's Investment Policy is to provide direction for investing the funds of the City of Freeport and to comply with Chapter 2256 of the Texas Government Code ("Public Funds Investment Act"), which requires each entity to adopt a written investment policy regarding the investment of its funds and any funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

Special Considerations: N/A

Financial Impact: With interest rates rising, the proposed changes will allow the City to take better advantage of the rising interest rates to increase investment income.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Amending Investment Policy Resolution 2023-2816
2. Broker Certifications
3. Final Policy
4. Broker-Dealer Information

RESOLUTION NUMBER 2023-2816

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, AMENDING THE INVESTMENT POLICY TO CHANGE AUTHORIZED INVESTMENTS CERTIFICATES OF DEPOSITS AND ADDING COMMERCIAL PAPER, ADDING BROKERS TO THE BROKERS DEALERS LIST AND ADDING TEXAS CLASS AS AN AUTHORIZED INVESTMENT POOL; PROVIDING FOR INCORPORATION OF PREAMBLE AND AN EFFECTIVE DATE.

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the City to adopt an Investment Policy and Qualified Broker/Deal List by rule, order, ordinance or resolution; and

WHEREAS, the City Council must approve any amendments to such Investment Policy; and

WHEREAS, the proposed amendment to the Investment Policy, a copy of which is attached hereto as Exhibit "A," complies with the Public Funds Investment Act, as amended, and authorizes the investment of City funds in safe and prudent investments; and

WHEREAS, the City Council hereby finds that the proposed Amended Investment Policy should be approved.

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

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

Section 2. Exhibit C, Approved Broker/Dealers, Financial Institutions and Investment Pools, of the City of Freeport's Investment Policy is hereby amended as attached hereto as "Exhibit A".

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this the _____ day of September 2021.

Brooks Bass, Mayor
City of Freeport, Texas

ATTEST:

Betty Wells, City Secretary
City of Freeport, Texas

APPROVED AS TO FORM AND CONTENT:

David Olson, City Attorney
City of Freeport, Texas

Certification by Broker/Dealers and Financial Institutions

(date)

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

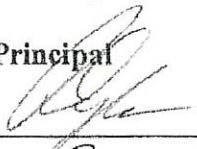
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and _____ SouthState DuncanWilliams _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Signed By: 

Printed Name: Rick Turnage

Title: MD SALES MANAGER

Date: 8/20/23

Broker Assigned to the Account



Patrick Boyer

VP Fixed Income Sales

8/23/23

Certification by Broker/Dealers and Financial Institutions

(August 23, 2023)

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

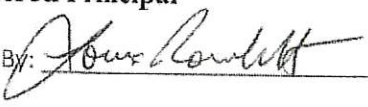
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and _____ SAMCO Capital Markets, Inc _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy, dated September 7, 2027, furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Signed By: 

Printed Name: Louis Rowlett

Title: Managing Director

Date: August 23, 2023

Broker Assigned to the Account

Robert M. Phillips

Robert Phillips

Managing Director

August 23, 2023

Certification by Broker/Dealers and Financial Institutions

8/24/2023

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

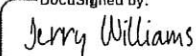
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and BOK Financial Securities, Inc. (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

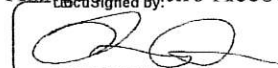
DocuSigned by:

Signed By: Jerry Williams
AB16CB6620CE425...

Printed Name: Jerry Williams

Title: SVP, Director of Institutional Sales

Date: 8/24/2023

Broker Assigned to the Account

DocuSigned by:

Russell Robinson
6C014DB2527B49D...

Russell Robinson

VP, Investment Sales Officer

8/24/2023

Certification by Broker/Dealers and Financial Institutions

August 24, 2023

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

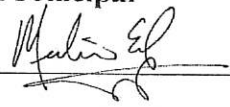
Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and Multi-Bank Securities, Inc. (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

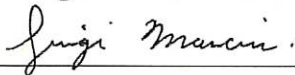
Signed By: 

Printed Name: Merlin Elsner

Title: Chief Compliance Officer

Date: 8/24/23

Broker Assigned to the Account



Luigi Mancini

Vice President, Fixed Income

8/24/23

Certification by Broker/Dealers and Financial Institutions

(date)

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

Dear Ms. Ezell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and Hilltop Securities (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Signed By: Sean Ladley

Printed Name: Sean Ladley

Title: Co-Head of Generalist Fixed Income Sales

Date: 8/25/2023

Broker Assigned to the Account

Gilbert Ramon

Gilbert Ramon

Vice President

08/25/23



City of Freeport, Texas Investment Policy

Revised
September 7, 2021

City Freeport Investment Policy

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I. Policy

It is the policy of the City Freeport (the “City”) to administer and invest its funds in a manner that will preserve the principal and maintain the liquidity while meeting the daily cash flow requirements of the City. The City will conform to all federal, state and local statutes, rules and regulations governing the investment of the City’s funds.

Not less than annually, City Council shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to the Investment Policy or investment strategies.

II. Purpose

The purpose of this policy is to provide direction for investing the funds of the City of Freeport and to comply with Chapter 2256 of the Texas Government Code (“Public Funds Investment Act”), which requires each entity to adopt a written investment policy regarding the investment of its funds and any funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

III. Scope

This investment policy applies to the safekeeping and investing of all financial assets of the City. These funds are accounted for in the City's Annual Financial Report and include all financial assets of all funds managed by the City, including but not limited to tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs or other retirement programs.

IV. General Objectives

The primary objectives, in priority order, of the City’s investment activities shall be safety, liquidity, and yield:

- A. **Safety** – Safety of the principal is the foremost objective of the investment **program**. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.
 - i. **Credit Risk and Concentration of Credit Risk** – The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, and concentration of credit risk, the

risk of loss attributed to the magnitude of investment in a single issuer, by:

- Limiting investments to the safest types of securities,
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and;
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

ii. **Interest Rate Risk** – The City will manage the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity,
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and;
- Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

B. **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds. Additionally, securities held in the portfolio will have active secondary or resale markets.

C. **Public Trust** – All participants in the City’s investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the City’s ability to govern effectively.

D. **Yield** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is restricted to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

- E. **Investments held to Maturity** - Securities shall not be sold prior to maturity with the following exceptions:

- 1) A security with declining credit may be sold early to minimize loss of principal.
- 2) Liquidity needs of the portfolio require that the security be sold.

City Council will be informed promptly in the event that a security is sold prior to maturity.

V. **Standards of Care**

- F. **Prudence** – The standard of prudence to be used by investing officials shall be the "prudent person" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The determination of whether an investing official has exercised prudence with respect to an investment decision shall be applied in the context of managing an overall portfolio rather than a consideration as to the prudence of a single investment.

Investment officials acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control unfavorable developments.

- G. **Ethics and Conflicts of Interest** – Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City any material interests in financial institutions that conduct business with the City. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. (See Exhibit B.)

Furthermore, an investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required

under this subsection must be filed with the Texas Ethics Commission and the City Council.

- H. **Delegation of Authority** – Authority to manage the City's investment program is granted to the Investment Officer (s) as listed in Exhibit A. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. This policy includes explicit delegation of authority to persons responsible for investment transactions. (See Exhibit A) No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.
- I. **Training** – Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties and shall attend an investment training session not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities. The City shall provide the training through courses and seminars offered by professional organizations and associations to insure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). Professional organizations and associations that may provide investment training included the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League.
- J. **Internal Controls** – The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

VI. Safekeeping and Custody

- A. **Authorized Broker/Dealers and Financial Institutions** – The Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment services (Exhibit C) to the City. This list shall be reviewed, revised as necessary and adopted at least annually.

Any person or business entity wishing to be listed as authorized to provide investment services will be required to provide a certification stating the firm has received, read and understood the Entity's investment policy and agree to comply with the policy (Exhibit D). Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Entity's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Entity's policy. No security, even if otherwise authorized by this policy, may be acquired from an investment provider who has not complied with this requirement.

No securities may be acquired from entities not qualified under this section.

- B. Competitive Purchasing** – The City's policy requires competitive quotes for all individual security purchases and sales except for a) transactions with money market mutual funds and local government investment pools; b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution; and c) exceptions approved by the Investment Officer on a case by case basis. These exceptions will take into consideration the investment type, maturity date, amount to be invested, and disruption to the City's investment strategy.

Quotes may be accepted orally, in writing, electronically or in any combination of these methods.

- C. Delivery vs. Payment** – All trades apart from investment pools and mutual funds will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

VII. Suitable and Authorized Investments

- A. Eligible Investments** – Assets of the City may be invested in the following instruments described below. All these investments are authorized by the Public Funds Investment Act. Only those instruments listed in this section are authorized.

1. Obligations of the United States of America, its agencies and instrumentalities
 2. Certificates of Deposit issued by a depository institution. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law. In addition, certificates of deposit obtained through a depository institution which are fully collateralized under a pledge agreement approved by the City are authorized investments.
 3. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of \$1.00 per share and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.
 4. Local Government Investment Pools, authorized by a separate resolution, which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.
 5. Commercial paper as authorized by Chapter 2256.013 if the commercial paper: 1) has a stated maturity of 270 day or fewer from the date of issuance; and 2) is rated not less than A-1 or P-1 or an equivalent rating by at least: A) two nationally recognized credit rating agencies; or B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.
- B. **Collateralization** – Collateralization will be required on all funds on deposit with a depository bank, other than investments. To anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest on the deposits, less an amount insured by the FDIC.

Securities pledged as collateral will be held in the City's name by an independent third party with whom the City has a current custodial agreement. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relation to possession of the collateral, the substitution or release of investment securities, ownership

of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least quarterly to assure that the market value of the pledged securities is adequate.

C. Existing Investments – Any investment currently held that does not meet the guidelines of this policy, but were authorized investments at the time of purchase, is not required to be liquidated; however, the City shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not or no longer qualifies as an authorized investment.

VIII. Investment Parameters

D. Diversification – The investments shall be diversified by security type and institution. Except for U.S. Treasury securities and authorized pools, the City will diversify the entire portfolio to comply with the investment strategy; however, in no case shall any single investment transaction be more than five-percent (5%) of the entire portfolio.

E. Maximum Maturities – To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. The composite portfolio will have a weighted average maturity of 365 days or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

IX. Investment Strategies

The City maintains separate portfolios for individual funds or groups of funds that are managed according to the terms of this Policy and the corresponding investment strategies listed in Exhibit E. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed in accordance with the terms of this Policy and applicable agreements until the next annual review when a specific strategy will be adopted.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service.

The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through

diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

X. Reporting

- F. Methods** – The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner consistent with the requirements of Section 2256.023 (Internal Management Reports) of the PFIA, and that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Council.
- G. Annual Audit** - The City's external independent auditor shall formally review the quarterly reports, compliance with this policy, and internal management controls over investments in conjunction with the annual financial audit. The results of the review will be reported to the City Council.
- H. Performance Standards** – The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The Investment Officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.
- I. Marking to Market** – The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. The market value of each investment shall be obtained from an independent source such as the Wall Street Journal, a reputable brokerage firm or security pricing service and reported on the investment reports.

XI. Record Retention

Records related to the City's investment activities will be maintained as recommended by the *Texas State Library Municipal Records Manual*. The Investment Officer, in conjunction with the City Secretary is responsible for filing and storing records of investment activity.

Exhibits

EXHIBIT A

List of Authorized Investment Officers

City of Freeport City Manager

City of Freeport Finance Director

City of Freeport Financial Analyst

EXHIBIT B

Statement of Ethics and Conflicts of Interest

Investment officials for the City Freeport shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- (2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.
- (3) The investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City Freeport, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the Freeport as of the date of this statement.

City of Freeport
Investment Official

Signature

Date

Printed Name

Title

EXHIBIT C

Approved Broker/Dealers, Financial Institutions and Investment Pools

Broker/Dealers

- a. Patrick Boyer, Duncan Williams
- b. Robert Phillips, Samco
- c. Russel Robnison, Bank of Oklahoma
- d. Luigi Mancini, Multi-Bank Securities
- e. Gilbert Ramon, Hilltop Securities

Dealers a-d communications as and pricing are handled by Anne Jenkins, AJ Capital.

Financial Institutions

Texas Gulf Bank, N.A. (Primary Depository)

U.S. Bank, N.A.

Investment Pools

TexPool
Texas Class

EXHIBIT D

Certification by Broker/Dealers and Financial Institutions

(date)

City of Freeport, Texas
Attn: Finance
200 W. 2nd Street
Freeport, TX 77541

Dear Ms. Russell:

This certification is executed on behalf of the City of Freeport, Texas (the Investor) and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Broker Assigned to the Account

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT E

Investment Strategy

The City of Freeport's investment portfolio will be designed and managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act. The overall investment strategy outlined in the investment policy has been further refined in this investment strategy statement by the following fund types.

Operating Funds:

Operating Funds generally have greater cash flow needs than other funds types. The operating fund portfolio may consist of any approved investment type with the understanding that the financial requirements of the operating funds will dictate the maturity dates of the investment. At utmost importance is the preservation and safety of the investment principal.

Additionally each investment will be viewed for its liquidity and marketability of the investment if the need arises to liquidate the investment before maturity. The final determining factors for the investment strategy will be the diversification of the investment portfolio and the yield of the investment.

To achieve short-term needs of one (1) to one hundred and eighty (180) days, funds will be invested in approved investment pools. For longer-term needs of six (6) months to five (5) years, funds will be invested in approved investments with objectives prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) preservation and safety of principal;
- 3) liquidity;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) yield.

Debt Service Funds:

The debt service requirements are semi-annual, thus allowing the investment strategy to mirror debt obligation payment dates. The strategy for debt service funds allows greater flexibility since the actual requirements are known into the future. Investments will still meet the adopted policies; however, planning maturity dates to match debt requirement dates will be the primary objective.

The investment instruments will be primarily in approved investment types with maturities at six or twelve months established to match debt requirement dates. Shorter-term investment may be used to meet these objectives and longer-term investments may be used when fund balance reserves exceed one year's debt service requirements.

To achieve this strategy the following objectives are prioritized to evaluate investment opportunities:

- 1) understanding the suitability of the investment to the financial requirements of the City Freeport;
- 2) preservation and safety of principal;
- 3) yield;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) liquidity.

Capital Improvement Funds:

Bond proceeds can be invested over the life of the project; however, the exact disbursement of the funds is not always known. The investment objective of the capital improvement funds is to schedule maturities to maximize investment earnings while preserving principle. The key to an effective strategy is to be aware of the project needs and match maturities to the period funds are needed.

The investment objective for capital projects funds is still to match investment maturities with funding needs. As short-term needs are recognized investment maturities will be moved into approved investment pools to meet financial requirements. Longer-term needs will be invested with the following objectives as prioritized for capital improvement funds:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) preservation and safety of principal;
- 3) diversification of the investment portfolio;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.

Reserve Funds:

Certain reserve funds have been established as required by bond covenants. The investment objective is to invest reserve funds to the extent that maturities are established to the limit of the investment policy or to the end of the bond requirements whichever is shorter.

The overall investment strategy for reserve funds will not rely on investment pools; however, the use of pools is not prohibited. Longer-term investment objectives are prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of Freeport;
- 2) diversification of the investment portfolio;
- 3) preservation and safety of principal;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.

DEPOSITORY INSTITUTION SERVICES

Hilltop Holdings Introduction

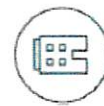


HilltopSecurities represents two established broker-dealers joined together

in January 2016, launching a new chapter as the principal broker-dealer subsidiary of Hilltop Holdings Inc. (NYSE: HTH)



Full solution provider for our clients:



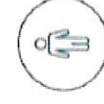
Municipal Issuers



Institutional Investors



Broker-Dealers and
Registered Investment Advisers



Individual Investors

Hilltop Holdings Introduction



Hilltop Holdings
By the Numbers

\$17.0B

In assets⁽³⁾

4,120

Nationwide employees

8th

Best Bank in Texas
by Forbes ⁽⁴⁾



- 6th largest⁽¹⁾ Texas-based bank by deposit amount
- \$11.1 billion in deposits per regulatory filings as of March 31, 2023
- Nearly 60 branches providing personal, commercial and private banking to customers in key markets across Texas



- 11th largest Retail Mortgage Originator
- Leading National Retail Mortgage Lender by Scotsman Guide⁽²⁾
- 1,100 loan officers located throughout the U.S.
- Authorized to make loans in all 50 states and the District of Columbia



- Ranked No. 2 municipal financial advisor in the nation by number of new issues and No. 3 by par amount in 2022⁽³⁾
- Robust presence in secondary market trading
- Underwriting of taxable and tax-exempt securities
- Lead player in HFA-MBS issuance

(1) Based on Texas deposit market share of Texas-based banks by deposit balance as of June 30, 2022

(2) Ranked by the Scotsman Guide for retail volume in 2022

(3) Per Ipreo MuniAnalytics

(4) As of Mar. 31, 2022. Form Hilltop Holdings 10Q Report.

(5) As of Feb. 14, 2023. Forbes.com.

47

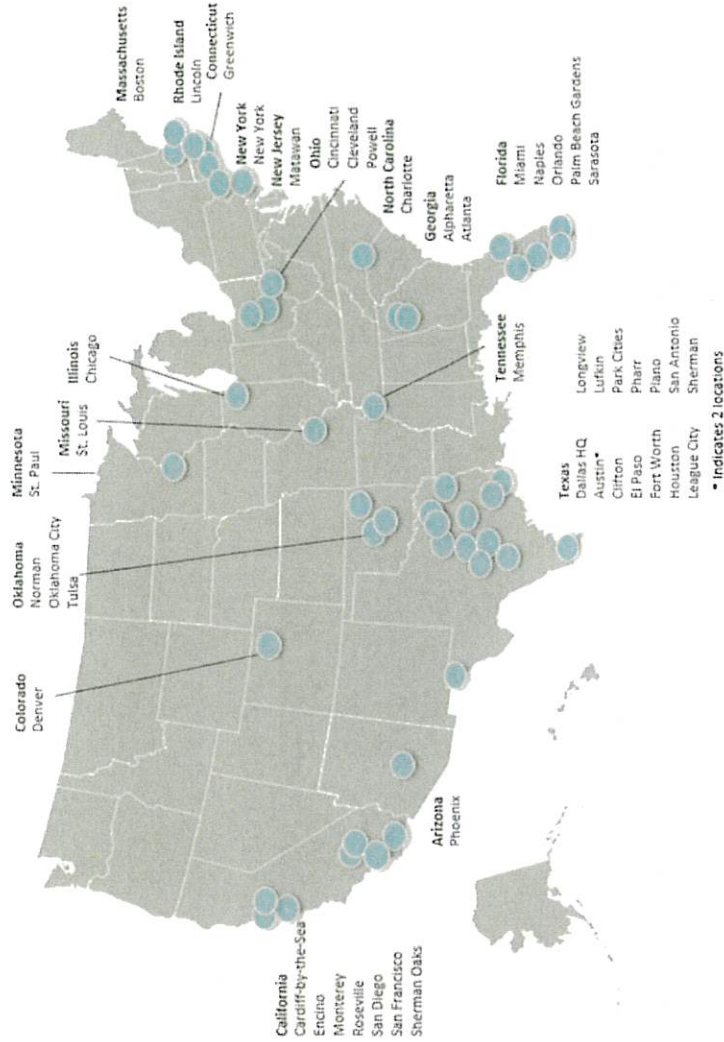
Offices in 18 states

793

Approx. employees

HilltopSecurities National Platform

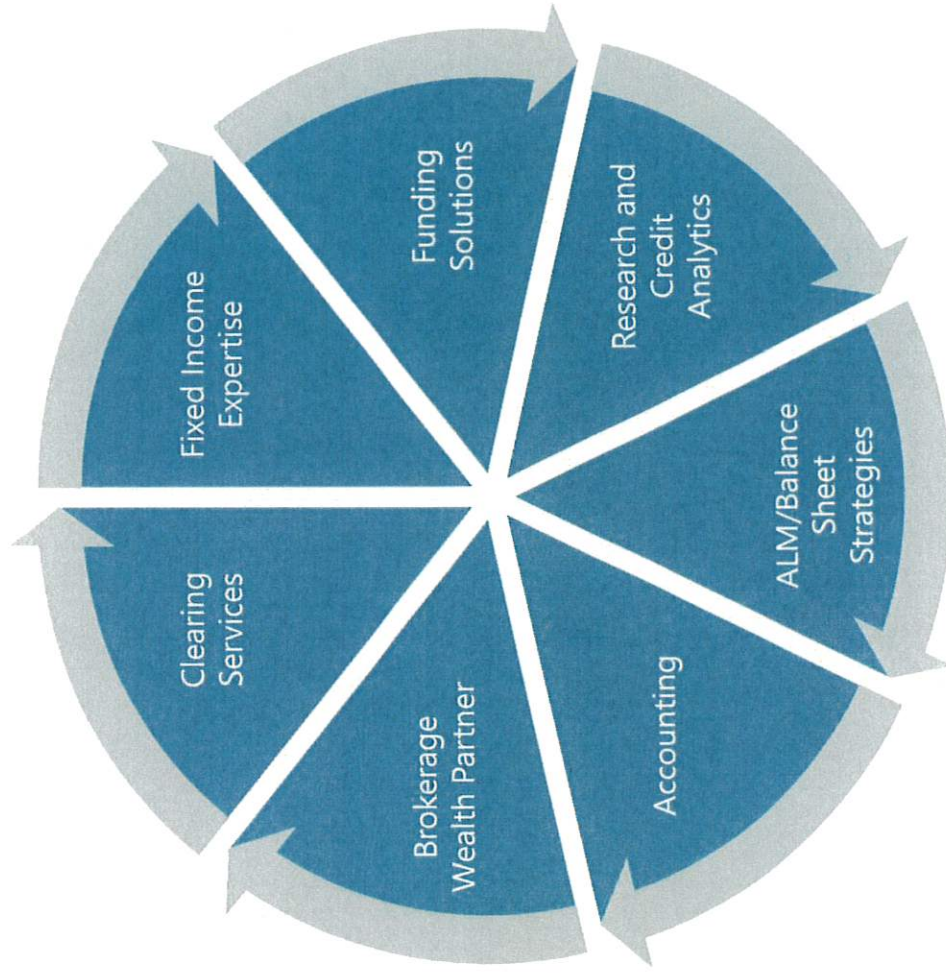
47 Office Locations in 18 States



Fixed Income Capital Markets	Structured Finance/DCM	Public Finance	Wealth Management	Clearing Services
Extensive knowledge and experience in fixed income underwriting, trading and sales to allow institutional investors achieve specific liquidity and capital demand.	Cross-sector solutions group provides structured finance advisory solutions, represents over eighteen State HFAs, and pioneered TBA interest rate protection for housing authorities.	Financial services, innovative solutions, and municipal advisory for national and local entities that issue debt for public purposes, as well as private, nonprofit, and specialty organizations.	Wealth management services for individual investors using a holistic approach and national network of financial professionals to achieve customized definitions of success.	Provides securities clearing, carrying, custodial and settlement services for registered broker-dealers and other market participants across the United States.
Includes: - Underwriting and Securitization - Fixed Income Sales and Trading - Bank Advisory Services - Strategy and Analytics	Includes: - Specialty Situation, Project Finance and High Yield Banking - Private Placements - Public and Private Entity Financings - Structured Products Finance	Includes: - Municipal Advisory - Municipal Underwriting - Continuing Disclosure - PEB Trust - Asset Management - Arbitrage Rebate - Government Investment Pools	Includes: - Private Client Group - Advisory Services Group - SMA and Fund Strategists - Independent Network - Insurance - Transition Services	Includes: - Traditional Brokerage - Research & Market Insights - Advisory Services - Processing Solutions - Securities Lending

HilltopSecurities provides a wide array of capabilities for financial institutions, including:

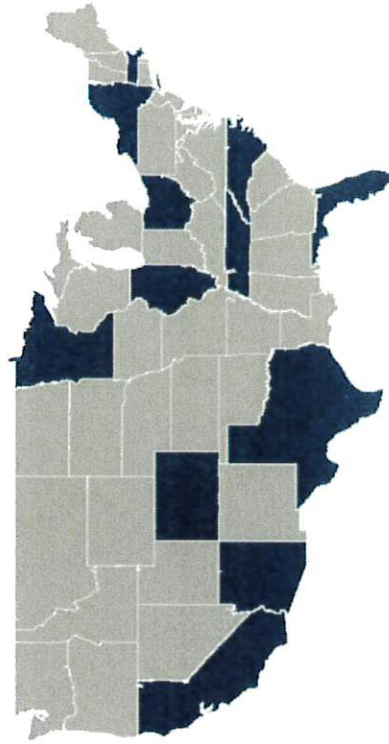
- Top tier trading services for securities and whole loans
- Proprietary mortgage product
- Robust financial analytics
- ALM, accounting, and unique, branch level budgeting software with consulting services



Major Regional and National Presence

16	Mortgage Sales & Trading	34	Middle Market Sales
24	Municipal Sales & Trading	300	Retail Sales Professionals

Sales, Trading, Underwriting Office Locations



Broad Based Fixed-Income Products:

Proprietary HFA MBS collateral

Specified Pools and CMO Creation

CRA: Securitized and Whole Loan Format

Agency CMBS and ABS

New Issue and Secondary Municipals, Including BQ

US Treasuries

New Issue and Secondary Agencies

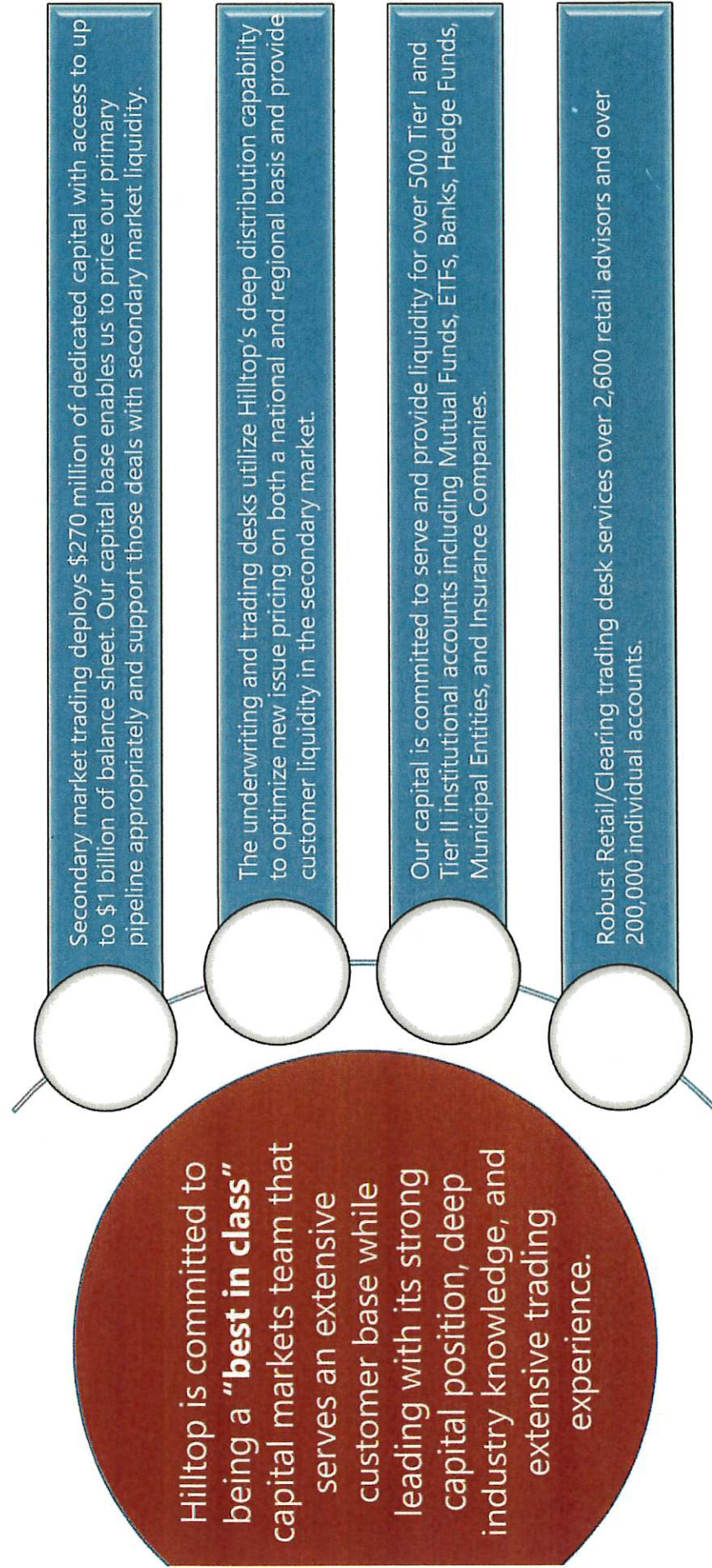
Secondary Corporates

Structured Notes

Insured Deposits and Retail Sweeps

Commercial Paper, Brokered CD's, VRDN's

Fixed Income Capital Markets





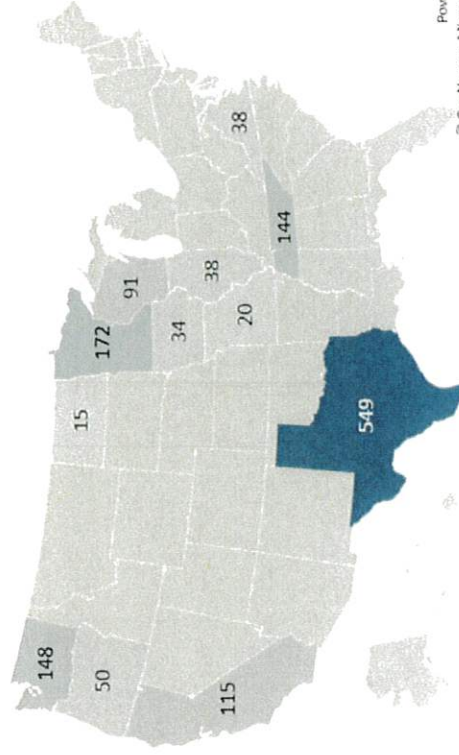
- Hilltop Securities is a leading municipal advisory firm, and an experienced underwriter for municipal issuers nationwide.
- Our municipal trading and underwriting professionals have the advantage of real-time access to industry experts and a large network of fixed income buyers.
- This allows for Hilltop Securities to provide our clients with up-to-the-minute guidance on best practices in the rapidly changing fixed income market.

2023 Municipal Rank (as of 6/6/2023)

	National Rank	Vol (MM USD)	Deals
Hilltop Holdings Inc	17	1628.30	69
Negotiated	17	943.35	23
Competitive	11	684.95	46

Source: Bloomberg

HilltopSecurities Competitive Issues 2022 (Shown in \$MM)



Powered by Bing
© GeoNames, Microsoft, TomTom

CMOs



HTS structures, issues, and distributes **CMOs**. We focus on creating bank assets to meet customer demand. Since inception, 70% of deals are created in GNMA assets. We create a variety of CMO structures:

- Floaters
- Short PACs
- Coupon Strip Downs
- Sequential Bonds
- CMO Derivatives

Specified Pools



HTS' specified pool desk trades a multitude of **specified pools**. The desk specializes in:

- Shorter WAM bank paper — both 15 and 20yr pools
- Call protected pools like HFA and loan balance

The desk also has a key relationship with our sister company **Prime Lending**, a leading national retail mortgage lender.

Prime can also work on reverse inquiry of pools and creation of CRA MBS.

ABS/Non-Agency Trading



Our team has **30+** years of experience trading mortgage credit at both primary and regional dealers.

- Key focus on harder-to-value, "story" cash flows that get overlooked by the dealer community to **generate alpha**.
- Leverage our unique understanding of legacy non-Agency collateral and structures to expand our secondary presence in 2.0 Prime Jumbo, RPL, Non-QM, Prime and Subprime auto, Aircraft ABS among other sectors.

HTS provides 18 HFAs with capital markets activities including: pipeline hedging, best execution rate setting, and specified pool sales. Given these exclusive relationships, Hilltop appears as a traditional mortgage originator to the investor community.

These exclusive relationships create a consistent pipeline of loans and specified pools that meet Community Reinvestment Act (CRA) requirements.

Hilltop's Top 5 Currently Managed HFAs by Production Volume

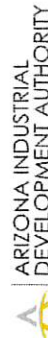
(as of 5/31/2023)

HFA	Loan Count	Government (\$MM)	Conventional (\$MM)	Total (\$MM)	% of Total Production
Washington State Housing Finance Commission	72,947	13,848	5,692	19,540	30%
Texas Department of Housing and Community Affairs	64,331	11,134	677	11,810	18%
Arizona Department of Housing	45,475	4,370	5,322	9,693	15%
North Carolina Housing Finance Agency	29,143	2,706	1,874	4,580	7%
Florida Housing Finance Corporation	13,847	2,027	1,559	3,586	6%
Total	225,743	34,085	15,124	49,209	75%

HTS has locked over \$65 billion of HFA loans over the last 10 years and originates ~25% of the HFA market annually. The HTS Structured Finance Business has **exclusive relationships** with 17 states and 18 HFAs.



Since inception, HTS has securitized over \$50 billion of mortgage loans for state and local HFA's. More than 80% of the loans are pooled into single issuer generic conventional and government pools.



Agency CRA Trading

- Hilltop provides ongoing summary reports of available CRA qualifying assets for Bank Customers' specific needs. These include:
 - CRA Whole Loans, CRA Agency MBS
 - CRA Qualifying Municipal Bonds
 - HFA Down Payment Assistance Loan, HFA Agency CMBS

Non-Agency CRA Trading

- Prime Jumbo Fixed Rate and ARM loan portfolios customized for a bank's Credit, Price, and Geographic requirements.
- Non-QM assets outside of traditional credit guidelines generating higher yields.

Multifamily and Small Balance Commercial

- Full or Participation interests in loans secured by Multifamily Housing and Commercial Real Estate generally smaller than \$20mm in principal balance with personal recourse to the credit guarantor.

Non-Mortgage Notes

- Manufactured Housing Collateral (chattel)
- UCC-1 Filing security interest on Real Estate

Fields of Expertise

- Underwriting for FHLB, Fannie Mae, Freddie Mac, and Farmer Mac.
- Structure trades and retain bonds with Freddie Mac, World Bank, and the Federal Farm Credit Banks (FFCB).
- Structure deals to match a customer's specific maturity or settle dates.
- Hit yield targets with higher current yield short lockouts or longer lockouts to meet liability management needs.

Types of Products

- Floaters (1mL, 3mL, TBills, Fed Funds, Prime, SOFR)
- Fixed Rate Bullets
- Fixed Rate Callables (1x, quarterly, semi-annual, or continuous Calls)
- Multistep Callables (Steps can be set to each customer's outlook)
- Discount Notes and Zero Coupons

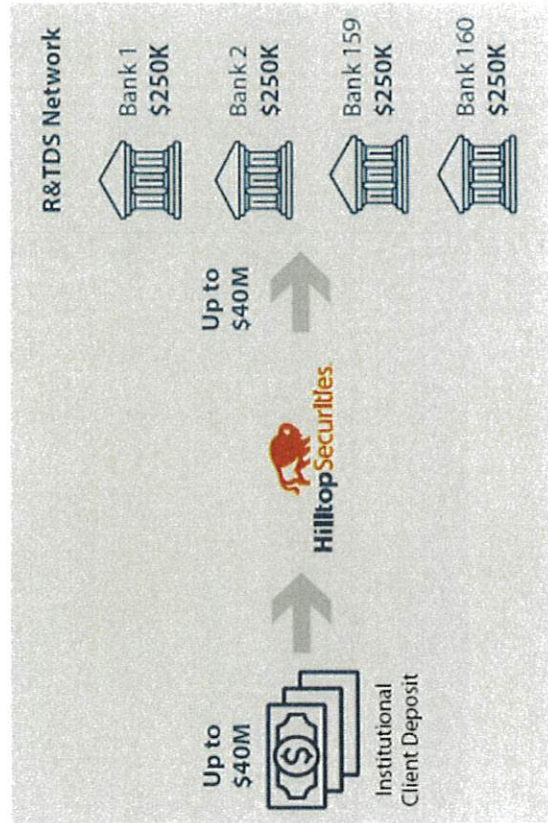
Our Distribution

We sell to a wide array of counterparties including:

- Banks
- Public Entities
- Money Managers
- Insurance Companies
- Hedge Funds

Institutional Bank Insured Deposits (IBID)

- Provides **core deposit** funding at a current market rate to depositories.
 - The only broker-dealer providing this Reich and Tang deposit solution.
- This investment provides daily liquidity and up to **\$40mm of FDIC insurance** to clients.



Retail Sweep Program Investment

- The HTS Retail Sweep Program invests leftover account balances into a Money Market Fund overnight, providing customers with higher yield.
- The cash will be available the next morning in the operating account along with the overnight returns.
- FDIC insured up to \$5mm.

Other short-term Investments include:

- Commercial Paper
- Brokered CDs



Latest Insights



Mahesh Swaminahtan, CFA

Managing Director,
MBS/ABS Strategist, Hilltop
Securities

Our nine-person strategy team provides expert-level guidance to each individual account achieve their financial objectives.

We provide daily or weekly commentary, market snapshots, and strategy reports to accounts.

Offerings/Inventories/

MBS Snapshot:

We support and organize these products to raise sales productivity and inspire trade ideas.

Portfolio/Balance Sheet

Analytics:

Solves client problems through individualized balance sheet guidance to manage portfolio and balance sheet risk.

iSnapshots/Surveillance:

Offers product snapshots before purchase and product surveillance after purchase to assess and evaluate portfolio performance.

Direct Swap Ideas & Portfolio Rebalancing Products:

Introduce and help execute strategy ideas for clients to help portfolio yield & risk.

HBS Portfolio Manager

- Investment Portfolio, Pricing, and Analytical System
- Provides clients with the flexibility an in-house system offers while maintaining a service bureau level of support

HBS Risk Manager

- Available either in-house or via a service bureau
- Covers all management reporting needs in the area of interest rate risk management through systemic testing and analysis.

HBS Profit Manager

- Combines Risk Manager with integrated budgeted, forecasting, branch, and board reporting capabilities
- Allows bank managers to produce reports and analyses for all financial management and ALM needs

Clearing Services for Bank Opportunity



HilltopSecurities.

**We
Provide**

Crucial Services

Trading Tools

Industry Insights

to help

Broker-Dealers

Depositories

RIAs

Reduce Costs

to Increase Efficiency

Create Growth

3rd Largest Clearing
Firm in Nation

Clearing Services Include:

- Traditional Brokerage
- Research & Market Insights
- Advisory Services

Portal to the Capital Markets



Disclaimer

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PUBLIC ENTITY SALES

CAPITAL MARKETS

HilltopSecurities offers specialized, high-level brokerage services to municipalities across the country.

HilltopSecurities' fixed income capital markets professionals deliver trading, underwriting, and sales services to municipalities and investors throughout the nation. As a leading municipal advisor¹ and underwriter² to both small and large municipalities across the country, we leverage in-house, real-time access to industry experts and participants to inform our clients about rapidly changing market conditions.

PUBLIC ENTITY SALES

We have a sales office dedicated to offering high-level brokerage services to municipalities. Our team delivers products and services designed specifically for government portfolios. We leverage more than 75 years of experience to offer analyses and recommendations for finance directors, treasurers, and cash managers of municipalities. We can optimize portfolios for safety and liquidity, while maximizing income potential and managing interest rate risk.

ACCESS TO DIVERSE PRODUCTS

In addition to consistently being ranked among the top municipal underwriters in the U.S.,² we are involved in sales and trading of U.S. treasuries, commercial paper, agencies, brokered CDs, corporate bonds, and municipal bonds. Our approach to successful investing combines strategic support services with broad trading capabilities. And as a regional dealer, we have access to a wide array of primary and regional inventories.

PERSONALIZED SERVICE

Our professionals provide the highest level of service and understanding of each client's unique personal investment goals.

RESPONSIVENESS

With state-of-the-art access to a diverse group of markets and products, we have an enhanced ability to respond to our clients' inquiries in a timely and accurate manner.

INVESTMENTS WITH INTEGRITY

We've built a reputation based on integrity by providing analytically sound investment options wholly shaped by the unique needs and best interest of each client.

CONTACT US

Find out how you can advance your portfolio. Contact us today.

Gil Ramon

Vice President, Institutional Sales

Fixed Income Capital Markets

713.654.8606

Gilbert.Ramon@hilltopsecurities.com

HILLTOPSECURITIES.COM



1. HilltopSecurities ranks no. 2 based on number of issues for the ten-year period ending Dec. 31, 2021. Ipreo MuniAnalytics. 2. HilltopSecurities ranks no. 18 among underwriters who served as senior manager on issues between Jan. 1, 2021 and Dec. 31, 2021.

About SouthState Bank



We're Banking Forward

At SouthState, our focus is on our customers first. Whatever success looks like to you, we'll make sure you have what you need to continue to grow, drive more efficiency and effectively manage risk. As your trusted financial partner, we're committed to providing enhanced capabilities, specialized solutions and innovative digital banking technology to help move your business forward. This is banking at its best. This is Banking Forward.

Award-Winning Bank

With more than 5,000 dedicated team members, SouthState is one of the leading regional banks in the Southeast – serving more than one million customers. We offer robust banking solutions, including consumer banking, mortgage, small business banking, commercial banking and wealth management. We're committed to creating a better banking experience and are proud to be recognized for the positive impact we're making on the lives of our customers and team members.

Corporate Social Responsibility

SouthState is committed to bettering the communities we serve by helping our team members, customers and local economies thrive. We accomplish this by playing an active role in community life, always operating with integrity and finding ways to give back. Visit our website to view our latest CSR Report.



By the Numbers



**This is banking at its best.
This is Banking Forward.**

Looking for Additional Information?

Company and Investor information
is available on our website:
[SouthStateBank.com](https://www.southstatebank.com) or
by calling 800.277.2175

Connect With Us



Correspondent Overview



The SouthState Correspondent Division is a full service unit with an extensive network of bank and other institutional relationships throughout the United States.

Created in 2008, the Correspondent Division employs over eightyfive professionals dedicated to correspondent services. The Team manages over 1100 relationships in 47 states.

In addition to the bank's main office in Winter Haven, Florida, Correspondent offices are located in Atlanta, GA; Birmingham, AL; San Francisco, CA; and Winston-Salem, NC. Additional Business Development offices are located in Dallas, TX; Charlotte, NC; Chicago, IL; and New York, NY.

As our customers and their communities expand and grow, SouthState is committed to delivering innovative products and services that include:

CAPITAL MARKETS SERVICES

Insight

Portfolio Strategies

Bond Accounting and Safekeeping

Treasury Services

- Brokered CDs
- Repurchase Agreements
- Federal Funds Accommodations

Asset/Liability Management Modeling and Consulting

- Plansmith Bankers GPS - Call Report Model
- FICast Sendero - Instrument-Level Model

Bond School and Customized Educational Functions

COMMERCIAL BANKING SERVICES

Loan Hedging Program, ARC

Loan Pricing Model, Loan Command

INTERNATIONAL SERVICES

- Foreign Wire Transfers
- S.W.I.F.T. Messaging
- Foreign Currency
- Foreign Check Clearing
- Foreign Drafts
- Foreign Exchange Advisory Services

PAYMENT SOLUTIONS

Clearing/Cash Management

- Converge
- Sweep Account
- Federal Funds Program

Debt Capital Markets Overview



SouthState|DuncanWilliams provides community financial institutions access to the same balance sheet and portfolio management expertise employed by larger institutions.

Our suite of investment services includes; Investment Portfolio Management, Asset/Liability Reporting and Consulting, Bond Accounting and Safekeeping, Federal Funds Programs, and Brokered Certificates of Deposit.

Our Debt Capital Markets team provides the following competitive advantages to our customers:

- We have over 100 dedicated professionals who have the longevity, expertise and ingenuity to provide the highest level of service, backed by systems and technology unsurpassed by any other investment provider.
- We can assist you in managing your day-to-day balance sheet need efficiently and competitively.
- We employ seasoned people who know banking, not just investment portfolio management and work diligently to understand your strategy, matching the perfect funding or investment products with your unique needs.
- We understand that one size doesn't fit all and believe you should invest in specific securities that meet your individual institution's needs.
- Through our Insight Capital Markets platform, we offer our customers the ability to retrieve documents through a fast and secure online web portal (includes confirmations, notifications, bond accounting reports, custody activity, and pledging information).
- We understand that our customers often wear many hats, and our Bond Accounting staff strives to understand your specific needs and meet them consistently each month.
- Our brokered deposit and structured funding products help us design a liability structure that enhances earnings and mitigates interest rate risk.
- We have on staff a Strategies Team dedicated to providing our customers a more structured approach in assisting with bond portfolios.
- We created our Bond Schools to help you and your board with a variety of bond related issues, including how to establish a culture of strategic management of a bond portfolio, how to address the demands of regulators, how to structure issues in the balance sheet, and profitability.

Debt Capital Markets Products



SouthState | DuncanWilliams recognizes that community financial institutions need access to the same balance sheet and portfolio management expertise employed by larger institutions. Our team of professionals will provide that expertise and can serve as your conduit to the capital markets. Serving as your channel to the capital markets, we can assist you in managing your day-to-day balance sheet needs both efficiently and competitively.

STRATEGIES TEAM

Our professional investment team helps financial institutions develop and execute effective investment strategies that simultaneously meet balance sheet needs, improve earnings, and minimize risk. Because we are in constant contact with the financial markets, our investment professionals are fully aware of current trends and are able to offer a broad range of strategies.

TREASURY SERVICES

We offer a wide variety of treasury services to ensure that short and long-term balance sheet needs are met.

- Federal Funds Sweep Account
- Brokered CDs
- Federal Funds Accommodations
- Repurchase Agreements
- Derivative Instruments

SAFEKEEPING AND BOND ACCOUNTING SERVICES

Our highly automated Safekeeping and Bond Accounting services are designed to simplify the investment back office function of a community financial institution. Reports are web accessible, and our integrated infrastructure eliminates the need to notify different departments of investment activity. Our knowledgeable staff is focused on providing an exceptional level of service intended to exceed our clients' expectations.

SouthState | DuncanWilliams utilizes our Insight Capital Markets platform, which offers customers the ultimate combination of automation and flexibility. Insight's Safekeeping functionality is fully integrated with trade processing and investment portfolio management. This highly automated infrastructure efficiently manages delivery of payables, receivables, and pledging details.

Our Bond Accounting services offer an extensive selection of reports providing details on accounting, performance management and regulatory compliance. We provide a complete SAE 16 review to document the adequacy of our Insight platform as well as surrounding operation controls.

ASSET LIABILITY SERVICES

Our Asset/Liability Management consultants help provide answers for hundreds of community financial institutions throughout the Southeast. From Asset/Liability service bureau reporting to consulting, we have the knowledge and experience to help you better understand and manage the interest rate risk embedded in your balance sheet.

SouthState is proud to offer two reporting models for service bureau reporting:

- Institutions that desire simplified yet comprehensive risk analysis, can utilize Plansmith's call-report driven Bankers GPS model.
- For those that require more robust capabilities, including balance sheet strategies and what-if scenarios, the FICast A/L model is available.

BOND SCHOOL AND CUSTOMIZED EDUCATIONAL FUNCTIONS

SouthState | DuncanWilliams offers Bond School sessions during the year, along with many individual sessions for clients off site. Topics addressed within the sessions include:

- Investment Securing behavior performance measures
- Regulatory Considerations
- Asset/ Liability management and the strategic connection between ALM and the investment portfolio

Capital Markets Fee Schedule



ASSET/LIABILITY SERVICES

SouthState – FICast Standard Model	\$2,362.50 per report
SouthState – FICast Static Model	\$1,837.50 per report
Bankers GPS – PlanSmith Reporting	\$675.00 per report

SAFEKEEPING SERVICES

Monthly Maintenance	\$3.00 per receipt
Security Deliveries and Receives	
Free Security Delivery (Ins & Outs)	\$15.00
Purchase or Sale Through SouthState Bank	FREE
Purchase or Sale Through Other Brokers	\$35.00
Other Transactions	
Maturities & Calls	\$15.00
Pledging (New, Changes, Releases)	\$15.00
Principal & Interest Payment	\$1.00
Monthly Minimum	\$200.00

BOND ACCOUNTING SERVICES

Monthly Service Fees	
Up to 25 Securities	\$200.00
Per Additional Security	\$1.50
Municipal Securities Ratings	\$0.25 per municipal security
CMO Securities Pricing	\$6.27 per cmo
Electronic Delivery of Report	FREE
Conversion Expense	FREE

Pricing as of January 2023



ARC Program

Community banks and commercial lenders seek ways to compete more effectively with the larger national banks in their respective market. This outsourced hedging solution gives lenders the opportunity to meet their customers' requests for longer-term, fixed rate financing while allowing the bank to better manage its own interest rate risk by booking a floating rate loan.

THE CHALLENGE

With rates at historically low levels, expectations of rising interest rates and an extremely competitive market for strong credit quality borrowers, borrowers are demanding longer-term fixed rate financing options from community banks.

Community banks carry a core deposit base with a cost that will adjust frequently as interest rates move, and if used to fund longer-term assets, can expose the bank to interest rate sensitivity, a decrease in equity value and lower margins as interest rates rise.

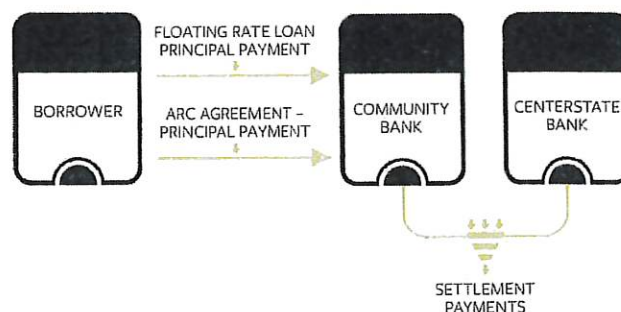
By not offering a longer-term fixed rate option, community banks will struggle to compete with the larger commercial banks and may risk losing a relationship.

Further, many banks are not willing to consider the standard hedging options available as they are perceived as too complex, and with the new regulatory environment, more cumbersome to manage efficiently.

THE SOLUTION

SouthState's ARC Program (Assumable Rate Conversion) provides a borrower the ability to fix his loan payments while the originating bank receives a floating rate. The originating bank will provide servicing on the loan and remain the primary contact to the borrower.

The ARC Program uses the originating bank's own underwriting and loan documents in order to keep the process simple, consistent and efficient.



An ARC Agreement will be added to the loan documentation to convert the originating loan's floating rate to fixed. The accounting, regulatory and reporting requirements pertaining to the hedging activities will be the responsibility of SouthState.

In short, the ARC Program allows the community bank to deliver superior customer service by providing greater loan options while also mitigating the interest rate risk should rates rise.

BENEFITS

- Meets borrowers' needs of longer-term fixed rate financing
- Ability to book a floating rate loan at the bank
- Simplified structure as the ARC Agreement is only an amendment added to the loan documents
- Assumable feature of the ARC Agreement allows it to be transferred, pending proper credit approvals, and can keep the loan balance at the bank or an opportunity to acquire a new customer
- The longer-term structure allows for cross-selling opportunities
- Removes the bank from the hedge accounting and regulatory reporting requirements
- Puts SouthState's experience and capabilities to work for you, giving your bank the marketing, sales, data and pricing support it needs to better compete in the increasingly competitive loan market

UNDERWRITING CRITERIA

- Loan Amounts: Between \$500,000 and \$50,000,000
- Term and Amortization: Up to 21 years final maturity and 30 year amortization
- Debt Service Coverage: 1.20x or above
- Loan-to-Value: 85% or less
- Loan Types: Commercial real estate, multifamily housing, special use, hospitality, self-storage, industrial and retail
- Excluded Loan Types: Golf courses, adult entertainment, consumer loans, government entities, individual borrowers with under \$1 million of provable net worth, Non-state regulated gaming and non-defense weapons manufacturers

STEPS TO CLOSING

- Find a borrower seeking longer-term fixed rate financing
- Contact SouthState's Hedge desk for indicative fixed rates, training, marketing and pricing support
- Approve loan and submit underwriting package to SouthState for approval
- Execute ARC Servicing Agreement with SouthState
- Borrower signs closing documents, including the ARC Agreement provided by SouthState
- Book floating rate loan at the bank and begin servicing the loan

TESTIMONIALS

"We pride ourselves on providing an exceptional level of service to our customers, so it's quite rare that we work with anyone who impresses us with their service. You, however, have definitely impressed our entire team here with your responsiveness, helpfulness and friendliness. It is very much appreciated and will certainly encourage us to do more with SouthState."

– Chad, CCO at community bank in Wisconsin

"This hedge experience was significantly better than ones I had closed at my previous bank, and I look forward to closing many more in the future. Our new customer also mentioned how great this closing went and complemented our process versus the previous ones he had done at larger banks."

– Adam, Lender at community bank in North Carolina

"We closed a real estate transaction yesterday using the SouthState ARC product. My lending team was highly impressed with your rep's professionalism and the seamless transaction for our customer. I wanted to pass this on to recognize your efforts and how it helped us close this transaction."

– Jerry, CEO at community bank in Florida

HOW TO GET STARTED?

To begin offering longer-term, fixed rate financing to prospective borrowers, complete the registration form online, contact your Business Development Officer or contact our ARC team at 800.481.2443 or via email at ARC@southstatebank.com.

International Services



In today's rapidly changing economic environment, the demand for global funds transfer services and settlement has grown tremendously. SouthState has a full-service International and Foreign Exchange Group. Services include Wire Transfers in Foreign Currency and US Dollars, Foreign Banknote Services as well as Foreign Check Clearing.

FOREIGN WIRE TRANSFERS

The remittance of funds in almost any currency is handled quickly and efficiently through our extensive network of foreign correspondent banks. In addition, we can provide your customers complete payment instructions for receiving payments from foreign countries. Our Reg E module produces pre-payment disclosures and consumer receipts providing the CFPB required delivery dates and fees.

Create an additional income stream for your bank utilizing our Spread Income feature. Income to your institution can be significant as your FX volumes grow. Our team will train your staff on how to educate clients on the benefits of sending payments in foreign currency. Many clients utilize their existing wire system to direct international activity to SouthState for processing, eliminating the rekeying of data. Through Converge, our online banking platform, you can import transactions to streamline the entry, export details to simplify reporting and manage email notifications.

S.W.I.F.T. MESSAGING

SouthState is a member of the Society for Worldwide Interbank Financial Telecommunications (S.W.I.F.T.). Our association with S.W.I.F.T. allows us to send the most secure messaging and wire transfers throughout the world on behalf of our financial institution clients.

FOREIGN DRAFTS

We have the capability to issue drafts in all major currencies, giving your customers a reliable way to send funds to individuals or bank accounts overseas.

Foreign Drafts also give your customers an alternative payment method when situations are less time-sensitive.

FOREIGN CHECK CLEARING

Our international check clearing service gives financial institutions the ability to collect on checks drawn on foreign banks, in addition to checks drawn in other currencies. Clearing is done by Clean Collection or Cash Letter methods providing credit on a final or provisional credit basis.

FOREIGN CURRENCY

Through SouthState, you have the ability to offer Foreign Currency Banknotes for international travel needs. Any unused notes are easily bought back at current exchange rates. Foreign Currency exchange rates are published on Converge and the easy to use FX calculator provides a quick quote feature for added simplicity. Next business day delivery provides a fast, reliable and cost effective service for your clients.

FOREIGN EXCHANGE ADVISORY SERVICES

With exchange rates fluctuating daily, SouthState's foreign exchange specialists can help advise your institution, thus helping your customers manage their foreign exchange risk.

For more information regarding our International Services, please contact your Business Development Officer.

Clearing / Cash Management



SouthState has created a correspondent banking platform that provides community financial institutions a one-stop solution for streamlining operations and simplifying external relationships. Products include Clearing and Cash Management, International Services, and Converge.

The Clearing/Cash Management Solution is comprised of the following services:

SWEEP ACCOUNT

Our sweep account allows financial institutions to consolidate remaining daily balances ensuring that every excess dollar is invested at a competitive Fed Funds Rate. This service removes the burden of daily settlement decisions by continuously monitoring the account and investing all available funds. The invested funds are re-credited the following morning to be used to settle daily transactions.

Additionally, if a financial institution prefers, SouthState will act as your Excess Balance Account (EBA) agent at the Federal Reserve Bank. Each day excess funds will be automatically swept to a financial institution's EBA.

The sweep account is also designed to sweep funds from a financial institution's Fed Funds Line of Credit with SouthState. These funds are swept in \$1,000 dollar increments in order to limit the purchase of unnecessary funds.

SouthState's suite of Clearing/Cash Management Services are offered at competitive prices with no hidden fees.

FEDERAL FUNDS

SouthState offers both Agent and Principal Federal Funds Programs. When utilized in conjunction with our Sweep Program, excess funds will be automatically invested into one of these programs.

Our Agent program allows community financial institutions to automatically diversify funds between SouthState and approved upstream purchasers in the program. The Principal program is available for banks wishing to sell their funds exclusively to SouthState. In both programs the principal and interest is credited back the following morning to ensure optimum availability.

CONVERGE

Converge, our innovative online banking platform, provides multiple-user access for one low monthly fee. Converge offers a full suite of domestic wire services that include OFAC scanning and email notification to staff and/or customers. Account balances are reflected in a real time environment and include hourly updates of Federal Reserve Bank entries. Converge also offers the following services:

- International
- ACH Origination and Return/NOC
- Coin/Currency
- Large Dollar Return Item Notification

For more information regarding our Clearing Program, please contact your Business Development Officer.

UBS leads the way in wealth management

Corporate profile for 1Q23



Building on its history of over 150 years, UBS is committed to bringing its global resources to bear on the portfolios of high net worth individuals to help them pursue their wealth management goals. Today, as a world-leading global wealth manager¹ with 2.96 trillion in invested assets² across the entire wealth spectrum, we are strongly positioned to help our clients address their sophisticated needs and the realities of the global economy. Our dedicated Financial Advisors deliver customized solutions so that our clients can reach their goals no matter what the environment is like.

The UBS approach to managing wealth

- **Exclusive research.** The Global Wealth Management Chief Investment Office (GWM CIO) team combines insights from global research professionals and local expertise to give clients access to our best investment thinking. Informed by a rigorous investment process, GWM CIO's insights help clients make better investment decisions in a rapidly changing global marketplace.
- **Global solutions.** Our clients' complex needs drive the solutions we provide. We offer a great variety of solutions across a wide range of products and platforms.
- **Top-ranked Financial Advisors.**³ To help clients pursue their ultimate goals, our Financial Advisors provide comprehensive strategies and solutions based on an understanding of clients' objectives and risk tolerance, and the financial plans they create together.

Strong and well-capitalized

UBS remains financially strong, with solid long-term credit ratings. UBS has a Basel III common equity tier 1 (CET1) capital ratio of 13.9% as of March 31, 2023. The Basel III framework is a global regulatory standard on bank capital adequacy, stress testing and market liquidity risk; implemented by each country, it is designed to improve the banking sector's ability to absorb shocks arising from financial and economic stress.

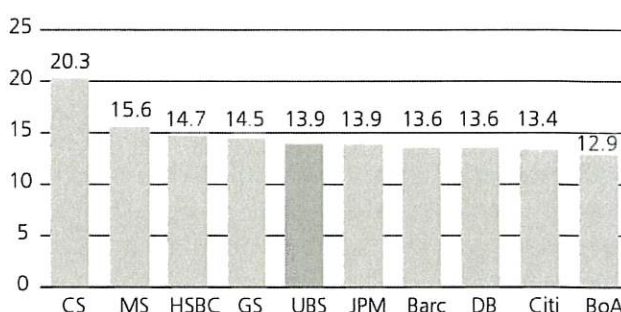
¹ UBS's estimate based on published invested assets and internal estimates.

² UBS Global Wealth Management invested assets as of March 31, 2023. Refer to Page 2 for UBS Group AG figures.

³ Many of the UBS Financial Advisors are recognized on a number of industry lists and rankings, such as *Barron's* Top 1,200, *Barron's* Top 100 and *Barron's* Top Women Financial Advisors.

BIS Basel III common equity tier 1 capital ratio (%)—fully applied¹

As of March 31, 2023



Source: Companies' reporting

¹ All figures are fully applied. UBS and CS are based on Swiss SRB Basel III, other European peers are based on Basel III under CRD IV, while US peers are based on Basel III under advanced approach.

For more information, see disclaimers on following page and "Capital Management" section in our quarterly and annual reports available at ubs.com/investors.

Long-term credit ratings (as of May 9, 2023)

	S&P's long-term rating / outlook	Moody's long-term rating / outlook
UBS Group AG	A-/N	A3/N
UBS AG	A+/S	Aa3/N
Credit Suisse Group AG	BBB-/U	Baa2/U
Credit Suisse AG	A-/U	A3/U
HSBC Holdings PLC	A-/S	A3/S
HSBC Bank PLC	A+/S	A1/S
Bank of America Corp.	A-/S	A1/S
Bank of America N.A.	A+/S	Aa1/S
Citigroup Inc.	BBB+/S	A3/S
Citibank N.A.	A+/S	Aa3/S
The Goldman Sachs Group Inc.	BBB+/S	A2/S
Goldman Sachs Bank USA	A+/S	A1/S
JPMorgan Chase & Co.	A-/S	A1/S
JPMorgan Chase Bank N.A.	A+/S	Aa2/S
Morgan Stanley	A-/S	A1/S
Morgan Stanley Bank N.A.	A+/S	Aa3/S

Legend: Group holding/operating company

Source: credit rating agencies' websites.

S&P: Issuer Credit Ratings: [details](#)

Moody's: senior unsecured debt rating: [details](#)

Moody's rates senior unsecured debt issued by UBS Group AG on an unsolicited basis.

Global Wealth Management (GWM)¹

Performance (USD million)	1Q23	4Q22	1Q22
Total revenues	4,792	4,601	4,904
Pre-tax profit	1,215	1,058	1,310
Assets (USD billion)			
Invested assets	2,962	2,815	3,145

GWM Americas

Performance (USD million)	1Q23	4Q22	1Q22
Total revenues	2,609	2,640	2,695
Pre-tax profit	364	375	439
Assets (USD billion)			
Invested assets	1,659	1,581	1,772

UBS Group AG key corporate figures

	1Q23	4Q22	1Q22
Invested assets (USD billion)*	4,160	3,957	4,380
Return on common equity tier 1 capital (%) ²	9.1	14.7	19.0
Market capitalization (USD million) ³	64,322	57,848	65,775

* Consists of invested assets for Global Wealth Management, Asset Management and Personal and Corporate Banking.

Industry Recognition

J.D. Power 2022 US Full-Service Investor Satisfaction Study

#1 in Client Satisfaction with Full-Service Wealth Management Firms

UBS received the highest score in the J.D. Power 2022 US Full-Service Investor Satisfaction Study of investors' satisfaction with full-service investment firms. The study was conducted between November 2021 and January 2022 and is based on responses from 4,396 investors who make investment decisions with a financial advisor. Eighteen firms receiving 100 or more completed surveys were eligible to be included in the ranking. Visit jdpower.com/awards for more details. J.D. Power rankings may not be representative of any one client's experience because it reflects an average of the overall sample and represents only a small percentage of the total number of UBS customers. The ranking is not indicative of future performance. The J.D. Power 2022 US Full-Service Investor Satisfaction Study is independently conducted, and the participating firms do not pay to participate. Use of study results in promotional materials is subject to a license fee.

Euromoney Awards for Excellence

- World's best bank for wealth management (2015, 2016, 2018, 2020, 2021)*
- North America's best bank for wealth management (2017, 2020, 2021)
- Latin America's best bank for wealth management (2022)

The Euromoney Awards for Excellence are based on information Q2 of the prior year to Q1 of the award year. UBS paid a license fee for these ratings. The rating is based on quantitative factors and is not necessarily related to the quality of the investment advice.

Euromoney Private Banking and Wealth Management Survey (#1 rankings, peer review basis)

- Best Private Banking Services Overall—Global (2016 – 2021)*
- Ultra High Net Worth clients (2016 – 2020)
- High Net Worth clients (2015 – 2022)
- Super affluent clients (2016 – 2019, 2021)
- Family Office Services (2016 – 2018, 2020 – 2022)
- Research and Asset Allocation Advice (2015, 2016, 2018)
- Philanthropic Advice (2015 – 2022)
- ESG/Impact Investing (2015 – 2022)
- International Clients (2015 – 2022)
- Next Generation (2020 – 2022)
- Serving Business Owners (2020)
- Technology—Data Management and Security (2020 – 2022)
- Technology—Innovative or Emerging Technology (2020 – 2022)

Euromoney Global Private Banking Awards—Brazil

Ultra High Net Worth individuals (2023)

The Euromoney Private Banking and Wealth Management Surveys are based on information from Q4 of the prior year. UBS paid a license fee for use of the rating.

PWM/The Banker Global Private Banking Awards

- Best Global Private Bank (2017, 2020, 2021)*
- Best Private Bank for Chief Investment Office (2021)**
- Best Private Bank for UHNW Clients (2017, 2019)
- Best Private Bank for Sustainable Investing (2018 – 2020)*
- Best Private Bank for Alternatives (2022)
- Best Private Bank for Entrepreneurs (2018)

The PWM/The Banker Global Private Banking Awards are based on information from January to December of the prior year. UBS paid a license fee for use of the rating. The rating is based on quantitative factors and is not necessarily related to the quality of the investment advice.

* The ratings apply to UBS AG which is the parent company of UBS Financial Services Inc. and do not relate to the quality of the advisor's investment advice.

For more information on third party rating methodologies, please visit ubs.com/us/en/designation-disclosures.

** New award category added in 2021.

For the complete list of UBS private bank and wealth management awards: [Click here](#).

¹Comparatives may differ as a result of adjustments following organizational changes, restatements due to the retrospective adoption of new accounting standards or changes in accounting policies, and events after the reporting period.

²Refer to the "Performance targets and capital guidance" section of our Annual Report 2021 and 2022 for more information about our performance targets.

³Refer to the "Share information and earnings per share" section of the firm's 1Q23 and 1Q22 reports for more information.

Important information about brokerage and advisory services.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at ubs.com/relationshipsummary, or ask your UBS Financial Advisor for a copy.

This document contains "forward-looking statements," including, but not limited to, management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. Additional information about those factors is set forth in documents furnished or filed by UBS with the US Securities and Exchange Commission, including UBS Group AG's financial quarterly reports. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this document is provided solely for information purposes, and is not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG or its affiliates should be made on the basis of this document. Refer to our quarterly and annual reports for more information. These reports are available at ubs.com/investors. No representation or warranty is made or implied concerning, and UBS assumes no responsibility for, the accuracy, completeness, reliability or comparability of the information contained herein relating to third parties, which is based solely on publicly available information. UBS undertakes no obligation to update the information contained herein.

Wealth management services in the United States are provided by UBS Financial Services Inc., a registered broker-dealer offering securities, trading, brokerage and related products and services.

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UBS Financial Services Inc.
ubs.com/fs
2023-1175866
Exp: 05/31/2024, IS2303119



Reasons for Selecting A.J. Capital For Investment Services

***Background**

- 31 years experience – A.J. Capital managing funds for schools and cities.
- 10 years experience in investing \$500,000,000 short term funds for Gibraltar Savings, now Bank of America.
- Master of Business Administration degree receiving honors and distinction from Sam Houston State University.
- Authors a monthly financial newsletter with subscriptions throughout the United States.
- Published in international periodicals and statewide newsletters for municipalities and school districts.
- Client base consists of political subdivisions including, but not restricted to cities, school districts and community colleges throughout the State of Texas.
- Holds workshops in an effort to provide information as to the inner workings of the financial markets.
- Personal attention is directed toward clients' individual needs.
- Provides clients detailed spreadsheets with description of investments owned, par amount, interest payment date, maturity rate and yield.

Cathy Ezell

From: Robert Phillips <RPhillips@samcocapital.com>
Sent: Wednesday, September 6, 2023 11:17 AM
To: Anne; Cathy Ezell
Subject: RE: [External] Broker Information Sheets

Ms. Ezell,

Here is a short biography.

Robert Phillips is a Managing Director of SAMCO Capital Markets. His primary emphasis is providing fixed-income security investments to financial institutions, educational and municipal government entities.

In 1977, after receiving a BBA in Finance from the University of Texas at Austin, Mr. Phillips joined the Asset Management Department at Corpus Christi National Bank. Over the next 17 years, he progressed in his career to the office of Senior Vice President.

By the end of that 17 year period, he had acquired a great deal of expertise in the investment market, particularly fixed-income securities, government bonds, and portfolio management for both individuals and corporate entities. In May of 1994 he moved to Dallas and began to share that expertise through Banc One Capital Markets, where his knowledge and experience continued to expand as Associate Director.

Mr. Phillips joined the SAMCO team in March of 2003. His reputation for acute business sense, knowledge of his field, and a high standard of honesty and integrity, serve him well. He has developed faithful relationships with his clients, some dating back many years. Mr. Phillips' relationship with SAMCO dates back to those years on the purchase end of the relationship while with CCNB, and subsequently with Banc One. We are proud to have him on the SAMCO side of the desk.

More information about SAMCO Capital Markets, Inc. can be found on our website: <https://www.samcocapital.com/>

You can also do a broker check on any broker at <https://brokercheck.finra.org/>

Sincerely,

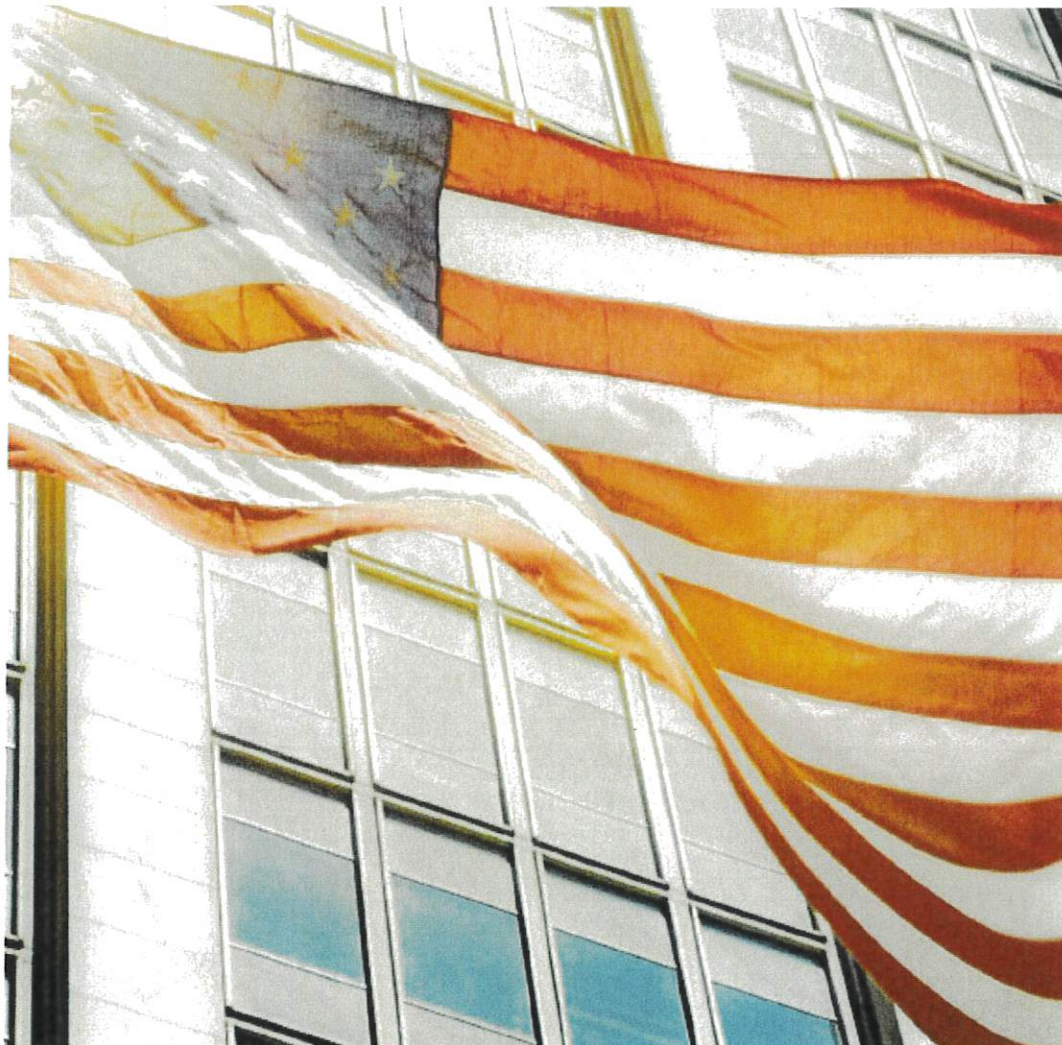
Robert Phillips
SAMCO Capital Markets, Inc

214-765-1408 ofc
214-405-4995 voice cell
214-438-3829 text cell



These offerings include information from sources believed to be reliable: however, we do not guarantee its accuracy or completeness. Based upon information available to us prices, yields, opinions, and risks expressed in this report reflect judgements as of this date and are subject to

2023 Municipal Due Diligence



LUIGI MANCINI
VICE PRESIDENT, FIXED INCOME
PHONE: +1 (800) 967-9049
LMANCINI@MBSSECURITIES.COM

Please send all correspondence to Corporate Headquarters:

Multi-Bank Securities, Inc.

1000 Town Center, Suite 2300 • Southfield, MI 48075 • www.mbssecurities.com

Proudly Veteran-Owned!

The information provided in the following pages has been prepared to meet or exceed your regulatory requirements.

Member of FINRA & SIPC; MSRB Registered. MBS 2023 Muni DD E.pdf 04.07.23

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Dear Valued Customers and Prospective Clients,

Thank you for your interest in Multi-Bank Securities, Inc. (MBS). We understand you have numerous options for your investment needs, and we appreciate you taking the time to learn more about our Firm.

Our goal is to deliver quality services and sound financial solutions to our customers by dedicating our resources exclusively to the fixed-income sector. We hope you will find that this document addresses everything you need to complete your due diligence on our Firm. We have included information on both MBS and our clearing firm: Pershing LLC (Pershing), a BNY Mellon company.

Here are a few ways our customers experience the MBS difference:

Stability: MBS is a privately held, fixed-income securities broker-dealer with a 35-year history of serving institutional investors. We work with thousands of institutions nationwide and have several offices across the country to serve your needs.

Veteran Status: We are a veteran-owned firm and are certified as a **Service-Disabled Veteran-Owned Business (SDVOB)** by the National Veteran Business Development Council (NVBDC).

Investment Products: MBS specializes in a broad selection of fixed-income investment products and services, including an array of U.S. Treasuries, agencies and certificates of deposit (CDs). **We traded \$204 billion in principal amount for our clients in 2022.**

Underwriting: MBS is proud to be an approved underwriter of agency debt for Fannie Mae, Freddie Mac, Farmer Mac, the Federal Home Loan Banks and the Federal Farm Credit Banks. MBS is also an active underwriter of CDs, corporate bonds, municipal bonds and mortgage-backed securities.

Proprietary Technology: MBS has implemented many technological innovations and systems that enable us to establish and maintain clear market leadership, including a **proprietary online platform**. Our technology provides timely market information and reporting to our customer base.

Value-Added Services: We offer an array of value-added services to our clients, including portfolio analytics and third-party safekeeping through Pershing.

We also encourage you to learn more about our Firm's FINRA broker-dealer status at www.finra.org – our CRD number is 22098.

Please do not hesitate to reach out to me or your account representative if you have any questions or require additional information. You can contact me directly at 1-800-967-9055 or davemac@mbssecurities.com.

Sincerely,



David T. Maccagnone
Chairman and Chief Executive Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 1000
Fort Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

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Multi-Bank Securities, Inc. (MBS) is committed to providing you with the highest quality service available. We hope this packet will meet or exceed your due diligence needs and expectations.

MBS has clients in all 50 U.S. states and territories. References are available upon request.

THE FOLLOWING INFORMATION IS PROVIDED TO SUPPORT YOUR DUE DILIGENCE REQUIREMENTS:

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CERTIFICATION

is hereby granted to:

Multi-Bank Securities, Inc.

The National Veteran Business Development Council certifies
that the named entity has met all criteria established to be
recognized as a Service Disabled Veteran Owned Business (SDVOB)

Keith King

Keith King, CEO

Y4LGXX9Y

Certificate Code

523120

NAICS Codes

October 31, 2022

Date Earned

November 01, 2023

Date Expires





Office of General Services
Division of Service-Disabled
Veterans' Business Development

Multi-Bank Services, LTD and Multi-Bank Securities, Inc.

Is hereby certified as a

New York State Service-Disabled Veteran-Owned
Small Business (SDVOB)

October 1, 2018

181716

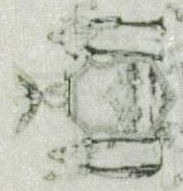
Control Number

Director
Division of Service-Disabled Veterans'
Business Development

September 30, 2023

Expiration Date

Commissioner
New York State
Office of General Services



Andrew M. Cuomo
Governor



SOUTH CENTRAL TEXAS REGIONAL CERTIFICATION AGENCY

Your unified certification source
www.sctrca.org

March 9, 2022

David Maccagnone
Multi-Bank Securities, Inc.
1000 Town Center, Suite 2300
Southfield, MI 48075

Dear David Maccagnone:

We are pleased to inform you that your application for certification in our Small, Minority, Woman and Veteran Business Enterprise (S/M/W/V) Program has been approved. Your firm met the requirements of the SCTRCA Policy and Procedure Manual and is currently certified as a:

***DIBE VBE**

Certification Number: **222031567**
Certification Expiration: **March 31, 2024**

Providing the following products or services:

NAICS 523: SECURITIES, COMMODITY CONTRACTS, AND OTHER FINANCIAL INVESTMENTS AND RELATED ACTIVITIES
NAICS 5231: SECURITIES AND COMMODITY CONTRACTS INTERMEDIATION AND BROKERAGE
NAICS 5239: OTHER FINANCIAL INVESTMENT ACTIVITIES

On the two year anniversary date of your certification, you are required to provide a renewal application affirming that no changes have occurred affecting your certification status. The SCTRCA will send you a Certification Renewal reminder **sixty (60) days** prior to your expiration date. The SCTRCA will no longer include a certificate upon certification renewals. **Your expiration date is March 31, 2024.**

Please notify this office within **thirty (30) days** of any changes affecting the size, ownership, control requirements, or any material change in the information provided in the submission of the certification application. Thank you in advance.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Johnson".

Charles Johnson,
Executive Director

South Central Texas Regional Certification Agency of Bexar County, Texas hereby duly affirms that:

Multi-Bank Securities, Inc.

has successfully met the established requirements of SCTRCA's Business Enterprise Certification Program to be
certified as a

***DIBE VBE**

Certified NAICS Codes

NAICS 523: SECURITIES, COMMODITY CONTRACTS, AND OTHER FINANCIAL INVESTMENTS AND RELATED ACTIVITIES
NAICS 5231: SECURITIES AND COMMODITY CONTRACTS INTERMEDIATION AND BROKERAGE
NAICS 5239: OTHER FINANCIAL INVESTMENT ACTIVITIES



Certification Number: 222031567
Effective Date: March 9, 2022
Expiration Date: March 31, 2024

Charles Johnson
Executive Director

Note: This certificate is the property of the South Central Texas Regional Certification Agency and may be revoked should the above named firm graduate from or fails to comply with SCTRCA's Business Enterprise Program. A Certification Renewal Application is required every two years.



DATA CURRENT AS OF:
Wednesday, March 1, 2023

CRD#: 22098

REGULATORY, STATE & TERRITORY REGISTRATIONS

Jurisdiction/SRO	Category	Status	Status As Of Date
AK	Broker Dealer	Approved	03/27/1997
AL	Broker Dealer	Approved	11/07/1994
AR	Broker Dealer	Approved	05/02/1997
AZ	Broker Dealer	Approved	10/11/2001
CA	Broker Dealer	Approved	03/30/1994
CO	Broker Dealer	Approved	04/23/1991
CT	Broker Dealer	Approved	08/20/1998
DC	Broker Dealer	Approved	03/30/1994
DE	Broker Dealer	Approved	10/11/1994
FINRA	Broker Dealer	Approved	12/23/1988
FL	Broker Dealer	Approved	02/05/1991
GA	Broker Dealer	Approved	02/28/1994
HI	Broker Dealer	Approved	04/05/1995
IA	Broker Dealer	Approved	03/31/1994
ID	Broker Dealer	Approved	03/20/1997
IL	Broker Dealer	Approved	07/13/1989
IN	Broker Dealer	Approved	03/24/1997
KS	Broker Dealer	Approved	05/04/1994
KY	Broker Dealer	Approved	03/08/1994
LA	Broker Dealer	Approved	09/07/1994
MA	Broker Dealer	Approved	07/25/1994
MD	Broker Dealer	Approved	03/11/1994
ME	Broker Dealer	Approved	05/24/1994
MI	Broker Dealer	Approved	08/31/1988
MN	Broker Dealer	Approved	09/02/1994
MO	Broker Dealer	Approved	05/02/2002
MS	Broker Dealer	Approved	03/04/1994
MT	Broker Dealer	Approved	02/14/1994
NC	Broker Dealer	Approved	08/02/1994
ND	Broker Dealer	Approved	04/25/1997
NE	Broker Dealer	Approved	11/02/1994

**DATA CURRENT AS OF:** Wednesday, March 1, 2023 (Continued)**CRD#:** 22098**REGULATORY, STATE & TERRITORY REGISTRATIONS**

Jurisdiction/SRO	Category	Status	Status As Of Date
NH	Broker Dealer	Approved	09/28/1995
NJ	Broker Dealer	Approved	11/09/1994
NM	Broker Dealer	Approved	08/02/1994
NV	Broker Dealer	Approved	05/23/1994
NY	Broker Dealer	Approved	06/05/1996
OH	Broker Dealer	Approved	11/21/1994
OK	Broker Dealer	Approved	06/04/1991
OR	Broker Dealer	Approved	04/04/1997
PA	Broker Dealer	Approved	03/07/1994
PR	Broker Dealer	Approved	02/10/2000
RI	Broker Dealer	Approved	03/02/1994
SC	Broker Dealer	Approved	08/04/1994
SD	Broker Dealer	Approved	03/04/1994
SEC	Broker Dealer	Approved	05/06/1988
TN	Broker Dealer	Approved	08/04/1994
TX	Broker Dealer	Approved	06/29/1990
UT	Broker Dealer	Approved	01/19/1994
VA	Broker Dealer	Approved	05/16/1994
VI	Broker Dealer	Approved	01/30/2012
VT	Broker Dealer	Approved	06/18/1997
WA	Broker Dealer	Approved	10/04/1989
WI	Broker Dealer	Approved	09/06/1991
WV	Broker Dealer	Approved	01/28/1994
WY	Broker Dealer	Approved	08/08/1994



March 1, 2023

To Whom It May Concern:

This letter is to inform you that we at Multi-Bank Securities, Inc. (MBS) do not give accounting, regulatory, tax or legal advice. However, MBS makes every effort to recommend investments we feel are appropriate for our clients. It is our intention to maintain on file an investment policy from every one of our clients.

If you have a written investment policy outlining the types of investments you can and cannot make, please forward it to us at your convenience. We have designed a system of controls to help reduce the risk of inappropriate investments for our clients.

Sincerely,

David T. Maccagnone
Chief Executive Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

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Proudly Veteran-Owned!



MULTI-BANK SECURITIES, INC.

Municipal Investing Policy

Recommendations and Guidelines

Your Investment Policy

Since 1988, Multi-Bank Securities, Inc. (MBS) has been serving the investment needs of municipalities throughout the U.S. It is with great care that we recommend investment products we feel are appropriate and strictly adhere to your investment policy guidelines. We have systems in place to assist you in reducing the risk of making inappropriate investments.

Maintenance of Your Investment Policy

It is our policy to review and maintain a copy of your investment policy on file. Should your policy need reviewing, your MBS account representative is ready to help. Our team of highly skilled professionals is required to regularly complete continuing education to ensure a broad understanding of how fixed-income products impact the municipal market. They are well-versed in current regional, state and federal governmental investment statutes and policies.

Developing Your Investment Policy

Information about developing and evaluating an investment policy is available on the Multi-Bank Securities Institute website. This online resource focuses on educating and supporting investment professionals of all experience and skill levels. There is no cost associated with the website, but visitors will have to register to view the Public Funds Investor Guide.* Explore the site at <https://institute.mbssecurities.com>.

National municipal organizations such as the Association of Public Treasurers of the United States & Canada (APT) and the Government Finance Officers Association (GFOA) also make sample investment policy guidelines and recommendations available to governmental entities. To receive a free copy, please contact your MBS account representative.



Luigi Mancini

Vice President

CRD# 2740646

(800) 967-9049 direct

lmancini@mbssecurities.com

Luigi Mancini joined Multi-Bank Securities, Inc. (MBS) in 2008 as an account executive in the institutional fixed-income industry. Presently, he serves as a vice president of the Firm.

In 1997, he began his career in financial services trading equities at Olde Discount and later at H&R Block. Luigi specializes in fixed-income securities, such as government agencies, certificates of deposit (CDs), mortgage-backed securities, CMOs, corporate bonds and U.S. Treasuries.

Luigi's educational background includes a Bachelor of Science in business from Oakland University and an MBA from Wayne State University. His areas of concentration included finance and economics. He currently holds the following FINRA licenses: a General Securities Representative (Series 7), a General Securities Principal (Series 24), a Municipal Advisor Representative (Series 50) and a Uniform Securities Agent State Law Representative (Series 63).

In his spare time, Luigi enjoys soccer, conversing in Italian, learning Spanish and, most importantly, spending time with his wife and two children.

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Southfield, Michigan 48075

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORTS
FORM X-17A-5
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12
SEC FILE NUMBER
8-39547

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2022 AND ENDING 12/31/2022
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Multi-Bank Securities, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

1000 Town Center Drive Suite 2300

(No. and Street)

Southfield

(City)

Michigan

(State)

48075

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

JEFFERY MACCAGNONE

(Name)

(248)291-1100

(Area Code - Telephone Number)

jeffmac@mbsscurities.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Carnaghi & Schwark PLLC

(Name - if individual, state last, first, and middle name)

30435 Groesbeck Hwy

(Address)

Roseville

(City)

MI

(State)

48066

(Zip Code)

05/19/2009

(Date of Registration with PCAOB)(if applicable)

3421

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

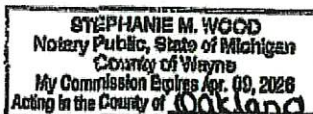
OATH OR AFFIRMATION

I, JEFFERY MACCAGNONE, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Multi-Bank Securities, Inc., as of 12/31, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Signature: [Signature]

Title:
President

Stephanie M Wood
Notary Public



This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

MULTI- BANK SECURITIES, INC
STATEMENT OF FINANCIAL CONDITION

December 31, 2022

Filed Pursuant to Rule 17a-5 (e) (3) Under the Securities Exchange Act of 1934

As a Public Document

Carnaghi & Schwark, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

Anthony L. Carnaghi, CPA
Douglas W. Schwark, CPA

(586) 779-8010
FAX (586) 317-6135

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder of Multi-Bank Securities, Inc.
Southfield, Michigan

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Multi-Bank Securities, Inc. as of December 31, 2022, and the related notes to the financial statements. In our opinion, the statement presents fairly, in all material respects, the financial position of Multi-Bank Securities, Inc. as of December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Multi-Bank Securities, Inc.'s management. Our responsibility is to express an opinion on Multi-Bank Securities Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Multi-Bank Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion

Carnaghi + Schwark, PLLC

We have served as Multi-Bank Securities, Inc.'s auditor since 1989.
Roseville, Michigan
February 21, 2023

MULTI-BANK SECURITIES, INC
STATEMENT OF FINANCIAL CONDITION
December 31, 2022

	<u>ASSETS</u>	<u>2022</u>
Assets:		
Cash		\$8,348,394
Accounts receivable:		
Brokers, dealers and clearing organization		76,217,929
Deposit - clearing organization		4,027,620
Other		47,595
Securities owned, at fair value (Note 3)		494,241,829
Prepaid expenses		422,528
Operating Lease Asset Short Term (Note 7)		391,758
Total current assets		<u>583,697,653</u>
Other assets:		
Operating Lease Asset Long Term Note 7)		2,434,180
Total other assets		<u>2,434,180</u>
Total Assets		<u><u>\$586,131,833</u></u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u> 		
Liabilities:		
Accounts payable:		
Commissions due sales representatives		\$8,635,872
Other		181,949
Securities sold, not yet purchased, at fair value		446,501,164
Accrued expenses		4,317,642
Operating Lease Liability Short Term (Note 7)		391,758
Total current liabilities		<u>460,028,385</u>
Operating Lease Liability Long Term (Note 7)		2,434,180
Total long-term liabilities		<u>2,434,180</u>
Total Liabilities		<u>462,462,565</u>
Stockholder's equity:		
Common stock, par value \$1.00 per share; 50,000 shares authorized; 16,000 shares issued		16,000
Capital in excess of par value		66,192,000
Retained Earnings		57,461,268
Total stockholder's equity		<u>123,669,268</u>
Total Liabilities and Stockholder's equity		<u><u>\$586,131,833</u></u>

See accompanying notes.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 1 - ORGANIZATION

Multi-Bank Securities, Inc., (the "Company") is an institutional fixed-income securities broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission. The Company is a wholly owned subsidiary of Multi-Bank Services, Ltd. See Note 4 for transactions with Parent Company.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities Transactions and Revenue Recognition

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, requires that an entity recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those services. Revenue is recognized when: (a) a contract with a client has been identified, (b) the performance obligation(s) in the contract have been identified, (c) the transaction's price has been determined, (d) the transaction's price has been allocated to each performance obligation in the contract, and (e) the Company has satisfied the performance obligation.

The following represents information on the recognition of the Company's revenue from contracts with customers:

Principal transactions revenue represents the actual mark-up and mark-down on securities sales to accounts and the unrealized gains and losses from securities owned and securities sold, not yet purchased. Principal transactions are recorded on the trade date of the transactions. Management reviewed the impact of any unsettled transactions and determined there are no material differences between the trade date and settlement date positions for the year ended December 31, 2022.

Securities owned and securities sold, not yet purchased are recorded at fair value in accordance with FASB ASC 820, Fair Value Measurements and Disclosures. See Note 3 - Fair Value.

Commissions and fees revenue represents commissions earned from executing customer transactions in equities, mutual funds and certificate of deposit placement fees. These transactions are recorded on a trade date basis.

Net interest trading revenue represents the coupon interest that the Company earns or pays on its securities positions.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk From Cash Deposits in Excess of Insured Limits

The Company maintains cash balances at financial institutions that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts, and the Company believes it is not exposed to any significant risks on cash.

Receivable from and Payable to Brokers, Dealers, and Clearing Organization

Receivables from and payable to brokers, dealers, and clearing organizations include deposits of cash and/or securities with exchange clearing organizations. In addition, there are receivables and payables from fees and commissions arising from unsettled securities transactions.

Concentrations of Counterparty Credit Risk

The Company is engaged in various trading and brokerage activities with counterparties that primarily include broker-dealers, banks, and other financial institutions. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. The Company monitors its exposure to risk through a variety of control procedures, including daily review of trading positions.

Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates, and market volatility and liquidity. The Company manages risk by setting and monitoring adherence to risk limits and by hedging its positions.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Taxes

The Company files a consolidated federal income tax return with its Parent Company. The provision for Federal income tax for the year ended December 31, 2022 is based on a separate return filing.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 21, 2023, which is the same date the financial statements were available to be issued.

Subsequent to year-end, the Company issued a \$2.5 million (\$2,500,000) dividend to its parent on January 9, 2023.

Note 3 - FAIR VALUE

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 3 - FAIR VALUE (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2022.

	Level 1	Level 2	Level 3	Total
Assets				
Corporate/Other Debt	-	\$490,698	-	\$490,698
U.S. Govt. & Agency	-	398,448,157	-	398,448,157
U.S. Treasuries	30,310,935	-	-	30,310,935
Municipal Debt	-	64,992,039	-	64,992,039
Total securities owned	<u>\$30,310,935</u>	<u>\$463,930,894</u>	<u>-</u>	<u>\$494,241,829</u>
Liabilities				
U.S. govt. & agency	-	\$ 365,068,989	-	\$365,068,989
U.S. Treasuries	42,587,340	-	-	42,587,340
Equities	38,844,835	-	-	38,844,835
Total Securities sold, not yet purchased	<u>\$81,432,175</u>	<u>\$365,068,989</u>	<u>-</u>	<u>\$446,501,164</u>

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 4 - TRANSACTIONS WITH PARENT COMPANY

The Parent Company, Multi-Bank Services, Ltd., provides various administrative services to the Company, including furniture and fixtures. For the year ended December 31, 2022 administrative expenses charged to the Company amounted to \$300,000.

Note 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$100,000 or 1/15th of aggregate indebtedness as defined.

At December 31, 2022, the Company's net capital was \$109,570,400 and its required net capital was \$875,698. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was .12 to 1.

Note 6 - EMPLOYEES' BENEFIT PLANS

The Company maintains a defined contribution benefit plan 401(k) to cover all eligible employees of the Company. Under provisions of the Plan, participating employees can elect to contribute to the account a percentage of their compensation not to exceed the limitations imposed by the Internal Revenue Service. In addition, the Company at its discretion may make a matching contribution, which percentage will be determined each year by the Company. For the year ended December 31, 2022 the Company elected not to make a matching contribution.

Note 7 - OPERATING LEASE OBLIGATIONS

The Company is a lessee in several operating leases for office space. Under ASC 842, Leases, a lessee is required to recognize a lease asset and a lease liability for operating lease arrangements greater than 12 months. The Company is a lessee in several operating leases for office space. The Company recognizes a right of use asset and a lease liability at the commencement date of the lease. Right of use assets and liabilities are recognized on the Company's balance sheet based at the present value of future lease payments relating to the use of the underlying asset during the lease terms. The Company uses its incremental borrowing rate as the discount rate in determining the present value of future lease payments since the implicit rate in the lease arrangement is not readily determinable. The incremental borrowing rate is based on the rate of interest it would have to pay on a collateralized basis to borrow an amount equivalent to the lease payments under similar terms and in a similar economic environment. The rate is presently determined to be 6.0%.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2022

Note 7 - OPERATING LEASE OBLIGATIONS (Continued)

The Company has operating leases for its primary operating facilities in Southfield, Michigan and Fort Lauderdale, Florida. They also lease facilities in various other states. The future minimum lease payments for these leases are summarized as follows:

<u>Years Ended December 31</u>	<u>Amount</u>
2023	438,112
2024	474,363
2025	478,278
2026	491,407
2027	402,064
2028-2033	<u>1,547,328</u>
Total	3,831,552
Imputed Interest Short Term	(46,354)
Imputed Interest Long Term	<u>(959,260)</u>
 Total Operating Lease Balance	 <u><u>\$2,825,938</u></u>
 Balance Sheet Operating Lease Asset & Liability	
Short Term Balance	391,758
Long Term Balance	<u>2,434,180</u>
 Total Operating Lease Balance	 <u><u>2,825,938</u></u>

The lease agreements include escalation clauses that increase the minimum rental payment for increased lessor taxes and operating expenses.

For the year ended December 31, 2022, the total lease expense pursuant to the above operating leases amounted to \$681,995.

Furniture and equipment is provided by the Parent Company, the charge for which is included in the administrative charges paid to the Parent Company, see Note 4.

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IMPORTANT COMPLIANCE INFORMATION

USA PATRIOT ACT / ANTI-MONEY LAUNDERING / BANK SECRECY ACT / CIP RULE / KNOW YOUR CUSTOMER

Multi-Bank Securities, Inc. is committed to complying with the U.S. statutory and regulatory requirements designed to combat money laundering and terrorist financing. The USA PATRIOT Act requires all financial institutions to obtain certain identification documents or other information in order to comply with their Customer Identification Procedures (CIP).

When you open an account, we will ask you for your name, address and other information that will allow us to satisfy our Know Your Customer requirements. We also may ask to see your driver's license or other identifying documents. Until you provide the required information or documents, we may not be able to open an account or effect any transactions for you. For additional information, contact Chief Compliance Officer Merlin Elsner, our designated Anti-Money Laundering Compliance Officer, at 1-800-967-9008.

4

The Customer Due Diligence Rule (CDD Rule) from FinCEN, effective May 11, 2018, requires that certain financial institutions are now obligated to disclose the ultimate beneficiary of the company upon new account opening. We will ask that you provide documentation on each individual that owns 25 percent of the equity interests in your institution, or any individual with significant responsibility to control, manage or direct your institution. We will ask for personal information on the CEO, CFO, COO, managing members, general partners, presidents, vice presidents, treasurers, et al. We will seek to retain sufficient information on any individual who regularly performs functions that demonstrate "control." Under the definition provided by FinCEN, we will seek information on beneficial owners using Appendix A to CFR 1010.230 (Beneficial Owner Certification Form).

ORDER ROUTING

Order routing information for your specific orders is available upon request by contacting your account representative. You can also see the most recent quarterly routing information on our corporate website, www.mbssecurities.com, by clicking on Order Routing at the bottom of the home page.

FINRA BROKERCHECK INFORMATION

The FINRA BrokerCheck program is available at www.finra.org and can be accessed by clicking on BrokerCheck at the top of the home page. The site gives background information, registration/license status and disciplinary history of brokers and firms.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)

Information about SIPC, including the SIPC brochure, can be obtained by calling SIPC at 1-202-371-8300 or visiting the SIPC website at www.sipc.org.



IMPORTANT COMPLIANCE INFORMATION (CONTINUED)

MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-10 – INVESTOR EDUCATION AND PROTECTION

Multi-Bank Securities, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

The website address for the Municipal Securities Rulemaking Board is www.msrb.org.

A brochure is posted on the website of the Municipal Securities Rulemaking Board. In addition to having investor education materials available, there are also descriptions of the protections provided by MSRB rules and how to file a complaint with FINRA's Investor Complaint Center.

FIRM CONTACT INFORMATION

If you have any concerns about your account, please contact Merlin Elsner at 1-800-967-9008.

Updated March 2023



PRIVACY POLICY

Multi-Bank Securities, Inc. (MBS) respects your right to privacy. We are committed to securing the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective clients to understand what information we collect and how we use it.

WHY WE COLLECT YOUR INFORMATION

We gather your information about you and your accounts so we can (1) know who you are and thereby prevent unauthorized access to your information, (2) design and improve the products and services we offer, and (3) comply with the laws and regulations that govern the financial industry.

WHAT INFORMATION WE COLLECT

We may collect the following types of nonpublic personal information about you:

- Information about your identity, such as your name, address and Taxpayer Identification Number.
- Information about your transactions with us.
- Information we receive from you from applications, forms or direct discussions with you.

SOURCES FROM WHICH WE OBTAIN YOUR INFORMATION

We collect nonpublic personal information about MBS's clients from the following sources:

- Information we receive from you from applications, forms or direct discussions with you.
- Information we may obtain via the internet.
- Information we receive from our clearing firm or any third-party vendor for authentication purposes.

WHAT INFORMATION WE DISCLOSE

Your securities account is carried by our clearing firm pursuant to clearing agreements. We may disclose to them all the information we collect regarding your account. Our clearing firm is contractually obligated to keep the information we have provided them confidential and use the information only for the services required and as allowed by applicable law or regulation.

We also may disclose some nonpublic personal information about our customers or former customers to facilitate servicing your account or to our regulators upon proper request, except as permitted by law and noted above. Moreover, we will not release information about our customers or former customers, except as noted above, unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law or regulation to release information to the recipient.



PRIVACY POLICY (CONTINUED)

CONFIDENTIALITY AND SECURITY

We maintain physical, electronic and procedural safeguards to protect your personal account information. We also restrict access to your personal and financial data to authorized associates who have a need for these records. We require all non-affiliated organizations to conform to our privacy standards and are contractually obligated to keep the provided information confidential and used only as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

CALIFORNIA CONSUMER PRIVACY ACT (CCPA)

If you are a California resident, you may have the right to (1) request access to certain personal information* we have collected about you, or (2) request that we delete certain personal information* we may have collected from you. To exercise any of these rights, please visit www.mbssecurities.com and click the CCPA link in the website footer.

The examples contained within the Privacy Policy are illustrations and are not intended to be exclusive. If there are material changes to this policy, they will be posted on our website at www.mbssecurities.com.

Updated March 2023

**Personal information request exceptions: The CCPA does not apply to personal information that may not be provided or deleted based on other laws, rules or regulations.*



BUSINESS CONTINUITY STATEMENT

In the event of a disruption of service, if you cannot contact us as you usually do through your account representative or your branch office, call our alternative number, 1-800-967-5094, or visit our website at www.mbssecurities.com. If you cannot access us through either of these means, contact our clearing firm, Pershing LLC (Pershing), a BNY Mellon company, directly in one of the following ways:

1. Call 1-201-413-3635. Pershing will process limited trade-related transactions (option No. 1), cash disbursements (option No. 2) and security transfers (option No. 3) on your behalf.
2. Via facsimile at 1-201-413-5368.
3. Via postal service at Pershing LLC, P.O. Box 2065, Jersey City, NJ 07303-2065.

OUR BUSINESS CONTINUITY PLAN

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses the following: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees and regulators; alternate physical location of employees; critical suppliers, contractors, banks and counter-party impact; regulatory reporting; and assuring our customers' prompt access to their funds and securities if we are unable to continue our business. Our clearing firm, Pershing, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to quickly restore its own operations and be able to complete existing transactions and accept new transactions and payments. Your orders and requests for funds and securities could be delayed during the restoration period.

VARYING DISRUPTIONS

Significant business disruptions can vary in their scope, including the business district, the city or the entire region where one or more of our offices are located. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In the event of a disruption to one or more of our offices, we will transfer our operations to an appropriate location when needed and expect to recover and resume full business operations. In the event of a disruption affecting a larger area, we will transfer our operations to a location outside of the affected area when needed and expect to recover and resume full business operations in a timely manner. In either situation, we plan to continue normal business operations, transferring functionality to other offices within our Firm or to our clearing firm if necessary. We will notify our customers in the most prudent and expeditious method. If a significant business disruption is so severe that it prevents us from remaining in business, we will work with our clearing firm to assure our customers receive prompt access to their funds and securities.

If you have questions about our business continuity planning, you can contact us at businesscontinuity@mbssecurities.com.

Corporate Headquarters

1000 Town Center, Suite 2300, Southfield, MI 48075
1-800-967-9045 phone
1-248-291-1101 fax

Updated March 2023



March 1, 2023

To Whom It May Concern,

This letter is to inform you that as of the date of this letter, (1) there are no current regulatory sanctions outstanding against Multi-Bank Securities, Inc. (MBS) nor any of its account representatives or officers, and (2) MBS has never had a regulatory customer complaint.*

Additionally, MBS confirms we have an Anti-Money Laundering (AML) Program in place with policies and procedures that are reasonably designed to detect and prevent the use of our facilities and services for illegal purposes, including the laundering of monies, the financing of terrorist activities and the proliferation of weapons of mass destruction. This AML Program includes the designation of an AML officer, an ongoing AML employee training program and an annual independent audit to test the effectiveness of the AML Program. The Program is approved by the Board of Directors on an annual basis.

We further attest that we are in compliance:

1. With the Bank Secrecy Act (BSA), as amended by the USA PATRIOT Act, including, without limitation, a system of internal controls for detection and prevention of money laundering and illegal activity, independent testing of the company's BSA program, designation of a qualified individual for coordinating and monitoring day-to-day compliance, and training programs for all employees, officers and directors as appropriate.
2. With regulations and requirements of the Office of Foreign Assets Control (OFAC), including, without limitation, screening in OFAC-prohibited parties databases of all individuals involved in transactions by, through or with your institution, screening of OFAC embargoed country regulations for prevention of transactions involving countries subject to U.S. trade and economic sanctions, comparison of transactions on a daily basis, identification procedures and document retention.
3. With the Customer Identification Program requirements of the BSA, as amended by the USA PATRIOT Act, including, without limitation, risk-based procedures to verify customer identity, a risk assessment of our customer base and products, and due diligence for correspondent accounts
4. With "Know Your Customer" and monitoring requirements as necessary to ensure effective detection of suspicious transactions and procedures for the filing of Suspicious Activity Reports (SARs) and Currency Transactions Reports (CTRs).

Sincerely,

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

**Based on information available through our regulators and/or supplied to us by our clearing firm.*

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 1000
Fort Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!



Dear Multi-Bank Securities, Inc. Client,

Thank you for performing your due diligence on Multi-Bank Securities, Inc. (MBS). We understand that this is a crucial part of building a trusting relationship with your broker, and we are more than happy to provide a response concerning your finding(s).

There are four items on our BrokerCheck report we would like to further explain.

The first incident was initiated by the State of Alabama on June 16, 1994. The incident occurred when MBS submitted a broker-dealer application to the State and incorrectly filled out the paperwork in the process. MBS paid a small fine, and Alabama vacated the denial order following the paperwork corrections.

The second incident was initiated by the Vermont Securities Division on June 12, 1997. MBS was cited for transacting business as an unregistered broker-dealer in Vermont. We paid a small fine, became registered in the State of Vermont and conduct business there today.

In the third incident, as the result of a sweep, FINRA found that our Firm failed to accurately report to TRACE certain inter-dealer transactions in a timely manner.

The citation states,

"Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report the correct time of trade execution for transactions in Trade Reporting and Compliance Engine (TRACE)-eligible securitized products within 15 minutes of the time of execution to TRACE; and failed to show the correct time of execution on the memorandum of brokerage orders."

MBS paid a small fine without admitting or denying the facts as presented, and will continue to do business in the market of fixed-income securities. To prevent future events like this, we made changes to our supervisory policies and procedures to reduce redundant supervisory reviews. We reviewed and continue to review our inter-dealer relationships to ensure that trade times are reported, and to ensure that both parties contractually understand and agree to each transaction prior to creating a TRACE reporting obligation.

Finally, as a result of our 2014 and 2016 regular cycle examinations, FINRA took the position that during a specific period of time, on a specific form, there was language that could be potentially confusing to some municipal entities with respect to the capacity in which the Firm would be acting relative to the Municipal Advisor Rule. Additionally, FINRA took the position that the Firm's Risk Management Controls outside of the Written Supervisory Procedures caused the Written Supervisory Procedures to be inadequate, and that the Firm needed to make specific reference to a particular rule during the annual CEO certification of compliance systems and controls.

We are proud of our customer compliance record and will continue to provide you the best in customer service. We thank you again for the opportunity to provide you with additional details. Should you have any questions or concerns, I can be reached directly at 1-800-967-9008, or by email at melsner@mbssecurities.com.

Sincerely,

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

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Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!



CODE OF ETHICAL BUSINESS CONDUCT

MISSION STATEMENT

Multi-Bank Securities, Inc. is a fixed-income securities Firm focused on delivering value to the institutional markets. We seek to earn and preserve the respect, confidence and loyalty of our employees and customers through integrity, professionalism, investment expertise, progressive technology and exceptional personal service.

CODE OF ETHICAL BUSINESS CONDUCT

Our Code of Ethical Business Conduct outlines our principles, ethics and standards to help guide our employees. Every person at our Firm is valuable and fulfills a vital role. Each client's objective can be successfully met when all departments work harmoniously with that singular goal in mind. The following are in addition to the rules required by FINRA and other regulatory authorities.

Commitment: We have made a commitment to operate ethically and to lead with integrity. We are committed to maintain the trust of fellow employees, clients, business partners and other industry professionals. This commitment is embedded in our core values.

Integrity: Is the sum of the collective actions of our employees and how those actions measure up every day to our fundamental values. We are obligated to demonstrate moral and sound judgment in all actions within the office environment and the public. Our reputation is a direct reflection of our culture.

Respect: We support an environment that encourages respect. We do not make false or misleading statements about our customers, business partners or competitors, nor do we misrepresent facts in order to gain a competitive advantage or engage in illegal or unethical business practices.

Professional Growth: Our representatives are instructed to familiarize themselves with all policies, laws and regulations that apply to their jobs – including but not limited to state statutes, bylaws and investment policies – prior to conducting business. We support our representatives' pursuit of professional licenses and certifications.

Accurate Records: It is critical that we properly maintain records and uphold state statutes, bylaws and investment policies at the corporate level, as well as in personal files for each customer. These documents will be updated accordingly or as required by law.

Employee Manual: The Employee Manual is provided to assist employees in being successful at their job. The manual outlines our expectations, employment practices and policies, including the Code of Conduct. It is the responsibility of every employee to be familiar with and understand the contents of the manual. A verification receipt is required to be executed by each employee. We should all work to create a positive and diverse workplace that is free from discrimination and harassment. We are committed to a zero-tolerance policy against harassment or threatening behavior of any kind.

Travel: We strongly encourage building trust and rapport with customers and business partners. Representatives are supported and make every effort to attend board meetings and council/commissioner meetings, including state conferences and chapter meetings, locally and nationally.



MULTI-BANK SECURITIES, INC. ANTI-MONEY LAUNDERING POLICY TEST PROCEDURES

EXECUTIVE SUMMARY

Multi-Bank Securities, Inc. (MBS) has in place an Anti-Money Laundering (AML) policy. Merlin Elsner is our Chief Compliance Officer. Senior management has approved the AML policy as written, and all questions are to be directed to Merlin Elsner. The company's AML policy is available for review upon request.

Merlin Elsner is responsible for ensuring the review of all new accounts and routine transactional surveillance. Additionally, the company's clearing agent Pershing LLC (Pershing), a BNY Mellon company, also reviews each account entity and transaction. Many MBS accounts (credit unions, banks, municipalities and SEC-registered investment advisors) are exempt from full Customer Identification Procedures (CIP). MBS relies on the fact that each of these exempted institutional entities is independently audited to ensure AML program compliance. Whenever practical and/or available, MBS will review external AML policies and independent audit reports made available for compliance with appropriate rules and regulations.

MBS engaged the company controller to perform the annual AML independent testing. The company controller operates fully independent of the Compliance Department and reports directly to the CEO. During the annual independent testing of our AML procedures, randomly selected accounts were checked against the Office of Foreign Asset Control (OFAC) list found at www.ustreas.gov/ofac. The controller verified that as of the most recent test (concluded Dec. 12, 2022), none of the randomly selected accounts were found on the OFAC list. The company controller, upon a review of the processed documentation of account opening files and ongoing review of transactions, found no material deficiencies for 2022.

DAY-TO-DAY OPERATIONS

Merlin Elsner, or his designee, is responsible for making sure that new accounts have appropriate and sufficient information, including but not limited to names, addresses and Taxpayer Identification Numbers requested at the time of account opening. Operations will reject all accounts with improperly filled-out forms or forms missing material information. Pershing systems do not allow for customer accounts to be opened without proper identification information.

Pershing is responsible for verifying new control lists against all existing accounts. They have assured us that they do this task regularly. MBS screens all accounts on a continuous basis through a third-party vendor established as best industry practice.

Merlin Elsner, or his designee, is responsible for deposit and withdrawal review. He follows the AML policy instructions for verifying information and record-keeping. Reviews are performed in a timely manner utilizing in-house CRM reports as well as Pershing system reports to capture all information necessary for AML review. MBS does not accept money or securities from clients at any time. MBS account activity is reviewed systematically against a complex series of dynamic logical rules to screen for potential AML activity through the Pershing platform. This platform produces behavior-based reports, which are reviewed in addition to internal CRM reports. CRM reports are reviewed on a daily basis by executive management. This two-pronged approach ensures that MBS has in place an adequate policy to guard against and detect potential AML activity. Given the sophistication of MBS's internal client account AML policies, MBS considers the risk of an actual AML incident to be extremely low. The risk rating of accounts at MBS is presented in a spectrum to be considered in the overall securities market, and while there may be differences in ratings within the Firm, the overall AML risk remains low when considering the overall market.



**MULTI-BANK SECURITIES, INC.
ANTI-MONEY LAUNDERING POLICY TEST PROCEDURES (CONTINUED)**

Merlin Elsner is also responsible for ensuring the review of the biweekly Financial Crimes Enforcement Network (FinCEN) report and compares them to the MBS customer database in a timely fashion. Evidence of these report reviews is kept extremely confidential and is available for review upon request from FINRA and/or the SEC. MBS screens new accounts (banks, credit unions and municipalities are exempt) against the OFAC database. Pershing screens accounts and transaction beneficiaries against the report for all clearing transactions. MBS performs OFAC screening on an "ongoing" basis in addition to the initial account opening procedures.

Merlin Elsner is responsible for AML training of new and existing employees. The company also holds employee meetings to cover sales practice and compliance issues. The company maintains attendance records and has the record book available for review as necessary. Employees must complete Firm Element continuing education training as well as the FINRA-required continuing education. Merlin Elsner coordinates compliance training for all MBS locations.

The company has procedures in place to maintain files for at least six years. The company maintains documentation for two years on-site. The company also has an off-site storage facility to maintain previous years. The company controller personally verifies the packaging and storage of all relevant documents. The off-site storage facility is subject to an inspection by MBS and all associated files are stored in a safe and secure location with extremely limited access.

Merlin Elsner is responsible for the Suspicious Activity Report (SAR). He is familiar with the SAR form and Bank Secrecy Act (BSA) e-filing procedures. He will file a SAR immediately as applicable. The company does not accept money from clients and therefore does not maintain a Currency Transaction Report (CTR). All customer checks must be payable to Pershing LLC and all money wires go directly to Pershing. Pershing will not accept funds that originate from outside of the U.S.; this includes, but is not limited to, checks and electronic transfers.

Please contact me at 1-800-967-9008 with any questions related to this AML document.

A handwritten signature in black ink, appearing to read "Merlin Elsner", with a long horizontal line extending from the end of the signature.

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.



INFORMATION SECURITY ATTESTATION LETTER

March 15, 2023

In February 2023, Multi-Bank Securities, Inc. (MBS) contracted a Qualified Security Assessor Company to perform an External Penetration Test on MBS's internet-facing systems. The objective of this engagement was to identify vulnerabilities in MBS systems and network security that both internal and external adversaries could exploit.

The security engagement occurred during the period from February 1 to February 3, 2023. The testing process began with an information gathering phase in which the vendor's assessment team conducted steps designed to gather all pertinent information surrounding targeted environment. Automated and manual testing techniques were used to assess the target areas to gauge the level of business risk of any discovered vulnerabilities.

It was the vendor's overall opinion that MBS had taken the appropriate steps to reduce enterprise risk level and mitigate the probability of such an event.

Based on the assessment, MBS has implemented sufficient security controls to ensure the continued operation of business processes. The existing security controls appear to adequately mitigate risks to business processes to ensure the collection of personally identifiable information and critical business data.

As of this date, the chief information security officer attests that no material changes or events, as they relate to this external vendor, have occurred.

Moving forward, MBS will continue diligent efforts on improving its overall security posture.

Should you have any questions regarding this matter, please feel free to contact me directly at 1-800-967-9008 or via email at melsner@mbssecurities.com.

Sincerely,

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 1000
Fort Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

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Phone 800-221-5830
Fax 800-383-1852

CONFIRMATION OF INSURANCE

NAMED INSURED
Multi-Bank Securities, Inc. 1000 Town Center Drive, Suite 2300 Southfield, MI 48075

BINDER DATE	BINDER NO.
09/16/2022	n/a

CLIENT CODE	POLICY TYPE
MULTSEC-01	Securities Dealers Bond

ACCOUNT SERVICER
Abigail Escalera

Page 1 of 1

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURER
11/01/2022	11/01/2023	81940548	Federal Insurance Company

COVERAGE DESCRIPTION AND AMOUNTS/LIMITS

Coverage: Securities Dealer Blanket Bond

Effective Date of Change: 11/01/2022

Description of Change: Renewal

It is hereby understood and agreed that the renewal of coverage is bound effective 12:01 a.m. on November 1, 2022 for a one year period as follows:

Limit of Liability: \$2,000,000 per loss

Deductible: \$20,000 per loss

One Year Premium:

All other terms and conditions remain the same.

This confirmation of insurance sets forth the general terms, conditions and subjectivities, if any, of placement effected by Alliant on your behalf and at your direction. This confirmation of insurance will be cancelled, superseded and replaced upon delivery of the insurer's binder of coverage. The insurer's binder will be in effect and control this placement until the receipt of the insurer's formal policy/bond documentation.

In addition to the fees and/or commissions received by Alliant for the placement of insurance in certain circumstances other parties, including other intermediaries, may earn and retain usual and customary commissions for their role in providing insurance products or services under their separate contracts with insurers and/or reinsurers. Further, in certain segments of our business, some of our compensation may be derived from supplemental or bonus commissions paid by insurers or intermediaries based on criteria designed by the insurer or intermediary, to value of the policies that we place with it in a particular period.

Premium:	Federal Insurance Company
Confirmed By:	Authorized Representative: Program
At Alliant Refer To: Abigail Escalera	Admitted: X Non-Admitted



SECURITIES INVESTOR PROTECTION CORPORATION

1667 K Street NW Suite 1000
WASHINGTON, D.C. 20006-2215
(202) 371 – 8300 FAX (202) 223 – 1679
WWW.SIPC.ORG

Via E-mail (Melsner@mbsscurities.com)
Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.
1000 Town Center, Suite 2300
Southfield, MI 48075

March 16, 2023
8-39547

Dear Mr. Elsner:

In response to your request, please be advised that according to SIPC's records, Multi-Bank Securities, Inc. is registered with the Securities and Exchange Commission as a securities broker or dealer under Section 15(b) of the 1934 Act, (8-39547, 05/06/1988). By operation of the Securities Investor Protection Act of 1970, the corporation is a SIPC member unless (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions; (ii) its business as a broker or dealer consists exclusively of (I) the distribution of shares of registered open end investment companies or unit investment trusts, (II) the sale of variable annuities, (III) the business of insurance, or (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts, or (iii) it effects transactions in security futures products only.

Sincerely,

**Christine
R. King**

Digitally signed by
Christine R. King
Date: 2023.03.16
13:10:16 -04'00'

Christine R. King
Manager – Member Assessments

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PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2022

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(With Report of Independent Registered Public Accounting Firm)

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PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Statement of Financial Condition
December 31, 2022

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Report of Independent Registered Public Accounting Firm
Statement of Financial Condition
Notes to Statement of Financial Condition



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

To the Member and Board of Managers
Pershing LLC:

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Pershing LLC (the Company) as of December 31, 2022, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 2007.

New York, New York
February 27, 2023

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2022

(Dollars in millions)

Assets

Cash and cash equivalents	\$ 509
Cash segregated for regulatory purposes	6,139
Collateralized financing agreements:	
Securities borrowed	7,254
Securities purchased under agreements to resell	4,867
Receivables:	
Customers	14,488
Broker-dealers and clearing organizations	2,250
Affiliates	268
Intangible assets	1
Securities owned in fractional shares held by customers, at fair value	250
Financial instruments owned, at fair value	752
Other assets	842
Total assets	\$ 37,620

Liabilities and Member's Equity

Liabilities:	
Overdrafts payable	\$ 323
Collateralized financing agreements:	
Securities loaned	1,790
Securities sold under agreements to repurchase	6,840
Payables:	
Customers	19,250
Broker-dealers and clearing organizations	4,574
Repurchase obligations for fractional shares held by customers	250
Affiliates	364
Financial instruments sold, not yet purchased, at fair value	1
Accounts payable, accrued expenses and other	647
Total liabilities	34,039
Member's equity:	
Member's contributions	1,066
Accumulated earnings	2,515
Total member's equity	3,581
Total liabilities and member's equity	\$ 37,620

See accompanying notes to statement of financial condition.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2022

(1) Organization and Description of Business

Pershing LLC (the Company) is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Pershing Group LLC (the Parent), which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

The Company is registered as a securities broker-dealer with the Securities and Exchange Commission (SEC) authorized to engage in fully disclosed and omnibus clearing, sales and trading and brokerage services. The Company is a member of the New York Stock Exchange, Inc. (NYSE), Financial Industry Regulatory Authority (FINRA), Chicago Board of Options Exchange, Inc., Securities Investor Protection Corporation (SIPC), and other regional exchanges.

(2) Summary of Significant Accounting Policies

The Company's statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect amounts reported in the statement of financial condition and accompanying footnotes. Management believes that the estimates utilized in the statement of financial condition are reasonable. Actual results could differ from these estimates. Market conditions could increase the risk and complexity of the judgments in these estimates.

(a) Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid investments with original maturities of three months or less.

(b) Cash and Securities Segregated for Regulatory Purposes

The Company defines cash and securities segregated for regulatory purposes as deposits of cash and qualified securities that have been segregated in special reserve bank accounts for the benefit of customers and the proprietary accounts of brokers (PAB) under Rule 15c3-3 of the SEC. Restricted cash consists of excess client funds and totaled \$6.1 billion at December 31, 2022. Restricted cash is included in cash and securities segregated for regulatory purposes on the statement of financial condition.

(c) Collateralized Financing Agreements

Securities borrowed and securities loaned are collateralized financing arrangements that are recorded at the amount of cash collateral advanced or received. For securities borrowed, the Company deposits cash or other collateral with the lender. For securities loaned, the Company receives cash collateral that typically exceeds the market value of securities loaned.

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (resale agreements) are treated as collateralized financing arrangements and are carried at their contract amount, the amount at which they will subsequently be resold or repurchased, plus related accrued interest. Repurchase and resale agreements are typically
(continued)

PERSHING LLC
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December 31, 2022

collateralized by cash or government and government agency securities and generally have terms from overnight up to three months. The Company nets certain repurchase agreements and resale agreements in the statement of financial condition in accordance with Accounting Standards Codification (ASC) Subtopic 210-20, *Balance Sheet Offsetting*.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral or reduction in the loan balance in order to maintain contractual margin protection. In the event of counterparty default, the financing agreement provides the Company with the right to liquidate the collateral held.

The Company has adopted *ASU 2016-13, Financial Instruments – Credit Losses* ("CECL"). Under CECL, the Company has elected to use the collateral maintenance provision practical expedient for its collateralized financing agreements. Collateralized financing agreements are reported net of the expected credit losses, which was not material at December 31, 2022.

(d) Receivables and Payables – Broker-Dealers and Clearing Organizations

Receivables from broker-dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date (fails to deliver), deposits with clearing organizations and the Company's introducing brokers' margin loans. Payables to broker-dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date (fails to receive), clearing deposits from introducing brokers and amounts payable to the Company's introducing brokers.

Under CECL, the Company has elected to use the collateral maintenance provision practical expedient for its margin loans. Margin loans are reported net of the expected credit losses, which was \$318 thousand at December 31, 2022.

(e) Revenue Recognition

The Company's clients are billed based on fee schedules that are agreed upon in each customer contract. Receivables from customers were \$203.9 million at December 31, 2022. An allowance is maintained for accounts receivables which is generally based on the number of days outstanding. Adjustments to the allowance are recorded in other expenses in the statement of income. Receivables from customers are included in other assets on the statement of financial condition.

Contract assets represent accrued revenues that have not yet been billed to the customers due to certain contractual terms other than the passage of time and were \$7.0 mil at December 31, 2021 and \$7.2 million at December 31, 2022. Accrued revenues recorded as contract assets are usually billed on an annual basis. There were no impairments recorded on contract assets in 2022. Contract assets are included in other assets on the statement of financial condition.

(continued)

PERSHING LLC
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Notes to Statement of Financial Condition
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Contract liabilities represent payments received in advance of providing services under certain contracts were \$6.6 mil at December 31, 2021 and \$6.2 million at December 31, 2022. Contract liabilities are included in accounts payable, accrued expenses and other on the statement of financial condition.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

(f) Fair Value of Financial Instruments Owned and Sold

Financial instruments owned and financial instruments sold, not yet purchased are stated at fair value. See Note 4 to Statement of financial condition for disclosures with respect to ASC Topic 820.

(g) Fixed Assets and Intangibles

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is recorded on a straight-line basis over the useful lives of the related assets, generally two to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the lease term or 10 years. For internal-use computer software, the Company capitalizes qualifying costs incurred during the application development stage. The resulting asset is amortized using the straight-line method over the expected life, which is generally five years. All other nonqualifying costs incurred in connection with any internal-use software projects are expensed as incurred.

Identifiable intangible assets are amortized on a straight-line basis over their estimated useful life, which is generally 15 years from the date of acquisition and are assessed for impairment indicators pursuant to the provision of ASC Topic 350, *Intangibles – Goodwill and Other*, and ASC Topic 360, *Property, Plant & Equipment*.

(h) Receivables and Payables – Customers

Receivables from and payables to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables. Customer securities transactions are recorded on a settlement date basis, which is generally two business days after trade date. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

(continued)

PERSHING LLC
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Notes to Statement of Financial Condition
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(i) *Securities owned in fractional shares held by customers*

The Company offers fractional share trading to customers and maintains an inventory of securities held exclusively for the fractional share program. The Company has determined that fractional shares purchased by customers do not meet the criteria for derecognition under the accounting guidance and should therefore be accounted for as secured borrowings with the underlying financial assets pledged to the customer as collateral. These financial assets are included in securities owned in fractional shares held by customers and a corresponding liability is recorded in repurchase obligations for fractional shares held by customers in the statement of financial condition for the obligation to settle the secured borrowing. In accordance with ASC Topic 825, *Financial Instruments*, the Company has elected the fair value option to measure these financial assets and liabilities. ASC Topic 825 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of these financial instruments are based on quoted prices in active markets.

(j) *Restricted Stock Units*

During the year, BNY Mellon issued restricted stock to employees, including certain Company employees. The Company accounts for this plan in accordance with ASC Topic 718, *Compensation – Stock Compensation*, and accordingly compensation cost is measured at the grant date based on the value of the award and is recognized over the vesting period.

As of December 31, 2022, \$34.5 million of total unrecognized compensation cost related to nonvested restricted stock is expected to be recognized over a period of approximately zero to four years.

(k) *Income Taxes*

The Company is included in the consolidated federal and combined state and local income tax returns filed by BNY Mellon. In addition, the Company files stand-alone tax returns in certain jurisdictions, including Pennsylvania. Income taxes are calculated using the modified separate return method, and the amount of current tax expense or benefit is either remitted to or received from BNY Mellon, pursuant to a tax sharing agreement between BNY Mellon and the Company.

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*, which generally requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and the tax basis of the assets and liabilities. If appropriate, deferred tax assets are adjusted by a valuation allowance, which reflects expectations of the extent to which such assets will be realized.

In accordance with ASC 740, *Income Taxes*, the Company uses a two-step approach in recognizing and measuring its uncertain tax benefits whereby it is first determined if the tax position is more likely than not to be sustained under examination. If the tax position meets the more likely than not threshold, the position is then measured at the largest amount of benefit that is greater than 50

(continued)

PERSHING LLC
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 Notes to Statement of Financial Condition
 December 31, 2022

percent likely of being realized upon ultimate settlement. A tax position that fails to meet the more likely than not recognition threshold will result in either a reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities.

(1) Leases

We determine if an arrangement is a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments. The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date or at lease modification date for certain lease modifications. For all leases, we use a rate that represents a collateralized incremental borrowing rate based on similar terms and information available at lease commencement date or at the modification date for certain lease modifications in determining the present value of lease payments. In addition to the lease payments, the determination of an ROU asset may also include certain adjustments related to lease incentives and initial direct costs incurred. Options to extend or terminate a lease are included in the determination of the ROU asset and lease liability only when it is reasonably certain that we will exercise that option.

Lease expense for operating leases is recognized on a straight-line basis over the lease term, while the lease expense for finance leases is recognized using the effective interest method. ROU assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. For operating leases, if deemed impaired, the ROU asset is written down and the remaining balance is subsequently amortized on a straight-line basis which results in lease expense recognition that is similar to finance leases.

For all leases, we have elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability.

(3) Receivables from and Payables to Broker-Dealers and Clearing Organizations

Amounts receivable from and payable to broker-dealers and clearing organizations include the following (dollars in millions):

Receivables:	
Brokers and dealers	\$ 1,149
Securities failed to deliver	598
Clearing organizations	503
Total receivables	<u>\$ 2,250</u>
Payables:	
Brokers and dealers	\$ 4,006
Securities failed to receive	568
Total payables	<u>\$ 4,574</u>

(continued)

PERSHING LLC
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Notes to Statement of Financial Condition
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(4) Financial Instruments

ASC Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis. This includes those items currently reported in financial instruments owned, at fair value and financial instruments sold, not yet purchased, at fair value on the statement of financial condition.

As defined in ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market and income approaches. Based on these approaches, the Company utilizes certain assumptions that market participants would use in pricing the asset or liability. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial instrument assets and liabilities carried at fair value have been classified and disclosed in one of the following three categories:

- Level 1 Quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable market based inputs or unobservable inputs that are derived from or corroborated by market data.
- Level 3 Unobservable inputs that are not corroborated by market data.

Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as listed equities.

Level 2 includes those financial instruments that are valued using models or other valuation methodologies calibrated to observable market inputs. These models are primarily industry-standard models that consider various assumptions, including discount margins, credit spreads, discounted anticipated cash flows, the terms and liquidity of the instrument, the financial condition, operating results and credit ratings of the issuer or underlying company, the quoted market price of publicly traded securities with similar duration and yield, time value, yield curve, default rates, as well as other measurements. In order to be classified as Level 2, substantially all of these assumptions would need to be observable in the marketplace and can be derived from observable data or supported by observable levels at which transactions are executed in the marketplace.

Level 3 comprises financial instruments whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are unobservable from objective sources. The Company did not have any assets or liabilities classified as Level 3 at December 31, 2022.

(continued)

PERSHING LLC
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 Notes to Statement of Financial Condition
 December 31, 2022

In determining the appropriate levels, the Company performed an analysis of the assets and liabilities that are subject to ASC Topic 820. The following tables present the financial instruments carried at fair value as of December 31, 2022 (dollars in millions):

Assets at fair value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Securities owned in fractional shares held by customers, at fair value	\$ 250	—	—	250
Financial instruments owned, at fair value				
Money market funds	701	—	—	701
Equity instruments	20	—	—	20
Debt instruments	—	2	—	2
Derivatives - foreign exchange	—	29	—	29
Total assets at fair value	<u>\$ 971</u>	<u>31</u>	<u>—</u>	<u>1,002</u>
Liabilities at fair value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Repurchase obligation for fractional shares held by customers	\$ 250	—	—	250
Financial instruments sold, not yet purchased				
Equity instruments	<u>1</u>	<u>—</u>	<u>—</u>	<u>1</u>
Total liabilities at fair value	<u>\$ 251</u>	<u>—</u>	<u>—</u>	<u>251</u>

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The fair values of the other financial assets and liabilities are considered to approximate their carrying amounts because they have limited counterparty credit risk and are short-term, replaceable on demand, or bear interest at market rates.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
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Notes to Statement of Financial Condition

December 31, 2022

The table below presents the carrying value and fair value of Pershing LLC's financial instruments which are not carried at fair value (dollars in millions). The table below therefore excludes items measured at fair value on a recurring basis presented in the table above. In addition, the table excludes the values of non-financial assets and liabilities.

December 31, 2022					
	Level 1	Level 2	Level 3	Estimated fair value	Carrying value
Summary of financial instruments:					
Assets:					
Cash and cash equivalents	\$ 509	—	—	509	509
Cash and securities segregated for regulatory purposes	6,139	—	—	6,139	6,139
Securities borrowed	—	7,254	—	7,254	7,254
Securities purchased under agreements to resell	—	4,867	—	4,867	4,867
Receivables from customers	—	14,488	—	14,488	14,488
Receivables from broker-dealers and clearing organizations	—	2,250	—	2,250	2,250
Due from affiliates	—	268	—	268	268
Other assets	—	842	—	842	842
Total	\$ 6,648	29,969	—	36,617	36,617
Liabilities:					
Overdrafts payable	\$ —	323	—	323	323
Securities loaned	—	1,790	—	1,790	1,790
Securities sold under agreements to repurchase	—	6,840	—	6,840	6,840
Payables to customers	—	19,250	—	19,250	19,250
Payables to broker-dealers and clearing organizations	—	4,574	—	4,574	4,574
Due to affiliates	—	364	—	364	364
Accounts payable, accrued expenses other	—	647	—	647	647
Total	\$ —	33,788	—	33,788	33,788

Fair value can vary from period to period based on changes in a wide range of factors, including interest rates, credit quality, and market perceptions of value and as existing assets and liabilities run off and new transactions are entered into.

(continued)

PERSHING LLC
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 Notes to Statement of Financial Condition
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Offsetting Assets and Liabilities

The following table presents financial instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements. There were no financial instruments subject to a netting agreement for which the Company is not currently netting (dollars in millions).

Financial assets subject to enforceable master netting agreements						
December 31, 2022	Gross assets recognized	Gross amounts offset in the statement of financial condition	Net assets recognized on the statement of financial condition	Gross amounts not offset (1)		Net amount
				Financial instruments	Cash collateral received	
Securities borrowed	\$ 7,254	—	7,254	7,036	—	218
Securities purchased under agreements to resell	5,260	393	4,867	4,758	—	109
Total financial assets subject to enforceable master netting agreement	\$ 12,514	393	12,121	11,794	—	327

Financial liabilities subject to enforceable master netting agreements						
December 31, 2022	Gross liabilities recognized	Gross amounts offset in the statement of financial condition	Net liabilities recognized on the statement of financial condition	Gross amounts not offset (1)		Net amount
				Financial instruments	Cash collateral pledged	
Securities loaned	\$ 1,790	—	1,790	1,718	—	72
Securities sold under agreements to repurchase	7,233	393	6,840	6,840	—	—
Total financial liabilities subject to enforceable master netting agreement	\$ 9,023	393	8,630	8,558	—	72

(1) The total amount reported in financial instruments is limited to the amount of the related instruments presented in the statement of financial condition and therefore any over-collateralization of these positions is not included.

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
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 Notes to Statement of Financial Condition
 December 31, 2022

Repurchase Agreements and Securities Lending

The following table presents the contract value of repurchase agreements and securities lending transactions accounted for as secured borrowings by the type of collateral provided to counterparties.

Repurchase agreements and securities lending transactions accounted for as secured borrowings at December 31, 2022								
(in millions)	Remaining contractual maturity of the agreements					Total		
	Overnight and continuous		Up to 30 days	30 days or more				
Repurchase agreements:								
U.S. Treasury	\$	1,368	\$	—	\$	1,380	\$	2,748
U.S. Government agencies		29		—		—		29
State and political subdivisions		38		49		602		689
Agency commercial MBS		10		45		—		55
Agency RMBS		536		—		—		536
Non-agency commercial MBS		—		5		—		5
Non-agency RMBS		—		1		—		1
Commercial paper/CDs		3		51		99		153
Corporate bonds		99		88		1,088		1,275
Equity securities		—		61		1,681		1,742
Total repurchase agreements	\$	2,083	\$	300	\$	4,850	\$	7,233
Securities Lending:								
U.S. Government agencies		8		—		—		8
U.S. Treasury		4		—		—		4
Agency RMBS		110		—		—		110
Agency commercial MBS		3		—		—		3
Corporate bonds		50		—		—		50
Equity securities		1,615		—		—		1,615
Total securities loaned	\$	1,790	\$	—	\$	—	\$	1,790
Total borrowings	\$	3,873	\$	300	\$	4,850	\$	9,023

The Company's repurchase agreements and securities lending transactions primarily encounter risk associated with liquidity. The Company is required to pledge collateral based on predetermined terms within the agreements. If the Company were to experience a decline in the fair value of the collateral pledged for these transactions, additional collateral could be required to be provided to the counterparty, thereby decreasing the amount of assets available for other liquidity needs that may arise.

As of December 31, 2022, the Company has \$1,025 million of collateral related to repurchase agreements that had remaining contractual maturities that exceeded 90 days. In addition, as of December 31, 2022 the Company had securities with a contract value of \$6,840 million that have been pledged without rehypothecation rights.

(continued)

PERSHING LLC
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 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2022

(5) Fixed Assets

Fixed assets are included in other assets on the statement of financial condition and consists of the following (dollars in millions):

Capitalized software	\$	233
Leasehold improvements		49
Computer software		8
Computer equipment		1
Other		85
Total		376
Less accumulated depreciation		(158)
Total fixed assets, net	\$	<u>218</u>

The Company recorded computer equipment, computer software, and internal developed software retirements and write offs of \$119.1 million as of December 31, 2022.

(6) Leasing

The Company has non-cancelable operating leases for office space that expire on various dates through 2037, some of which include options to extend or terminate the lease.

The following table presents the statement of financial condition information related to operating leases.

Statement of financial condition information (dollar in thousands)	December 31, 2022
	Operating leases
Right-of-use assets (a)	\$ 152.6
Lease liability (b)	\$ 188.5
Weighted average:	
Remaining lease term	13.61 year
Discount rate (annualized)	2.41%
(a) Included in other assets on the statement of financial condition.	
(b) Operating lease liabilities are included in accounts payable, accrued expenses and other on the statement of financial condition.	

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
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 December 31, 2022

The following table presents cash flow information related to leases.

Cash flow information (in millions)	Year-to-Date ended December 31, 2022
Cash paid for amounts included in measurement of liabilities:	
Operating cash flows from finance leases	\$ -
Operating cash flows from operating leases	9.5
Financing cash flows from finance leases	-

The following table presents the maturities of lease liabilities.

Maturities of lease liabilities (in millions)	Operating leases
For the year ended December 31, 2022	
2023	15.6
2024	15.6
2025	15.6
2026	15.6
2027	16.4
Thereafter	143.3
Total lease payments	222.1
Less: Imputed interest	33.7
Total	\$ 188.4

(7) Third Party Bank Loans and Lines of Credit

The Company has \$350 million in uncommitted lines of credit with non-affiliated banks as of December 31, 2022. There were no borrowings against these lines of credit at December 31, 2022. Interest on such borrowings is determined at the time each loan is initiated.

(8) Income Taxes

The deferred income taxes reflect the tax effects of temporary differences between the financial reporting and tax bases of asset and liabilities. The Company has a gross deferred tax asset of \$58.2 million and a gross deferred tax liability of \$69.7 million at December 31, 2022. The deferred tax asset is primarily attributable to operating lease liabilities, while the deferred tax liability is primarily attributable to operating lease right-of-use assets. The net deferred tax liability is \$11.5 million. The Company has not recorded a valuation allowance because the Company believes it is more likely than not that the deferred tax assets will be realized.

(continued)

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Federal and state taxes payable due to BNY Mellon of \$59.1 million and \$12.6 million, respectively, are included in affiliate payables on the statement of financial condition. State taxes payable of \$0.3 million are included in accounts payable, accrued expenses and other on the statement of financial condition.

BNY Mellon's federal consolidated income tax returns are closed to examination through 2016. The New York State and New York City income tax returns are closed to examination through 2014. The Company's New Jersey income returns are closed to examination through 2017.

(9) Related Party Transactions

The Company provides clearing, sales and trading, and brokerage related services to indirect wholly owned subsidiaries of BNY Mellon. Balances due from/to these affiliates related to these services were approximately \$268.0 million and \$124.1 million, respectively. They are included in receivables from affiliates and payables to affiliates, respectively, on the statement of financial condition. The Company had securities failed to deliver of \$16.4 million and securities failed to receive of \$14.5 million with affiliates. They are included in receivables from broker-dealers and clearing organizations and payables to broker-dealers and clearing organizations, respectively, on the statement of financial condition.

The Company has \$7.1 billion of unsecured loan facilities with the Parent. At December 31, 2022, there were no borrowings against the loan facilities. The Company also has loan agreements with two affiliates. At December 31, 2022, there were borrowings against the loans of approximately \$70 million, which are included in payables to affiliates.

Balances due to BNY Mellon for taxes, payroll, technology and leased equipment were \$170.0 million and are included in payables to affiliates on the statement of financial condition. The Company maintains a collateralized financing arrangement with an affiliate associated with repurchase agreements, with the maximum facility of \$200 million. At December 31, 2022, the Company did not have any affiliated repurchase agreement transactions. At December 31, 2022, the Company had not entered into securities lending agreements with another affiliate.

For the year ended December 31, 2022, the Company leased furniture and fixtures and computer and other communications equipment from an affiliate.

Additionally, the Company contracts through certain related parties acting in their role as agents to facilitate transactions between the Company and certain principal third parties for securities borrowed and tri-party repurchase or reverse repurchase transactions. Any risk assumed in these transactions is solely between the principal third parties and the Company.

(10) Employee Benefit Plans

BNY Mellon sponsors a 401(k) plan (the Plan) for its active employees. The Plan offers the Company's employees the opportunity to plan, save and invest for their future financial needs. The Company makes periodic contributions to the Plan based on the discretion of management.

(continued)

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(11) Pledged Assets and Guarantees

Under the Company's collateralized financing arrangements and other business activities, the Company either receives or provides collateral. In many cases, the Company is permitted to sell or repledge these securities held as collateral. At December 31, 2022, the fair value of securities received as collateral where the Company is permitted to sell or repledge the securities was \$40,969 million and the fair value of the portion that had been sold or repledged was \$22,396 million. The details of these sources and the uses of collateral are noted in the below tables (dollars in millions).

Source of available collateral – received, borrowed or owned:	
Financial instruments owned, at fair value	\$ 722
Securities borrowed	7,057
Securities purchased under agreements to resell	5,150
Margin securities available to sell or re-pledge	28,040
Total source of collateral	<u>\$ 40,969</u>
Use of available collateral – re-pledged, loaned or sold:	
Financial instruments sold, not yet purchased, at fair value	\$ 1
Securities loaned	1,720
Securities sold under agreements to repurchase	7,512
Pledged to clearing corporations	106
Short sale covering	9,572
Qualified securities segregated for regulatory purposes	3,485
Total use of collateral	<u>\$ 22,396</u>

The Company also conducts a fully paid lending program, in which customers agree to make available their fully paid securities to be loaned to third parties in exchange for a fee. At December 31, 2022, the fair value of the securities borrowed under this program was \$58 million and is included in securities borrowed and securities loaned on the statement of financial condition and included in the table above.

Obligations under Guarantees

The Company applies the disclosure and recognition requirements for guarantees in accordance with ASC Topic 460, *Guarantees*, whereby the Company will recognize a liability at the inception of a guarantee for obligations it has undertaken in issuing the guarantee, including its ongoing obligation to stand ready to perform over the term of the guarantee in the event that certain events or conditions occur.

The Company provides guarantees to securities clearinghouses and exchanges. Under the standard membership agreement, members are required to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. The Company's liability under these arrangements is not quantifiable or limited and could exceed the cash and securities it has posted as collateral. However, management believes the potential for the Company to be required to make payments under these

(continued)

PERSHING LLC
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arrangements is remote. Accordingly, no contingent liability is carried on the statement of financial condition for these arrangements.

In connection with its securities clearing business, the Company performs securities execution, clearance and settlement services on behalf of other broker-dealer clients. Management believes the potential for the Company to be required to make unreimbursed payments relating to such services is remote due to the contractual capital requirements associated with clients' activity and the regular review of clients' capital. Accordingly, no contingent liability is carried on the statement of financial condition for these transactions.

(12) Commitments and Contingencies

As of December 31, 2022, the Company had commitments with nine clients to lend a maximum total of \$57.8 million for various terms. These commitments consisted of outstanding loans of \$57.8 million, and no unfunded commitments.

The Company is involved in various legal proceedings arising in connection with the Company's business activities. Based on currently available information and the advice of counsel, the Company believes that the aggregate results of all such proceedings will not have a material adverse effect on the Company's financial condition. The Company intends to defend itself vigorously against all claims asserted against it. In accordance with applicable accounting guidance, the Company establishes reserves for litigation and settlements for which loss contingencies are both probable and estimable. The Company will continue to monitor all such matters and will adjust the reserve amounts as appropriate.

Matters Related to R. Allen Stanford

In late December 2005, Pershing LLC ("Pershing") became a clearing firm for Stanford Group Co. ("SGC"), a registered broker-dealer that was part of a group of entities ultimately controlled by R. Allen Stanford ("Stanford"). Stanford International Bank, also controlled by Stanford, issued certificates of deposit ("CDs"). Some investors allegedly wired funds from their SGC accounts to purchase CDs. In 2009, the Securities and Exchange Commission charged Stanford with operating a Ponzi scheme in connection with the sale of CDs, and SGC was placed into receivership. Alleged purchasers of CDs have filed two putative class action proceedings against Pershing: one in November 2009 in Texas federal court, and one in May 2016 in New Jersey federal court. On Nov. 5, 2021, the court dismissed the class action filed in New Jersey and that matter has concluded. Three lawsuits remain against Pershing in Louisiana and New Jersey federal courts, which were filed in January 2010, October 2015 and May 2016. The purchasers allege that Pershing, as SGC's clearing firm, assisted Stanford in a fraudulent scheme and assert contractual, statutory and common law claims. In March 2019, a group of investors filed a putative class action against The Bank of New York Mellon in New Jersey federal court, making the same allegations as in the prior actions brought against Pershing. On Nov. 12, 2021, the court dismissed the class action against The Bank of New York Mellon; on Dec. 15, 2022, an appeals court reversed the dismissal and returned the case to the trial court for further proceedings. All the cases that have been brought in federal court against Pershing have been consolidated in Texas federal court for discovery purposes. Various alleged Stanford CD purchasers asserted similar claims in Financial Industry Regulatory Authority, Inc. ("FINRA") arbitration proceedings.

(continued)

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Off-Channel Business-Related Communications

The Company has been responding to a request for information from the SEC concerning compliance with recordkeeping obligations relating to business communications transmitted on unapproved electronic communication platforms. SEC Staff has stated that it is conducting similar inquiries into recordkeeping practices at other financial institutions. The Company is cooperating with the inquiry.

(13) Regulatory Requirements

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act of 1934 and has elected to use the alternative method of computing regulatory net capital requirements provided for in that Rule. Under the alternative method, the required net capital may not be less than two percent of aggregate debit items arising from customer transactions or \$1.5 million, whichever is greater. At December 31, 2022, the Company's regulatory net capital of approximately \$2.7 billion was 20.35% of aggregate debit items and in excess of the minimum requirement by approximately \$2.46 billion.

Advances to affiliates, repayment of borrowings, dividend payments to Parent and other equity withdrawals are subject to certain notification and other provisions of the Rule 15c3-1 and other regulatory bodies.

Pursuant to Rule 15c3-3 of the SEC, the Company may be required to deposit in a Special Reserve Bank Account, cash or acceptable qualified securities for the exclusive benefit of customers. At December 31, 2022, the Company had approximately \$9.4 billion of cash and acceptable qualified securities on deposit in such accounts.

As a clearing broker, the Company is required to compute a reserve requirement for the proprietary accounts of broker-dealers (the PAB Reserve Formula). As of December 31, 2022, the Company had approximately \$186 million of cash deposits and acceptable qualified securities in accounts designated for the exclusive benefit of PAB pursuant to Rule 15c3-3 of the SEC.

(14) Financial Instruments and Related Risks

(a) Customer Activities

Certain market and credit risks are inherent in the Company's business, primarily in facilitating customers' trading and financing transactions in financial instruments. In the normal course of business, the Company's customer activities include execution, settlement, and financing of various customer securities, which may expose the Company to both on and off-balance sheet risk in the event the customer is unable to fulfill its contractual obligations.

(continued)

PERSHING LLC
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The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to customers, which is collateralized by cash and/or securities in the customer's account. In connection with these activities, the Company executes and clears customer transactions involving securities sold but not yet purchased and option contracts. The Company seeks to control risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory, exchange and internal guidelines. The Company monitors required margin levels daily; pursuant to such guidelines, the Company requires the customer to deposit additional collateral or to reduce positions, when necessary. Such transactions may expose the Company to significant off-balance sheet risk in the event the collateral is not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell the collateral at prevailing market prices in order to fulfill the customer's obligations.

The Company's customer financing and securities settlement activities may require the Company to pledge customer securities as collateral in support of various secured financing sources, such as securities loaned. Additionally, the Company pledges customer securities as collateral to satisfy margin deposits of the Options Clearing Corporation. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its obligation. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposures.

(b) Credit Risk

As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of domestic and foreign corporations, governments, and institutional and individual investors. A substantial portion of the Company's transactions is executed with and on behalf of institutional investors including other broker-dealers, banks, U.S. government agencies, mutual funds, hedge funds and other financial institutions.

Credit risk is the potential for loss resulting from the default by a counterparty of its obligations. Exposure to credit risk is generated by securities and currency settlements, contracting derivative and forward transactions with customers and dealers, and the holding in inventory of loans. The Company uses various means to manage its credit risk. The creditworthiness of all counterparties is analyzed at the outset of a credit relationship with the Company. These counterparties are subsequently reviewed on a periodic basis. The Company sets a maximum exposure limit for each counterparty, as well as for groups or classes of counterparties. Furthermore, the Company enters into master netting agreements when feasible and demands collateral from certain counterparties or for certain types of credit transactions.

(c) Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk. The

(continued)

PERSHING LLC
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December 31, 2022

Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates and foreign currency exchange rates, as well as market volatility and liquidity. The Company manages market risk by setting and monitoring adherence to risk limits.

Financial instruments sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price and thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of financial instruments sold, not yet purchased may exceed the amount reflected in the statement of financial condition.

(d) Operational Risk

In providing a comprehensive array of products and services, the Company may be exposed to operational risk. Operational risk may result from, but is not limited to, errors related to transaction processing, breaches of internal control systems and compliance requirements, fraud by employees or persons outside the Company or business interruption due to systems failures or the other events. Operational risk may also include breaches of the Company's technology and information systems resulting from unauthorized access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws and/or regulatory requirements. In the case of an operational event, the Company could suffer a financial loss as well as damage to our reputation.

(e) Financial Instruments with Off-Balance-Sheet Risk

The Company may enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments may include forward foreign exchange contracts that are used to meet the needs of customers. Generally, forward foreign exchange contracts represent future commitments to purchase or sell foreign currency at specific terms at specified future dates.

(15) Subsequent Events

The Company has evaluated subsequent events from December 31, 2022 through February 27, 2023, the date the Company's statement of financial condition is available to be issued.

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Service Auditors' Report

To the Audit Committee of The Bank of New York Mellon Corporation:

Scope

We have examined BNY Mellon | Pershing's ("Pershing") description of its system titled "BNY Mellon | Pershing's Description of its Introducing Firm Services, Prime Services, and Managed Accounts Operations System" for processing user entities' transactions throughout the period October 1, 2021 to September 30, 2022 (the Description) and the suitability of the design and operating effectiveness of the controls included in the Description to achieve the related control objectives stated in the Description, based on the criteria identified in "BNY Mellon | Pershing's Assertion" (the Assertion). The controls and control objectives included in the Description are those that management of Pershing believes are likely to be relevant to user entities' internal control over financial reporting, and the Description does not include those aspects of the introducing firm services, prime services, and managed accounts operations system (the System) that are not likely to be relevant to user entities' internal control over financial reporting.

The information included in Section V, "Other Information Provided by BNY Mellon | Pershing", is presented by management of Pershing to provide additional information and is not a part of Pershing's description of its introducing firm services, prime services, and managed accounts operations system made available to user entities during the period October 1, 2021 to September 30, 2022. Information about Pershing's management response details; information about relevance of the controls to the user entities; NetX360 Report Center and eAnalytics reports completeness and accuracy; Pershing's enterprise resiliency overview including pandemic planning overview/COVID-19 impact; and SEC Rule 206(4)-2 "Custody of Funds or Securities of Clients by Investment Advisers" under the Investment Advisers Act of 1940 has not been subjected to the procedures applied in the examination of the Description and of the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the Description and, accordingly, we express no opinion on it.

Pershing uses the subservice organizations identified in Section III to perform some of the services provided to user entities that are likely to be relevant to those user entities' internal control over financial reporting. The Description includes only the control objectives and related controls of Pershing and excludes the control objectives and related controls of the subservice organizations. The Description also indicates that certain control objectives specified by Pershing can be achieved only if complementary subservice organization controls assumed in the design of Pershing's controls are suitably designed and operating effectively, along with the related controls at Pershing. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The Description indicates that certain control objectives specified in the Description can be achieved only if complementary user entity controls assumed in the design of Pershing's controls are suitably designed and operating effectively, along with related controls at Pershing. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In Section II, Pershing has provided the Assertion about the fairness of the presentation of the Description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated

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in the Description. Pershing is responsible for preparing the Description and Assertion, including the completeness, accuracy, and method of presentation of the Description and Assertion, providing the services covered by the Description, specifying the control objectives and stating them in the Description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the Assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the Description.

Service Auditors' Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the Description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the Description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in the Assertion, the Description is fairly presented and the controls were suitably designed and operated effectively to achieve the related control objectives stated in the Description throughout the period October 1, 2021 to September 30, 2022. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion

Service Auditors' Independence and Ethical Responsibilities

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Inherent Limitations

The Description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the System that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the Description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives stated in the Description is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested and the nature, timing and results of those tests are listed in Section IV.



Opinion

In our opinion, in all material respects, based on the criteria described in BNY Mellon | Pershing's Assertion:

- a. the Description fairly presents the System that was designed and implemented throughout the period October 1, 2021 to September 30, 2022.
- b. the controls related to the control objectives stated in the Description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2021 to September 30, 2022, and subservice organizations and user entities applied the complementary controls assumed in the design of Pershing's controls throughout the period October 1, 2021 to September 30, 2022.
- c. the controls operated effectively to provide reasonable assurance that the control objectives stated in the Description were achieved throughout the period October 1, 2021 to September 30, 2022 if complementary subservice organization controls and complementary user entity controls, assumed in the design of Pershing's controls, operated effectively throughout the period October 1, 2021 to September 30, 2022.

Restricted Use

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of management of Pershing, user entities of Pershing's System during some or all of the period October 1, 2021 to September 30, 2022, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Philadelphia, Pennsylvania
November 30, 2022

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4TH QUARTER 2022

Understanding the Protection of Client Assets

BNY MELLON'S PERSHING: STRENGTH, STABILITY AND FOCUS

Pershing works behind the scenes on behalf of your wealth manager or financial firm to provide a variety of services and custody your assets. Pershing has been a leading global provider of financial business solutions for almost 85 years, so you can feel confident that your assets are in strong hands. Pershing is the trusted choice of approximately 1,300 firms, representing more than 7.5 million investors and is committed to the protection, servicing and reporting of assets for investors like you.

The Protection of Client Assets Remains at the Center of Our Focus



FINANCIAL STRENGTH—DECEMBER 31, 2022

BNY MELLON'S PERSHING

- Over \$2.0 trillion in global client assets
- Net capital of over \$2.0 billion—well above the minimum requirement

THE BANK OF NEW YORK MELLON CORPORATION

- \$44.3 trillion in assets under custody and/or administration
- \$1.8 trillion in assets under management

Segregation and Control of Assets

BROKERAGE CUSTODY: PERSHING

Pershing's core financial strength provides the first measure of protection for our global client assets. Our parent company, BNY Mellon, is one of the world's largest global custodians. While financial strength does not protect against loss due to market fluctuation, our internal controls and regulatory oversight help maintain our stability and focus.

Pershing protects client assets through rigorous internal control measures. An annual audit by a major independent audit firm and the audit team at our parent company, BNY Mellon, helps to monitor controls that are in place. In addition, a Service Organization Control report conducted by an independent audit firm provides additional evaluation of the design and operating effectiveness of Pershing's internal controls.

Clients' fully paid-for physical assets are segregated from our own, with quarterly vault inspections conducted. In addition, we segregate cash and/or qualifying securities in special reserve bank accounts for the exclusive benefit of clients, to protect clients' funds in the unlikely event of Pershing's failure and liquidation.

Pershing is a FINRA member broker-dealer registered with the U.S. Securities and Exchange Commission (SEC). Pershing is registered in all 50 states as well as the District of Columbia and Commonwealth of Puerto Rico, and certain foreign jurisdictions.

BANK CUSTODY: BNY MELLON, N.A.

BNY Mellon, N.A.'s structure requires clients' securities be segregated from the securities of the bank, and from those of other clients. The securities in a client's account with BNY Mellon, N.A. are the property of that client and are held in nominee name. As clients' assets and accounts are separately accounted for, creditors of The Bank of New York Mellon Corporation and those of BNY Mellon, N.A., and their subsidiaries do not have any rights to the securities in client accounts. Shares of money market mutual funds, as investment securities, also fall within this rule. Any asset, of course, is subject to losses or gains from an investment perspective.

There are also established regulatory controls that cover our institution. As a publicly traded company, The Bank of New York Mellon Corporation periodically files publicly available reports with the SEC. In addition, as a financial holding company, it is regulated by the Board of Governors of the Federal Reserve System. BNY Mellon, N.A. is regulated by the Office of the Comptroller of the Currency, which is part of the U.S. Department of the Treasury.

Additional Protection

BROKERAGE CUSTODY

Securities Investor Protection Corporation® (SIPC®) Coverage

Pershing is a member of SIPC. Securities in your account protected up to \$500,000. For details, please see www.sipc.org.

Excess of SIPC Coverage Through Underwriters at Lloyd's and Other Commercial Insurers

In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC coverage is valid through February 10, 2024 for Pershing LLC accounts. It provides the following protection for Pershing LLC's global client assets:

- An aggregate loss limit of \$1 billion for eligible securities—over all client accounts
- A per-client loss limit of \$1.9 million for cash awaiting reinvestment—within the aggregate loss limit of \$1 billion

SIPC and the excess of SIPC coverage do not protect against loss due to market fluctuation.

An excess of SIPC claim would only arise if Pershing failed financially and client assets for covered accounts—as defined by SIPC—cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules.

BANK CUSTODY

Federal Deposit Insurance Corporation (FDIC) Protection

BNY Mellon, N.A. clients holding bank cash deposits—which include a sweep account for bank custody products—receive separate protection.

The FDIC standard maximum insurance amount is \$250,000 per depositor, per insured bank, in each account ownership category. The FDIC rules are very specific. For a complete explanation of the FDIC's regulations, we encourage our clients to visit fdic.gov.



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perishing.com

One Pershing Plaza, Jersey City, NJ 07399

WRQ-1211_Pershing Strength and Stability_4Q_0123

QVR-PER-SSF-4022

BNY Mellon Insurance Coverage – US Domestic

All coverage is regularly reviewed and renewed prior to expiration dates. Our policies are stand-alone policies and loss limits are not combined.

The insurance coverage listed provides protection for The Bank of New York Mellon Corporation and all other corporations, companies, firms, enterprises or entities which are subsidiaries of or affiliated with it and in which the named insured has more than 50% ownership. All carriers identified herein are rated A- or better by A.M. Best.

Financial Institutions Bond / Computer Crime Coverage

Per Loss Limit:	\$150,000,000
Carrier:	Lloyd's of London
Coverage Type:	a) Dishonesty of employees b) Forgery of securities, checks, drafts or other written instruments Loss or destruction of cash or securities on or off premises
Expiration:	December 1, 2023

All Risk Money and Securities Coverage – J Form (On Premises and In Transit) Excess of the F. I. Bond

Per Loss Limit:	\$850,000,000
Carrier:	Lloyd's of London
Coverage Type:	Loss or destruction of cash or securities on or off premises (including securities of others held in custody or held at sub-custodian).
Expiration:	December 1, 2023

Mail Insurance (Per Envelope Limit)

Per Envelope Limit:	\$100,000,000 non-negotiable \$10,000,000 negotiable
Carrier:	Chubb Group of Insurance Companies
Coverage Type:	All risk of physical loss of property sent by registered mail or overnight courier.
Expiration:	Continuous

Bankers Professional Liability / Professional Indemnity (E&O)

Per Loss Limit:	\$100,000,000
Carrier:	AXA XL, WR Berkley, Axis, CV Starr, Nationwide, Markel and other domestic & international carriers
Coverage Type:	Losses due to errors or omissions
Expiration:	December 1, 2023

Directors and Officers Liability

Per Loss Limit:	Corporate: \$75,000,000 Individual: \$75,000,000
Carrier:	AXA XL, AIG, Markel, AWAC & Nationwide
Coverage Type:	Coverage for wrongful acts in respective capacities of Directors or Officers of the Company
Expiration:	December 1, 2023

All Risk Property	
Per Loss Limit:	\$800,000,000
Carrier:	Lexington Insurance Company (AIG)
Coverage Type:	Physical damage coverage for all real and personal property including Data Processing equipment, Business Interruption, Boiler and Machinery Service Interruption / Extra Expense, Earthquake / Flood, Fine Arts
Expiration:	June 1, 2023
Coverage Type:	Terrorism
Per Loss Limit:	\$800,000,000
Carrier:	The Hamilton Insurance Company Corp
Expiration:	June 1, 2023

Enterprise Privacy Liability (Cyber)	
Per Loss Limit:	\$325,000,000 Third Party Liability
	\$325,000,000 Extra Expense
Coverage Type:	Lloyd's of London & other domestic and int'l carriers
	Privacy breach and internet liability
Expiration:	December 1, 2023

Workers' Compensation / Employers Liability (Domestic)	
Per Loss Limit:	Statutory
	\$1,000,000 – Limit for Employers Liability
Carrier:	AIG
Coverage Type:	Job related injuries
Expiration:	April 1, 2023

Primary General Liability (Domestic)	
Per Loss Limit:	\$2,000,000
Carrier:	Chubb
Coverage Type:	Third party bodily injury / property damage
Expiration:	April 1, 2023

Primary Automobile Liability (Domestic)	
Per Loss Limit:	\$2,000,000
Carrier:	Chubb
Coverage Type:	Third party bodily injury / property damage
Expiration:	April 1, 2023

Excess / Umbrella Liability	
Per Loss Limit:	\$25,000,000
Carrier:	AIG & AWAC
Coverage Type:	Liability coverage in excess of primary coverage
Expiration:	April 1, 2023

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Information Classification: Public



Finance, Court & Water Departments

Title: Monthly Report for August 31, 2023

Date: September 18, 2023

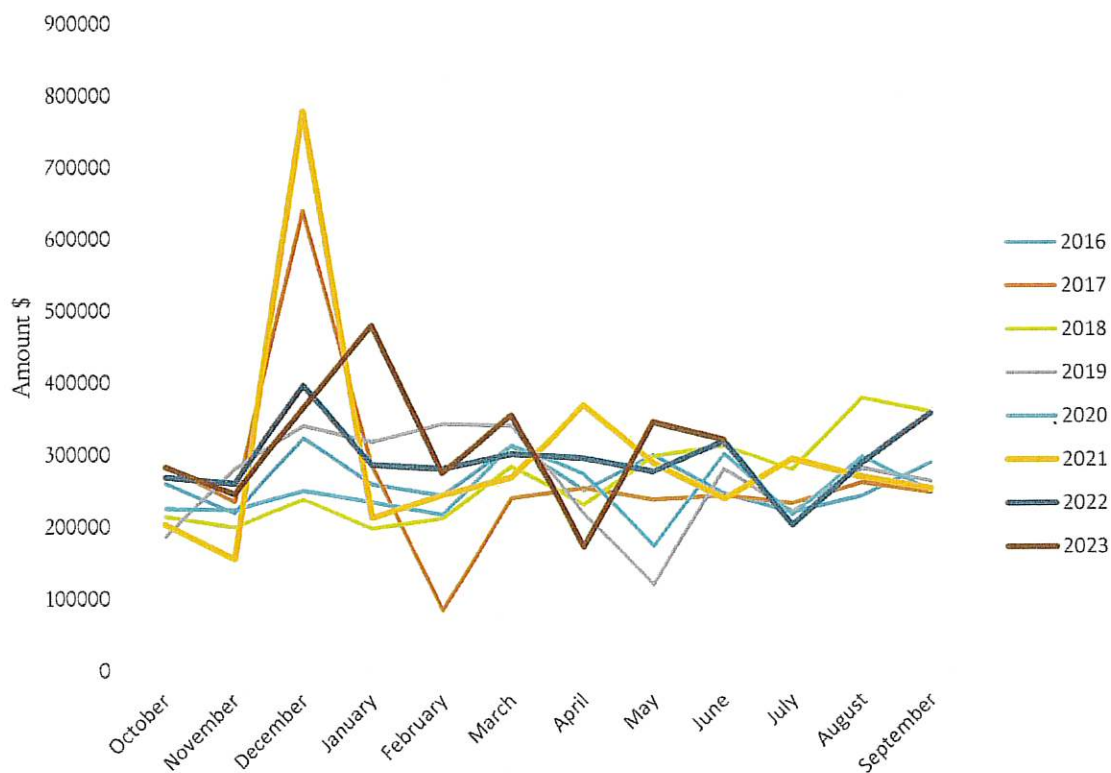
From: Cathy Ezell, Finance Director

Financial Information

The General Fund:

The revenues collected for the General fund as of August 31, 2023 are \$19,766,587 or 99.51% of the total budgeted revenues. Sales tax revenue is collected two months in arrears. The sales tax collections received are more than last year at this time.

Comparison of Sales Tax Revenue by Year



The expenditures for the General Fund as of August 31, 2023 are \$17,386,105 or 85.80% of the budgeted expenditures. See the attached Monthly Financial Report for more detail.

The revenues are over the expenditures by \$2,380,482. The fund balance or reserves of the General Fund as of August 31, 2023 is \$8,295,303. This is 40.9% of the expenditure budget.

Monthly Report Finance, Court & Water Departments

Water & Sewer Fund

The revenues for the Water & Sewer Fund as of August 31, 2023 are \$6,863,583 or 37.82% of the budgeted revenues. See the attached Monthly Financial Report for more detail.

The expenditures for the Water & Sewer Fund as of August 31, 2023 are \$6,477,679 or 98.20% of the budgeted expenditures. See the attached Monthly Financial Report for more detail.

The revenues are over the expenditures by \$385,903. The fund balance or reserves for the Water & Sewer Fund as of August 31, 2023 is \$485,610. This fund balance is only 7.3% of the operating expenditures.

Customer Service Department – Water & Court

We are continuing with the cross-training of employees. Also, we are working with Veolia to identify dead meters and idle accounts.

The review of all court records continues. Municipal Court has fully migrated to Incode 10 as of October 31, 2022. Standard Operating Procedures have been created for Municipal Court.

We will begin the process of scanning Municipal Court records into Incode software in October 2024. Then move to the Water/Sewer records, Human Resources records, invoice and purchase orders

Other

We created a departmental calendar for informational flyers to be included in the water bills each month.

We have completed the process of converting to the new time and attendance application.

City of Freeport
Monthly Financial Report
As of August 31, 2023
General Fund

	FY2022 Actuals	Adopted FY2023 Budget	Amended FY2023 Budget	Year to Date Actual	% YTD Budget
Beginning Fund Balance	\$ 6,725,855	\$ 5,564,969	\$ 5,914,821	\$ 5,914,821	
Revenues					
EMS	\$ 571,697	\$ 589,000	\$ 589,000	\$ 685,308	116.35%
Property Taxes	3,092,192	3,355,000	3,355,000	3,172,033	94.55%
Industrial Taxes	8,171,633	8,679,299	8,679,299	8,554,898	98.57%
Sales Tax	2,361,795	2,250,000	2,250,000	2,097,762	93.23%
Franchise & Other Taxes	664,892	644,000	644,000	583,138	90.55%
Permits	276,188	196,625	196,625	529,171	269.13%
Charges for Services	858,762	793,700	793,700	734,760	92.57%
Recreation/Rental	121,819	100,500	100,500	82,010	81.60%
Golf	814,284	652,000	652,000	841,410	129.05%
Municipal Court	234,733	208,500	208,500	143,049	68.61%
Grants	1,788,558	2,092,765	2,092,765	1,495,759	71.47%
Lease Income	151,087	125,000	125,000	23,009	18.41%
Miscellaneous	649,261	176,820	176,820	824,280	466.17%
Total Revenues	19,756,901	\$ 19,863,209	\$ 19,863,209	\$ 19,766,587	99.51%
Expenditures					
Administration	\$ 2,113,246	\$ 1,792,676	\$ 1,792,676	\$ 1,962,026	109.45%
Information Technology	-	229,628	229,628	247,113	107.61%
Service Center	231,715	201,887	201,887	179,269	88.80%
Municipal Court	239,515	231,301	231,301	250,673	108.38%
Police	4,855,088	5,254,992	5,254,992	4,446,440	84.61%
Fire	1,200,390	1,425,610	1,425,610	1,318,868	92.51%
EMS	1,020,517	969,552	969,552	798,602	82.37%
Emergency Management	150,986	-	-	-	
Code Enforcement	393,520	479,991	479,991	384,594	80.13%
Building	306,662	308,662	308,662	242,215	78.47%
Garbage Collection	887,107	720,000	720,000	621,141	86.27%
Street & Drainage	1,403,967	1,500,782	1,500,782	1,295,781	86.34%
Beach Fund Expense	57,529	42,850	42,850	25,656	59.87%
Historical Museum	345,069	374,526	374,526	249,738	66.68%
Sr Citizens Commission	7,731	7,500	7,500	5,438	72.51%
Library	33,549	41,535	41,535	33,810	81.40%
Parks	1,284,982	1,294,028	1,294,028	1,058,139	81.77%
Golf	1,190,704	1,235,668	1,235,668	1,145,059	92.67%
Recreation	492,678	572,840	572,840	324,043	56.57%
Interfund Transfer to	4,502,980	3,729,095	3,729,095	2,935,004	78.71%
Interfund Transfer from	(150,000)	(150,000)	(150,000)	(137,500)	91.67%
Total Expenditures	20,567,934	\$ 20,263,123	\$ 20,263,123	\$ 17,386,105	85.80%
Revenue Over/(Under)					
Expenditures	\$ (811,034)	\$ (399,914)	\$ (399,914)	\$ 2,380,482	
Ending Fund Balance	\$ 5,914,821	\$ 5,165,055	\$ 5,514,907	\$ 8,295,303	

City of Freeport
Monthly Financial Report
As of August 31, 2023
Water Sewer Fund

	FY2022 Actuals	Adopted FY2023 Budget	Amended FY2023 Budget	Year to Date Actual	% YTD Budget
Beginning Fund Balance	\$ 50,936	\$ 174,759	\$ 99,707	\$ 99,707	
Revenues					
Interlocal Revenue	\$ 16,086	\$ 4,000	\$ 4,000	\$ 3,691	92.28%
Interest	2,408	1,000	1,000	17,416	1741.65%
Misc Income	1,749	-	-	(86)	N/A
Misc Income Return Checks	1,242	1,000	1,000	925	92.50%
Utility Reimbursements	165,400	100,000	100,000	132,784	132.78%
Community Dev Grant	136,229	-	-	-	N/A
Grant - CDBG GLO	622,829	-	11,336,988	254,449	N/A
FEMA Reimbursement	-	-	-	-	N/A
Cash Over or Short	(40)	-	-	(11)	N/A
Water Revenue	3,500,777	4,178,200	4,178,200	3,734,138	89.37%
Water Revenue - Misc	(1,722)	-	-	-	N/A
Sewer Revenue	2,563,543	2,400,000	2,400,000	2,551,000	106.29%
Sewer Revenue - Misc	20	-	-	-	N/A
Sewer Surcharge	321	-	-	-	N/A
Water Tap Fee	23,752	15,000	15,000	29,426	196.17%
Sewer Tap Fee	3,040	3,000	3,000	4,429	147.63%
Bad Debt Write-Off	728	1,000	1,000	1,491	149.10%
Connect & Disconnect Fees	132,499	110,000	110,000	133,929	121.75%
Transfer from General Fund	323,000	-	-	-	N/A
Total Revenues	7,491,862	\$ 6,813,200	\$ 18,150,188	\$ 6,863,583	37.82%
Expenditures					
Salaries	\$ 98,019	\$ 102,267	\$ 102,267	\$ 86,069	84.16%
Benefits	97,149	40,692	40,692	49,112	120.69%
Supplies	76,241	70,950	70,950	27,533	38.81%
Services	5,553,016	5,848,140	5,848,140	5,219,354	89.25%
Maintenance	89,129	65,000	65,000	55,249	85.00%
Sundry	16,548	17,800	17,800	20,094	112.89%
Capital Outlay	1,083,229	-	-	606,439	N/A
Debt Service Fees	9,833	-	-	-	N/A
Transfer to Debt Service	269,928	301,450	301,450	276,329	91.67%
Transfer to CO2021 Bond Fund	-	-	-	-	N/A
Transfer to General Fund	150,000	150,000	150,000	137,500	91.67%
Total Expenditures	\$ 7,443,091	\$ 6,596,299	\$ 6,596,299	\$ 6,477,679	98.20%
Revenue Over/(Under)					
Expenditures	\$ 48,771	\$ 216,901	\$ 11,553,889	\$ 385,903	
Ending Fund Balance	\$ 99,707	\$ 391,660	\$ 11,653,596	\$ 485,610	



City of Freeport Utility Billing
August 2023 Statistics

Total Active Accounts	3,517	.
Total Services Disconnected	83	
Total New Services	55	
Billed Consumption - Water	33,335,700	\$ 359,354.45
Billed Consumption - Sewer	18,542,350	262,042.27
Billed Garbage		72,657.65
Billed Ambulance		6,956.39
Total Billed		<u>\$ 701,010.76</u>



City of Freeport Municipal Court
August 2023 Statistics

	August	Year-to-Date
Citations Issued	559	1849
Number of Violations Issued	580	2086
Court Payments Received	\$ 22,568.25	\$ 244,989.48

	August	August
Warrants Issued	149	\$ 55,555.83
Total Active Warrants	2,435	\$ 970,535.40

	Number of Persons on Docket
Court Attendance	49

City of Freeport
Capital Projects
As of August 31, 2023

Project	Project Status	Budget/Estimated Cost	Spent To Date	Remaining Budget
Fund 67 - 2021 CO Bond Fund				
Lift Station 3, 4, and 14 Rehabilitation	Complete	\$ 1,735,713.00	\$ 1,642,077.04	\$ 93,635.96
FM 1495 Water Line Relocation	Construction has begun	431,800.87	433,164.99	(1,364.12)
Phase I SSOI Engineering	Underway	215,926.36	-	215,926.36
Sanitary Sewer Collection GLO Project	Construction has begun	59,316.26	-	59,316.26
Wastewater Treatment Plant Grant Match	Engineering is 100% Complete	60,520.00	-	60,520.00
Avenue H Sewer Line Replacement Grant Match	Complete	42,375.00	40,192.30	2,182.70
WWTP Improvements	Council Approved Task Authorization for Freese & Nichols engineering	1,928,630.00	-	1,928,630.00
Sewer Line Replacement SSOI	CCTV & Manhole inspections underway	524,354.39	-	524,354.39
	Total Fund 66 - 2021 CO Bond Fund	\$ 4,998,635.88	\$ 2,115,434.33	\$ 2,883,201.55
Fund 66 - 2020 CO Bond Fund				
Streets & Drainage Projects	Total Budget for Street Projects	\$ 6,375,000.00		
2019-2020 Asphalt Streets - County Interlocal carried over to 2021	Complete	\$ 206,053.24	\$ 206,053.24	\$ -
2020-2021 Asphalt Streets - County Interlocal	Complete	321,260.88	321,260.88	-
2020-2021 Water/Sewer Relocation - Asphalt Streets	Complete	230,704.84	230,704.84	-
2021-2022 Asphalt Streets - County Interlocal	Complete	382,973.00	333,531.08	49,441.92
2021-2022 alley Sewer Relocation - Asphalt Streets	Complete	117,000.00	66,676.49	50,323.51
2022 Phase 1 Concrete Streets - Engineering	Complete	320,130.00	316,203.58	3,926.42
2022 Phase 1 Concrete Streets - Construction	Complete	2,234,868.34	2,234,868.34	(0.00)
2022-2023 Phase 2 Concrete Streets - Engineering	Construction Observation	426,380.00	426,380.00	-
2022-2023 Phase 2 Concrete Streets - Construction	Under Construction	1,947,498.46	1,801,057.37	146,441.09
Velasco Pump Station Improvements	Complete	316,707.00	316,706.61	0.39
Heritage House Renovations	On Hold	375,000.00	-	375,000.00
City Hall Renovations	Awarded contract for construction. Asbestos removal has begun.	998,000.00	542,197.88	455,802.12
	Total Funding Fund 66 - 2020 CO Bond Fund	\$ 7,876,575.76	\$ 6,795,640.31	\$ 1,080,935.45
Fund 14 - Streets & Drainage Funds				
Road Failure - Avenue D	Complete	\$ 49,000.00	\$ 49,000.00	\$ -
Asphalt Streets 2022-2023	Waiting for County to begin construction	446,041.00	-	446,041.00
Entry Road for Park	Complete	150,000.00	101,665.10	48,334.90
Streets & Drainage Project	Project to be determined	566,611.00	-	566,611.00
2022-2023 Phase 2 Concrete Streets - Construction	Under Construction	1,751,537.36	1,415,299.62	336,237.75
Road Failure - 1420 10th Street	Complete	17,000.00	17,000.00	-
Rebuild Stormwater Pump	Complete	24,269.00	24,268.29	0.71
Repair Ally East 5th at Cherry	Complete	72,120.00	72,119.38	0.62
2022-2023 Phase 2 Concrete Streets - Engineering	Construction Observation	30,000.00	34,056.68	(4,056.68)
	Total Funding Fund 14 - Streets & Drainage Fund	\$ 3,106,578.36	\$ 1,713,409.07	\$ 1,393,169.30

Fund 21 - Facilities & Grounds CIP

City Hall Renovations	Awarded contract for construction. Asbestos has begun.			
Museum Façade	On Hold	\$ 750,000.00	\$ -	\$ 750,000.00
Temp. Modular Building	Bid for building has been awarded.	100,000.00	-	100,000.00
Fire Station 1 Driveway	To be quoted	426,095.00	-	426,095.00
Prelim Architectural Study Station 1	Preliminary Architectural work has been authorized.	10,000.00	-	10,000.00
Radio Antenna Repairs - Fire	Repair has begun	20,000.00	-	20,000.00
Greens Resurfacing	To be bid	11,665.00	5,057.17	6,607.83
Cart Path Repair	Will begin soon	150,000.00	-	150,000.00
Prelim Architectural Study Club House - Golf	Preliminary Architectural has been presented	10,000.00	-	10,000.00
Jail Facility Renovation	To be bid	30,000.00	13,258.72	16,741.28
Replacement of Main Electric Dist. Panel	Construction has begun.	115,000.00	-	115,000.00
Police Department Parking Lot Improvements	To be quoted	20,000.00	-	20,000.00
Landing Repairs	Complete	20,000.00	-	20,000.00
Service Center Exterior	Complete	65,000.00	57,502.23	7,497.77
Riverplace Parking Lot Improvements	Complete	60,000.00	32,400.00	27,600.00
Velasco House Renovations	Complete	80,000.00	73,500.00	11,500.00
Recreation Center Parking Lot Improvements	Complete	70,000.00	57,770.00	12,230.00
Library Window Replacement	On hold	70,000.00	-	70,000.00
Museum Remodel	Complete	43,000.00	49,019.74	(6,019.74)
	Complete	17,000.00	4,500.00	12,500.00
	Total Fund 21 - Facilities & Grounds CIP	\$ 2,072,760.00	\$ 293,007.86	\$ 1,779,752.14

Fund 22 - Vehicle & Equipment Replacement Fund

Replace 2 Ambulances	Ordered & Received Some Outfitting	\$ 600,000.00	\$ 173,756.81	\$ 426,243.19
Replace Fire Equipment - Grant Funds	Ordered	131,013.00	121,145.37	9,867.63
Equipping new reserve firefighters	To be quoted	12,000.00	-	12,000.00
SORT Unit Replacement	Grant funding be sought	400,000.00	-	400,000.00
Knox boxes and mounts	Completed	15,000.00	11,975.00	3,025.00
Furnishings/Appliances Fire Station 2	To be quoted	30,000.00	-	30,000.00
Tee Mower - Golf	Completed	35,893.00	41,780.43	(5,887.43)
Fairway Mower - Golf	Completed	75,356.05	75,356.05	-
Replace two trucks - Building/Code	Completed	80,000.00	80,008.50	(8.50)
Recreation Center Equipment	Completed	10,000.00	9,640.00	360.00
Vehicle Replacement - Police	Ordered	292,748.00	177,071.13	115,676.87
Generator - Police	Waiting on electrical work to be completed	60,000.00	19,671.20	40,328.80
Body Camera Video Storage	Completed	16,000.00	22,117.20	(6,117.20)
One Ton Dump Truck	Completed	90,000.00	78,705.00	11,295.00
SCADA for Stormwater Pumps	Completed	60,000.00	49,500.00	10,500.00
Zero Turn Mower	Completed	18,000.00	17,975.13	24.87
Generators	The City awarded generators for Lift Stations 3, 4, & 14. Still have 4 under review	60,000.00	-	60,000.00
	Total Fund 22 - Vehicle & Equipment Replacement	1,986,010.05	878,701.82	1,107,308.23

Fund 23 - Technology Fund

Server Replacement/Network Upgrade - Police	Completed	\$ 85,000.00	\$ 92,640.42	\$ (7,640.42)
Access Control Panel	Ordered	23,645.47	-	23,645.47
		\$ 108,645.47	\$ 92,640.42	\$ 16,005.05

Grant Funded Projects

CDBG MIT 2016 HUD - Sanitary Sewer Collection System SSOI	Construction has begun.				
CDGB MIT Harvey - Wastewater Treatment Plant Improvements	Bids will be received in September				
CDBG - Bar Screen Replacement	Complete				
CDBG - Avenue H Sewer Line Replacement	Complete				
		\$ 5,931,626.00	\$ 782,377.22	\$ 5,149,248.78	
		5,991,468.00	386,923.20	5,604,544.80	
		193,271.00	170,328.45	22,942.55	
		260,000.00	-	260,000.00	
		\$ 12,376,365.00	\$ 1,339,628.87	\$ 11,036,736.13	

Other Projects

Incude Migration Project	Content Manger will begin implementation in October.				
		208,000.00	77,213.25	130,786.75	
		\$ 208,000.00	\$ 77,213.25	\$ 130,786.75	

Applying for	Status	Type of Project	Actions	Deadline	Grant Amount	City Match	Total Project
Homeland Security-Port Security							
BrushTruck 2022	In Progress			12/31/2022	\$ 125,000	\$ -	\$ 125,000
BrushTruck 2021	Denied			12/31/2021	145,000	-	145,000
Radios				12/31/2022	212,000	-	212,000
S.A.F.E.R.				12/31/2022			-
Training Grant					103,000	-	103,000
FEMA AFG (American Firefighters Grant)							-
Texas Forestry Service-Arson Conference							-
Mobile Video Equipment Upgrade	Pending	Upgrade Patrol Unit Camera	Pending OOG Review	02/09/2023	102,650	-	102,650
Body Camera Upgrade Project	Pending	Body Camera Upgrade Project	Pending OOG Review	02/09/2023	43,902	-	43,902
Rifle-Resistant Body Armor	Pending	Rifle-Resistant Body Armor	Pending Applicant Response (Fund Hold)	02/09/2023	50,908	-	50,908
Beach Maintenance (BMR)	In Progress	Beach Maintenance		8/31/2023	12,000	-	12,000
Lift Station #3 Generator	In Progress	Generator	Awarded	1/15/2022	36,000	4,000	40,000
Lift Station #4 Generator	In Progress	Generator	Awarded	1/15/2022	36,000	4,000	40,000
Lift Station #14 Generator	In Progress	Generator	Awarded	1/15/2022	36,000	4,000	40,000
City Hall Generator	In Progress	Generator	Pending FEMA Approval	1/15/2022	300,000	100,000	400,000
Riverplace Generator	In Progress	Generator	Pending FEMA Approval	1/15/2022	150,000	50,000	200,000
Service Center Generator	In Progress	Generator	Pending FEMA Approval	1/15/2022	150,000	50,000	200,000
Recreation Center Generator	In Progress	Generator	Pending FEMA Approval	1/15/2022	150,000	50,000	200,000
Mitigation Grant Sewer Line Rep.	Granted	Sewer Line Replacement	Waiting to award construction contract	11/16/2021	5,931,626	59,915	5,991,541
Mitigation Grant WWTP Improvements	Granted	WWTP Improvements	Completing Engineering & Environ.	12/7/2021	5,991,468	60,520	6,051,988
HGAC MIT Water Pump Station Ren.	In Progress	Pump Station Renovations	Pending Review	1/9/2022	1,837,967	-	1,837,967
TXDOT Sidewalks	In Progress	Sidewalk Renovations	Completing Application		5,000,000	-	5,000,000



FREEPORT POLICE DEPARTMENT

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

Danny Gillchriest
Captain

Jennifer Howell
Chief of Police

Corey Brinkman
Lieutenant

AUGUST POLICE REPORT

I. CALLS FOR SERVICE

1930 calls for service were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

II. INCIDENTS

114 cases were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

III. TRAFFIC STOPS

392 traffic stops were reported for the month.
Zuercher Records Management System (RMS) reports to follow.

IV. TRAINING

Training performed in accordance with the Texas Commission on Law Enforcement (TCOLE).
- Various training during the month to include for a total of 422 hours across the department.

V. COMMUNITY EVENTS

The police department participated in the following events for this month:

- August 5th Kids Fest
- BISD Back to school bashes

The following are upcoming events:

- Jr Police Academy
- Citizen Police Academy
- October 3rd National Night Out
- October 4th National Coffee with a Cop
- October 13th Blue Santa Golf Tournament
- October 14th Brazoria County Fair Parade

VI. COMPLAINTS and COMPLIMENTS

There was a complaint regarding an officer that failed to secure an arrested subject's cell phone and it was accidentally damaged. The officer offered to buy the person a new phone. The person was taken to purchase a new phone.

There was a complaint regarding a tow service the PD used having a racist employee. Upon investigating, no evidence could be found to support the claim.



Professionalism – Respect – Integrity – Compassion – Accountability – Transparency

There was a complaint to dispatch regarding a traffic stop, but the person would not provide further information. Stated they would come back to speak with the Lieutenant. The person did not show. We attempted to call them back and left them a message.

VII. STAFFING

DISPATCHERS:

Anni Coe returned as a dispatcher. Dispatch is currently short 2 positions.

JAILERS:

Full staff.

ACOS:

We are short 1 ACO.

POLICE OFFICERS:

We currently are short 2 position.

PROMOTIONS:

None.

Freeport Police Department

Monthly Call For Service CC

Printed on September 8, 2023

Description	Totals	
911 CALL	134	134
911 HANG UP	46	46
ABANDONED VEHICLE	4	4
ACCIDENT - HIT & RUN	4	4
ACCIDENT - MAJOR	6	6
ACCIDENT - MINOR	22	22
ALARM - BUSINESS	25	25
ALARM - MEDICAL	6	6
ALARM - RESIDENTIAL	9	9
ALARM - VEHICLE	1	1
AMBULANCE CALL - FREEPORT	135	135
AMBULANCE CALL - OYSTER CREEK	10	10
AMBULANCE CALL - SURFSIDE	20	20
ANIMAL BITE	1	1
ANIMAL CONTROL - GENERAL	113	113
ANIMAL CONTROL - PENDING	3	3
ASSAULT	7	7
ATTEMPT TO SERVE - WARRANT	4	4
AUTO THEFT	3	3
BAR CHECK	11	11
BEACH PATROL	7	7
BROADCAST	12	12
BURGLARY - BUILDING	1	1
CAPIAS PRO FINE	1	1
CHECKED OUT	7	7
CITY ORDINANCE VIOLATION	12	12
CIVIL MATTER	18	18
CIVIL STANDBY	5	5
CLERK CHECK	61	61
CLOSE PATROLLING AREA	337	337
CLOSE PATROL REQUEST	4	4
COMMERCIAL VEHICLE ENFORCEMENT	15	15
COURTESY TRANSPORT	1	1
CPS RELATED INVESTIGATION	14	14
CRIMINAL MISCHIEF	6	6
CRIMINAL TRESPASSING	5	5
DEBRIS IN ROADWAY	10	10
DIRECTIVE OF APPREHENSION	1	1
DISCHARGE FIREARM	1	1
DISTURBANCE PHYSICAL	14	14
DISTURBANCE VERBAL	25	25
DUMPING ILLEGALLY	1	1

Description	Totals	
Duplicate Call	2	2
FIRE - ALARM	8	8
FIRE CALL	18	18
FIREWORKS	1	1
FLAGGED DOWN	3	3
FOLLOW UP	19	19
FOUND PROPERTY	4	4
FRAUD	6	6
GAS/CHEMICAL RELEASE	2	2
HARASSMENT	2	2
INCIDENT REPORT	5	5
INSPECTION	17	17
JAIL CHECK	1	1
JUVENILE COMPLAINTS	5	5
K9 INSPECTION	1	1
MENTAL HEALTH CALL/REFERAL	7	7
MISCELLANEOUS	57	57
MISSING JUVENILE	2	2
MOTORIST ASSIST	12	12
NARCOTICS COMPLAINT	3	3
NOISE COMPLAINT	4	4
OTHER AGENCY ASSIST	17	17
PARKING VIOLATION	1	1
POLICE ESCORT	2	2
PRISONER TRANSPORT	14	14
PUBLIC INTOXICATION	2	2
RECKLESS DRIVER	11	11
RECOVER RUNAWAY	1	1
REPOSESSION VEHICLE	5	5
RUNAWAY	4	4
SPEAK WITH OFFICER	65	65
SPECIAL ASSIGNMENT	4	4
SPECIAL WATCH	6	6
SUBJECT CONTACT	17	17
SUSPICIOUS CIRCUMSTANCE	23	23
SUSPICIOUS NOISE	9	9
SUSPICIOUS SUBJECT	10	10
SUSPICIOUS VEHICLE	21	21
TERRORISTIC THREATS	1	1
THEFT	14	14
TOWED VEHICLE	3	3
TRAFFIC COMPLAINT	11	11
TRAFFIC CONTROL	6	6
TRAFFIC STOP	293	293
UNAUTH USE OF A VEHICLE	3	3
UNWANTED SUBJECT	24	24

Description	Totals	
WARRANT CLASS B OR ABOVE	1	1
WATER / STREET DEPT CALLOUT	30	30
WELFARE CONCERN	18	18
	13	13
Totals	1930	1930

Freeport Police Department

Monthly Incidents CC

Printed on September 8, 2023

Reported	Case Number	Offenses	Description
08/01/23	FPD23-1055	RAN STOP SIGN; POSSESSION OF	TRAFFIC STOP
08/01/23	FPD23-1056	ASSAULT BY PHYSICAL CONTACT	SPEAK WITH OFFICER
08/01/23	FPD23-1057	INCIDENT REPORT	SUSPICIOUS NOISE
08/02/23	FPD23-1058	INCIDENT REPORT	ABANDONED VEHICLE
08/02/23	FPD23-1059	INCIDENT REPORT	MENTAL HEALTH CALL/REFERAL
08/02/23	FPD23-1060	FRAUD - GENERAL	FRAUD
08/02/23	FPD23-1064	INCIDENT REPORT	ANIMAL BITE
08/02/23	FPD23-1061	INCIDENT REPORT	SPEAK WITH OFFICER
08/03/23	FPD23-1062	SILENT ABUSIVE CALL/ELECTR	911 CALL
08/03/23	FPD23-1063	SILENT ABUSIVE CALL/ELECTR	911 CALL
08/04/23	FPD23-1065	INCIDENT REPORT	FOUND PROPERTY
08/04/23	FPD23-1066	PUBLIC INTOXICATION	SUSPICIOUS CIRCUMSTANCE
08/05/23	FPD23-1067	PUBLIC INTOXICATION; FLEEING	ASSAULT
08/05/23	FPD23-1068	FAILURE TO MAINTAIN FINANCIAL	ACCIDENT - MINOR
08/05/23	FPD23-1069	INCIDENT REPORT	DISTURBANCE PHYSICAL
08/05/23	FPD23-1070	AGG ASSAULT W/DEADLY	DISTURBANCE PHYSICAL
08/05/23	FPD23-1071	PUBLIC INTOXICATION	MENTAL HEALTH CALL/REFERAL
08/06/23	FPD23-1072	PUBLIC INTOXICATION	SPEAK WITH OFFICER
08/07/23	FPD23-1073	OTHER JURISDICTION WARRANT	ATTEMPT TO SERVE - WARRANT
08/07/23	FPD23-1074	THEFT PROP >=\$100<\$750	THEFT
08/09/23	FPD23-1075	THEFT CLASS C	THEFT
08/09/23	FPD23-1076	THEFT CLASS C	THEFT
08/09/23	FPD23-1077	CRIMINAL TRESPASS	WELFARE CONCERN
08/09/23	FPD23-1078		REPORT DROPPED IN ERROR
08/09/23	FPD23-1079	ASSAULT CAUSES BODILY INJURY	ASSAULT
08/10/23	FPD23-1080	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
08/10/23	FPD23-1081	INCIDENT REPORT	CRIMINAL MISCHIEF
08/10/23	FPD23-1082	PUBLIC INTOXICATION	UNWANTED SUBJECT
08/11/23	FPD23-1083	INCIDENT REPORT	WATER / STREET DEPT CALLOUT
08/11/23	FPD23-1084	INCIDENT REPORT	RUNAWAY
08/11/23	FPD23-1085		REPORT DROPPED IN ERROR
08/12/23	FPD23-1086	RESIST ARREST SEARCH OR	BAR CHECK
08/12/23	FPD23-1087	PUBLIC INTOXICATION	UNWANTED SUBJECT
08/12/23	FPD23-1088	DUTY ON STRIKING FIXTURE/HWY	ACCIDENT - MINOR
08/13/23	FPD23-1089	UNL CARRYING WEAPON; DRIVING	ACCIDENT - MAJOR
08/13/23	FPD23-1090	DUTY ON STRIKING UNATTENDED	ACCIDENT - HIT & RUN
08/13/23	FPD23-1091	DUTY ON STRIKING FIXTURE/HWY	ACCIDENT - MINOR
08/13/23	FPD23-1092	INCIDENT REPORT	RUNAWAY
08/14/23	FPD23-1093	INCIDENT REPORT	FOUND PROPERTY
08/14/23	FPD23-1094	INCIDENT REPORT	LOST ARTICLE/PROPERTY
08/14/23	FPD23-1095	ASSAULT BY PHYSICAL CONTACT	ASSAULT
08/14/23	FPD23-1097	OTHER JURISDICTION WARRANT	UNWANTED SUBJECT
08/14/23	FPD23-1096	RAN STOP SIGN; POSS CS PG 1/1-B	ACCIDENT - MINOR

Reported	Case Number	Offenses	Description
08/15/23	FPD23-1098		ANIMAL CONTROL - GENERAL
08/15/23	FPD23-1099	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
08/15/23	FPD23-1100	POSSESSION OF DRUG	TRAFFIC STOP
08/15/23	FPD23-1101	INCIDENT REPORT	MENTAL HEALTH CALL/REFERAL
08/16/23	FPD23-1102	PUBLIC INTOXICATION W/3 PRIOR	PUBLIC INTOXICATION
08/16/23	FPD23-1131	INTERFER W/EMERGENCY CALL;	DISTURBANCE PHYSICAL
08/16/23	FPD23-1103	INCIDENT REPORT	FOUND PROPERTY
08/17/23	FPD23-1104	INCIDENT REPORT	TRAFFIC STOP
08/18/23	FPD23-1105	PUBLIC INTOXICATION	ACCIDENT - MINOR
08/18/23	FPD23-1106	EVADING ARREST DETENTION	UNAUTH USE OF A VEHICLE
08/18/23	FPD23-1107	UNAUTH USE OF VEHICLE	UNAUTH USE OF A VEHICLE
08/18/23	FPD23-1108	POSS CS PG 1/1-B >=1G<4G	SUSPICIOUS SUBJECT
08/18/23	FPD23-1109	FRAUD - GENERAL	FRAUD
08/19/23	FPD23-1110	PUBLIC INTOXICATION	BAR CHECK
08/19/23	FPD23-1111		ABANDONED VEHICLE
08/19/23	FPD23-1112	POSS CS PG 1/1-B >=1G<4G	UNWANTED SUBJECT
08/19/23	FPD23-1113	OTHER JURISDICTION WARRANT	DISTURBANCE PHYSICAL
08/20/23	FPD23-1114	UNSAFE START FROM PARKED	TRAFFIC STOP
08/20/23	FPD23-1115	DRIVING WHILE INTOXICATED	ACCIDENT - MAJOR
08/20/23	FPD23-1116	CONSUMING ALCOHOLIC	MINOR IN POSSESSION
08/20/23	FPD23-1117	PUBLIC INTOXICATION	SUSPICIOUS VEHICLE
08/20/23	FPD23-1118	INCIDENT REPORT	MISCELLANEOUS
08/21/23	FPD23-1119	INCIDENT REPORT	CITY ORDINANCE VIOLATION
08/21/23	FPD23-1120	AGG ASSAULT W/DEADLY	DISTURBANCE WEAPONS
08/21/23	FPD23-1121	CAPIAS WARRANT	TRAFFIC STOP
08/22/23	FPD23-1122	THEFT PROP >=\$750<\$2,500;	DISTURBANCE PHYSICAL
08/22/23	FPD23-1126	OTHER JURISDICTION WARRANT	ATTEMPT TO SERVE - WARRANT
08/22/23	FPD23-1123	FAIL TO REMAIN AND REPORT	ACCIDENT - HIT & RUN
08/22/23	FPD23-1124	FORGERY FINANCIAL	FRAUD
08/22/23	FPD23-1125	CAPIAS WARRANT	CAPIAS PRO FINE
08/22/23	FPD23-1127	UNAUTH USE OF VEHICLE	AUTO THEFT
08/22/23	FPD23-1128	INCIDENT REPORT	DISCHARGE FIREARM
08/23/23	FPD23-1129	ALLOWING DOG TO RUN AT LARGE	ANIMAL CONTROL - GENERAL
08/23/23	FPD23-1130	OPERATE MOTOR VEHICLE	UNWANTED SUBJECT
08/24/23	FPD23-1132	OTHER JURISDICTION WARRANT	ACCIDENT - MINOR
08/24/23	FPD23-1133	CRIM TRESPASS	UNWANTED SUBJECT
08/24/23	FPD23-1134	CITY WARRANT	PRISONER TRANSPORT
08/24/23	FPD23-1135	BURGLARY OF HABITATION	SPEAK WITH OFFICER
08/25/23	FPD23-1136	EVADING ARREST DETENTION	UNWANTED SUBJECT
08/25/23	FPD23-1137	THEFT CLASS C	THEFT
08/25/23	FPD23-1138	PUBLIC INTOXICATION	PUBLIC INTOXICATION
08/25/23	FPD23-1139	INCIDENT REPORT	MISCELLANEOUS
08/25/23	FPD23-1146	INCIDENT REPORT	ACCIDENT - MINOR
08/25/23	FPD23-1140	OTHER JURISDICTION WARRANT	PRISONER TRANSPORT
08/26/23	FPD23-1141	INCIDENT REPORT	ANIMAL BITE
08/26/23	FPD23-1142	UNAUTH USE OF VEHICLE	AUTO THEFT
08/26/23	FPD23-1143	INTERFER W/PUBLIC DUTIES;	DISTURBANCE PHYSICAL

Reported	Case Number	Offenses	Description
08/26/23	FPD23-1144	ASSAULT CAUSES BODILY INJ	ASSAULT
08/26/23	FPD23-1145	INCIDENT REPORT	AMBULANCE CALL - FREEPORT
08/26/23	FPD23-1147	INCIDENT REPORT	FOUND PROPERTY
08/26/23	FPD23-1148	ASSAULT CAUSES BODILY INJURY	ASSAULT
08/26/23	FPD23-1149	UNAUTH USE OF VEHICLE	UNAUTH USE OF A VEHICLE
08/26/23	FPD23-1150	FIREWORKS(POSESS OR SALE)	FIREWORKS
08/26/23	FPD23-1151	DRIVING WHILE INTOXICATED BAC	RECKLESS DRIVER
08/27/23	FPD23-1152	HARASSMENT OF PUBLIC	DISTURBANCE PHYSICAL
08/27/23	FPD23-1153	DRIVING W/LIC INV W/PREV	TRAFFIC STOP
08/27/23	FPD23-1154	INCIDENT REPORT	OTHER AGENCY ASSIST
08/27/23	FPD23-1155	TAMPER/FABRICATE PHYS EVID	DISTURBANCE PHYSICAL
08/27/23	FPD23-1156		REPORT DROPPED IN ERROR
08/28/23	FPD23-1157	ASSAULT BY THREATS	SPEAK WITH OFFICER
08/28/23	FPD23-1158	INCIDENT REPORT	RUNAWAY
08/29/23	FPD23-1159	INCIDENT REPORT	CITY ORDINANCE VIOLATION
08/30/23	FPD23-1160	PUBLIC INTOXICATION	SUSPICIOUS SUBJECT
08/30/23	FPD23-1161	INCIDENT REPORT	CIVIL MATTER
08/30/23	FPD23-1162	CITY WARRANT	DISTURBANCE VERBAL
08/30/23	FPD23-1163	INCIDENT REPORT	TRAFFIC STOP
08/30/23	FPD23-1164	ASSAULT CAUSES BODILY INJURY	AMBULANCE CALL - FREEPORT
08/31/23	FPD23-1166	INCIDENT REPORT	TRAFFIC STOP
08/31/23	FPD23-1165	FRAUD - GENERAL	FRAUD
08/31/23	FPD23-1167	CREDIT CARD OR DEBIT CARD	FRAUD
08/31/23	FPD23-1168	BURGLARY OF HABITATION	THEFT

Total Records: 114

Freeport Police Department

Monthly Traffic Stops CC

Printed on September 8, 2023

Descriptions	Totals	
Arrest	11	11
Citation Issued	96	96
Citation Issued ; Advice Given; Written Warning Issued	2	2
Citation Issued ; Written Warning Issued	4	4
CVE - No Violation	6	6
Handled By Officer / Deputy	8	8
Location Secured	1	1
No Police Action Taken	1	1
Written Warning Issued	260	260
Written Warning Issued; Advice Given	3	3
Totals	392	392

DPW
Monthly Report
September 2023



DPW Monthly Report September 2023

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DPW Monthly Report September 2023

Description

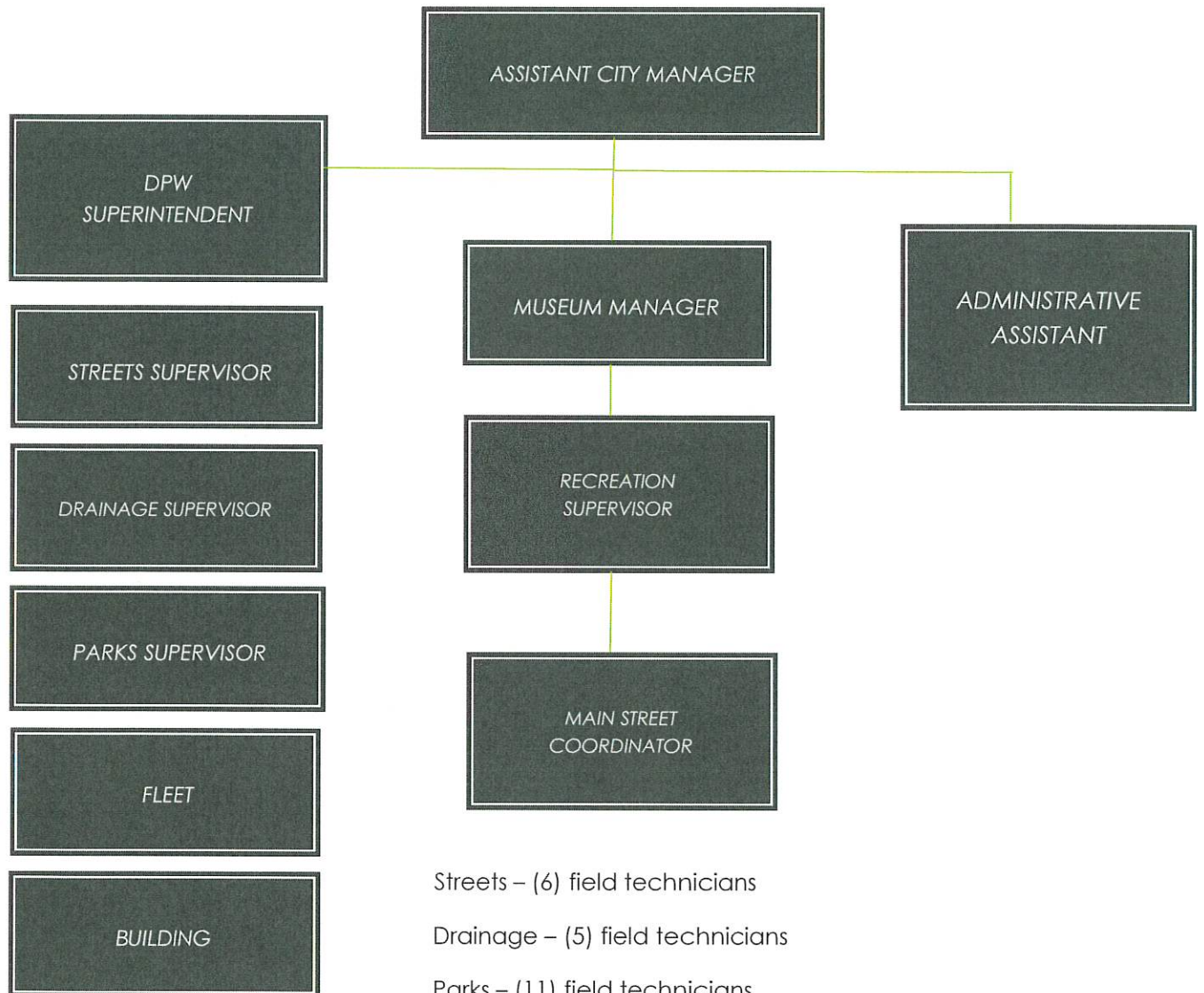
The DPW is administered by the Assistant City Manager. It is the responsibility of the department to successfully manage the City of Freeport infrastructure systems, City owned facilities, equipment, fleet, recreation and museum.

The department's mission and primary function is to provide a superior public service. In order to meet this goal, the operating function responsibilities of the department are assigned to eight groups. Each group is under the direction of a supervisor whose responsibilities include quality inspection, workload scheduling, contract management, and customer service. Each supervisor is responsible for coordinating the personnel and equipment resources of their respective divisions.

- Administration Division: under the Direction of the Assistant City Manager, this division manages the public works office, customer service, scheduling, reporting and public communication.
- Streets Division: Under the direction of the Streets Supervisor, this division provides street maintenance services to the community by pothole patching, curb, gutter and sidewalk repair and replacement of city streets and alleys. This division also provides sign maintenance which includes the installation and repair of roadway signs and the repair and maintenance of roadway markings within the city's right-of-way.
- Drainage Division: Under the direction of the Drainage Supervisor, this division is responsible for all repairs and maintenance of the city's stormwater collection system. This division also installs new culvert piping upon customer permitting.
- Parks Division: Under the direction of the Parks/Grounds/Facilities Supervisor, this division provides services to the community by conducting preservation and beautification of the City's parks, ball fields, building grounds and open spaces.
- Fleet Division: Under the direction of the Assistant City Manager, this division is responsible for all repairs and maintenance of the city's Fleet
- Building Maintenance Division: Under the direction of the Public Works Superintendent, this division provides services to the community by conducting preventative maintenance and repairs on all city property and buildings.
- Recreation Division: Under the direction of the Recreation Supervisor, this division provides services to the community through recreation, events and programs
- Museum Division: Under the Museum Manager, this division provides services to the community through museum, events and programs.

DPW Monthly Report September 2023

DPW Organizational Chart



Streets – (6) field technicians

Drainage – (5) field technicians

Parks – (11) field technicians

Fleet – (1) mechanic technician

Building – (1) lead technician

Museum – (1) assistant

Recreation – (1) event coordinator, (3) PT, (16) lifeguards

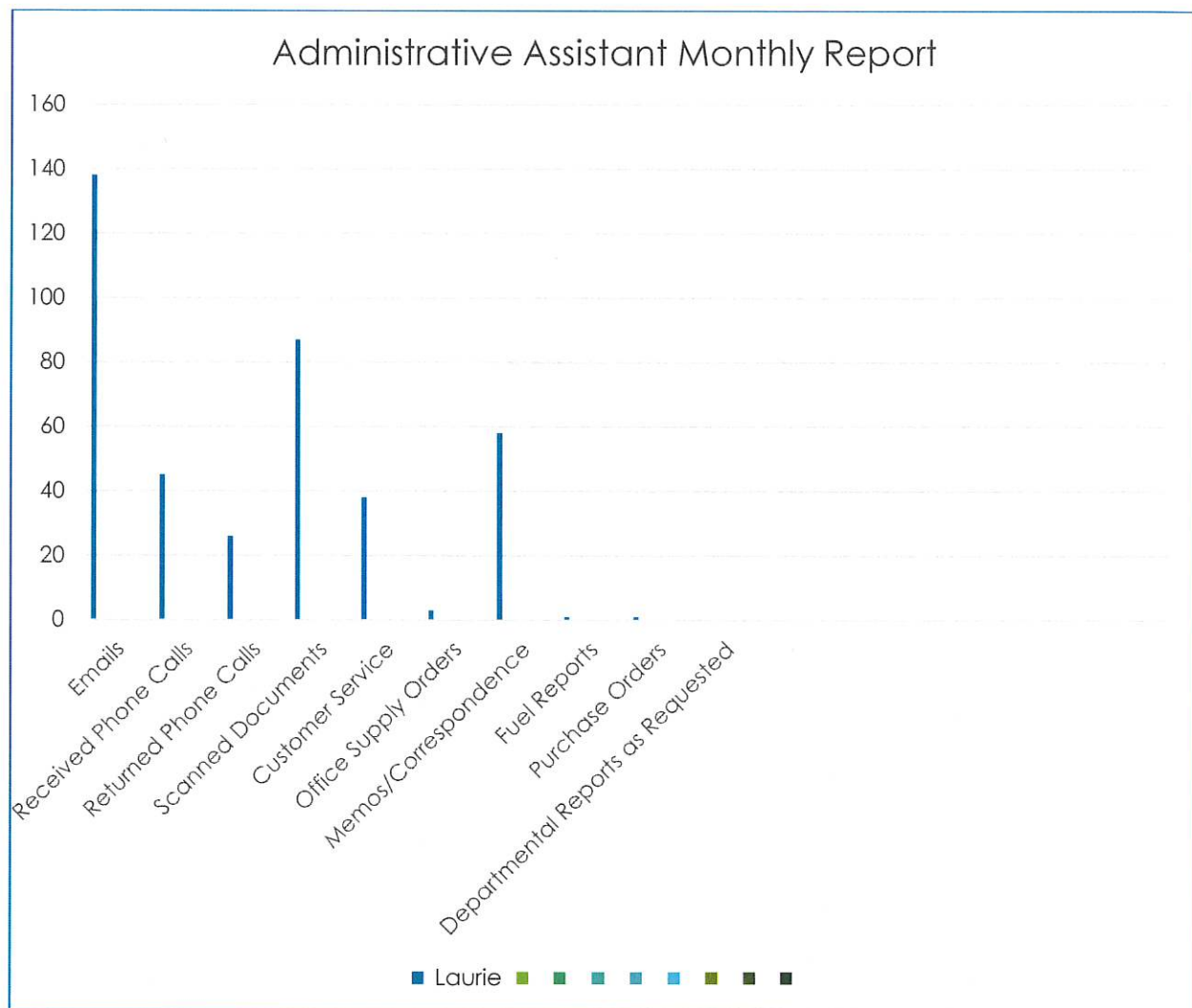
DPW Monthly Report September 2023

Administration Division:

under the Direction of the Assistant City Manager, this division manages the public works office, customer service, scheduling, reporting and public communication

Key Highlights This Month:

- Work Orders
- Expenditures
- Removal of existing fuel tanks



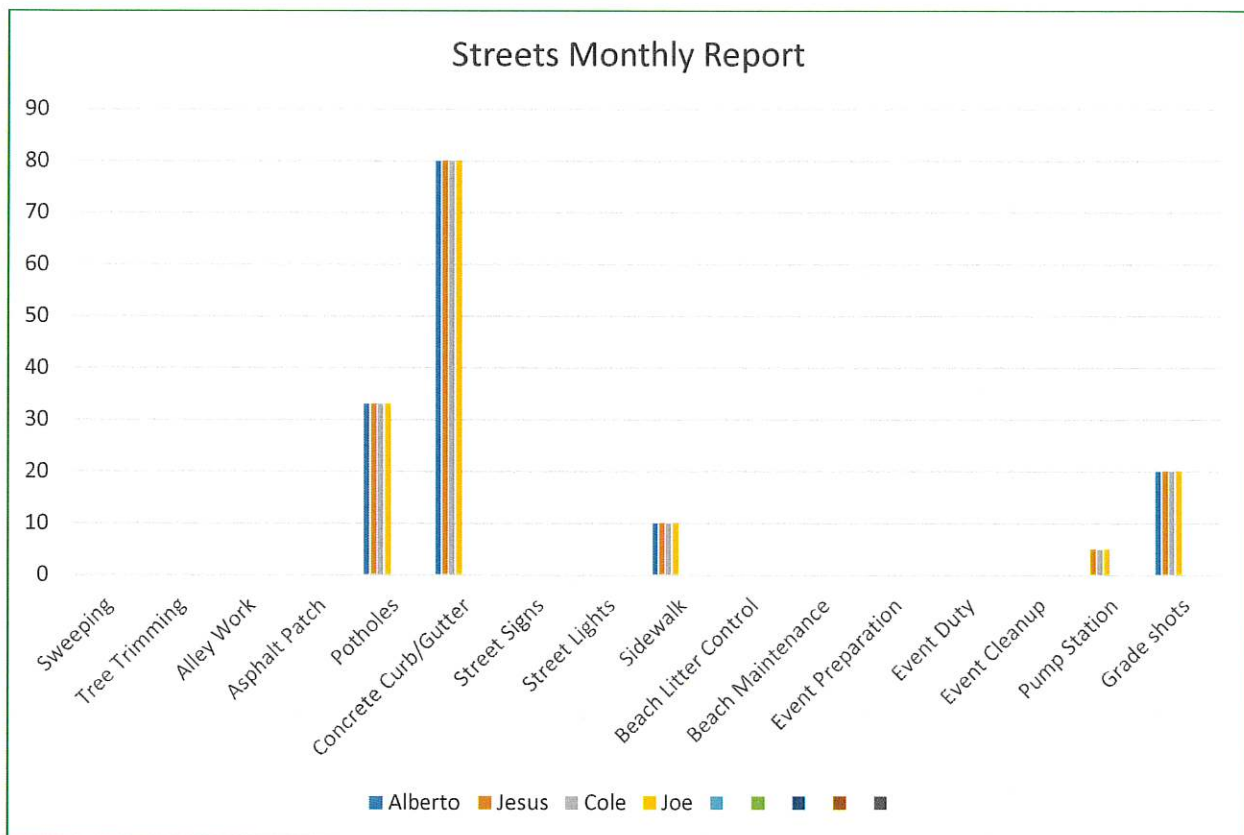
DPW Monthly Report September 2023

Streets Division:

Under the direction of the Streets Supervisor, this division provides street maintenance services to the community by pothole patching, curb, gutter and sidewalk repair and replacement of city streets and alleys. This division also provides sign maintenance which includes the installation and repair of roadway signs and the repair and maintenance of roadway markings within the city's right-of-way.

Key Highlights This Month:

- Concrete Sidewalk Replacement Program E. 7th
- Curb and Gutter replacement – Locust
- Pot Holes



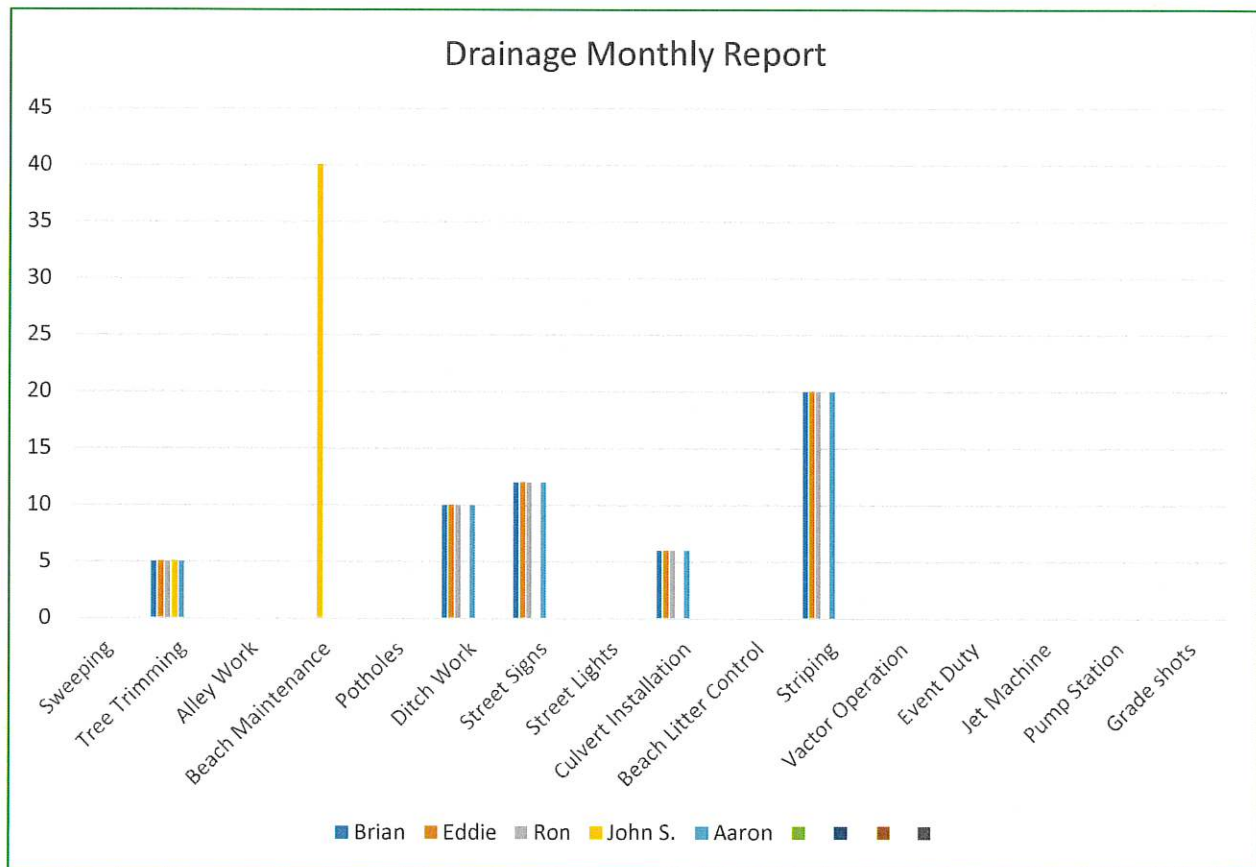
DPW Monthly Report September 2023

Drainage Division:

Under the direction of the Drainage Supervisor, this division is responsible for all repairs and maintenance of the city's stormwater collection system. This division also installs new culvert piping upon customer permitting.

Key Highlights This Month:

- Paint School Zone Crossings
- Mow/Weed Control all Wards
- Clean Inlets in all Wards

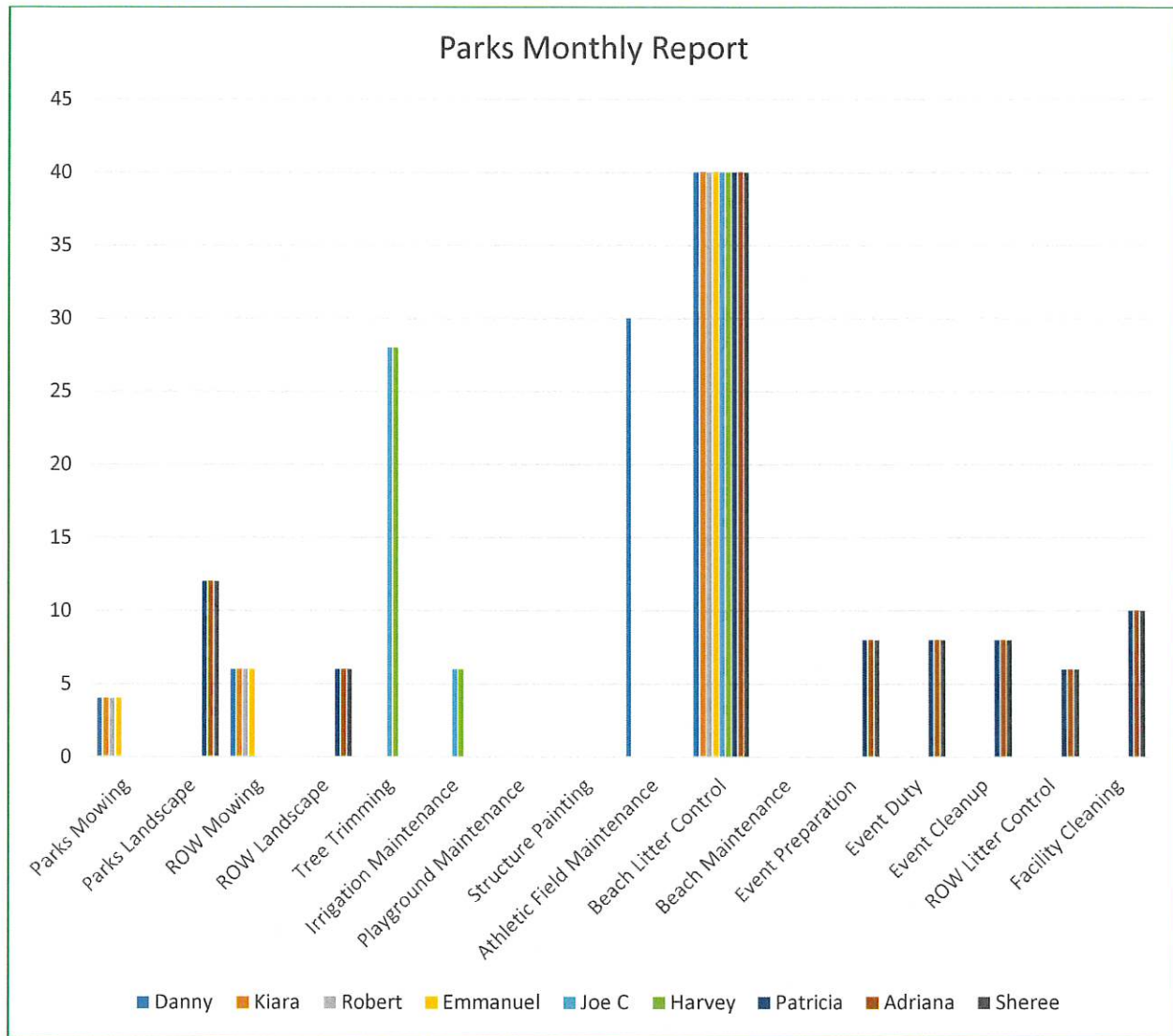


DPW Monthly Report September 2023

Parks Division:

Under the direction of the Parks/Grounds/Facilities Supervisor, this division provides services to the community by conducting preservation and beautification of the City's parks, ball fields, building grounds and open spaces.

- Park Maintenance (9)
- Athletic Field Maintenance (5)
- Beach Litter Control



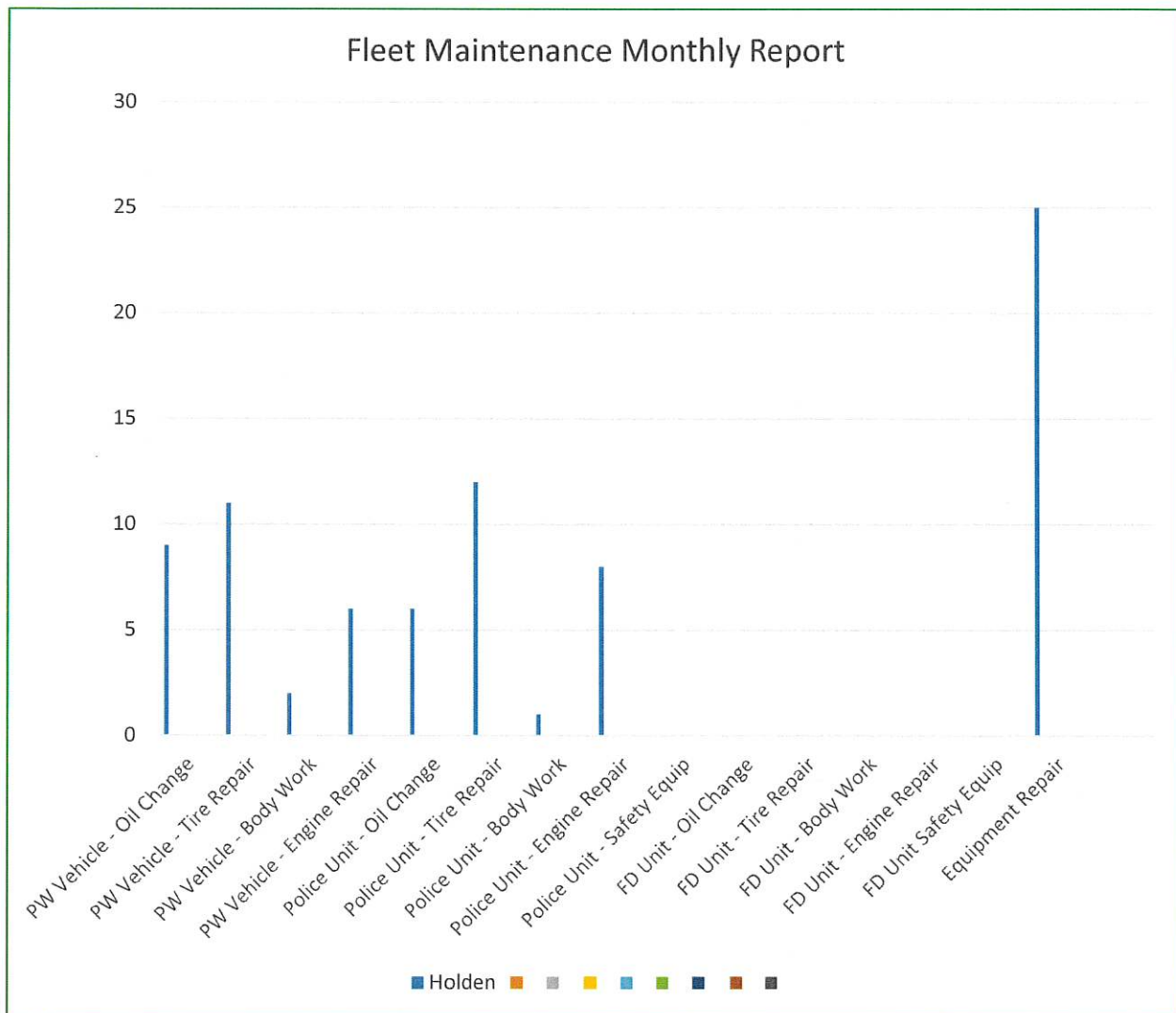
DPW Monthly Report September 2023

Fleet Division:

Under the direction of the Assistant City Manager, this division is responsible for all repairs and maintenance of the city's Fleet

Key Highlights This Month:

- Repair A/C on Unit 26
- Repair Bush Hog
- Repair Front End Loader



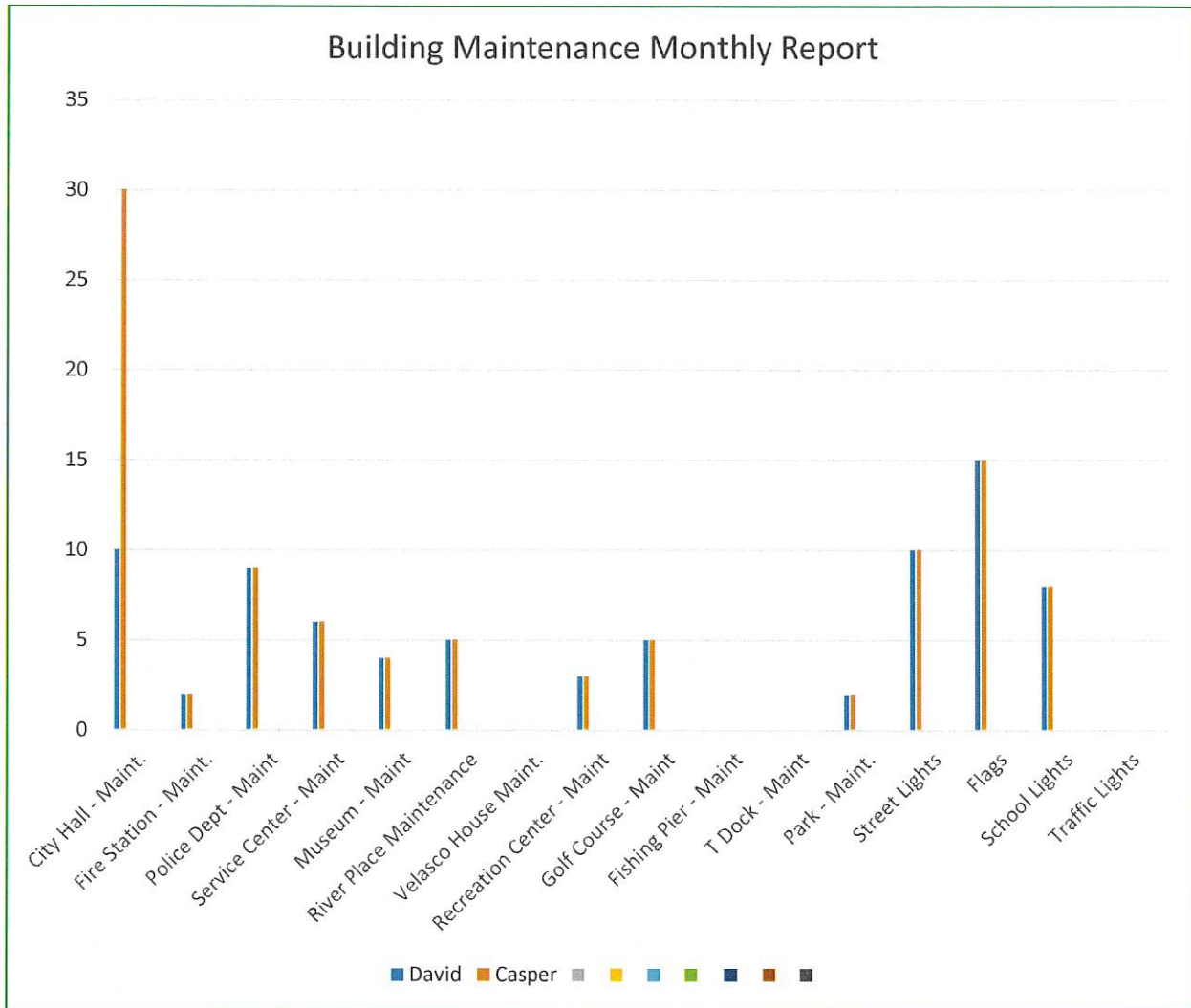
DPW Monthly Report September 2023

Building Maintenance Division:

Under the direction of the Public Works Superintendent, this division provides services to the community by conducting preventative maintenance and repairs on all city property and buildings.

Key Highlights This Month:

- Repair School Zone Lights
- Install 10 Ton A/C Unit at Library
- Install Electrical for Wayward sign at 2nd street/288



DPW Monthly Report September 2023

Recreation Division:

Under the direction of the Recreation Supervisor, this division provides services to the community through recreation, events and programs

- Seniors Day & Commissions Meeting- August 21st (Every 3rd Monday of the month)
- Staff Updates- We are fully staffed
- Current Programming- We have one Zumba instructor that has class 8:30- 9:30 a.m. on Mondays and Wednesdays and 10- 11am on Saturdays and 6- 7 p.m. on Mondays, Wednesdays and Fridays.
- Programs & Events- Fright Night- October 26, 2023



Facebook Data:

- August 2023 – 3527 people like the Freeport Recreation Page
- August 2023 – 3858 people follow the Freeport Recreation Page

Revenue:

- Adult Daily Pass \$195.00
- Child Daily Pass \$0
- Senior Daily Pass \$51.00
- Student Daily Pass \$63.00

Attendance:

- Monthly Membership Family 16
- Monthly Membership Individual 167
- Monthly Membership Senior 90
- Monthly Memberships Youth 17
- City Employees 6

DPW Monthly Report September 2023

Recreation:

• No. hrs. sports field used	0
• Facility rental revenue	\$3,925.00
• Total No. hrs. of use for non-revenue rentals	32 hrs.
• Facility rentals	18
• Sports field rentals	0
• Total No. of contract classes	35
• No. of events co-sponsored by department	2
• No. of non-profit services at park facilities at no cost for rental	2

DPW Monthly Report September 2023

Museum Division:

Under the Museum Manager, this division provides services to the community through museum, events and programs.

In June and July, we saw a visitation of 2,125 visitors thanks to the Shark Exhibit. With the closing of that exhibit and the start of school in August, visitation dropped. We had 92 visitors. As Wade serves as Chairman for the Collection Managers Committee of TAM (Texas Association of Museums), various meetings were attended through the month of August. Plans were finalized for Texas Navy day on September 16th with a full morning of lectures pertaining to the historic Texas Navy. Registration was promoted online. Advertising began for Dia de Los Muertos. The museum will host community and business altars honoring loved ones from October 2nd to November 11th. Seven organizations have teamed together to bring Dia de Los Muertos events together across Brazoria County. On August 25th, Wade met with Jordan Weaver, the Children's Program Coordinator for the Lake Jackson Museum, to brainstorm ideas to improve upon the Children's Learning Room Space for the Freeport Museum. A child-safe book shelf was purchased to hold children's books relative to this area and Texas history. On August 28th, a new, large display case from Gaylord Archival was received late in the month. David with Maintenance assisted Wade in the delivery, unpackaging, and installation of the heavy piece. Three new interpretive panels were installed covering Nat Hickey and the history of DOW in Freeport, thus completing one section of the museum. 3 old retail cases were retired and will be put up for auction.

• Total No. of volunteers	1
• No. of visitors	92
• Museum projects improved	3
• No. of hrs. theatre used	2
• No. of programs offered	1
• No. of events co-sponsored	1
• No. of non-profit organizations	0

Museum programs for 2023:

- Freeport History Day
- Slavery in Brazoria County
- Dinosaur George
- Shark Exhibit
- Fort Velasco Day



MAIN STREET

F R E E P O R T

Ana Silbas, Main Street Coordinator

Freeport Main Street

DPW Monthly Report September 2023

Our Mission

The mission of the Freeport Main Street Program is to economically revitalize and historically preserve the downtown area to foster an environment which celebrates our rich history and diversity and offers economic, social and cultural opportunities.

Freeport Main Street is an affiliate community of the Texas Main Street Program, under the Community Heritage Development Division of the Texas Historical Commission and Main Street America.



1 Continue to Build Partnerships through Community Outreach

With Freeport Main Street in the Catalyst Phase (First Three Years), it is vital to continue the process of building relationships with residents, local corporations, civic organizations, community leaders and local and regional economic development partners.

2 The Four Point Main Street Approach

The work of Freeport Main Street is driven by the Four Point Main Street Approach, which focuses on design, organization, promotion and economic vitality.

3 The Main Street American Evaluation Framework

In order to continue the growth of Freeport Main Street, there are six standards to guide the historic preservation and economic revitalization of Downtown Freeport, which include:

- I. Broad-Based Community Commitment to Revitalization
- II. Inclusive Leadership and Organizational Capacity
- III. Diversified Funding and Sustainable Program Operations
- IV. Strategy-Driven Programming

DPW Monthly Report September 2023

V. Preservation-Based Economic Development

VI. Demonstrated Impact and Results

2023 August Impact

Events Attended

Brazoria County Hispanic Chamber of Commerce Mesa Rodunda- August 1st

The Brazoria County Hispanic Chamber of Commerce hosted a Latino Roundtable/ Mesa Rodunda to connect small business owners with resources from the U.S. Small Business Administration-Houston Division, United Way Brazoria County and Creative Design and Marketing.

Café con Pan Dulce, City of Clute --August 10th

Main Street Coordinator attended the Café con Pan Dulce Networking Event hosted by the City of Clute and the Brazoria County Hispanic Chamber of Commerce. Our State Representative Cody Vasut-TX HD 25 provided information to constituents on contacting his office regarding state government matters. Additionally, Main Street Coordinator Ana Silbas, Ariel Lara (Lake Jackson Historical Association) and Wesley Copland (The Center for the Arts & Sciences) presented on *Día de Los Muertos: A Month of Remembrance*, which will take place from October 3rd -November 3rd, across Brazoria County.

Brazosport Area Chamber of Commerce Dinner & Silent Auction- August 10th

Main Street Coordinator attended the Brazosport Area Chamber of Commerce Dinner & Silent Auction at the Dow Academic Center. Currently, there are four Freeport Main Street Advisory Board/Subcommittees members that are actively involved with the Brazosport Area Chamber. This event provided a networking opportunity to spread the mission of Freeport Main Street.

Día de Los Muertos Planning Meeting -August 9th & 23rd

Día de Los Muertos: A Month of Remembrance is a joint partnership between several community organizations which includes the Brazoria County Library System, Brazoria County Hispanic Chamber of Commerce, Brazoria County Historical Museum, Freeport Historical Museum, Freeport Main Street, Lake Jackson Museum and the Center for the Arts & Sciences to host county-wide Día de Los Muertos community events. Freeport Main Street will be hosting a community procession on All Souls Day -- November 2, 2023, which will also include live entertainment, food and fellowship.

The Facts: Citizen of the Year and Unsung Heroes Ceremony & Luncheon- August 30th

Freeport Main Street was extended an invitation by the Brazoria County Hispanic Chamber of Commerce to attend this event. Main Street Coordinator was able to connect with staff members from The Facts, community leaders, elected officials and citizens from across the county. Additionally, Pat and Dan Kessner received an award for Citizen of the Year Finalists for the work contributed to preserving the City of Freeport through photographs and historic models, which have a home in our downtown.

Meetings

DPW Monthly Report September 2023

Healthy South Texas Coalition- Texas A&M AgriLife Extension, Brazoria County- August 2nd

As part of Freeport Main Street's strategic priorities, Main Street Coordinator is seeking to build partnerships with community organizations. Texas A&M AgriLife Extension- Brazoria County invited Freeport Main Street to join the Healthy South Texas Coalition, aimed at bringing together community partners to help address consequences of preventable diseases and encourage South Texas communities to live healthier lives.

Main Street Board Training Meeting with Sarah O'Brien- August 14th

Main Street Coordinator and Sarah O'Brien met to discuss planning a training for the Freeport Historical Commission & Main Street Advisory Board. The training will seek to equip board members, subcommittee members and community leaders with clearly defined expectations and insight into programmatic board duties and responsibilities, provide a fundamental understanding of the national main street framework, guiding principles and transformation strategies and enhance leadership capacity, while cultivating a sustainable support system to achieve program accreditation.

Freeport Main Street & Freeport Economic Development Corporation Meeting-August 15th

As part of downtown revitalization efforts, Freeport Economic Development Corporation and Freeport Main Street are collaborating together to implement a downtown grant aimed at improving building facades within the Main Street district.

Freeport Historical Commission & Main Street Advisory Board General Meeting -August 17th

The Freeport Historical Commission & Main Street Advisory Board met for their monthly general meeting to discuss subcommittee assignments, downtown signage and the Texas Treasure Business Award.

Projects

Building Inventory

Main Street Coordinator is currently working on the creation of a Downtown Building Inventory through a compilation of data from the Brazoria County Appraisal District and documentation collected by N.C. "Nat" Hickey.

Friends of Freeport Main Street

Main Street Coordinator is currently working on the creation of Friends of Freeport Main Street. The purpose of this program is to serve as a community outreach initiative to engage community stakeholders in the revitalization efforts of Historic Downtown Freeport.

KidFest 2023

Freeport Main Street hosted KidFest 2023 on August 5, 2023 from 3pm-7pm in downtown. The community partners and sponsors included: Freeport Economic Development Corporation, Texas Gulf

DPW Monthly Report September 2023

Bank, N.A., Brazosport Breakfast Lions Club #47604, The Salvation Army-Freeport, Port Freeport, Freeport Historical Museum, Freeport Police Department, Freeport Fire & EMS, Jones Creek Volunteer Fire Department and 3D Marquee.

The vendors included: JR's Party Rental, Houston Family Entertainment, Domino's, Platinum Foam Parties, Sonia Makeup & Henna Artist, Tropical Gulf Coast Shaved Ice & Snacks, J's Firehouse BBQ, Gelu Italian Ice, Southern Comfort Coffee, Squeezies Lemonade, Angleton Family Dental & Orthodontic, InstaRing Photo Booth, Domino's, Rosco Imprints & Embroidery, Anchor Productions and Friends of Freeport Library! Freeport Main Street would like to extend a sincere thank you to all of our volunteers, Public Works Department, City Staff, residents and community sponsors and businesses who made this event possible with their support.

Downtown Survey

The Economic Vitality Subcommittee and the Main Street Coordinator are working together to develop a downtown survey to gain a better understanding of what amenities residents would like to see downtown and insight into the needs of downtown business owners.

Historic Design Guidelines

The Design Subcommittee and the Main Street Coordinator are working together on the Historic Design Guidelines project with Ian Caine and the Center for Urban and Regional Planning Research. The Main Street Office has received a draft proposal outlining project scope with the option to add a downtown master plan.

Fall Market

Freeport Main Street's Fall Market is set for October 28, 2023 from 11AM-4PM in downtown. Main Street Coordinator is seeking craft and food vendors for this event, in addition to including special activities and music for a day of family-fun.

Día de Los Muertos Procession

Freeport Main Street's Día de Los Muertos Procession is set for November 2, 2023 from 6pm-9pm in downtown. Main Street Coordinator is seeking food and cultural item vendors for this event. There will be a community procession to honor our loved ones and a live mariachi performance.

Information Technology Monthly Report

- Technology Incident Response Plan implemented city-wide
- General Policy and Security improvements
- Improved Current ISP contracts for \$6000 yearly savings

Upcoming Events:

- Court Doc digital scanning system
- Website re-designs
- Secure Wireless Traffic with RADIUS and expand wireless encryption and authentication to all city facilities.
- SCADA System re-connections and re-acquiring access for functions with Veoila.
- Mobile Device Management and Mobile Line audits/improvements.
- Physical security upgrades for Riverplace.

AUGUST 2023



Reporting period13 Aug 2023 00:00 - 12 Sep 2023 19:05

Managed endpoints

57

+8%

Active endpoints

52

Blocked threats

7

-72%

Company risk score

78%

Inventory:		Windows workstations	48/+4	Windows servers	9	macOS	0
		Linux	0	Physical endpoints	48/+4	Virtual machines	9

Top 5 types of blocked threats

Virus	5	-6
Potentially harmful application	2	-8
Spyware	0	
Adware	0	
Rootkit	0	

Threats breakdown by endpoint type

7

On workstations

7

On servers

0

Aug 13

Aug 18

Aug 23

Aug 28

Sep 2

Sep 7

Sep 12

4

3

2

1

0

Virus

Potentially harmful application

Spyware

Adware

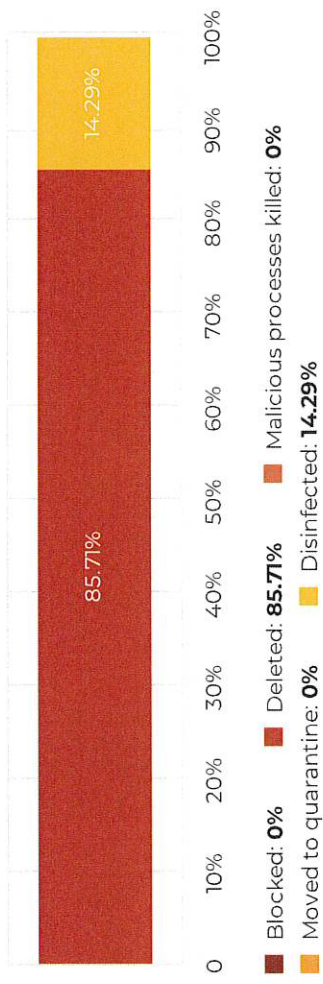
Rootkit

Incidents status

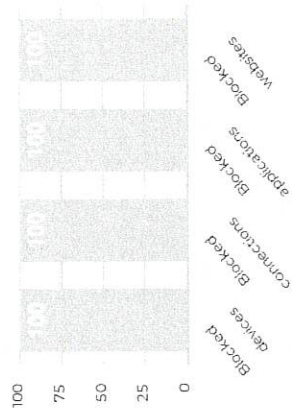
No information available. To retrieve data about your company's **Incidents Status**, please consider a compatible [license key](#).



Remediation actions



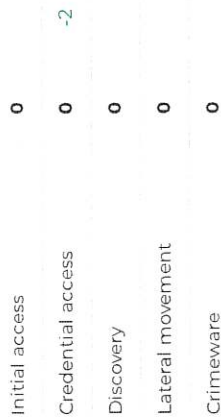
Policy rule-based detections



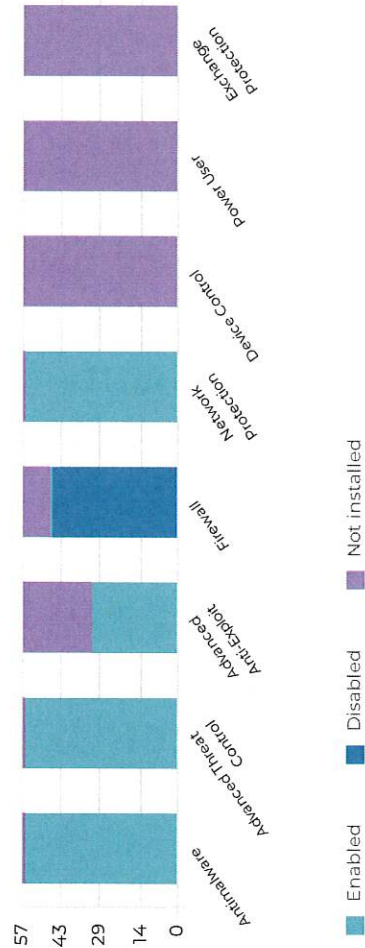
Blocked websites



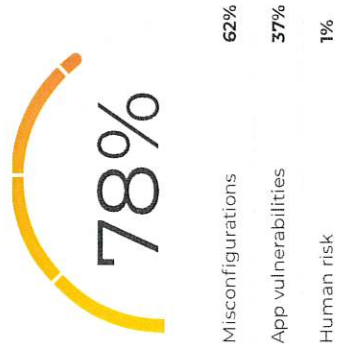
Blocked network attack techniques



Endpoint modules status



Company risk score



Endpoint modules status details

Module	Enabled	Disabled	Not installed
Antimalware	56	0	1
Advanced Threat Control	56	0	1
Advanced Anti-Exploit	32	0	25
Firewall	1	46	10
Network Protection	56	0	1
Device Control	0	0	57
Power User	0	0	57
Exchange Protection	0	0	57

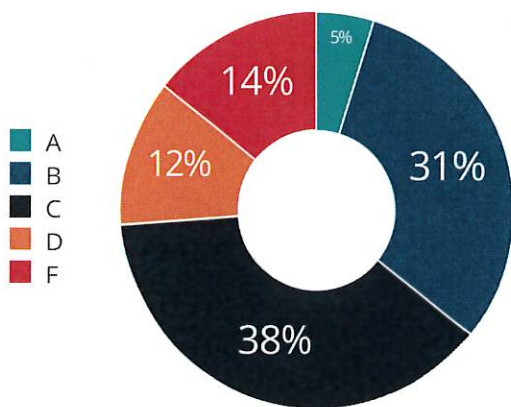
Filters Days in Event Date Last 30 Days Test Campaign No

Risk dashboard

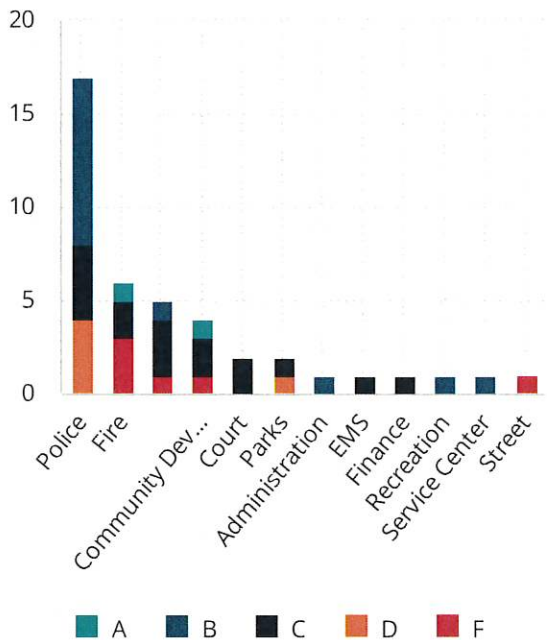
How to address your organization's risk

- **Grade based training:** [Enroll learners](#) with a lower grade into additional training to reinforce cybersecurity best practices.
- **PhishNotify:** Make sure everyone in your organization knows not only how to identify suspicious emails, but what [next steps](#) to take.
- **Diversify your training materials:** Try out different training types to keep people engaged in their learning. The [IQ content library](#) offers training videos, Choose Your Own Adventure games, and knowledge checking assessments.
- **Customize your program:** Give your program a personalized touch by customizing your

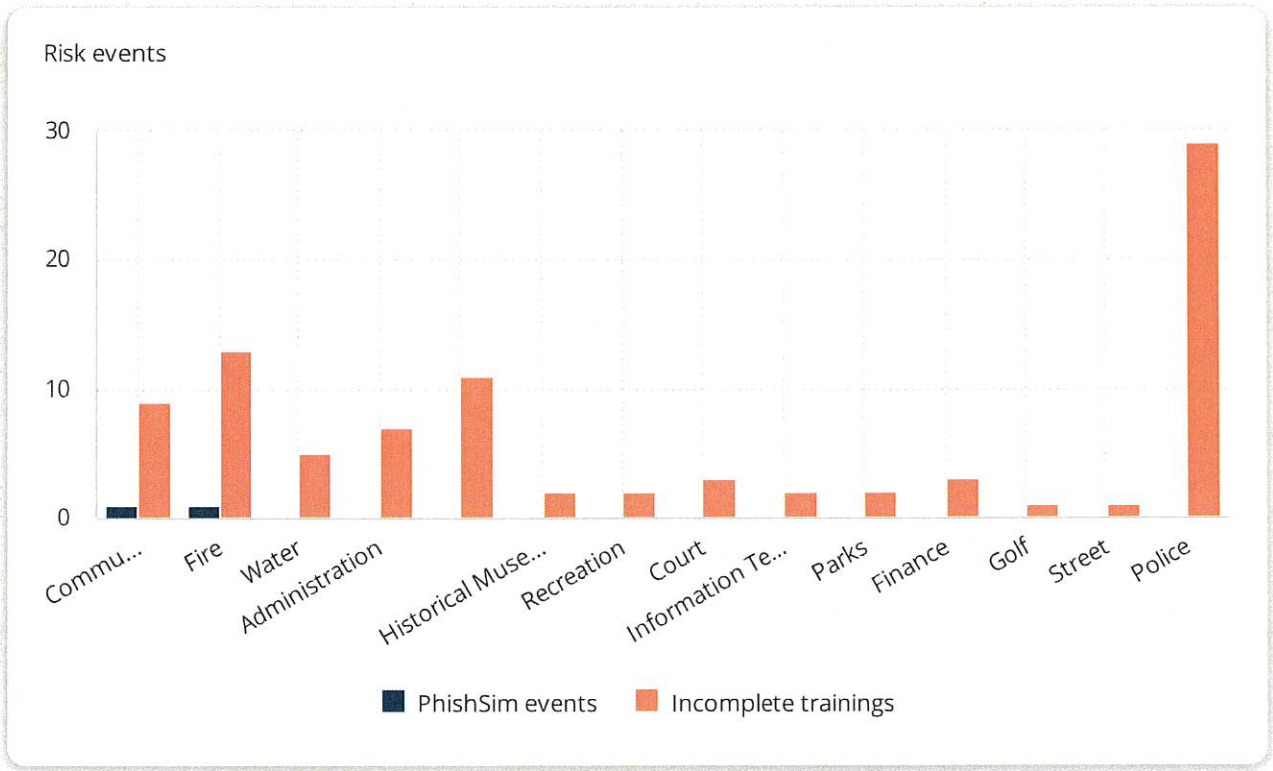
Learner grades



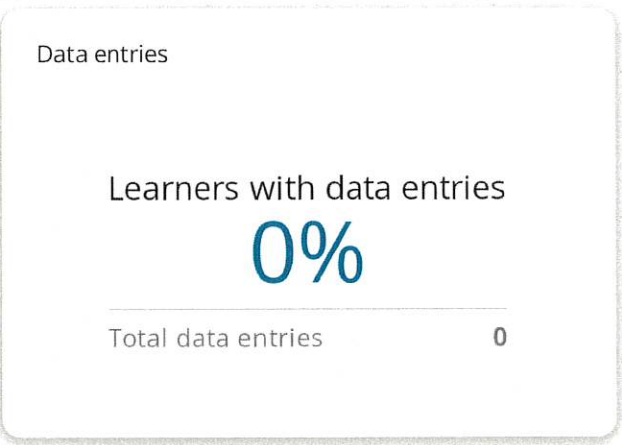
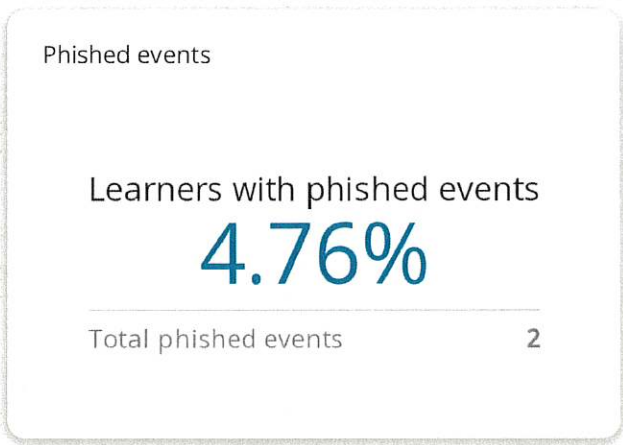
Department grade ranking



Filters Days in Event Date Last 30 Days | Test Campaign No



Performance summary



Filters Days in Event Date Last 30 Days Test Campaign No

PhishNotify non-reporters

Learners with no PhishNotify repo...

86.32%

Total non-reporters 82

Incomplete trainings

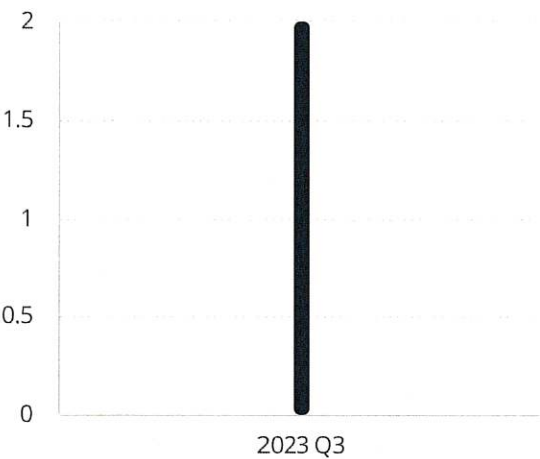
Learners with incomplete trainings

57

Total open courses 90

Quarter over quarter

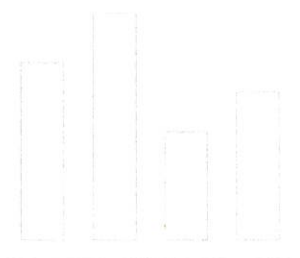
Phished events



Last quarter and this quarter

Data entries

No Results



Filters

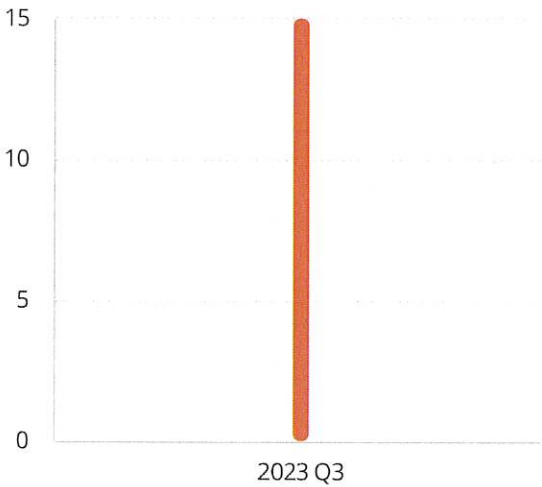
Days in Event Date

Last 30 Days

Test Campaign

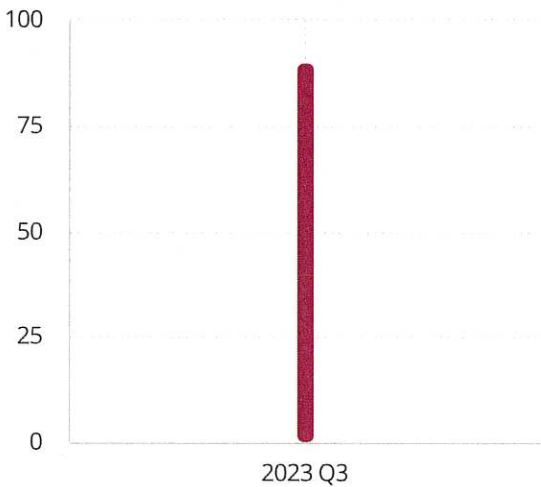
No

PhishNotify reports



Last quarter and this quarter

Incomplete trainings



Last quarter and this quarter



Closed Tickets last 31 days by Category

Description:

Category: Service Desk

Server Hostname: support.

Generated: 09/12/2023 09:19:00

#	ID	Title	Due Date	Time Open	Status	Impact	Machine Name	Owner Name	Submitter Name
1 row: Priority: Medium, Category: Hardware::Phone::Desk									
1	22	Main Street Coordinator Phone Issues			Closed / Resolved	1 person inconvenienced	CH-UHUSB4T	Toby Cohen	Ana Silbas
1 row: Priority: Medium, Category: Software::Issue									
2	279	Not able to print			Closed / Resolved	Many people inconvenienced		Toby Cohen	Kristopher Vierra
1 row: Priority: Medium, Category: Hardware::Printer::Desk/Office									
3	272	Receipt Printer not printing			Closed / Resolved	1 person cannot work		Tcohen	Joy Jacob
1 row: Priority: High, Category: Hardware::Computer::Desktop									
4	258	Computer will not start.			Closed / Resolved	1 person cannot work		Toby Cohen	Christopher Motley
1 row: Priority: Medium, Category: Hardware::Tablet/IPad									
5	266	Tablet issues			Closed / Resolved	1 person cannot work	CH-PGRVIS3	Toby Cohen	Robert Cramer
1 row: Priority: High, Category: Website::Change or Upload									
6	278	Cannot access Executime			Closed / Resolved	1 person cannot work		Toby Cohen	Laurie Motley
3 rows: Priority: Medium, Category: Network									
7	264	Internet Service			Closed / Resolved	1 person cannot work		Toby Cohen	Christopher Motley
8	260	email address change/set up for Holden Ezell (Mechanic) and internet service in warehouse			Closed / Resolved	1 person cannot work		Toby Cohen	Lance Petty
9	280	Not Able to Print			Closed / Resolved	Many people cannot work		Toby Cohen	Justin Davison
20 rows: Priority: Medium, Category: Other									
10	283	City Hall fax machine check			Closed / Resolved	1 person inconvenienced	CH-HHPHMR2	Toby Cohen	Tim Kelly
11	261	Verkada Pass App Doesn't Work			Closed / Resolved	1 person inconvenienced	CH-36TLUG6	Toby Cohen	Ashlee Ferguson
12	276	Building/Code			Closed / Resolved	1 person inconvenienced	CD-SOFR5RF	Toby Cohen	Johnny Dahse
13	256	computer question			Closed / Resolved	1 person inconvenienced	CD-I9S6VQ8	Toby Cohen	Hope Bullman
14	275	Remove TEAMS default on Meeting Invitations			Closed / Resolved	1 person inconvenienced	CD-I9S6VQ8	Toby Cohen	Hope Bullman
15	215	Pass			Closed / Resolved	1 person inconvenienced	ED-6N29QV2	Toby Cohen	Kaytee Ellis
16	268	Training room with sound 3:30 Wednesday 8/23			Closed / Resolved	Many people inconvenienced		Toby Cohen	Donna Fisher
17	263	Unable to load new documents into click-scan			Closed / Resolved	Many people inconvenienced		Toby Cohen	Laura Cramer
18	277	Check Printer			Closed / Resolved	1 person cannot work	AD-6SSC60C	Toby Cohen	Cathy Ezell
19	274	Website Posting			Closed / Resolved	1 person cannot work	AD-6SSC60C	Toby Cohen	Cathy Ezell
20	251	ENTRY AP on phone			Closed / Resolved	1 person cannot work	CH-MO292KU	Toby Cohen	Kelli Yates
21	271	Codes			Closed / Resolved	1 person cannot work	CH-PGRVIS3	Toby Cohen	Robert Cramer
22	273	Monitors will not turn on			Closed / Resolved	1 person cannot work		Toby Cohen	Kacey Roman
23	282	Executime			Closed / Resolved	1 person cannot work		Toby Cohen	Laurie Motley
24	270	Bob Cramer Code Enforcement			Closed / Resolved	1 person cannot work	CH-PGRVIS3	Toby Cohen	Robert Cramer
25	255	the mail machine is broke			Closed / Resolved	1 person cannot work	CD-S7F1R6S	Toby Cohen	Patti Veazey
26	286	Website Posting			Closed / Resolved	1 person cannot work	AD-6SSC60C	Toby Cohen	Cathy Ezell
27	265	Security Alert			Closed / Resolved	1 person cannot work	AD-6SSC60C	Toby Cohen	Cathy Ezell
28	262	Tablet keeps trying to sign in to every sub-page			Closed / Resolved	1 person cannot work		Toby Cohen	Kacey Roman
29	219	NEW PHONES NOT WORKING			Closed / Resolved	Many people cannot work	CH-F5RNN73	Toby Cohen	Giselle Hernandez

Monthly Golf Course Report August 2023

For the month of August our after tax revenue was \$88,042 which is the highest given revenue for any previous August. We are on track to exceed \$900,000.00 for the fiscal year which will be the highest for any given year. Even with the drought we are in, we have been able to keep our greens in good shape, which has helped bring more rounds to the course. Another big factor is we only received .5" of rain this month, which is great for rounds of golf, but has been brutal on the turf. We only have one well that pumps our irrigation water, and during these hot dry conditions it simply can not produce enough water to keep up with watering the entire course. This has lead to very dry conditions in the fairways and surrounding areas.

Tournaments have continued to not only bring in the additional revenue but is also good free marketing, as tournaments bring guests from all over the entire county and surrounding areas. One negative we have gotten from the tournament coordinators is the pavilion has no ac during the summer months.

Another area of concern we have seen this summer are the cartpaths. While some areas are in poor shape this heat has caused many more areas to crack and become uneven which can cause damage to the carts.

As we move into the last month of the fiscal year, we have three big tournaments left to finish the year off with Olin having their annual event, which has now grown to over 200 participants over a two day span.

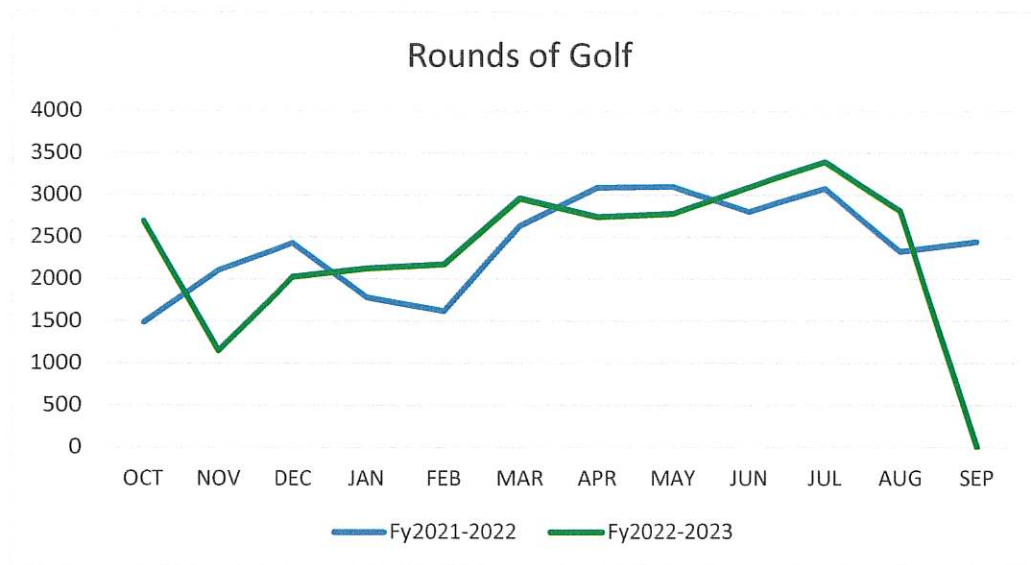
Thank you

Brian

Rounds of Golf

Month	Fy2021-2022	Fy2022-2023
OCT	1489	2692
NOV	2109	1153
DEC	2430	2028
JAN	1785	2125
FEB	1619	2176
MAR	2633	2961
APR	3089	2740
MAY	3100	2776
JUN	2801	3094
JUL	3076	3393
AUG	2328	2811
SEP	2443	0

28902 27949



Golf Course Goals vs Actuals 2022-2023

Goal

Category	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Green Fee	14,000	12,000	13,000	10,000	10,000	16,000	18,000	18,000	17,000	16,000	13,000	13,000	170,000
Rec(taxable)	0	0	0	0	0	0	0	0	0	0	0	0	0
Golf Cart	8,000	8,000	6,000	6,000	5,000	7,000	10,000	11,000	11,000	10,000	9,000	9,000	100,000
Merchandise	11,000	11,000	12,000	10,000	10,000	15,000	20,000	19,000	18,000	16,000	13,000	13,000	168,000
Prep Food	550	650	400	500	400	800	1,100	1,200	1,200	750	750	700	9,000
Beer Sales	6,000	7,000	7,000	5,000	3,000	7,000	9,000	9,000	8,000	7,000	6,000	6,000	80,000
Drinks/Chips	2,500	2,000	1,500	1,500	1,500	2,000	3,500	3,500	3,000	3,000	3,000	3,000	30,000
Memberships	8,000	8,000	8,000	8,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	95,000
Total	\$50,050	\$48,650	\$47,900	\$41,000	\$36,900	\$55,800	\$69,600	\$69,700	\$66,200	\$60,750	\$52,750	\$52,700	\$652,000

Actual

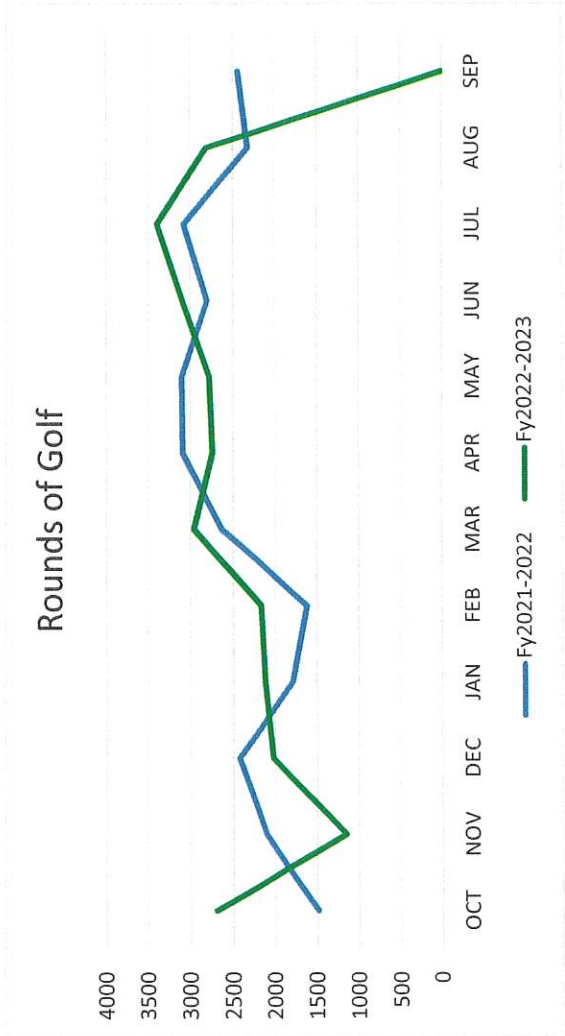
Category	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Totals
Green Fee	25,233	8,835	13,854	23,431	19,742	28,061	33,171	29,641	31,959	33,549	25,936		273,412
Rec(taxable)	0	0	0	0	0	0	0	0	0	0	0	0	
Golf Cart	11,864	5,066	8,021	8,567	9,249	12,140	10,565	10,618	13,531	15,135	12,276		117,031
Merchandise	15,283	6,623	9,337	10,781	13,225	22,171	18,872	18,916	21,578	17,986	22,220		176,992
Prep Food	952	390	839	885	883	1,267	3,650	1,577	1,243	1,229	1,088		14,002
Beer Sales	9,311	3,189	5,716	5,874	6,204	9,174	9,571	8,617	10,871	10,118	9,191		87,836
Drinks/Chips	3,499	1,390	2,431	2,293	2,990	4,476	4,014	4,852	6,234	7,128	6,101		45,407
Memberships	10,450	7,890	13,733	9,927	10,278	14,601	14,066	11,939	13,572	11,064	11,231		128,752
Total	\$76,592	\$33,384	\$53,931	\$61,757	\$62,570	\$91,891	\$93,909	\$86,160	\$98,988	\$96,210	\$88,042	\$0	\$843,432

Over/Under	\$26,542	-\$15,266	\$6,031	\$20,757	\$25,670	\$36,091	\$24,309	\$16,460	\$32,788	\$35,460	\$35,292		\$244,134
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Rounds of Golf

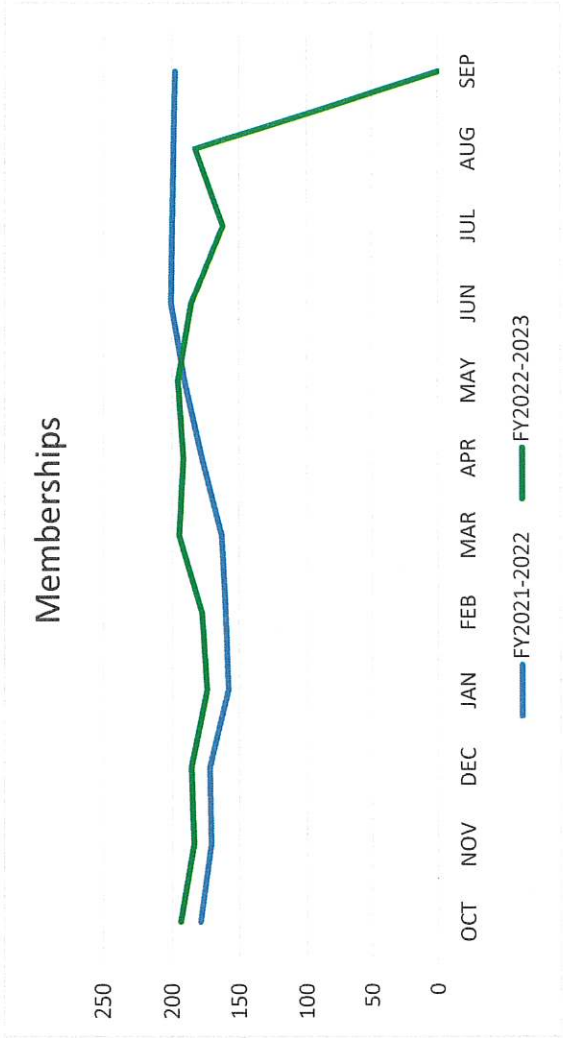
Month	Fy2021-2022	Fy2022-2023
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MAY	3100	2776
JUN	2801	3094
JUL	3076	3393
AUG	2328	2811
SEP	2443	0

28902 27949



Memberships

Month	FY2021-2022	FY2022-2023
OCT	179	194
NOV	171	184
DEC	172	186
JAN	158	174
FEB	160	178
MAR	163	195
APR	178	192
MAY	191	196
JUN	201	186
JUL	200	162
AUG	199	183
SEP	198	0



Revenue for the fiscal years

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-2022	2022-2023
October	\$ 47,009.00	\$ 38,020.00	\$ 44,541.00	\$ 42,949.00	\$ 40,175.00	\$ 50,996.00	\$ 41,662.00	\$ 40,670.00	\$ 34,325.00	\$ 35,953.00	\$ 33,172.00	\$ 40,639.00	\$ 27,027.00	\$ 34,039.00	\$ 42,407.50	\$ 62,202.91	\$ 51,147.84	\$ 76,592.04
November	\$ 27,799.00	\$ 33,807.00	\$ 33,020.00	\$ 44,707.00	\$ 39,303.00	\$ 36,034.00	\$ 42,510.00	\$ 44,313.00	\$ 28,636.00	\$ 26,980.00	\$ 19,944.00	\$ 31,995.00	\$ 30,448.00	\$ 23,229.00	\$ 43,338.77	\$ 64,634.00	\$ 56,586.76	\$ 33,383.62
December	\$ 34,148.00	\$ 25,466.00	\$ 37,308.00	\$ 36,530.00	\$ 20,950.00	\$ 35,136.00	\$ 31,312.00	\$ 32,256.00	\$ 29,786.00	\$ 29,645.00	\$ 26,178.00	\$ 24,651.00	\$ 20,856.00	\$ 40,933.00	\$ 48,990.47	\$ 56,927.48	\$ 62,344.32	\$ 53,930.64
January	\$ 38,163.00	\$ 19,599.00	\$ 23,783.00	\$ 40,207.00	\$ 21,224.00	\$ 27,521.00	\$ 49,248.00	\$ 25,563.00	\$ 37,898.00	\$ 20,982.00	\$ 36,242.00	\$ 57,636.00	\$ 30,342.00	\$ 30,229.00	\$ 23,365.55	\$ 56,651.51	\$ 47,116.31	\$ 61,756.57
February	\$ 29,092.00	\$ 31,360.00	\$ 29,207.00	\$ 40,299.00	\$ 16,893.00	\$ 32,118.00	\$ 27,440.00	\$ 36,248.00	\$ 32,762.00	\$ 31,605.00	\$ 30,448.00	\$ 30,449.00	\$ 21,772.00	\$ 26,749.00	\$ 37,454.31	\$ 41,451.22	\$ 49,126.05	\$ 62,570.03
March	\$ 44,484.00	\$ 50,244.00	\$ 45,181.00	\$ 51,193.00	\$ 52,873.00	\$ 64,305.00	\$ 39,984.00	\$ 58,128.00	\$ 44,011.00	\$ 29,929.00	\$ 34,261.00	\$ 39,413.00	\$ 52,056.00	\$ 52,147.00	\$ 56,303.83	\$ 67,691.37	\$ 69,982.06	\$ 91,891.25
April	\$ 52,898.00	\$ 44,170.00	\$ 54,841.00	\$ 60,003.00	\$ 58,698.00	\$ 57,655.00	\$ 57,937.00	\$ 46,802.00	\$ 51,866.00	\$ 33,553.00	\$ 28,234.00	\$ 58,911.00	\$ 60,713.00	\$ 82,079.00	\$ 13,723.75	\$ 75,786.66	\$ 93,650.43	\$ 93,909.09
May	\$ 49,583.00	\$ 50,784.00	\$ 59,984.00	\$ 65,535.00	\$ 46,083.00	\$ 53,246.00	\$ 57,607.00	\$ 51,940.00	\$ 56,256.00	\$ 48,499.00	\$ 30,164.00	\$ 50,065.00	\$ 57,692.00	\$ 62,730.00	\$ 28,942.99	\$ 58,401.78	\$ 92,185.04	\$ 86,160.24
June	\$ 38,039.00	\$ 52,831.00	\$ 65,674.00	\$ 62,065.00	\$ 59,492.00	\$ 59,357.00	\$ 61,151.00	\$ 55,923.00	\$ 48,913.00	\$ 26,082.00	\$ 8,162.00	\$ 37,417.00	\$ 53,075.00	\$ 58,322.00	\$ 62,154.13	\$ 63,469.78	\$ 80,131.95	\$ 98,988.23
July	\$ 40,396.00	\$ 35,250.00	\$ 58,329.00	\$ 62,141.00	\$ 40,405.00	\$ 52,427.00	\$ 50,465.00	\$ 50,193.00	\$ 44,700.00	\$ 43,387.00	\$ 36,186.00	\$ 37,656.00	\$ 52,448.00	\$ 69,071.00	\$ 50,746.13	\$ 57,641.43	\$ 81,808.90	\$ 96,200.29
August	\$ 40,352.00	\$ 41,420.00	\$ 38,504.00	\$ 63,134.00	\$ 48,395.00	\$ 44,385.00	\$ 45,158.00	\$ 48,075.00	\$ 46,545.00	\$ 43,727.00	\$ 30,306.00	\$ 23,868.00	\$ 58,221.00	\$ 67,005.00	\$ 58,156.52	\$ 57,091.00	\$ 59,695.18	\$ 88,042.38
September	\$ 35,529.00	\$ 37,527.00	\$ 23,756.00	\$ 49,098.00	\$ 41,066.00	\$ 44,276.00	\$ 42,282.00	\$ 34,895.00	\$ 25,984.00	\$ 21,813.00	\$ 26,082.00	\$ 2,160.00	\$ 15,674.00	\$ 38,567.00	\$ 57,786.23	\$ 45,708.61	\$ 68,991.57	
Total	\$ 477,492.00	\$ 460,478.00	\$ 514,128.00	\$ 617,861.00	\$ 485,557.00	\$ 557,456.00	\$ 546,766.00	\$ 525,006.00	\$ 481,682.00	\$ 392,155.00	\$ 339,279.00	\$ 434,860.00	\$ 480,324.00	\$ 585,100.00	\$ 523,369.18	\$ 707,657.75	\$ 812,966.41	\$ 843,424.38



CITY OF FREEPORT
FREEPORT FIRE & EMS DEPARTMENT

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

Christopher Motley
Chief / EMC

Mike Praslicka
Deputy Chief
EMS Coordinator

Micheal Dumas
Deputy Chief
Fire Marshal

To: Mr. Kelty, City Manager

From: Christopher D. Motley, Fire Chief

Date: September 18, 2023

Re: August 2023

Response alarms: Fire - 30
 EMS - 189
 Total - 219

Significant Events: Air Ambulance transport: 6
 Request mutual aid into the city EMS response: 5 FIRE 6
 Mutual aid given to other cities to cover EMS response: 4 FIRE 0
 Two EMS units working calls at the same time: 27
 Three working EMS alarms: 2
 Four working EMS alarms: 0
 Five working EMS alarms: 0
 Transport rate: 56%

Infrastructure: Fire Station #1 Driveway repair: No update.
 Station #2: Addressing site plan and utilities
 CenterPoint Power approved new utilities.
 Station #2 RFP-Engine Apparatus Building New Construction

Emergency Management: Preparing emergency management response to natural disasters.
 iPAWS training and renewal agreement in progress
 FEMA Alert & Warning Meeting-Webinar



CITY OF FREEPORT
FREEPORT FIRE & EMS DEPARTMENT

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

Christopher Motley
Chief / EMC

Mike Praslicka
Deputy Chief
EMS Coordinator

Micheal Dumas
Deputy Chief
Fire Marshal

Mitigation Grants: Reviewing mitigation projects for the City of Freeport.

Grants: FEMA AFG Radios: Award \$213,000.00

Personnel: Staffing:
Fire Fighter Vacancy: Three (Full-time)
Fire Fighter Vacancy: One (Part-time)
EMS Vacancy: Five (Part-time).
Employee testing: Scheduled 10, Tested: 7, No Show: 3
Interviews: One
Backgrounds complete: Two
Job Offers: 1- employee withdrew.

Training Employees: Forcible Entry Door Prop LJVFD

EMS Proctor: Brazosport College EMS Students Field Proctor: No students

Injuries: None.

Events: Brazoria County Firefighter Association, Meeting
Brazoria County Firefighter Association Fire Field -Building Design
Brazosport Marine Action Team Quarterly Meeting
CenterPoint Energy Response Plan Presentation-Rosharon.
FEMA Civil Rights: webinar
Pride and Ownership: Training
Texas Commission on Fire Protection – Sugarland
TML worker Compensation – Missouri City

Prevention: Council Chambers are sanitized by staff prior to each council meeting.

Public Relations: National Night Out – PD/FD Planning

Announcements: N/A



Human Resources Monthly Report

Date: September 7, 2023

HR TEAM: Donna Fisher

HR Services Team Priorities and Results for August 2023:

- **Welcomes and Well-wishes:**
 - We are excited to welcome:
 - Ron Carrales – Maintenance Technician – Street Department
 - Amaya Warren – Part-time Pro Shop Attendant – Golf Course
- **Training/Coaching/Performance Improvement:**
 - **Performance Issues Addressed:** We had one (1) employee termination for performance this month.
- **Employee Turnover/Recruiting/Hiring Progress:**
 - **Employee Turnover:** We had four (4) employee separations in August. One employee from the Golf Course and three from Public Works - Streets
 - **Internal Transfers/Promotions:** None.
 - **Recruiting:** Active recruiting searches include:
 - Part-time EMT
 - Firefighter/EMT – Full and Part Time
 - Part-time Crossing Guard
 - Police Officer
 - Maintenance Technician – Street Department
 - Telecommunications Officer (Dispatch) – Police Department
 - Animal Control Officer – Police Department
 - Accounts Payable/Payroll Clerk – Finance Department
 - **Recruiting Sources** include: City website, The Facts Online, Texas Municipal League, Strategic Government Resources, Workforce Solutions, Industry-specific organizations, Community College programs for maintenance and Police, social media, and networking.
- **Risk Management and Insurance Updates:**
 - **Unemployment Claims:** We had zero (0) unemployment appeals during the month of August. We have won one (1) unemployment appeal case this calendar year (Jan.- December). The City's account will not be charged for this unemployment claim.
 - **Workers Compensation Claims:** We had one (1) active Workers Comp. claim in August.
 - **Family & Medical Leave Cases (FMLA)-** We had two (2) active FMLA cases in July.
 - **Employee Benefits:** Open Enrollment was held on August 30
 - **Training/Development:** We held a group training on Sexual Harassment on August 23. Attended Wrkers Compensation training by TML in Missouri City.

Priorities for September:

- **Employee Benefits** – Make sure all benefits changes made during open enrollment are entered into carrier systems and payroll system.
- **Training/Development** – Attend Legislative Update by Zoom. Hold training on Sexual Harassment for Managers.

Property & GIS Monthly Report

August 2023

Property:

- Lien Calculations/Payoff Preparations/Releases
 - Liens Collected: \$ 24,513.3
 - Lien Payoff Preparations: 8
 - Liens Released: 1
- Brazoria County Tax Office – Tax Certificates (4)
- Brazoria County Clerk – File Liens (0) & Replats (3)



GIS:

- Update ownership data
 - New Data Uploads Paused per BCAD
 - 200' Replat maps with ownership
 - 911 Address Range Verifications
 - New Address Assignments
 - Departmental Data Information Requests
 - Apartment Complexes
 - Buildable Lots (City Owned)

Projects:

- Illumination Street Lights - Submission of Approval Letter (2/7/23) 100%
 - Centerpoint – Engineering
- Liens – Catalog by Block & Lot 10%
- Lead/Copper Water Lines 10%

Community Development

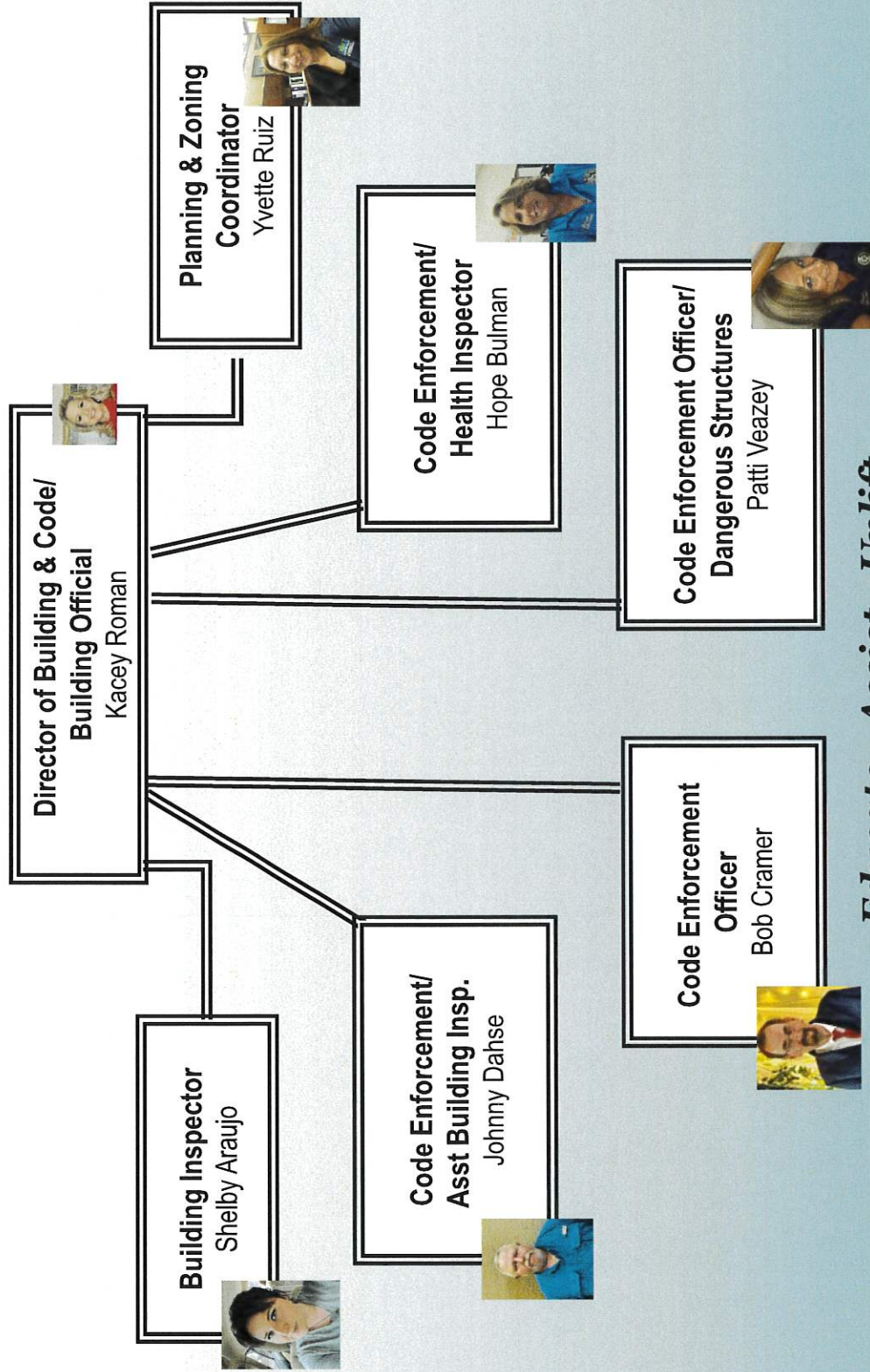


The Community Development Department is responsible for working with the citizens of Freeport and its development community, Boards and Commissions, and the elected officials while managing current and long-range planning, permitting and inspections, code enforcement and other activities in support of the City of Freeport. Our goal is to make our City a Healthy, Safe and Prosperous place to work and live.

Building Permits & Inspections
Health Permits & Inspections
Code Enforcement
Short Term Rental Inspections
Planning & Zoning
Board of Adjustments
Permit Desk Operations

Educate - Assist - Uplift

Community Development



Educate - Assist - Uplift

Proactively Partnering to help New Businesses

-- Upcoming Event!!--



ACCOUNT LOGIN

FIND YOUR SBDC FIND AN EXPERT TRAINING BROWSE RESOURCES RENT SPACE BLOG ABOUT US

Brick & Mortar | What You Need To Know About Zoning, Permits, And Inspections | Brazosport College SBDC

9/28/2023

10:00 AM - 12:00 PM

Location: Brazosport College SBDC, 500 College Drive, Room CLC-208, Lake Jackson, TX 77566

Amount
No Fee

Add to Cart

Are you dreaming of opening a brick-and-mortar location for your small business and want to make sure you are compliant with city regulations? Register now for this session to hear a panel of local building officials and inspectors and get firsthand knowledge of city ordinances, building codes, and permitting requirements for the Lake Jackson, Texas area.

Highlights:

- Learn how to avoid costly mistakes
- Discover the ins and outs of zoning, permits, and inspections
- Get your questions answered

This session is intended for new and existing business owners who want to learn how their business can be compliant with city permitting and regulations. Refreshments provided.

Presenter:

Kacey Roman, Director of Building and Code Building Official, City of Freeport
Kyle Reynolds, Assistant Director of Development Services, City of Angleton
David Walton, Building Official, City of Lake Jackson
Steve Upton, Fire Marshall, City of Clute

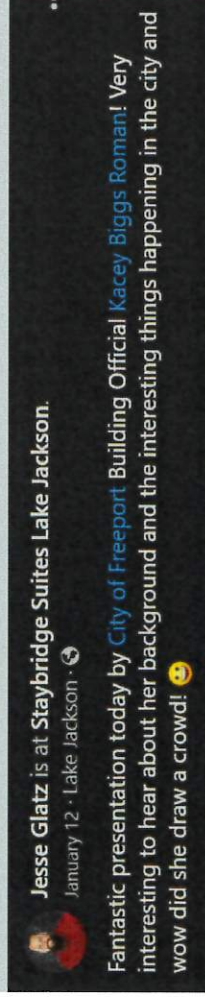
The City of Freeport is partnering with the Small Business Development Center and other local Building Officials to help local businesses.

They are providing a class and panel to teach new business owners what to look for when starting up a new business. Kacey Roman will be one of the presenters, along with Angleton, Lake Jackson and Clute Officials.

Brazosport Business Roundtable

Director of Building and Code Kacey Roman regularly attends the Brazosport Business Roundtable meetings to promote the City of Freeport, local events, and businesses.

Business and Community Leaders from all over the County attend presentations. Kacey Roman and Freeport Museum Manager Wade Dillon have been guest speakers for the group.



New Business in Freeport!

**The Certificate of Occupancy has been approved,
and they are now open for business!**



Taco Bell – 1124 Skinner

New Business Open in Freeport

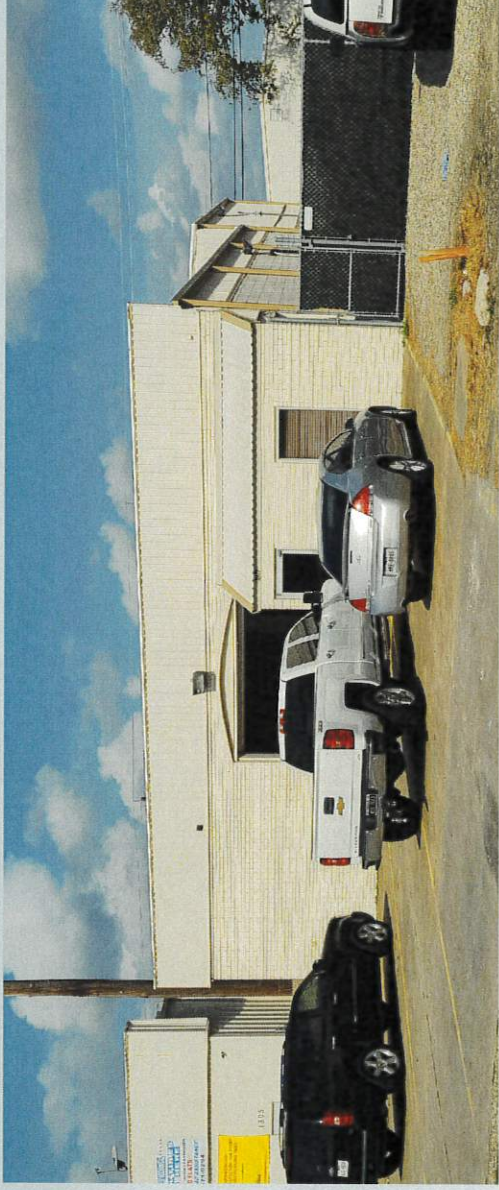
Certificate of Occupancy has been issued, and they are open for business!



Jevike Auto Sales - 615 N. Brazosport Blvd.

New Business Open in Freeport

Certificate of Occupancy has been issued, and they are open for business!



MTX Technologies LLC – 1809 Yellowstone

New Business Open in Freeport

Certificate of Occupancy has been issued, and they are open for business!



1122 Marlin – Lightering, LLC

New Church in Freeport

Remodeling Permits were approved, Certificate of Occupancy has been issued,
and they are open for worship!



The River Church – 201 W. 1st Street

Business Updates – Coming Soon!

Volkswagen/Porsche is set to open for business in January 2024.
Over 18,000 square feet of indoor facilities - spaces for over 14,000 cars – 125+ acres



Volkswagen/Porsche - 2300 SH 288

New Business Coming Soon to Freeport

Remodeling is under way, with plans to add a Drive-Thru Window and improved parking.



Mi Pueblita Mexican Restaurant— 321 N. Gulf Blvd.

New Church Coming Soon to Freeport

Extensive Remodeling is under way!



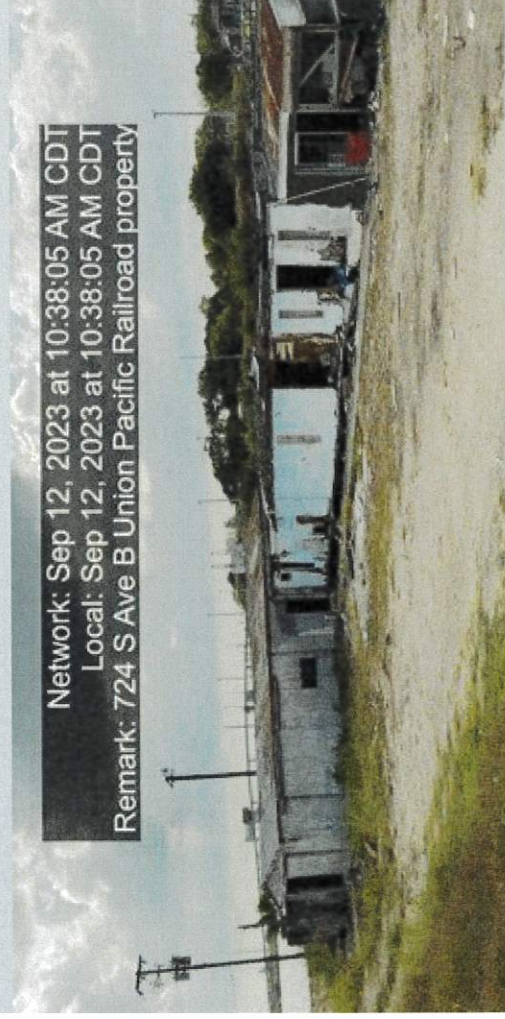
First Church of Our Lord Jesus Christ— 226 W. 4th Street

Code Enforcement

Union Pacific Railroad 724 S. Ave B

The City of Freeport has made great strides on a huge cleanup of the Union Pacific Railroad Property. This effort has taken a long time and is almost complete.

UPRR has now obtained permits for the complete demolition and cleanup of all structures on this property. Over 20 Boats, 2 Dangerous Structures, and loads of debris have already been removed from the property.



Proactive Code Enforcement



Dear Friend and Neighbor,

I wanted to take a moment and tell you how beautiful your property is. We greatly appreciate your help in keeping Freeport a clean and beautiful place to live. Your hard work has not gone unnoticed!! Keep up the Good work!!

Sincerely,

Freeport Code Enforcement

Appreciation
Letters are
regularly
distributed.

Licensed Food Trucks in Freeport

Food Trucks are Inspected by the Health Department and the Fire Marshal for safety and compliance with FDA Food Code and Texas Health & Safety Code.

<u>Business Name</u>
Coffee On The Go
Fruteria El Paraiso
Gelu Italian Ice
Guevara's Hot Sizzling Grill
J's Firehouse BBQ
Michelle's Cajun Shack
Mr. T's BBQ
Nana's House Of Treats
Nino's Felizzes #2
Nino's Felizzes
Re'Doggas
Ron Johnson
Sno Crush & More
Snow Tiger Snowballs
Taka Madrez
The Traveling Bean
The Twisted Kow
Titas Snowcones
To'Ta Rico
Tropical Gulf Coast Shaved Ice & Snacks
Tropical Gulf Coast Shaved Ice & Snacks #2

Representing Freepart on the National Stage

City of Freeport Director of Building and Code Kacey Roman represented the City of Freeport and the State of Texas at the NEHA National Convention in August 2023, where she was invited to teach a course to Environmental Professionals from across the globe.

Mrs. Roman is the current President of the Texas Environmental Health Association, and a continuing education instructor who teaches a variety of educational classes to Inspectors.

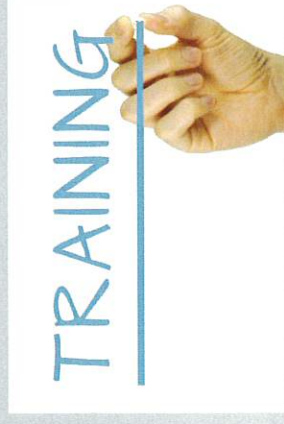


National Environmental Health Association – National Conference

Staff Training

Education of all staff members is essential and helps improve the ISO Rating of our City. Staff Members attended the following training:

- FY24 Marine Debris Removal Funding Opportunity Applicant Webinar
- Webinar - Becoming a Building Science Expert
- Webinar – A Fresh Perspective on Code Enforcement (all staff attended)



Yvette Ruiz, the Planning & Zoning Coordinator has been accompanying inspectors and learning about inspections in the field to be able to provide better answers and customer service at the Permit Desk. Yvette also provides bilingual translation assistance on inspections where communication has been difficult.

New Computer Program

“CitizenServe”

This program will cover every area of Community Development and has modules that we can use for possible Rental Registration and Inspections.

- Business Licensing
- Code Enforcement
- Permitting
- Planning & Zoning
- Short Term Rentals
- Request Tracking
- Online Portal

citi **enserve**[®]

<https://www.citizenserve.com/>

This will enable our Contractors, Business Owners and Citizens to conduct business online, and provide greater tracking and reporting abilities for staff.

Staff has been working diligently on the implementation, and we are scheduled to go live within the next 30 days.

Board of Adjustments Meeting Updates

August 31, 2023

6:00 pm



Freeport City Council

Mayor Brooks Bass, Ward B/Mayor Pro Tem Jerry Cain,

Ward A - Jeff Pena, Ward C - George Matamoros, Ward D - Winston Rossow,

Board of Adjustments "BOA"

James Gosset, Jr., Kenneth Hayes (Vice Chair), Nicole Mireles (Chair), Sammye Moore, Barry Simmons

Alternates - Urbano Gomez and Shonda Marshall

City Council Liaison - George Matamoros

1130 W 9th

- Cases Ongoing since 2020
- Across the Street from an Active Childcare Center.
- 22 police calls in the last 2 years. Citations have been issued by both Police and Code Enforcement, but no compliance obtained.
- Search Warrant for inspection was conducted on 8/14/2023. The building was declared a Dangerous Structure by the Building Official.
- Over 30 complaints regarding this property; from neighbors, on Social Media, and from the Police Department.

Board of Adjustments ordered Demolition and Cleanup within 30 days.





Ongoing Cases since 2018.

The owner of this structure has been sent several notices to remove the accessory structure in the back yard and clean up the property.

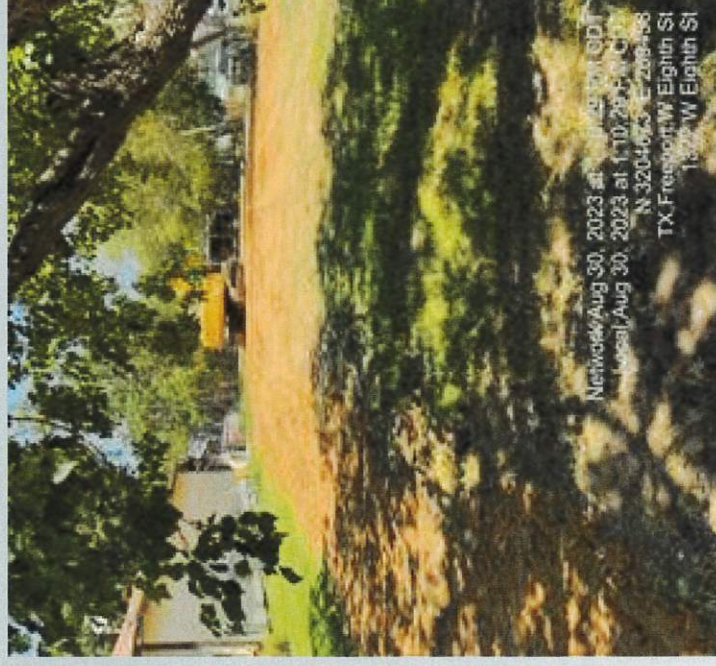
There is a trampoline in the back yard that attracts children and with the condition of the accessory structure it could collapse.

The City obtained an Administrative Search Warrant for inspection 8/14/2023 and declared a Dangerous Structure by the Building Official.

1313 W 10th – Backyard Accessory Structure ONLY

BoA Demo Ordered within 90 days

Board of Adjustments Ordered Demolition



1318 W 8th

104 Mystery Harbor

Parcel # 164255

BOA Repair Order issued
March 23, 2023.

Owner must secure a Building Permit
and show a beginning of work on the
property within 180 days.

(deadline September 19, 2023)

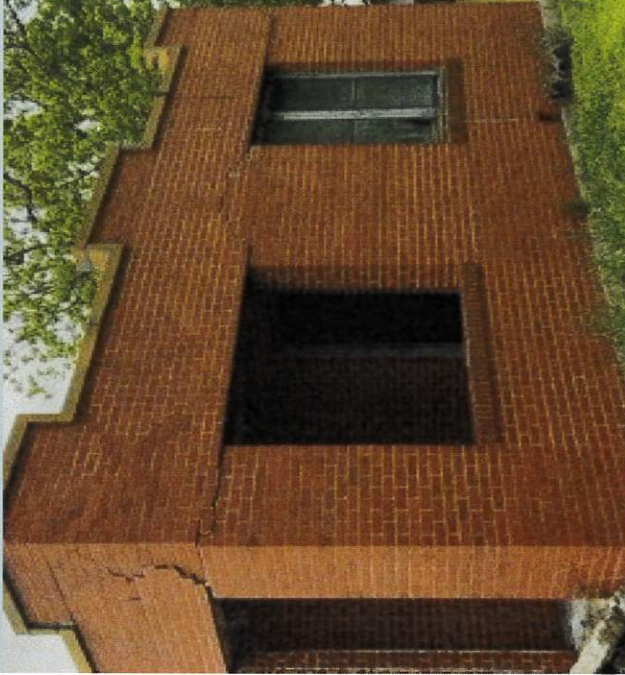
There has been no contact by the
owner regarding this property
repair.

No Permit Application has been
submitted.

The structure has continued to
be open to vagrants and is an
attractive nuisance.

April 11, 2023 – Front door was
wide open.

May 26, 2023 – Was contacted
by the Fire Department that
vandals had broken in and set
small fires. Front door had been
kicked in, and building was not
secure.



215 E. Park – Old Theater

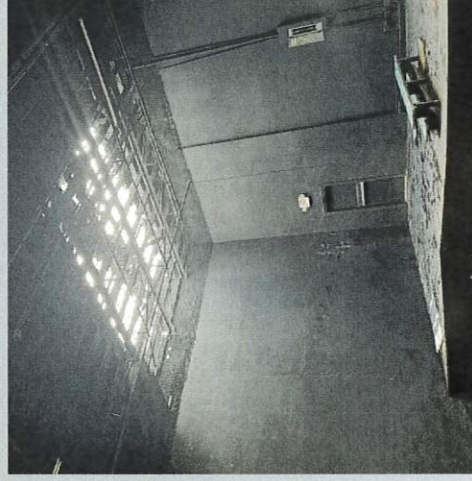
Board of Adjustments ordered owner to Board and Secure the Theater and provide a detailed timeline of Repairs within 30 days.
The Theater is on the BoA Agenda for the meeting on September 14, 2023.



Deteriorated Walls & Window Frames



Standing Water in Foundation



Sections of roof are completely missing.



605 S Ave H

BoA Order to obtain
Permit to Repair by
9/15/23.

The owner was to provide a engineers
report to determine if the structure was
repairable or needed to be removed.

As of 8/25/23, the owner has
applied for a demolition
permit, and will be
demolishing the property.



607 N Ave F

Demo Order by
BoA

To Be
Demolished
by October 17,
2023.





Jun 16, 2023 11:01:38 AM
202 S Front St, Freeport, TX 77541, USA

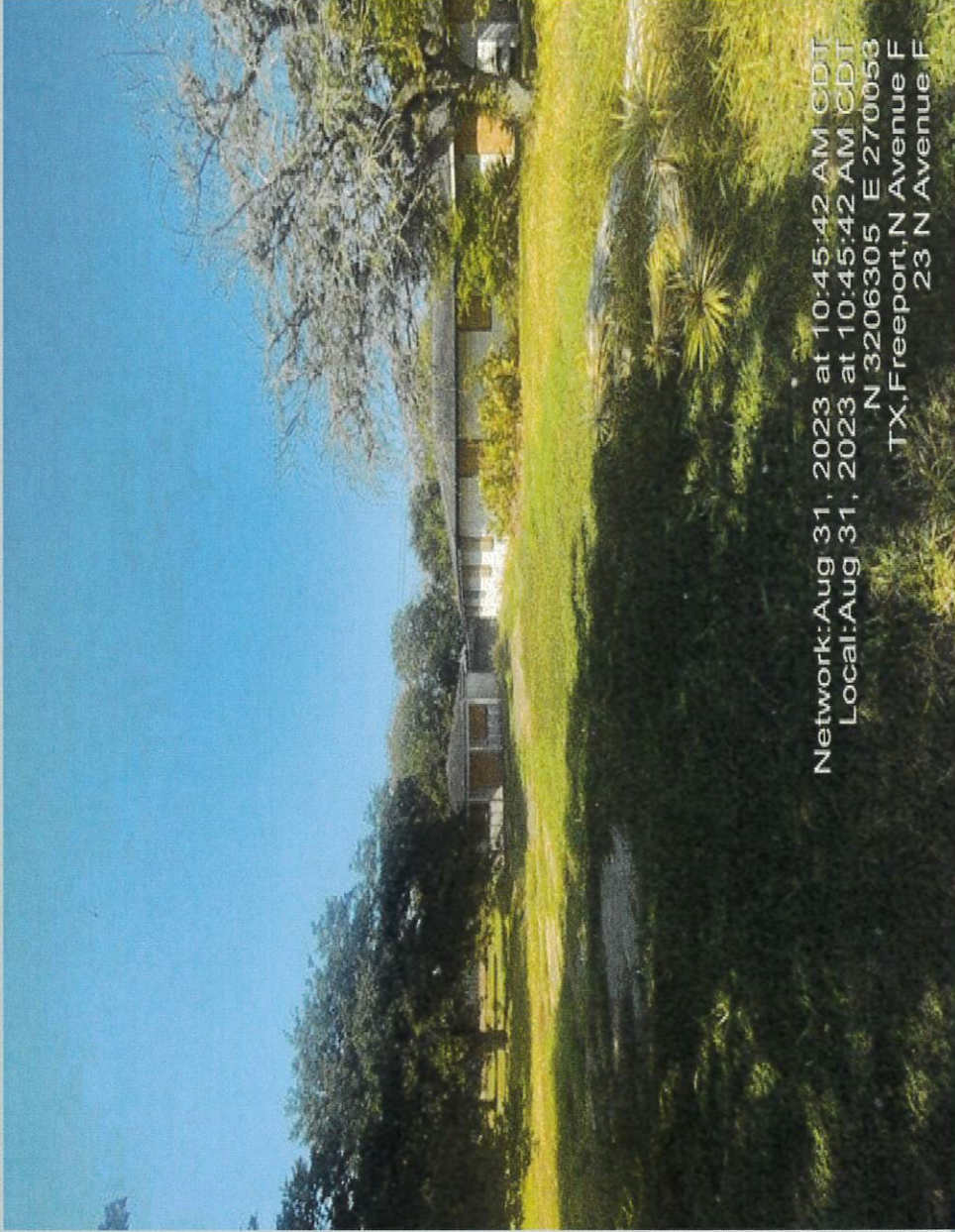
202 Front

No contact has been made by the owner regarding this property.

BoA Order to obtain permit and begin repair by October 19, 2023.



Network: Aug 31, 2023 at 10:31:30 AM CDT
Local: Aug 31, 2023 at 10:31:30 AM CDT
TX: 3205918 E 270013
TX: Freeport, Front St
202 S Front St



Network: Aug 31, 2023 at 10:45:42 AM CDT
Local: Aug 31, 2023 at 10:45:42 AM CDT
N 3206305 E 270053
TX, Freeport, N Avenue F
23 N Avenue F

23 N Ave F

No contact has been made by the owner since the BoA Meeting, and no actions have been taken on the property by the owner.

BoA Order to provide ownership documentation by July 23, 2023, Demo the 2 accessory structures by July 23, 2023, and repair Main Structure by September 23, 2023. City has obtained bids to complete the demolition.

Planning & Zoning Meeting Updates

August 22, 2023

6:00 pm



Freeport City Council

Mayor Brooks Bass, Ward B/Mayor Pro Tem Jerry Cain,
Ward A - Jeff Pena, Ward C - George Matamoros, Ward D - Winston Rossow,

Planning & Zoning Commission "P&Z"

Andrew Dill (Chair), Eric Hayes (Vice Chair), Pamela Dancy, Ron Bachman, Jim Saccomano
City Council Liaison - George Matamoros

Planning & Zoning Meeting Updates



Agenda Item: Discuss And Take Action Regarding Request For Plat Of Block 712 Subdivision A One Lot Subdivision Composed Of Lots 1-4 And 21-24 And A Portion Of A 20' Wide Alley In Block 712 Of The Velasco Townsite As Recorded In Volume 32, Page 14 Of The Brazoria County Plat Records In The Christian Henniger Survey Abstract 211 And The Samuel Angier Survey Abstract 8 Brazoria County, Texas

This property is located at 1423 N. Ave J between Sweeny and Skinner Street inside of the Freeport City Limits. The owner is replating the current existing 8 lots into 1 lot for commercial use. The property is currently zoned Commercial C-2.

Planning & Zoning Voted to Approve Replat, upon agreement from Council to allow owner to purchase Alley from the City of Freeport.

Planning & Zoning Meeting Updates



Agenda Item: Discuss possible modifications to the Sign Ordinance.

The Sign Ordinance has been a topic of discussion and needs revision. Samples from other cities were given for review and consideration. Items that are desired by businesses, but some are currently not allowed per ordinance:

- Banners
- Flags/Spinners/Pennants
- Temporary or Limited Duration Signs
- Billboards
- Digital/LED Message Centers
- Personal Expression/Free Speech Signs
- Signs specific to Commercial vs Residential Zones
- Size of Signs is limited to 66 square feet; more area has been requested.

**Planning & Zoning recommended a Steering Committee be formed,
with representatives from P&Z, Main Street, EDC, and local
businesses.**

Planning & Zoning Upcoming Agenda Items



25 Foot Lots

Continued discussion to allow construction of Single-Family Houses on Single
25-Foot Lots

Shipping Containers

Possible Ordinance to allow for Shipping Containers as Temporary or
Permanent Storage Units with certain restrictions